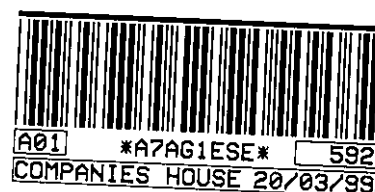


**EASTERN ELECTRICAL
SERVICES LIMITED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 1998**



EASTERN ELECTRICAL SERVICES LIMITED

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EASTERN ELECTRICAL SERVICES LIMITED

Company Information

| | |
|--------------------------|--|
| Directors | G B Gundry D J Hawthorne R McGee |
| Secretary | Mrs B A Hawthorne |
| Company Number | 03196441 (England and Wales) |
| Registered Office | 4 The Eddies Oulton Broad Lowestoft Suffolk |
| Accountants | J C Marjoram & Co Registered Auditors and Chartered Accountants Progress House Church Road Gorleston Norfolk |
| Bankers | NatWest 53 London Road North Lowestoft Suffolk |

EASTERN ELECTRICAL SERVICES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MAY 1998

Report of the directors

The directors have pleasure in presenting their report and financial statements for the year ended 31 May 1998.

Principal activities

The principal activity of the company throughout the year was that of electrical engineers and contractors.

Directors and their interests

The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company at the beginning and end of the year, were as follows:

| | Ordinary £1 Shares 31 May 1998 | Ordinary £1 Shares 31 May 1997 |
|---------------|---|---|
| G B Gundry | 1 | 1 |
| D J Hawthorne | 1 | 1 |
| R McGee | 1 | 1 |

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Registered Office:
4 The Eddies
Oulton Broad
Lowestoft
Suffolk

By Order of the Board



Mrs B A Hawthorne
Secretary

Date: 30 September 1998

EASTERN ELECTRICAL SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES & ACCOUNTANTS REPORT

Statement of the 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 profit or loss of the company 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safe-guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Accountants report to the members on the Unaudited Accounts of Eastern Electrical Services Limited

We report on the accounts for the year ended 31 May 1998 set out on pages 4 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities.

Respective responsibilities of directors and reporting accountants

As described above, the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

EASTERN ELECTRICAL SERVICES LIMITED

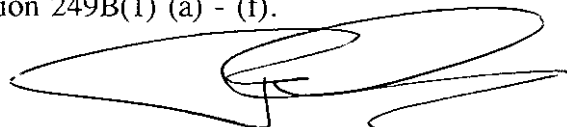
DIRECTORS' RESPONSIBILITIES & ACCOUNTANTS REPORT

Opinion

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in the accounting records:
 - (i) the accounts have been drawn up in a manner consistent with provisions specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the requirement for exemption from an audit of the accounts for the year as specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1) (a) - (f).

Progress House
Church Road
Gorleston
Gt Yarmouth
Norfolk
NR31 6NS



J C MARJORAM & CO
Registered Auditors
and Chartered Accountants

Date: 30 September 1998

EASTERN ELECTRICAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 1998

| | Notes | 1998 £ | 1997 £ |
|--|-------|--------------|------------|
| Turnover | 2 | 111,067 | 70,786 |
| Cost of Sales | | (38,345) | (22,899) |
| Gross Profit | | 72,722 | 47,887 |
| Net Operating expenses | 3 | (38,613) | (26,645) |
| Operating Profit | 4 | 34,109 | 21,242 |
| Interest receivable and similar income | | 274 | 129 |
| Interest payable & similar charge | | <u>-</u> | <u>-</u> |
| Profit on ordinary activities before taxation | | 34,383 | 21,371 |
| Taxation | 6 | (7,233) | (5,028) |
| Profit for the financial year | | 27,150 | 16,343 |
| Dividends on equity shares | 7 | (25,500) | (16,200) |
| Retained profit for the financial year | 8 | <u>1,650</u> | <u>143</u> |

