



PRICE BAILEY
Chartered Accountants

MECHANICAL AND ELECTRICAL SERVICES

(SPECIAL PROJECTS) LIMITED

COMPANY REGISTRATION NO. 2511554

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1996



Offices at:

Bishop's Stortford Cambridge Chingford Ely Harlow Newmarket Norwich
Saffron Walden

A member of The UK 200 Group, an association of independent practising Chartered Accountants

**AUDITORS' REPORT TO THE DIRECTORS OF
MECHANICAL AND ELECTRICAL SERVICES (SPECIAL PROJECTS) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the full financial statements of Mechanical & Electrical Services (Special Projects) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 October 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 October 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other information

As of today's date we reported, as auditors of Mechanical & Electrical Services (Special Projects) Limited, to members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention and the accounting policies as set out in note 1.

AUDITORS' REPORT TO THE DIRECTORS OF
MECHANICAL AND ELECTRICAL SERVICES (SPECIAL PROJECTS) LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985 (CONTINUED)

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 any 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 October 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

CAUSEWAY HOUSE
1 DANE STREET
BISHOP'S STORTFORD
HERTFORDSHIRE



PRICE BAILEY
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
30 APRIL 1997

MECHANICAL AND ELECTRICAL SERVICES (SPECIAL PROJECTS) LIMITED

ABBREVIATED BALANCE SHEET AT 31 OCTOBER 1996

	Notes		1995
FIXED ASSETS			
Tangible assets	2	70,664	74,133
CURRENT ASSETS			
Debtors		184,440	249,884
Cash at bank and in hand		1,415	31,748
		<u>185,855</u>	<u>281,632</u>
CREDITORS - amounts falling due within one year		<u>246,526</u>	<u>345,905</u>
EXCESS OF CURRENT LIABILITIES OVER CURRENT ASSETS		(60,671)	(64,273)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,993</u>	<u>9,860</u>
CREDITORS - amounts falling due after more than one year		4,062	3,992
		<u>£ 5,931</u>	<u>£ 5,868</u>
CAPITAL AND RESERVES			
Called up share capital	4	26	26
Profit and loss account		5,905	5,842
Equity shareholders funds		<u>£ 5,931</u>	<u>£ 5,868</u>

DIRECTORS' STATEMENT

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8.
- (b) In the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company.

Approved by the board on

J J Reading
 J J Reading Esq
 Director

24.4.97

The notes on pages 4 to 6 form part of these financial statements.

MECHANICAL AND ELECTRICAL SERVICES (SPECIAL PROJECTS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Accounting convention and standards

The financial statements are prepared under the historical cost convention in accordance with applicable statements of standard accounting practice and financial reporting standards.

Turnover

Turnover represents the amount applied for in respect of contract services provided, (stated net of value added tax).

Depreciation

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

Motor vehicles	25% per annum on the reducing balance
Plant & equipment	25% per annum on the reducing balance
Leasehold land	Amortised over the life of the lease on a straight line basis

Work in progress

Contract work in progress is stated at the aggregate cost of materials, labour and other costs directly attributable, less amounts allocated as cost of sales and any provisions which may be necessary to reduce the remaining carrying amount to net realisable value.

Amounts recoverable on contracts

Uninvoiced amounts applied for, to the extent that they do not exceed the valuation of contract work done, are included in turnover and disclosed as amounts recoverable on contracts.

Deferred taxation

Deferred taxation is calculated using the liability method on timing differences between amounts as computed for taxation purposes and amounts as stated in these financial statements in conjunction with losses carried forward.

Leasing and hire purchase commitments

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating agreements are charged to income as incurred.

Rentals receivable under operating agreements are recognised as income when receivable.

MECHANICAL AND ELECTRICAL SERVICES (SPECIAL PROJECTS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

2. TANGIBLE FIXED ASSETS

	Leasehold Land and Buildings	Plant and Equipment	Motor Vehicles	Total
Cost:				
At 1 November 1995	21,252	54,991	56,543	132,786
Additions	-	-	25,100	25,100
Disposals	-	(19,070)	(8,044)	(27,114)
At 31 October 1996	<u>£ 21,252</u>	<u>£ 35,921</u>	<u>£ 73,599</u>	<u>£ 130,772</u>
Depreciation:				
At 1 November 1995	1,382	35,460	21,811	58,653
Charge for the year	553	3,437	13,678	17,668
Eliminated on disposals	-	(13,288)	(2,925)	(16,213)
At 31 October 1996	<u>£ 1,935</u>	<u>£ 25,609</u>	<u>£ 32,564</u>	<u>£ 60,108</u>
Net book value:				
At 31 October 1996	<u>£ 19,317</u>	<u>£ 10,312</u>	<u>£ 41,035</u>	<u>£ 70,664</u>
At 31 October 1995	<u>£ 19,870</u>	<u>£ 19,531</u>	<u>£ 34,732</u>	<u>£ 74,133</u>

Leased assets and assets acquired under hire purchase contracts

The net book value of tangible assets includes the following amounts relating to assets held under finance leases and hire purchase contracts:

	1995	
Motor vehicles	£ 22,106	£ 18,637

Depreciation charged for the year on tangible assets includes the following amounts relating to assets held under finance leases and hire purchase contracts:

	1995	
Motor vehicles	£ 7,369	£ 6,212

All motor vehicles are used under operating lease by third parties.

MECHANICAL AND ELECTRICAL SERVICES (SPECIAL PROJECTS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

3. SECURED LIABILITIES

Liabilities under finance leases and hire purchase contracts amounting to £14,544 (1995 £12,037) are secured on specific fixed assets of the company as disclosed in note 2.

4. SHARE CAPITAL

	No.	1995 No.
Authorised		
Ordinary shares of £1 each	199,900	199,900
'A' ordinary share of £1 each	100	100
	<u>200,000</u>	<u>200,000</u>
Allotted, called up and fully paid		
Share capital ordinary	20	20
Share capital 'A' ordinary	6	6
	<u>£ 26</u>	<u>£ 26</u>

5. TRANSACTIONS WITH DIRECTORS

The company uses the services of Mechanical and Electrical Services Limited, a company with common directors and shareholders, as sub-contractors on a commercial basis. Purchases from this company amounted to £647,596 (1995, £1,202,667) during the year, and creditors due to this company at the year end were £209,939 (1995, £306,561).

The company's fixed assets are leased to Mechanical and Electrical Services Limited on short term operating leases. Income for the year amounted to £21,269 (1995, £16,560).

Management services are provided by Mechanical and Electrical Services Limited on a commercial basis, and amounted to £78,850 (1995, £111,000) for the year.

Other creditors represents a short-term loan to Mechanical and Electrical Services Limited.