

Dodd Group Holdings Limited
Financial Statements
for the Year Ended 31 March 2003



Dodd Group Holdings Limited

**Contents of the Financial Statements
for the Year Ended 31 March 2003**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Cash Flow Statement	9
Notes to the Consolidated Cash Flow Statement	10
Notes to the Financial Statements	12
Consolidated Trading and Profit and Loss Account	23

Dodd Group Holdings Limited
Company Information
for the Year Ended 31 March 2003

DIRECTORS:

T M Dodd
Mrs S M Dodd
T R Dodd

SECRETARY:

T R Dodd

REGISTERED OFFICE:

Stafford Park 13
Telford
SHROPSHIRE
TF3 3AZ

REGISTERED NUMBER:

02586022

AUDITORS:

Turner Peachey
Chartered Accountants
Registered Auditors
9 - 10 St. Mary's Place
Shrewsbury
Shropshire
SY1 1DZ

Dodd Group Holdings Limited

Report of the Directors for the Year Ended 31 March 2003

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2003.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of electrical, heating and ventilation engineers and contractors.

REVIEW OF BUSINESS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

DIVIDENDS

During the year dividends were paid totalling £2.85715 per share. The total distribution of dividends for the year ended 31 March 2003 was £500,000 (2002 £400,000). No final dividend is proposed.

DIRECTORS

The directors during the year under review were:

T M Dodd	
P A Bailey	- resigned 31.8.02
Mrs S M Dodd	
T R Dodd	

The beneficial interests of the directors holding office on 31 March 2003 in the issued share capital of the company were as follows:

	31.3.03	1.4.02
Ordinary 10p shares (2002 Ordinary £1 shares)		
T R Dodd	38,150	3,815

INTEREST IN SHARES

A non-audit partner of Turner Peachey is a trustee of a Dodd family trust which holds 43,920 shares in Dodd Group Holdings Limited. The trustee has no beneficial interest in the shares.

DONATIONS

During the year the group made charitable donations of £1,550.

EMPLOYMENT OF DISABLED PERSONS AND EMPLOYEE INVOLVEMENT

The company and the group are committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the company. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the company and the group.

Members of the management team regularly visit branches and discuss with members of staff matters of current interest and concern to the business.

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 the group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Dodd Group Holdings Limited

**Report of the Directors
for the Year Ended 31 March 2003**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Turner Peachey, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
T R Dodd - Director

Date: 29-01-2004

**Report of the Independent Auditors to the Members of
Dodd Group Holdings Limited**

We have audited the financial statements of Dodd Group Holdings Limited for the year ended 31 March 2003 on pages five to twenty two. These financial statements have been prepared under the historical cost convention and 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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Directors 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 Report of the Directors 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 and the group as at 31 March 2003 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Turner Peachey
Chartered Accountants
Registered Auditors
9 - 10 St. Mary's Place
Shrewsbury
Shropshire
SY1 1DZ



Date: 29/1/04

Dodd Group Holdings Limited
Consolidated Profit and Loss Account
for the Year Ended 31 March 2003

		<u>31.3.03</u>	<u>31.3.02</u>
	Notes	£	£
TURNOVER		46,380,293	40,142,926
Cost of sales		<u>33,613,428</u>	<u>29,242,621</u>
GROSS PROFIT		12,766,865	10,900,305
Administrative expenses		<u>10,166,835</u>	<u>8,813,474</u>
		2,600,030	2,086,831
Other operating income		<u>630,423</u>	<u>738,325</u>
OPERATING PROFIT	3	3,230,453	2,825,156
Interest receivable and similar income		<u>269,480</u>	<u>274,675</u>
		3,499,933	3,099,831
Interest payable and similar charges	4	<u>12,380</u>	<u>9,607</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,487,553	3,090,224
Tax on profit on ordinary activities	5	<u>1,168,654</u>	<u>903,625</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		2,318,899	2,186,599
Dividends	7	<u>500,000</u>	<u>400,000</u>
RETAINED PROFIT FOR THE YEAR FOR THE GROUP		<u><u>1,818,899</u></u>	<u><u>1,786,599</u></u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current and previous years.

