

J & S ENGINEERS LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

**for the year ended
30 April 2000**

Company Number: 652243



J & S ENGINEERS LIMITED

DIRECTORS

S A Hunt
J E Hawkins

SECRETARY

V R Hemming

REGISTERED OFFICE

100 Longwater Avenue
GreenPark
Reading
RG2 6GP

AUDITORS

Arthur Andersen
20 Old Bailey
London
EC4M 7AN

BANKERS

Lloyds TSB Bank Plc
City Office
72 Lombard Street
London
EC3P 3BT

SOLICITORS

Olswang
90 Long Acre
London
WC2R 9TT

**DIRECTORS' REPORT
for the year ended 30 April 2000**

The directors present their Report and Financial Statements for the year ended 30 April 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company is a property investment company and its principal activities are the administration of the group's property and insurance matters.

SHARE CAPITAL

During the year the authorised and issued share capital remained unchanged. The beneficial ownership of the issued share capital was held by Anite Group plc.

REVIEW OF THE BUSINESS

The company will continue to act as a property holding company for properties occupied by subsidiaries of the Anite Group.

RESULTS AND DIVIDENDS

The company made a loss after tax of £1,117,000 (1999: loss £2,697,000). This amount has been transferred from reserves. The directors do not recommend the payment of a dividend during the year under review.

DIRECTORS

The directors during the year were as follows:

S A Hunt

C M Melling (resigned 04/10/99)

J E Hawkins (appointed 01/11/99)

YEAR 2000

The directors took steps to ensure that the company's computer systems and equipment are Year 2000 compliant. No failures have been experienced at this time.


DIRECTORS' INTERESTS

All the directors are directors of Anite Group plc and accordingly their interests in the share capital thereof are contained in the Directors' Report of that company. The directors do not have any interest in the share capital of the company, its holding company or any of its subsidiaries other than the interests disclosed in the Directors' Report of Anite Group plc.

AUDITORS

The company has passed an ordinary resolution appointing Arthur Andersen as auditors and by an elective resolution has and will continue to dispense with the requirement for auditors to be reappointed at each annual general meeting. Arthur Andersen will therefore remain as auditors of the company.

This report was approved by the Board on 20 OCTOBER 2000



S.A.Hunt (Director)

Registered Office: 100, Longwater Avenue, GreenPark, Reading RG2 6GP

To the Shareholders of J & S Engineers Limited

We have audited the accounts on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described below, the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the company, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 April 2000 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
20 Old Bailey, London EC4M 7AN

Date *20 October 2000*

Statement of 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, subject to any material departures disclosed and explained in the financial statements; 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.

**PROFIT AND LOSS ACCOUNT
for the year ended 30 April 2000**

	Notes	2000 £'000	1999 £'000
Turnover	2	414	399
Cost of sales		(1,450)	(3,176)
Gross loss		(1,036)	(2,777)
Administrative expenses		-	-
Operating loss	3	(1,036)	(2,777)
Interest receivable and similar income	4	1	-
Interest payable and similar charges	5	(67)	-
Loss on ordinary activities before taxation		(1,102)	(2,777)
Taxation (charge)/credit	6	(15)	80
Loss for the financial year transferred from reserves		(1,117)	(2,697)

The company has no recognised gains and losses for the year other than the results reported above.

The historical cost profit is not materially different from that reported above.

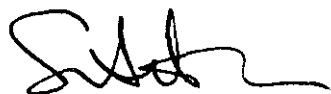
The accompanying notes are an integral part of the Profit and Loss Account.

BALANCE SHEET
at 30 April 2000

	Notes	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	7	-	1,253
CURRENT ASSETS			
Debtors	8	4,293	3,475
Cash at bank		8	-
		<u>4,301</u>	<u>3,475</u>
CREDITORS : amounts falling due within one year	9	<u>(3,014)</u>	<u>(2,324)</u>
Net current assets		1,287	1,151
Net Assets		<u>1,287</u>	<u>2,404</u>
CAPITAL AND RESERVES			
Called up share capital	10	3,457	3,457
Share premium account	11	38	38
Revaluation reserve	11	0	645
Other reserves	11	30	30
Profit and loss account	11	<u>(2,238)</u>	<u>(1,766)</u>
Equity Shareholders' Funds	12	<u>1,287</u>	<u>2,404</u>

The accompanying notes are an integral part of the Balance Sheet.

The financial statements on pages 3 to 8 were approved by the Board on 20 October 2000



S A Hunt
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings in accordance with applicable accounting standards. The company is exempt from the requirement of FRS1(revised) to present a cash flow statement because it is a wholly owned subsidiary of Anite Group plc which prepares consolidated accounts which are publicly available.

b) Basis of preparation

The company made a loss on ordinary activities before taxation of £1,102,000 (1999: loss £2,777,000) during the year ending 30th April 2000. The company is dependent on the continuing support of its parent company. The directors have received notification that the parent company will continue to support the company for one year from signing these financial statements.

