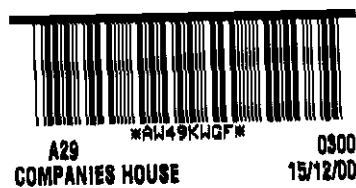


**CHN ELECTRICAL SERVICES LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST MARCH 2000**



# AUDITORS' REPORT TO CHN ELECTRICAL SERVICES LIMITED

## UNDER SECTION 247B OF THE COMPANIES ACT 1985

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We have examined the abbreviated financial statements set out on pages 2 to 4 together with the financial statements of CHN Electrical Services Limited for the period ended 31st March 2000 prepared under section 226 of the Companies Act 1985.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### Basis of opinion

We have carried out procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

*Aston Gilbert & Squire*

Aston Gilbert & Squire  
Accountants and Registered Auditors  
2nd Floor  
31 Waterloo Road  
Wolverhampton  
West Midlands  
WV1 4DJ  
21st November 2000

# CHN ELECTRICAL SERVICES LIMITED

## ABBREVIATED BALANCE SHEET

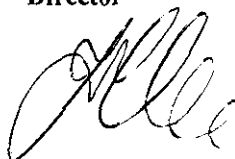
AS AT 31ST MARCH 2000

	Notes	£	2000 £	£	1999 £
<b>Fixed assets</b>	2				
Tangible fixed assets			2,198		7,241
<b>Current assets</b>					
Stock		227,533		182,466	
Debtors		64,373		38,007	
		291,906		220,473	
<b>Creditors: amounts falling due within one year</b>		(179,083)		(137,055)	
<b>Net current assets</b>			112,823		83,418
<b>Total assets less current liabilities</b>			115,021		90,659
<b>Creditors: amounts falling due after more than one year</b>			(204,435)		(219,845)
			(89,414)		(129,186)
<b>Capital and reserves</b>					
Share capital	3		1,000		1,000
Profit and loss account			(90,414)		(130,186)
<b>Shareholders' funds</b>			(89,414)		(129,186)

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These abbreviated financial statements were approved by the board on 21st November 2000 and signed on its behalf.

Mr IL Cole  
Director



# CHN ELECTRICAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2000

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### 1 Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

#### Tangible fixed assets and depreciation

Up to the year ended 31 May 1999 the depreciation was calculated to write down the cost of all tangible fixed assets by the reducing balance method over their expected useful lives as shown. From 1 June 1999 the depreciation method has changed and the assets are now being written down at 50% p.a. on a straight line basis. The company feels this reflects better, the life span of assets held at present.

	31.3.2000	31.5.1999
Plant and machinery	50% p.a.	15% p.a.
Motor vehicles	50% p.a.	25% p.a.
Fixtures and fittings	50% p.a.	15% p.a.

The difference in depreciation charged in the period amounts to £1,837.

#### Stocks

Stocks are stated at the lower of cost and net realisable value. In respect of work in progress cost includes direct materials and labour plus an attributable proportion of overhead expenses.

#### Deferred taxation

No deferred tax has been provided due to the losses available to be carried forward.

#### Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

# CHN ELECTRICAL SERVICES LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31ST MARCH 2000

### 2 Fixed assets

	Tangible fixed assets £	Total £
<b>Cost</b>		
At 1st June 1999	20,305	20,305
Disposals	(12,520)	(12,520)
<b>At 31st March 2000</b>	<b>7,785</b>	<b>7,785</b>
<b>Depreciation and amortisation</b>		
At 1st June 1999	13,064	13,064
Charge for the period	3,030	3,030
On disposals	(10,507)	(10,507)
<b>At 31st March 2000</b>	<b>5,587</b>	<b>5,587</b>
<b>Net book value</b>		
<b>At 31st March 2000</b>	<b>2,198</b>	<b>2,198</b>
<i>At 31st May 1999</i>	<i>7,241</i>	<i>7,241</i>

### 3 Share capital

	2000 £	1999 £
<b>Authorised</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000

### 4 Related parties

During the year the company sold services in the normal course of business to CHN Heating and Plumbing Services, a partnership in which Mr I Cole, Mr R Nicholls and Mr R Hopkins are partners, for £67,552. The price charged was the normal market price in the case of each individual sale. At the balance sheet date the amount due to the partnership was £10,015.

At the year end the company also owed £194,420 to CHN Northern Limited, a company in which the three partners are directors. That company will not withdraw its support within twelve months of the signing date.