Dodd Group Holdings Limited

**Statement of Total Recognised Gains and Losses
for the Year Ended 31 March 2003**

	<u>31.3.03</u>	<u>31.3.02</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	2,318,899	2,186,599
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>2,318,899</u>	2,186,599
Prior year adjustment		<u>53,934</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>2,240,533</u>

The notes form part of these financial statements

Dodd Group Holdings Limited

**Consolidated Balance Sheet
31 March 2003**

		<u>31.3.03</u>		<u>31.3.02</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		2,816,552		2,109,254
CURRENT ASSETS					
Stocks	11	2,229,056		3,290,608	
Debtors	12	8,077,269		5,281,905	
Cash at bank and in hand		<u>7,578,083</u>		<u>6,045,586</u>	
		17,884,408		14,618,099	
CREDITORS					
Amounts falling due within one year	13	<u>11,080,465</u>		<u>8,929,327</u>	
NET CURRENT ASSETS			<u>6,803,943</u>		<u>5,688,772</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,620,495		7,798,026
CREDITORS					
Amounts falling due after more than one year	14		(3,049)		-
PROVISIONS FOR LIABILITIES AND CHARGES	16		<u>(18,190)</u>		<u>(17,669)</u>
			<u>9,599,256</u>		<u>7,780,357</u>
CAPITAL AND RESERVES					
Called up share capital	17		17,500		17,500
Revaluation reserve	18		112,618		112,618
Profit and loss account	18		<u>9,469,138</u>		<u>7,650,239</u>
SHAREHOLDERS' FUNDS	19		<u>9,599,256</u>		<u>7,780,357</u>

ON BEHALF OF THE BOARD:



.....
T R Dodd - Director

Approved by the Board on 29-01-2004

Dodd Group Holdings Limited

**Company Balance Sheet
31 March 2003**

		<u>31.3.03</u>		<u>31.3.02</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		2,018,472		1,427,929
Investments	10		<u>17,898</u>		<u>17,898</u>
			2,036,370		1,445,827
CURRENT ASSETS					
Debtors	12	181,066		6,156	
Cash at bank		<u>948,178</u>		<u>1,037,604</u>	
		1,129,244		1,043,760	
CREDITORS					
Amounts falling due within one year	13	<u>203,178</u>		<u>199,431</u>	
NET CURRENT ASSETS			<u>926,066</u>		<u>844,329</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,962,436		2,290,156
PROVISIONS FOR LIABILITIES AND CHARGES	16		<u>18,190</u>		<u>17,669</u>
			<u><u>2,944,246</u></u>		<u><u>2,272,487</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		17,500		17,500
Revaluation reserve	18		112,618		112,618
Profit and loss account	18		<u>2,814,128</u>		<u>2,142,369</u>
SHAREHOLDERS' FUNDS	19		<u><u>2,944,246</u></u>		<u><u>2,272,487</u></u>

ON BEHALF OF THE BOARD:



.....
T R Dodd - Director

Approved by the Board on 29.01.2004

Dodd Group Holdings Limited

**Cash Flow Statement
for the Year Ended 31 March 2003**

		<u>31.3.03</u>		<u>31.3.02</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		3,657,618		2,221,351
Returns on investments and servicing of finance	2		257,100		265,068
Taxation			(1,175,325)		(660,627)
Capital expenditure	2		(1,151,714)		(161,574)
Equity dividends paid			<u>(500,000)</u>		<u>(400,000)</u>
			1,087,679		1,264,218
Financing	2		<u>444,818</u>		<u>-</u>
Increase in cash in the period			<u><u>1,532,497</u></u>		<u><u>1,264,218</u></u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		1,532,497		1,264,218	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(243,014)</u>		<u>160,149</u>	
Change in net funds resulting from cash flows			<u>1,289,483</u>		<u>1,424,367</u>
Movement in net funds in the period			1,289,483		1,424,367
Net funds at 1 April			<u>6,005,082</u>		<u>4,580,715</u>
Net funds at 31 March			<u><u>7,294,565</u></u>		<u><u>6,005,082</u></u>