On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

c) Fixed assets and depreciation

Fixed assets are shown at cost or valuation. Depreciation has been provided on the cost of fixed assets other than freehold land on a straight line basis at rates calculated to write them off over their estimated useful lives as follows:

Freehold buildings	- 50 years
Long leasehold properties (over 50 yrs)	- 50 years
Long leasehold property with short-term rent review	- period to next review

The part of the annual depreciation charge of revalued assets which relates to the surplus over cost is transferred from the revaluation reserve to the profit and loss account.

d) Deferred taxation

Deferred taxation is provided on the liability method on 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. Advance corporation tax which is expected to be recovered in the future is deducted from the deferred taxation balance.

e) Leasing and hire purchase commitments

Rentals applicable to operating leases are charged to the profit and loss account as incurred.

2. TURNOVER

Turnover, represents amounts invoiced, excluding value added tax (VAT). The turnover and result is attributable to the principal activity and relates wholly to the United Kingdom

3. OPERATING LOSS

	2000	1999
Is stated after charging:	£'000	£'000
Depreciation : owned fixed assets	51	83
Depreciation : leased fixed assets	-	7
Operating lease rentals – leased buildings	373	343
Loss on sale of fixed assets	414	-

Auditors' remuneration is borne by the parent undertaking

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000

4. INTEREST RECEIVABLE AND SIMILAR INCOME	2000 £'000	1999 £'000
Bank interest receivable	1	-
	<u>1</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES	2000 £'000	1999 £'000
On bank overdrafts	67	-
	<u>67</u>	<u>-</u>

6. TAXATION	2000 £'000	1999 £'000
The taxation charge/(credit) comprises:		
UK Corporation tax at 30% (1999:31%)	15	(50)
Adjustment in respect of prior years	-	(30)
- current taxation		
	<u>15</u>	<u>(80)</u>

7. TANGIBLE FIXED ASSETS	Land and buildings		
	Freehold £'000	Leasehold £'000	Total £'000
Cost			
At 1 May 1999	1,367	242	1,609
Additions			
Disposals	(1,367)	(242)	(1,609)
At 30 April 2000	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 May 1999	284	72	356
Charge for the year	46	5	51
Disposals	(330)	(77)	(407)
At 30 April 2000	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 30 April 2000	<u>-</u>	<u>-</u>	<u>-</u>
At 30 April 1999	<u>1,083</u>	<u>170</u>	<u>1,253</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000 (continued)

8. DEBTORS	2000 £'000	1999 £'000
Trade debtors	10	39
Amounts owed by parent undertaking and fellow subsidiary undertakings	4,293	3,434
Prepayments and accrued income	(10)	2
	<u>4,293</u>	<u>3,475</u>
Amounts falling due after more than one year and included in the debtors above are :		
Amounts owed by fellow subsidiary undertakings	<u>3,354</u>	<u>3,434</u>

9. CREDITORS: Amounts falling due within one year	2000 £'000	1999 £'000
Bank overdraft	-	2,268
Amounts owed to parent undertaking and fellow subsidiary undertakings	2,315	-
Other taxes and social security	96	9
Accruals and deferred income	588	47
Corporation tax payable	15	-
	<u>3,014</u>	<u>2,324</u>

10. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2000 Number	1999 Number	2000 £	1999 £
Ordinary Shares of 25p each	14,000,000	14,000,000	3,456,870	3,456,870

11. RESERVES	Share Premium £'000	Revaluation Reserve £'000	Other Reserves £'000	Profit and Loss account £'000
At 1 May 1999	38	645	30	(1,766)
Loss for the year	-	-	-	(1,117)
Write back revaluation reserve	-	(645)	-	645
At 30 April 2000	<u>38</u>	<u>0</u>	<u>30</u>	<u>(2,238)</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000 (continued)

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2000	1999
	£'000	£'000
Loss for the financial year	(1,117)	(2,697)
Opening shareholders' funds	2,404	5,101
Closing shareholders' funds	<u>1,287</u>	<u>2,404</u>

13. FINANCIAL COMMITMENTS

At 30 April 2000 the company had annual commitments under non-cancellable operating leases as follows :-

	2000		1999	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiry date :				
Within one year	-	-	25	-
In over five years	318	-	318	-
	<u>318</u>	<u>-</u>	<u>343</u>	<u>-</u>

14. DIRECTORS

Directors received no emoluments during the year.

15. CROSS GUARANTEES

The company has entered into an agreement to guarantee the borrowings of certain group companies.

16. RELATED PARTY TRANSACTIONS

As a subsidiary undertaking of Anite Group plc, the company has taken advantage of the exemption in FRS8 'Related Party Disclosures' from disclosing transactions with other members of the group headed by Anite Group plc.

17. ULTIMATE PARENT COMPANY

The directors consider that Anite Group plc, a company registered in England and Wales, is the ultimate parent company. Anite Group plc, is the parent company of the largest and smallest group of which J& S Engineers Limited is a member and for which group financial statements are drawn up for the year ended 30 April 2000. Copies of the group's financial statements are available from the parent's registered office.