EASTERN ELECTRICAL SERVICES LIMITED

BALANCE SHEET AS AT 31 MAY 1998

| | Notes | 1998 | 1997 |
|---|-------|-----------------|-----------------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible Assets | 9 | 12,279 | 11,104 |
| Current Assets | | | |
| Stock | 10 | 4,067 | 1,325 |
| Debtors | 11 | 2,382 | 3,691 |
| Cash at bank and in hand | | <u>23,268</u> | <u>15,484</u> |
| | | 29,717 | 20,500 |
| Creditors: amounts falling due within one year | 12 | <u>(39,564)</u> | <u>(31,295)</u> |
| Net Current Assets/(Liabilities) | | <u>(9,847)</u> | <u>(10,795)</u> |
| Total Assets less Current Liabilities | | 2,432 | 309 |
| Provisions for liabilities and charges | | | |
| Deferred Tax | 13 | <u>(636)</u> | <u>(163)</u> |
| Net Assets | | <u>1,796</u> | <u>146</u> |
| Capital and Reserves | | | |
| Called up share capital | 15 | 3 | 3 |
| Profit and Loss Account | 8 | <u>1,793</u> | <u>143</u> |
| | | <u>1,796</u> | <u>146</u> |

EASTERN ELECTRICAL SERVICES LIMITED

BALANCE SHEET AS AT 31 MAY 1998

The directors confirm that:

- (a) for the year in question the company was entitled to exemption under subsection (1) of section 249(A) of the Companies Act 1985,
- (b) no notice has been deposited under section 249B(2) in relation to its accounts for the financial year, and
- (c) they acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Fincial Reporting Standard for Smaller Entities.

Approved by the board on 30 September 1998



D Hawthorne
Director

EASTERN ELECTRICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

1. Accounting Policies

(a) *Accounting convention*

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

(b) *Depreciation*

Depreciation on fixed assets is provided at rates estimated to write off the cost less estimated residual value, of each assets over its expected useful life as follows:

| | |
|---------------------|----------------------|
| Plant and machinery | 15% reducing balance |
| Motor Vehicles | 20% reducing balance |

(c) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

(d) *Turnover*

Turnover represents the invoiced value of goods sold/services provided net of value added tax.

(e) *Deferred taxation*

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

2. Turnover

The company has derived none of its turnover from supplying geographical markets outside the UK.

3. Net Operating Expenses and Comparative details

| Net Operating expenses: | 1998 | 1997 |
|-------------------------|------------|--------------|
| Administrative expenses | (39,007) | (28,372) |
| Other operating income | <u>394</u> | <u>1,727</u> |
| | (38,613) | (26,645) |

EASTERN ELECTRICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

| | | | |
|-----------|--|--------------------------------|---------------|
| 4. | Operating Profit | 1998 | 1997 |
| | Operating profit is stated after charging: | | |
| | Depreciation: | | |
| | Owned tangible fixed assets | <u>3,525</u> | <u>2,668</u> |
| 5. | Directors Emoluments | 1998 | 1997 |
| | Directors Emoluments | <u>9,720</u> | <u>8,991</u> |
| 6. | Taxation | 1998 | 1997 |
| | Over provision 1997 | 1 | - |
| | Corporation tax is based on the results for the year at the rate of 21 % | 6,759 | 4,865 |
| | Deferred taxation | <u>473</u> | <u>163</u> |
| | | <u>7,233</u> | <u>5,028</u> |
| 7. | Dividends | 1998 | 1997 |
| | Paid | <u>25,500</u> | <u>16,200</u> |
| 8. | Shareholders Funds | Profit and Loss Account | |
| | | £ | |
| | Balance at 31 May 1997 | 143 | |
| | Transfer from profit and loss account | <u>1,650</u> | |
| | Balance at 31 May 1998 | <u>1,793</u> | |

EASTERN ELECTRICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

| 9. Tangible assets | Plant & Equipment £ | Motor Vehicles £ | Total £ |
|-----------------------|---------------------------|------------------------|----------------|
| Cost | | | |
| At 31 May 1997 | 1,722 | 12,050 | 13,772 |
| Additions | 1,650 | 4,800 | 6,450 |
| Disposals | <u>-</u> | <u>(3,000)</u> | <u>(3,000)</u> |
| At 31 May 1998 | <u>3,372</u> | <u>13,850</u> | <u>17,222</u> |
| Depreciation | | | |
| At 31 May 1997 | 258 | 2,410 | 2,668 |
| Charge for year | 467 | 3,058 | 3,525 |
| Disposals | <u>-</u> | <u>(1,250)</u> | <u>(1,250)</u> |
| At 31 May 1998 | <u>725</u> | <u>4,218</u> | <u>4,943</u> |
| Net Book Value | | | |
| At 31 May 1998 | <u>2,647</u> | <u>9,632</u> | <u>12,279</u> |
| At 31 May 1997 | <u>1,464</u> | <u>9,640</u> | <u>11,104</u> |

