

IRTE SERVICES LIMITED

Annual Report and Financial Statements

For the year ended 30 June 2002



Registered in England No. 2854868

IRTE SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

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IRTE SERVICES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2002

Statement of Directors' Responsibilities


We are required under company law 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 year.

In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

On behalf of the Board


Director

19 September 2002

THE DIRECTORS submit their report and the Financial Statements for the year ended 30 June 2002.

Principal activity

The principal activity of the Company is to conduct trading activities in support of the registered charity, The Society of Operations Engineers.

Review of Business

The directors consider that the state of affairs is satisfactory.

The profit after taxation of £835 for the year (2001 - loss £4097) has been taken to reserves.

Directors

The directors who served during the year are Messrs B K Airton, P H Green(resigned 21 February 2002), W F Houston, P J Iddon, M J Sutton (appointed 16 March 2002) and B L Veale.

None of the directors have held any shares in the Company during the year ended 30 June 2002.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Cashflow Statement

The company is exempt from the requirement to produce a cashflow statement on the grounds that it is a small company.

This 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 H WATSON
Company Secretary

19 September 2002
22 Greencoat Place, London SW1P 1PR

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRTE SERVICES LIMITED

We have audited the financial statements of IRTE Services Limited for the year ended 30 June 2002, set out on pages 4 to 7. These financial statements have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 Directors' Report is not consistent with the financial statements, the company has not kept proper accounting records, we have not received all the information and explanations we require for our audit, or information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the annual report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

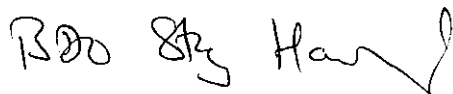
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the Company's affairs as at 30 June 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

Chartered Accountants and
Registered Auditors
Epsom, Surrey

5 November 2002

IRTE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2002 £	2001 £
Turnover	2	904,839	1,069,824
Cost of sales		<u>136,320</u>	<u>304,164</u>
Gross Profit		768,519	765,660
Administrative expenses		<u>284,791</u>	<u>315,635</u>
Operating Profit	3	483,728	450,025
Interest receivable	4	<u>7,107</u>	<u>11,973</u>
Profit on ordinary activities		490,835	461,998
Gross gift aid donation to the Society		490,000	471,000
Profit/(Loss) on ordinary activities before Tax		<u>835</u>	<u>(9,002)</u>
Tax on ordinary activities	5	0	4,905
Profit/(Loss) for the year		<u><u>835</u></u>	<u><u>(4,097)</u></u>

There are no recognised gains and losses in 2002 and 2001 other than the Profit/(Loss) for those years.

The above results are all in respect of continuing operations.

The reconciliation of shareholders' funds is shown in note 13.

The notes on pages 6 and 7 form part of these accounts.

IRTE SERVICES LIMITED

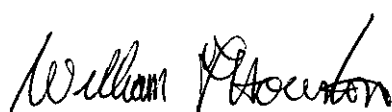
BALANCE SHEET AS AT 30 JUNE 2002

		30.06.02 £	30.06.01 £
	Notes		
Fixed Assets			
Tangible assets	6	<u>-</u>	<u>-</u>
Current Assets			
Stocks	7	1,790	764
Debtors	8	336,437	199,178
Cash at bank and in hand	9	<u>515,787</u>	<u>341,906</u>
		854,014	541,848
Creditors			
Amounts falling due within one year	10	<u>544,690</u>	<u>233,359</u>
Net Current Assets		<u>309,324</u>	<u>308,489</u>
Net Assets		<u><u>309,324</u></u>	<u><u>308,489</u></u>
Capital & Reserves			
Called up Share Capital	11	100	100
Profit and Loss Account	12	<u>309,224</u>	<u>308,389</u>
Shareholders' funds - equity interests	13	<u><u>309,324</u></u>	<u><u>308,489</u></u>

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

The notes on pages 6 and 7 form part of these accounts.

The Financial Statements on pages 4 to 7 were approved by the Board of Directors on 19 September 2002 and signed on its behalf by:



W F HOUSTON
Director



B L VEALE
Director

IRTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

1. Accounting Policies

- i) The accounts are prepared under the historical cost convention.
- ii) The Company has taken advantage of the exemption conferred by the Financial Reporting Standard 1 'Cash Flow Statements (revised 1996)' not to prepare a cash flow statement on the grounds that it is a "small" company under the Companies Act 1985.
- iii) Stocks and work in progress are stated at the lower of cost and net realisable value.
- iv) The Company has depreciated assets over three years on a straight line basis calculated to write off the cost of the fixed assets less any residual value over their useful economic lives.
- v) The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of its related party transactions with other group companies.

2. Turnover

Turnover represents the invoiced value of goods and services supplied excluding Value Added Tax. It is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

	2002 £	2001 £
3. Operating profit		
This is stated after charging :		
Auditors' remuneration	1,500	1,032
Depreciation of owned assets	0	11,424
Exceptional Item	0	18,697
	<u>1,500</u>	<u>18,697</u>
4. Interest receivable		
Bank Interest	7,041	11,973
Interest on Tax refund	66	0
	<u>7,107</u>	<u>11,973</u>
5. Tax on ordinary activities		
Corporation tax at current rates	<u>0</u>	<u>4,905</u>
6. Tangible assets - computer equipment		
Cost		
Cost at start of the year	57,120	57,120
Additions	0	0
Cost at end of the year	<u>57,120</u>	<u>57,120</u>
Depreciation		
Depreciation at start of the year	57,120	26,999
Exceptional Item	0	18,697
Charge for the year	0	11,424
Depreciation at end of the year	<u>57,120</u>	<u>57,120</u>
Net book value at 30 June	<u>0</u>	<u>0</u>

IRTE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

	2002 £	2001 £
7. Stocks		
Goods for resale	<u>1,790</u>	<u>764</u>
8. Debtors		
Trade debtors	206,437	194,273
Corporation tax	-	4,905
Prepayments and accrued income	<u>130,000</u>	<u>-</u>
	<u>336,437</u>	<u>199,178</u>
9. Cash at bank and in hand		
Treasury Reserve	475,000	310,000
Deposit and current accounts	40,711	31,843
Cash in hand	<u>76</u>	<u>63</u>
	<u>515,787</u>	<u>341,906</u>
10. Creditors : amounts due within one year		
Trade creditors	692	875
Amounts owed to group companies	531,902	221,000
Other creditors	0	9,984
Accruals	<u>12,096</u>	<u>1,500</u>
	<u>544,690</u>	<u>233,359</u>
11. Called Up Share Capital		
Authorised, issued and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
12. Profit and Loss Account		
Balance at start of the year	308,389	312,486
Net Profit/(Loss) for the year	<u>835</u>	<u>(4,097)</u>
Balance at end of the year	<u>309,224</u>	<u>308,389</u>
13. Reconciliation of Movements in Shareholders' Funds		
Opening shareholders' funds	308,489	312,586
Net Profit/(Loss) for the year	<u>835</u>	<u>(4,097)</u>
Closing shareholders' funds	<u>309,324</u>	<u>308,489</u>
14. Ultimate Holding Company		
The ultimate holding company at 30 June 2002 is The Society of Operations Engineers, a registered charity (No. 1081753) incorporated in England (Company No. 3667147).		