The notes form part of these financial statements

Dodd Group Holdings Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2003**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.3.03 £	31.3.02 £
Operating profit	3,230,453	2,825,156
Depreciation charges	438,619	389,387
Loss/(Profit) on disposal of fixed assets	5,797	(29,047)
Decrease/(Increase) in stocks	1,061,552	(856,242)
(Increase)/Decrease in debtors	(2,900,978)	469,986
Increase/(Decrease) in creditors	<u>1,822,175</u>	<u>(577,889)</u>
Net cash inflow from operating activities	<u><u>3,657,618</u></u>	<u><u>2,221,351</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.3.03 £	31.3.02 £
Returns on investments and servicing of finance		
Interest received	269,480	274,675
Interest element of hire purchase payments	<u>(12,380)</u>	<u>(9,607)</u>
Net cash inflow for returns on investments and servicing of finance	<u><u>257,100</u></u>	<u><u>265,068</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(1,220,492)	(321,287)
Sale of tangible fixed assets	<u>68,778</u>	<u>159,713</u>
Net cash outflow for capital expenditure	<u><u>(1,151,714)</u></u>	<u><u>(161,574)</u></u>
Financing		
New loans in year	454,019	-
Loan repayments in year	(211,005)	-
Amount introduced by directors	<u>201,804</u>	<u>-</u>
Net cash inflow from financing	<u><u>444,818</u></u>	<u><u>-</u></u>

Dodd Group Holdings Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2003**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.02 £	Cash flow £	At 31.3.03 £
Net cash:			
Cash at bank and in hand	<u>6,045,586</u>	<u>1,532,497</u>	<u>7,578,083</u>
	<u>6,045,586</u>	<u>1,532,497</u>	<u>7,578,083</u>
Debt:			
Hire purchase	<u>(40,504)</u>	<u>(243,014)</u>	<u>(283,518)</u>
	<u>(40,504)</u>	<u>(243,014)</u>	<u>(283,518)</u>
Total	<u>6,005,082</u>	<u>1,289,483</u>	<u>7,294,565</u>

Dodd Group Holdings Limited
Notes to the Financial Statements
for the Year Ended 31 March 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents invoiced sales of goods and services, excluding value added tax, and amounts recognised in relation to work done on long term contracts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on cost
Motor vehicles	- 25% on cost
Office equipment	- 50% on cost and 25% on reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Long term contract balances are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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

Pensions

The group operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	31.3.03	31.3.02
	£	£
Wages and salaries	13,241,345	11,250,089
Social security costs	1,240,143	1,045,854
Other pension costs	469,895	290,110
	<u>14,951,383</u>	<u>12,586,053</u>

Dodd Group Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2003

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	31.3.03	31.3.02
Management & administration	175	170
Productive operatives	<u>368</u>	<u>324</u>
	<u>543</u>	<u>494</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.03	31.3.02
	£	£
Other operating leases	230,005	127,531
Depreciation - owned assets	291,666	369,926
Depreciation - assets on hire purchase contracts	146,953	19,461
Loss on disposal of fixed assets	5,797	14,406
Auditors remuneration	<u>64,850</u>	<u>52,600</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	31.3.03	31.3.02
	£	£
Hire purchase	<u>12,380</u>	<u>9,607</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.3.03	31.3.02
	£	£
Current tax:		
UK corporation tax	1,064,412	937,477
Adjustment to earlier year	<u>(1,890)</u>	<u>156</u>
Total current tax	1,062,522	937,633
Deferred taxation - origination and reversal of timing differences	<u>106,132</u>	<u>(34,008)</u>
Tax on profit on ordinary activities	<u>1,168,654</u>	<u>903,625</u>

Dodd Group Holdings Limited
Notes to the Financial Statements
for the Year Ended 31 March 2003