| | | |
|--|---------------|---------------|
| 10. Stocks | 1998 | 1997 |
| Stocks | <u>4,067</u> | <u>1,325</u> |
| 11. Debtors | 1998 | 1997 |
| | £ | £ |
| Trade debtors | <u>2,382</u> | <u>3,691</u> |
| 12. Creditors: amounts due within one year | 1998 | 1997 |
| | £ | £ |
| Trade creditors | 3,216 | 2,595 |
| Directors current accounts | 27,292 | 22,853 |
| Corporation tax | 6,759 | 4,865 |
| Other taxes and social security | 1,547 | 832 |
| Accruals and deferred income | <u>750</u> | <u>150</u> |
| | <u>39,564</u> | <u>31,295</u> |

EASTERN ELECTRICAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

13. Provision for Liabilities and charges

| | |
|--|------------|
| Balance brought forward | 163 |
| Amounts transferred from the profit and loss account in the year | <u>473</u> |
| Balance carried forward | <u>636</u> |

Included in the above in respect of deferred taxation is the following:

| | 1998 | | 1997 | |
|--------------------------------|-----------------|---------------------|-----------------|---------------------|
| | Amount provided | Potential liability | Amount provided | Potential liability |
| Accelerated capital allowances | <u>636</u> | <u>636</u> | <u>163</u> | <u>163</u> |

14. Capital Commitments

There were no capital commitments at the year end.

15. Called Up Share Capital

| | 1998 | 1997 |
|---|--------------|--------------|
| Authorised 1000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Called up, allotted and fully paid | <u>3</u> | <u>3</u> |

16. Directors' Interests in Contracts

The directors had no material interest in any contract conducted by the company during the year.

17. Contingent Liabilities

There were no contingent liabilities at the year end.

EASTERN ELECTRICAL SERVICES LIMITED

**MANAGEMENT INFORMATION
BASED ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 1998**

EASTERN ELECTRICAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 1998

| | | 1998 | | 1997 |
|--------------------------------|-----------------|---------------|-----------------|---------------|
| | £ | £ | £ | £ |
| Sales | | 111,067 | | 70,786 |
| Cost of Sales | | | | |
| Opening Stock | 1,325 | | - | |
| Purchases | <u>41,087</u> | | <u>24,224</u> | |
| | 42,412 | | 24,224 | |
| Less Closing stock | <u>(4,067)</u> | <u>38,345</u> | <u>(1,325)</u> | <u>22,899</u> |
| Gross Profit | | 72,722 | | 47,887 |
| Other operating income | | <u>394</u> | | <u>1,727</u> |
| | | 73,116 | | 49,614 |
| Administrative Expenses | | | | |
| Directors Remunerataion | | | | |
| D Hawthorne | 3,240 | | 2,997 | |
| R McGee | 3,240 | | 2,997 | |
| G Gundry | 3,240 | | 2,997 | |
| Pension Contributions | 1,000 | | - | |
| Directors National Insurance | 292 | | 270 | |
| Salaries | 5,228 | | 488 | |
| Telephone | 2,492 | | 2,566 | |
| Courses | 233 | | 1,141 | |
| Subscriptions | 640 | | 246 | |
| Adverts | 4,920 | | 2,523 | |
| Stationery and postage | 1,424 | | 1,452 | |
| Insurance | 743 | | 666 | |
| Motor and Travelling | 5,046 | | 4,155 | |
| Accountancy | 750 | | 400 | |
| Sundries | 169 | | 622 | |
| Depreciation | 3,525 | | 2,668 | |
| Bank Charges | 286 | | 20 | |
| Light and heat | 905 | | 666 | |
| Equipment Expenses | 1,528 | | 1,498 | |
| Bad Debts | <u>106</u> | <u>39,007</u> | <u>-</u> | <u>28,372</u> |
| Operating profit | | 34,109 | | 21,242 |
| Bank interest receivable | | 274 | | 129 |
| Bank interest payable | | <u>-</u> | | <u>-</u> |
| Profit before taxation | | <u>34,383</u> | | <u>21,371</u> |