

**AMS Holdings Limited**

**Directors' report and financial  
statements**

Registered number 3912000

For the year ended 31 December 2004



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

### Principal activity and business review

AMS Holdings Limited is a wholly owned subsidiary of Keller Group plc. The company is the holding company of Allied Mechanical Services Limited.

### Directors and their interests

The directors who served during the year are as follows:

Mr K Whitehouse

Mr JR Atkinson

Mr JWG Hind (appointed 28 January 2004)

Mr JR Atkinson and Mr JWG Hind are directors of the ultimate parent undertaking, Keller Group plc and their interests in that company are disclosed in its financial statements.

At 31 December 2004, the interests of Mr K Whitehouse in the ultimate holding company, Keller Group plc, were as follows:

	Ordinary shares		Share options	
	31 December 2004	1 January 2004	1994 scheme	Unapproved plan
K Whitehouse	98,661	98,328	5,000	7,500

Options under both plans are normally exercisable within three to ten years of the date of the grant.

### Auditors

In accordance with Sections 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



K Whitehouse  
Secretary

Birmingham Road  
Coventry  
CV5 9AB

18 February 2005

## **Statement of directors' responsibilities**

Company law requires the director 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 profit or loss of the company for that period. In preparing those financial statements, the director is 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 company 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**KPMG Audit Plc**

2 Cornwall Street  
Birmingham  
B3 2DL

**Independent auditors' report to the members of AMS Holdings Limited**

We have audited the financial statements on pages 4 to 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

***Basis of audit 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 the company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

18 February 2005

**Profit and loss account**  
*for the year ended 31 December 2004*

	<i>Note</i>	<b>2004</b> <b>£000</b>	2003 £000
Amounts written off investments		-	(5,273)
Amount written off intercompany balances		(15)	-
Interest payable and similar charges	2	(116)	(112)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(131)</b>	<b>(5,385)</b>
Taxation on loss on ordinary activities	3	-	34
		<hr/>	<hr/>
<b>Retained loss for the year</b>		<b>(131)</b>	<b>(5,351)</b>
		<hr/>	<hr/>

The company has no recognised gains or losses other than those disclosed in the profit and loss account.

The notes on pages 6 to 8 form part of these financial statements.

**Balance sheet**  
*at 31 December 2004*

	<i>Note</i>	<b>2004</b> <b>£000</b>	<b>£000</b>	<b>2003</b> <b>£000</b>	<b>£000</b>
<b>Current assets</b>					
Debtors	5	119		134	
Cash		4		4	
		<u>123</u>		<u>138</u>	
<b>Creditors: Amounts falling due within one year</b>	6	<u>(5,601)</u>		<u>(5,485)</u>	
<b>Net current liabilities</b>			<u>(5,478)</u>		<u>(5,347)</u>
<b>Net assets</b>			<u>(5,478)</u>		<u>(5,347)</u>
<b>Capital and reserves</b>					
Called up share capital	7	-		-	
Profit and loss account	8	<u>(5,478)</u>		<u>(5,347)</u>	
<b>Shareholders' funds</b>	9	<u>(5,478)</u>		<u>(5,347)</u>	

These financial statements were approved by the board of directors on 18 February 2005 and were signed on its behalf by:



**K Whitehouse**  
*Director*

## Notes

*(forming part of the financial statements)*

### 1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### **Basis of accounting**

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

The company is exempt by virtue of S228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Keller Group plc has provided funds to the company as and when required on an interest free and unsecured basis. The ability of the company to trade is dependent upon this support not being withdrawn. Keller Group plc have confirmed that they will not seek repayment of the funding for at least the next twelve months and that they will provide any further funding that will be necessary to enable the company to meet its obligations as they fall due.

Accordingly the directors have prepared the financial statements on a going concern basis.

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Under Financial Reporting Standard No 8, the company is exempt from the requirement to disclose transactions with entities that are part of the Keller group on the grounds that it is wholly owned by a parent undertaking which includes the company in its own published consolidated financial statements.

#### **Taxation**

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made on an undiscounted basis on all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date.

### 2 Interest payable and similar charges

	2004 £000	2003 £000
On loan notes	-	15
On other loans	116	97
	<hr/>	<hr/>
	116	112
	<hr/>	<hr/>

### 3 Taxation on profit on ordinary activities

The charge for taxation is as follows:

	2004 £000	2003 £000
UK corporation tax:		
Current year	-	(34)
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	(34)
	<hr/>	<hr/>



**Notes** *(continued)*

**3 Taxation on profit on ordinary activities** *(continued)*

**Factors affecting the tax charge for the year**

	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
Loss on ordinary activities before tax	<b>(131)</b>	<b>(5,385)</b>
Loss on ordinary activities multiplied by 30% (2003: 30%)	<b>(39)</b>	<b>(1,616)</b>
<i>Effects of:</i>		
Other expenses not deductible for tax purposes	-	1,582
Increase in losses carried forward	<b>39</b>	-
Tax credit for the year	-	<b>(34)</b>

**4 Investments**

	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
Investments in subsidiary undertaking at 1 January	<b>5,273</b>	5,273
Impairment	<b>(5,273)</b>	<b>(5,273)</b>
Investments in subsidiary undertaking at 31 December	-	-

The company owned 100% of the share capital of Allied Mechanical Services Limited, a company registered in England and Wales, whose principal activity is the provision of contract services.

**5 Debtors**

	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
Amounts owed by group undertakings	<b>51</b>	51
Corporation tax recoverable	<b>68</b>	68
Dividends receivable	-	15
	<b>119</b>	134

**6 Creditors: Amounts falling due within one year**

	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
Amounts owed to group companies	<b>5,601</b>	5,485

## Notes (continued)

### 7 Called up share capital

	2004 £000	2003 £000
<i>Authorised:</i>		
Ordinary shares of £1 each	400	400
5% Preference shares of £1 each	100	100
	<hr/> 500	<hr/> 500
<i>Called up, issued and fully paid:</i>		
2 ordinary shares of £1 each	<hr/> 2	<hr/> 2

### 8 Reserves

	Profit and loss account £000
At beginning of year	(5,347)
Retained loss for the year	(131)
At 31 December 2004	<hr/> (5,478)

### 9 Reconciliation of movements in shareholders' funds

	2004 £000	2003 £000
Profit for the financial period	(131)	(5,351)
Redemption of 5% preference shares of £1 each	-	(100)
Net movement in shareholders' funds	<hr/> (131)	<hr/> (5,451)
Opening shareholders' funds	(5,347)	104
Closing shareholders' funds	<hr/> (5,478)	<hr/> (5,347)

### 10 Ultimate parent company

The ultimate parent company is Keller Group plc, a company registered in England and Wales. Keller Group plc prepares group financial statements which include this company's financial statements. There are no other group financial statements which include the financial statements of this company. A copy of the group financial statements can be obtained from:

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 397-405 Archway Road  
 London  
 N6 4EY