

**TAUNTON ELECTRICAL SERVICES LTD**

**COMPANY NUMBER 2849975**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

Directors:

C Winter (Chairman)  
A Rainger  
M J Foden (Resigned 31 December 2000)

Secretary:

J H Waggott

Registered Office:

Tauntfield  
South Road  
Taunton  
Somerset  
TA1 3ND



## **TAUNTON ELECTRICAL SERVICES LTD**

### **DIRECTORS' REPORT**

The Directors submit herewith their report and financial statements for the year ended 31 December 2000.

#### **Principal Activity**

The company's principal activity during the year was that of electrical contracting.

#### **Directors and their Interests**

The Directors who served during the year were:

C Winter  
A Rainger  
M J Foden (Resigned 31 December 2000)

No director was beneficially interested in the shares of the company at any time during the year nor, with the exception of the company's holding company, in the shares of any other company in the group. Interests of directors in the holding company are disclosed in the financial statements of that company.

#### **Directors' Responsibilities**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**TAUNTON ELECTRICAL SERVICES LTD**

**DIRECTORS' REPORT** - Continued

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint Messrs Amherst & Shapland as Auditors will be put to the members at the Annual General Meeting.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J H Waggott', with a long horizontal flourish extending to the left.

J H Waggott  
Secretary.

9 April 2001

**AUDITORS' REPORT TO THE MEMBERS OF**  
**TAUNTON ELECTRICAL SERVICES LTD**

We have audited the financial statements on pages 1 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 3.

Respective responsibilities of directors and auditors

As described in their report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

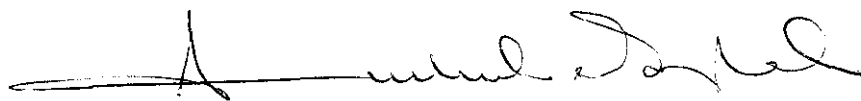
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Amherst & Shapland  
Chartered Accountants  
Registered Auditors  
Castle Lodge  
Castle Green  
Taunton  
Somerset  
TA1 4AD

9 April 2001

**TAUNTON ELECTRICAL SERVICES LTD****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000**

	Note	£	2000 £	£	1999 £
TURNOVER	1				
Continuing operations			1527036		1153623
Discontinued operations			-		(5050)
			-----		-----
			1527036		1148573
Cost of sales			1115878		826389
			-----		-----
GROSS PROFIT			411158		322184
Administrative expenses			338849		257745
			-----		-----
OPERATING PROFIT/(LOSS)	2				
Continuing operations		72309		81489	
Discontinued operations		-		(17050)	
		-----		-----	
			72309		64439
Interest Receivable			455		-
Interest Payable	4		(3971)		(7304)
			-----		-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			68793		57135
Taxation on Profit on ordinary activities	5		-		3357
			-----		-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			68793		53778
RETAINED PROFIT BROUGHT FORWARD			72349		18571
			-----		-----
RETAINED PROFIT CARRIED FORWARD			£141142		£72349
			=====		=====

There are no recognised gains or losses other than the profit for the year.

The notes on Pages 3 to 8 form part of these financial statements.

**TAUNTON ELECTRICAL SERVICES LTD****BALANCE SHEET AS AT 31 DECEMBER 2000**

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets			
Plant, Vehicles and Equipment	6	50855	44916
<b>TOTAL FIXED ASSETS</b>		<u>50855</u>	<u>44916</u>
<b>CURRENT ASSETS</b>			
Stocks and Work in Progress	7	1320	1155
Debtors	8	525410	508555
Cash at bank and in hand		196	100
		<u>526926</u>	<u>509810</u>
<b>CREDITORS - Amount falling due within one year</b>	9	<u>420639</u>	<u>466377</u>
<b>NET CURRENT ASSETS</b>		<u>106287</u>	<u>43433</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>157142</u>	<u>88349</u>
<b>CREDITORS - Amounts falling due after more than one year</b>	10	-	-
<b>NET ASSETS</b>		<u>£157142</u>	<u>£88349</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital			
Equity share capital	12	16000	16000
Profit and loss account		141142	72349
<b>SHAREHOLDERS' FUNDS</b>	11	<u>£157142</u>	<u>£88349</u>

The financial statements have been prepared in accordance with (I) the special provisions of Part VII of the Companies Act 1985 relating to small companies and (ii) the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the Board of Directors on 9 April 2001.

