

DRAKE & SCULL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2002**



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COMPANIES HOUSE		28/10/03
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Kew Bridge Road
Kew Bridge
Middlesex
TW8 0HF**

Drake and Scull Holdings Limited

Directors' Report for the year ended 31 December 2002

The Directors present their annual report and financial statements for the year ended 31 December 2002.

Business Review

The Company has historically acted as an investment holding company. The Company did not trade during the year ended 31 December 2002 and currently does not hold any investments and is expected to remain dormant for the foreseeable future.

Directors and Directors' Interests

The Directors of the Company who served during the year are:

FT MacInnis	
NJ Critchlow	(Retired 31 August 2003)
MK Davis	(Retired 1 March 2003)
CRJ Goscomb	(Resigned 31 July 2003)

In addition, AR Wale and BJ Davies were appointed directors on 28 July 2003.

The Directors had no interest in the shares of the Company, had derived no special financial benefits, nor had any material contracts with the Company during the year. As the Company's ultimate parent company is registered outside the United Kingdom, there is no requirement to detail the interests of Directors in EMCOR Group, Inc. at 31 December 2002.

Auditors

Arthur Anderson resigned during the year and Ernst & Young LLP were appointed to fill the casual vacancy. Ernst & Young LLP have expressed their willingness to continue in office as auditors. A resolution in respect of auditors will be proposed at the Annual General Meeting.

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;
- state whether applicable accounting standards have been followed; and
- 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. They 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.

By Order of the Board



ML Walker
Secretary
14 October 2003

Drake and Scull Holdings Limited

Independent Auditors' Report to the Members of Drake and Scull Holdings Limited

We have audited the financial statements of Drake and Scull Holdings Limited for the year ended 31 December 2002 which comprise the Company Balance Sheet and the related Notes 1 to 7. 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 auditors' 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 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.

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, 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 directors' remuneration and transactions with the company 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.

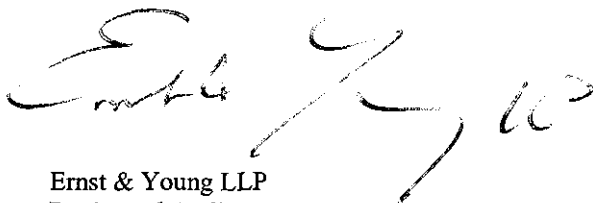
Basis of Audit Opinion

We conducted our audit in accordance with 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 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 affairs of the Company at 31 December 2002 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditors
1 More Place Road,
London, SE1 2AF

14 October 2003

Drake and Scull Holdings Limited

Balance Sheet as at 31 December 2002

	Notes	2002 £	2001 £
Current Assets			
Debtors - amount due from parent undertaking		6,655,252	6,655,252
Creditors: amounts falling due within one year	3	(230)	(230)
Net Current Assets		6,655,022	6,655,022
Net Assets		6,655,022	6,655,022
Capital and Reserves			
Share capital	4	3,866,213	3,866,213
Special reserve	5	3,133,312	3,133,312
Profit and loss account	5	(344,503)	(344,503)
Shareholders' Funds	5	6,655,022	6,655,022
Attributable to equity interests		2,971,916	2,971,916
Attributable to non-equity interests		3,683,106	3,683,106
		6,655,022	6,655,022

The financial statements on pages 3 to 5 were approved by the Board of Directors on 14 October 2003 and signed on its behalf by:

BJ Davies
Director

Drake and Scull Holdings Limited

Notes to the Financial Statements For the year ended 31 December 2002

1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

Accounting Convention

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

Trading Activities

The company did not trade during the year. Accordingly, a profit and loss account has not been prepared, and there are no recognised gains or losses in the year.

Auditors' remuneration has been borne by EMCOR Drake & Scull Group Plc, the parent undertaking, and is reflected in the financial statements of that company. No Director received any emoluments in respect of their services to this Company.

2. Taxation

a) Tax on profit on ordinary activities

The Company has no liability to current or deferred taxation, as it had no taxable income.

b) Factors affecting current tax charge

The Company has capital losses available at 31 December 2002 for future relief which amount to approximately £2.3 million (2001 - £2.1 million).

3. Creditors: amounts falling due within one year

	2002 £	2001 £
Unclaimed dividend	230	230

4. Called Up Share Capital

	Number of Shares Authorised	Authorised £	Number of Shares Issued	Allotted Issued and Fully Paid £
Ordinary Shares of 1p each	718,358,151	7,183,582	18,310,649	183,107
Deferred Shares of 1p each	18,310,649	183,106	18,310,649	183,106
'A' Ordinary Shares of £1.00 each	3,500,000	3,500,000	3,500,000	3,500,000
At 31 December 2002 and 2001	740,168,800	10,866,688	40,121,298	3,866,213

Drake and Scull Holdings Limited

Notes to the Financial Statements (continued)

4. Called Up Share Capital (continued)

The non-equity 'A' ordinary shareholders have priority in any payment of a dividend over any class of share to a fixed cumulative dividend of £5 per annum per 'A' ordinary share. In all other respects the 'A' ordinary shares rank pari passu with the equity 1p ordinary shares.

The non-equity 1p deferred shares have no voting rights, nor any rights to dividends or distributions. On a return of capital on a winding up the 1p deferred shares have the right to receive their par value after payment of all amounts due to the £1 'A' ordinary shares and the 1p ordinary shares to a maximum of £100 per 'A' ordinary share and 1p ordinary share.

5. Statement of Movements on Reserves and Shareholders' Funds

	Called-Up Share Capital	Special Reserve	Profit & Loss Account	Share- holders Funds
At 31 December 2002 and 2001	£3,866,213	£3,133,312	£(344,503)	£6,655,022

The special reserve arises on the cancellation of preference shares pursuant to a Scheme of Arrangement dated 5 November 1984. So long as there shall remain outstanding any debt or claim which, if 20 December 1984 had been the commencement of the winding up of the Company, would have been admissible in proof against it, the special reserve shall not be applied in making any distribution (other than a capitalisation issue of further shares) by way of dividend, return of capital or otherwise to any members of the Company except with the prior consent of all persons to whom any such debts or claims for the time being outstanding are due or owing.

6. Parent Undertaking

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is EMCOR Group, Inc., the ultimate parent company, incorporated in the USA, and the parent undertaking of the smallest such group is EMCOR Drake & Scull Group Plc, registered in England and Wales. Copies of EMCOR Group, Inc.'s financial statements can be obtained from 301 Merritt Seven Corporate Park, 6th Floor, Norwalk, CT06851, USA. Copies of EMCOR Drake & Scull Group Plc's financial statements can be obtained from 1 Thameside Centre, Kew Bridge Road, Kew Bridge, Middlesex, TW8 0HF.

7. Charges

Under the terms of an Agreement between EMCOR Group, Inc. and its Bankers, Harris Trust and Savings Bank, the Company has granted a floating charge in favour of the Bank over its undertaking and assets. Further, though the Company has no relevant debtors, a floating charge exists over certain debtors on bonded contracts in favour of the bondsman.