

D-Tec Electrical Limited

**Directors' report and financial
statements**

Registered Number 5066192

31 March 2007

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Directors' report

The directors present their report and the financial statements of the company for the year ended 31 March 2007

Principal activities

The principal activity of the company during the year was that of electrical contracting and provision of telecom site inspection services

Results and Dividends

Loss before tax for the year ended 31 March 2007 was (£145,000) (2006 profit of £170,000) The retained loss for the year has been transferred to reserves

Directors and Directors' interests

The directors who served the company during the year were as follows

D Taylor	(resigned 10 May 2007)
N E Newton	(resigned 10 May 2007)
A J Byrnes	(resigned 10 May 2007)
D Mannix	(resigned 10 May 2007)
PG Wild	(resigned 10 May 2007)
AS George	(resigned 10 May 2007)
MJ Doran	(resigned 10 May 2007)
M D Kay	(appointed 1 April 2006)

On 10 May 2007 Peter Holliday, Jamie Clarke and Jim Clarke were appointed Directors

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company

Post balance sheet event

On 21 April 2007 the Buxton Group was sold to Clarke Telecom Limited

Disclosure of information to auditors

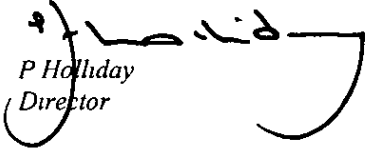
The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

On 24 May 2007 CLB Coopers resigned as auditors KPMG LLP were appointed by the directors to fill the vacancy

In accordance with Section 384 of the Companies Act 1985, a resolution for the appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board


P Holliday
Director

Partington House
Stock Lane
Chadderton
Oldham
OL9 9ER

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and the parent company financial statements in accordance with UK Accounting Standards.

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP

8 Princes Parade
Liverpool
L3 1QH

Independent auditors' report to the members of D-Tec Electrical Limited

We have audited the financial statements of D-Tec Electrical Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of D-Tec Electrical Limited

(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of the company's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP.

18 January 2008.

KPMG LLP

Chartered Accountants

Registered Auditor

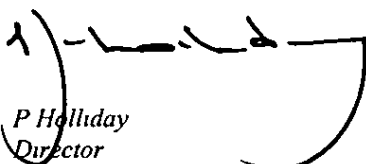
Profit and loss account
for the year ended 31 March 2007

	<i>Note</i>	2007 £000	2006 £000
Turnover		2,385	2,320
Cost of sales		(2,131)	(1,613)
		<hr/>	<hr/>
Gross profit		254	707
Administrative expenses		(399)	(537)
		<hr/>	<hr/>
Operating loss/ (profit)	2	(145)	170
Interest receivable		1	1
Other interest payable and similar charges		(1)	(1)
		<hr/>	<hr/>
(Loss)/ Profit on ordinary activities before taxation		(145)	170
Tax on profit on ordinary activities	14	5	(28)
		<hr/>	<hr/>
(Loss)/ Profit for the financial year	13	(140)	142
		<hr/>	<hr/>

Balance sheet
at 31 March 2007

	Note	2007 £000	2007 £000	2006 £000	2006 £000
Fixed assets					
Tangible assets	4		38		61
			<hr/>		<hr/>
Current assets					
Stocks		23		24	
Debtors	5	482		445	
Cash at bank and in hand		-		3	
Deferred tax asset		1		-	
		<hr/>		<hr/>	
			506		472
Creditors amounts falling due within one year	6		(397)		(244)
			<hr/>		<hr/>
Net current assets			109		228
			<hr/>		<hr/>
Total assets less current liabilities			147		289
Creditors amounts falling due after more than one year	7		4		4
			<hr/>		<hr/>
Provisions for liabilities					
Deferred taxation	8		-		2
			<hr/>		<hr/>
			143		283
			<hr/>		<hr/>
Capital and reserves					
Called up equity share capital	12		1		1
Profit and loss			142		282
			<hr/>		<hr/>
Shareholders' funds			143		283
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 16/1/08 and were signed on its behalf by


P Holliday
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

Turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

The adoption of UITF 40 'Revenue Recognition and Service Contracts' has resulted in a change in accounting policy in respect of income recognition. In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

In accordance with the provisions of UITF 40, accrued income amounting to £34,869 previously disclosed as work in progress has been reclassified in the comparative period to 31 March 2005.