C Winter

)

) Directors

A Rainger

)

The notes on Pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000****1. ACCOUNTING POLICIES****Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

**Depreciation**

Depreciation is provided on all tangible fixed assets to write off the cost less estimated residual value of each asset over its expected useful economic life, and is calculated at the following annual rates:

Motor vehicles	30% on reducing balance
Plant, machinery and office equipment	20% on reducing balance
Computers	20% on cost

**Stocks and work in progress*****Stocks and short-term contract work in progress:***

Stocks and short-term contract work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials, labour, stores, sub-contract work, transport and machinery.

***Long-term contract work in progress:***

Long-term contract work in progress is stated at valuation, comprising total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to date, less foreseeable losses and applicable payments on account. Cost comprises direct materials, labour, stores, sub-contract work, transport and machinery.

Profit on long-term contracts is accounted for once the outcome of a contract can be assessed with reasonable certainty and is based on the appropriate stage of completion of the contract.

Provision is made for foreseeable losses on all contracts based on the loss which is currently estimated to arise over the duration of any contract, irrespective of the amount of work carried out at the balance sheet date.

Contract valuations include the value of approved variations. Where the amount to be received in respect of these variations has not been settled, valuation is based on an estimate of the most likely settlement outcome in the light of current negotiations.

Contract valuations also include claims to the extent that negotiations have reached an advanced stage and there is sufficient evidence of the acceptability of the claim in principle to the client with an indication of the amount involved also being available. Valuation is based on an estimate of the most likely settlement outcome in the light of current negotiations.

Amounts receivable on long-term contracts are included in trade debtors. The excess of the value of work done over amounts receivable is shown as amounts recoverable on contracts under the heading of debtors, and the excess of amounts receivable over the value of work done is shown as payments on account under the heading of creditors.

**Turnover**

Turnover represents the amounts invoiced, excluding valued added tax, for work completed during the period, adjusted for opening and closing work in progress.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000**  
**(Continued)**2. OPERATING PROFIT

2000	1999
£	£

This is arrived at after charging/(crediting):

Depreciation	18730	14606
Depreciation of assets held under finance leases	-	2171
Loss/(Profit) on disposal of fixed assets	3593	(499)
Auditors' remuneration	1850	1850
	=====	=====

3. DIRECTORS EMOLUMENTS

£	£
---	---

The emoluments paid to the directors comprise:

Emoluments for directors' services	44801	41066
Money purchase pension scheme contributions	1409	1329
	-----	-----
	£46210	£42395
	=====	=====

Money purchase pension scheme contributions were paid during the year in respect of one director (1999 : one)

4. INTEREST PAYABLE

2000	1999
£	£

On bank overdraft repayable within five years	3826	6555
On hire purchase obligations repayable within five years	145	734
Other	(455)	15
	-----	-----
	£3516	£7304
	=====	=====

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

2000	1999
£	£

Adjustment charge to corporation tax in earlier years	£-	£3357
	=====	=====

No United Kingdom Corporation Tax charge is expected to arise in respect of the profits for the year because of the availability of group relief and tax losses brought forward.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000**  
**(Continued)**

**6. PLANT, VEHICLES AND EQUIPMENT**

	<u>Motor vehicles</u> £	<u>Plant and Machinery</u> £	<u>Total</u> £
<u>COST</u>			
At 1 January 2000	80362	62843	143205
Additions	23885	6203	30088
Disposals	(14695)	-	(14695)
	=====	=====	=====
At 31 December 2000	89552	69046	158598
	=====	=====	=====
<u>DEPRECIATION</u>			
At 1 January 2000	45973	52316	98289
Charge for the year	15382	3348	18730
Disposals	(9276)	-	(9276)
	=====	=====	=====
At 31 December 2000	52079	55664	107743
	=====	=====	=====
<u>NET BOOK VALUE</u>			
At 31 December 2000	£37473	£13382	£50855
	=====	=====	=====
At 31 December 1999	£34389	£10527	£44916
	=====	=====	=====

Included in the above are assets held under finance lease and hire purchase contracts with cost amounting to £Nil (1999: £15990), accumulated depreciation of £Nil (1999: £9539) and net book value £Nil (1999: £6451). The depreciation charge for the year in respect of these assets was £Nil (1999: £2171).

**7. STOCKS AND WORK IN PROGRESS**

	<u>2000</u> £	<u>1999</u> £
Work in progress:		
Long-term contract balances	-	-
Short-term contracts	-	-
Stocks : raw materials and consumables	1320	1155
	=====	=====
	£1320	£1155
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000**

**(Continued)**

**8. DEBTORS**

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	341793	367316
Amounts recoverable on contracts	78047	49930
Prepayments	1402	2725
Owed by group undertakings	103573	85528
Owed by associated undertakings	398	435
Corporation tax recoverable	197	2621
	-----	-----
	£525410	£508555
	=====	=====

**9. CREDITORS: Amounts falling due within one year**

	<u>2000</u>	<u>1999</u>
	£	£
Bank overdraft	105484	88520
Trade creditors	169694	185415
Payments on account of contracts	66750	77250
Social security and other taxes	40747	51805
Hire purchase obligations	-	3387
Other creditors	7425	8456
Accruals	16150	22173
Owed to group undertakings	5309	16948
Owed to associated undertakings	9080	12423
	-----	-----
	£420639	£466377
	=====	=====

**10. CREDITORS: Amounts falling due after more than one year**

	<u>2000</u>	<u>1999</u>
	£	£
Hire purchase obligations	£ -	£ -
	=====	=====

All amounts are due within five years.

**11. SHAREHOLDERS' FUNDS**

Reconciliation of movements:

	<u>2000</u>	<u>1999</u>
	£	£
Profit for the financial year	68793	53778
Opening Shareholders' funds	88349	34571
	-----	-----
Closing Shareholders' funds	£157142	£88349
	=====	=====

The surplus on shareholders' funds relates to equity interests.

**TAUNTON ELECTRICAL SERVICES LTD****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000**  
**(Continued)**12. SHARE CAPITAL

	<u>Authorised</u> <u>2000 &amp; 1999</u>	<u>Allotted, called up,</u> <u>Issued and fully paid</u> <u>2000 &amp; 1999</u>
Ordinary shares of £1 each	£16000 =====	£16000 =====

13. PENSION SCHEME

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents the contribution payable by the company to the fund and amounted to £7378 (1999: £6036).

14. ULTIMATE PARENT UNDERTAKING

Tauntfield Limited is the ultimate parent undertaking.

15. SECURITIES

The bank borrowings are secured by a fixed charge on book debts and by a floating charge on other assets of the company.

Hire purchase and leasing obligations are secured by a fixed charge on the relevant assets.

16. FINANCIAL COMMITMENTS

At 31 December 2000 and 1999 there were no capital commitments contracted for.

17. RELATED PARTY TRANSACTIONS

The company is controlled by Tauntfield Limited, its parent company.

The company is taking advantage of the disclosure exemption conferred by Financial Reporting Standard 8, "Related Party Transactions", on the grounds that its voting shares are more than 90% controlled within the Tauntfield Group.

During the year, no contracts or transactions were entered into by the company in which the directors had a material interest.

**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000**

This schedule does not form part of the statutory financial statements:

<u>TURNOVER</u>	<u>2000</u>	<u>1999</u>
	£	£
Invoiced sales	1488419	1169308
Work in progress at end of year after adjusting payments on account and amounts recoverable on contracts	11297	(27320)
	<u>1499716</u>	<u>1141988</u>
Work in progress at beginning of year after adjusting payments on account and amounts recoverable on contracts	27320	6585
	<u>£1527036</u>	<u>£1148573</u>
<b>COST OF SALES</b>		
Purchases	655712	450951
Add raw materials stocks at beginning of year	1155	1765
	<u>656867</u>	<u>452716</u>
Less raw materials stocks at end of year	1320	1155
	<u>655547</u>	<u>451561</u>
Wages	376679	302601
Sub-contractor charges	60156	49107
Transport	30014	30404
Other direct charges	298	164
	<u>1122694</u>	<u>833837</u>
Surplus on re-charging plant, etc.	6816	7448
	<u>1115878</u>	<u>826389</u>
<b>GROSS PROFIT</b>	<u>411158</u>	<u>322184</u>
% Gross profit to turnover	<u>26.9%</u>	<u>28%</u>
ADMINISTRATION AND OTHER OPERATING EXPENSES (Page 9)	338849	257745
<b>OPERATING PROFIT</b>	<u>72309</u>	<u>64439</u>
INTEREST RECEIVABLE	455	-
INTEREST PAYABLE (Page 9)	(3971)	(7304)
	<u>68793</u>	<u>57135</u>
TAXATION ON THE PROFIT FOR THE YEAR	-	3357
<b>RETAINED PROFIT</b>	<u>68793</u>	<u>53778</u>
RETAINED PROFIT/(LOSS) BROUGHT FORWARD	72349	18571
<b>RETAINED PROFIT CARRIED FORWARD</b>	<u>£141142</u>	<u>£72349</u>

**TAUNTON ELECTRICAL SERVICES LTD****ADMINISTRATION AND OTHER OPERATING EXPENSES****FOR THE YEAR ENDED 31 DECEMBER 2000**

This schedule does not form part of the statutory financial statements:

	<u>2000</u>	<u>1999</u>
	£	£
Sick pay	422	1104
Holiday pay	13164	14049
Salaries	179126	148733
Pension, life assurance, etc	7378	7702
Insurance	15468	10063
Telephone and postage	5352	4362
Printing and stationery	4072	3859
Advertising and publications	736	1028
Subscriptions	3777	2365
Motor car expenses	15466	13294
Travelling and entertainment expenses	483	142
Audit	1850	1850
Other professional fees	2080	1483
Management charge	10536	6311
Sundry expenses	1758	843
Bad debts	39750	4180
Depreciation	18730	16777
Loss/(Profit) on sale of assets	3593	(499)
Discounts allowed, less received	(2761)	(534)
Bank charges	2330	2132
Rent and rates	10976	11205
Office equipment maintenance, hiring etc.	976	692
Training	3059	5789
Health and safety etc.	493	815
Property repairs & maintenance	35	-
	-----	-----
	£338849	£257745
	=====	=====

**INTEREST PAYABLE**

Bank overdraft	3826	6555
Other interest	-	15
Hire purchase	145	734
	-----	-----
	£3971	£7304
	=====	=====

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000**

	2000	1999
	£	£
Net cash inflow from operating activities	14910	(14178)
Returns on investment and servicing of finance		
Interest paid	3971	7304
Interest received	(455)	-
	-----	-----
Net cash (outflow) from returns on investments and servicing of finance	(3516)	(7304)
Taxation		
Corporation tax paid (including advance corporation tax)		
Investing activities		
Payments to acquire tangible fixed assets	30088	29825
Receipts from sales of tangible fixed assets	(1826)	(2349)
	-----	-----
Net cash inflow/(outflow) from investing activities	(28262)	(27476)
	-----	-----
Increase/(decrease) in cash and cash equivalents	(16868)	(48958)
	=====	=====

**NOTES TO THE CASH FLOW STATEMENT****1. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	£	£
Operating profit	72309	64439
Depreciation charges	18730	16777
(Profit) on sale of tangible fixed assets	3593	(499)
(Increase)/Decrease in stocks and work in progress	(165)	610
Decrease/(Increase) in debtors	(16855)	(222970)
(Decrease)/increase in creditors	(62702)	127465
	-----	-----
Net cash inflow from operating activities	14910	(14178)
	=====	=====

**2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD**

	£	£
Balance at beginning of year	(88420)	(39462)
Net cash inflow/(outflow)	(16868)	(48958)
	-----	-----
Balance at end of year	(105288)	(88420)
	=====	=====

**3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN ON THE BALANCE SHEET**

	2000	Change in	1999	Change in	1998
	£	Period	£	Period	£
Cash at bank and in hand	196	96	100	66	34
Bank overdrafts	(105484)	(16964)	(88520)	(49024)	(39496)
	-----	-----	-----	-----	-----
	£(105288)	£(16868)	£(88420)	£(48958)	£(39462)
	=====	=====	=====	=====	=====