Fixed assets

All fixed assets initially recorded at cost

Depreciation

Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	25% straight line
Plant & machinery	-	25% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33% straight line
Fixtures & fittings	-	20-33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Notes (continued)

1 Accounting policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line over the period of the lease

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely that not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reversed, based on tax rates and law enacted or substantively enacted at the balance sheet date

2 Operating profit

The operating profit is stated after charging

	2007 £000	2006 £000
Staff pension contributions	1	3
Depreciation of owned fixed assets	22	20
Depreciation of assets held under hire purchase agreements	3	3
Auditor's fees	6	6
	<hr/>	<hr/>

Notes (continued)

3 Directors emoluments

The director's aggregate emoluments in respect of qualifying services were

	2007 £000	2006 £000
Aggregate emoluments	50	42

4 Tangible fixed assets

	Long leasehold building £000	Plant & machinery £000	Fixture & fittings £000	Motor vehicles £000	Equipment £000	Total £000
Cost						
At start of year	7	19	14	14	37	91
Additions	-	2	-	-	2	4
Disposals	-	-	-	-	(1)	(1)
At end of year	7	21	14	14	38	94
Depreciation						
At start of year	2	7	4	4	14	31
Charge for year	2	5	4	3	11	25
At end of year	4	12	8	7	25	56
Net book value						
At 31 March 2007	3	9	6	7	13	38
At 31 March 2006	5	12	10	10	23	60

Hire purchase agreements

Included within the net book value of £60,687 is £7,650 (2006 - £10,200) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,550 (2006 - £2,550).

5 Debtors

	2007 £000	2006 £000
Trade debtors	208	173
Amounts due from group undertakings	22	81
Prepayments and accrued income	252	191
	482	445

Notes (continued)

6 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Bank loans and overdrafts	132	4
Trade creditors	203	143
Amounts owed to group undertakings	-	-
Corporation tax	-	14
PAYE and social security	46	39
VAT	(4)	12
Hire purchase agreements	-	4
Other creditors	-	2
Accruals and deferred income	20	26
	<u>397</u>	<u>244</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2007 £000	2006 £000
Bank loans and overdrafts	<u>132</u>	<u>4</u>

7 Creditors: amounts falling due after more than one year

	2007 £000	2006 £000
Hire purchase agreements	<u>4</u>	<u>4</u>

8 Deferred taxation

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007 £000	2006 £000
Excess of taxation allowances over depreciation on fixed assets	-	2
	<u>-</u>	<u>2</u>

9 Commitments under operation leases

At 31 March 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2007 £000	2006 £000
Operating lease which expire Within 1 year	<u>-</u>	<u>-</u>

Notes (continued)

10 Contingencies

The company is part to an unlimited cross guarantee in respect of Natwest bank borrowings of all other companies within the group. At the year end the balance outstanding amounted to £922,000 (2006 £372,046)

11 Related party transactions

The company was a wholly-owned subsidiary throughout the year and the previous year of Buxton Services Limited, a company under the control of its directors

The Buxton Services Limited group is exempt from preparing consolidated financial statements and in accordance with Financial Reporting Standard No. 8 the transactions with group undertakings are reported below

During the year the company entered into transactions under normal commercial terms with its parent undertaking, Buxton Services Limited and fellow subsidiary undertakings, Infrastructure Technologies Limited and RT Masts Limited, Paragon Limited, and Disastercom Limited as follows

	2007 £000	2006 £000
Charged to Infrastructure Technologies Limited	59	472
Charged to RT Masts Limited	(132)	106
Amounts provided against debt due from RT Masts Limited	43	89
Amounts provided against amounts charged to Paragon Limited	(31)	-
Amounts provided against debt amounts charged to Disastercom Limited	(50)	-

Balances outstanding at 31 March 2006 are recognised as follows

	2007 £000	2006 £000
Buxton Services Limited	1	1
Infrastructure Technologies Limited	21	80
RT Masts Limited	-	-
Paragon Limited	-	-
Disastercom Limited	-	-
	<u>22</u>	<u>81</u>

12 Share capital

Authorised share capital

	2007 £	2006 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Notes (continued)

13 Reconciliation of shareholders' fund and movements on reserves

	Share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
Balance brought forward	1	282	283
(Loss)/Profit for the year	-	(140)	(140)
	<hr/>	<hr/>	<hr/>
Balance carried forward	1	142	143
	<hr/>	<hr/>	<hr/>

14 Taxation on ordinary activities

(a) Analysis of charge in the year

	2007 £000	2006 £000
<i>Current tax</i>		
UK Corporation tax based on the results for the year at 30% (2006 30%)	-	37
Group relief	(3)	-
	<hr/>	<hr/>
Tax current tax	(3)	37
<i>Deferred tax</i>		
Origination and reversal of timing differences	(2)	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	(5)	37
	<hr/>	<hr/>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 30%)

	2007 £000	2006 £000
Profit on ordinary activities before taxation	(145)	177
	<hr/>	<hr/>
Profit on ordinary activities by the rate of tax	(44)	53
Expenses not deductible for tax purposes	1	1
Depreciation in excess of capital allowances	3	3
Other short term timing differences	37	(20)
	<hr/>	<hr/>
Total current tax (note 8(a))	(3)	37
	<hr/>	<hr/>

15 Ultimate parent company

D-Tec Electrical is a wholly owned subsidiary of Buxton Services Limited. No one individual has overall control over Buxton Services Limited. Copies of the financial statements are available from The Register of Companies, Companies Registration Office, Crown Way, Mandy, Cardiff, CF4 3UZ.

16 Post balance sheet event

On 21 April 2007 the Buxton Group was sold to Clarke Telecom Limited, a company incorporated in England and Wales