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.03 £	31.3.02 £
Profit on ordinary activities before tax	<u>3,487,553</u>	<u>3,090,224</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	1,046,266	927,067
Effects of:		
Expenses not deductible for tax purposes	10,273	13,646
Depreciation in excess of capital allowances	17,589	18,276
Adjustments to tax charge in respect of previous periods	(1,890)	2,046
Marginal relief	(9,716)	(9,301)
Profit on disposal not taxable	<u>-</u>	<u>(14,101)</u>
Current tax charge	<u>1,062,522</u>	<u>937,633</u>

Factors that may affect future tax charges

No provision has been made for deferred taxation on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would only become payable if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £9,292. At present, it is not envisaged that any tax will become payable in the foreseeable future.

6. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,171,759 (2002 - £552,779).

7. DIVIDENDS

	31.3.03 £	31.3.02 £
Equity shares:		
Interim	<u>500,000</u>	<u>400,000</u>

8. PENSION COSTS

The company operates a group personal pension scheme. It is a defined contribution scheme and contributions are charged to the profit and loss account as they accrue. The charge for the year was £63,267 for the company and £357,121 for the group.

Dodd Group Holdings Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2003**

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long leasehold £	Plant and machinery £
COST:			
At 1 April 2002	209,433	1,280,593	216,129
Additions	614,209	-	10,730
Disposals	-	-	(25,319)
At 31 March 2003	<u>823,642</u>	<u>1,280,593</u>	<u>201,540</u>
DEPRECIATION:			
At 1 April 2002	20,732	41,366	204,350
Charge for year	16,054	7,612	3,729
Eliminated on disposal	-	-	(14,589)
At 31 March 2003	<u>36,786</u>	<u>48,978</u>	<u>193,490</u>
NET BOOK VALUE:			
At 31 March 2003	<u>786,856</u>	<u>1,231,615</u>	<u>8,050</u>
At 31 March 2002	<u>188,701</u>	<u>1,239,227</u>	<u>11,779</u>

	Motor vehicles £	Office equipment £	Totals £
COST:			
At 1 April 2002	2,011,327	450,597	4,168,079
Additions	586,836	8,717	1,220,492
Disposals	(409,079)	(5,268)	(439,666)
At 31 March 2003	<u>2,189,084</u>	<u>454,046</u>	<u>4,948,905</u>
DEPRECIATION:			
At 1 April 2002	1,434,992	357,385	2,058,825
Charge for year	354,252	56,972	438,619
Eliminated on disposal	(345,235)	(5,267)	(365,091)
At 31 March 2003	<u>1,444,009</u>	<u>409,090</u>	<u>2,132,353</u>
NET BOOK VALUE:			
At 31 March 2003	<u>745,075</u>	<u>44,956</u>	<u>2,816,552</u>
At 31 March 2002	<u>576,335</u>	<u>93,212</u>	<u>2,109,254</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2003**

9. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST:	
At 1 April 2002	85,358
Additions	<u>505,455</u>
At 31 March 2003	<u>590,813</u>
DEPRECIATION:	
At 1 April 2002	19,461
Charge for year	<u>146,953</u>
At 31 March 2003	<u>166,414</u>
NET BOOK VALUE:	
At 31 March 2003	<u>424,399</u>
At 31 March 2002	<u>65,897</u>

Company

	Freehold property £	Long leasehold £	Motor vehicles £	Totals £
COST:				
At 1 April 2002	209,433	1,280,593	12,500	1,502,526
Additions	<u>614,209</u>	<u>-</u>	<u>-</u>	<u>614,209</u>
At 31 March 2003	<u>823,642</u>	<u>1,280,593</u>	<u>12,500</u>	<u>2,116,735</u>
DEPRECIATION:				
At 1 April 2002	20,732	41,366	12,499	74,597
Charge for year	<u>16,054</u>	<u>7,612</u>	<u>-</u>	<u>23,666</u>
At 31 March 2003	<u>36,786</u>	<u>48,978</u>	<u>12,499</u>	<u>98,263</u>
NET BOOK VALUE:				
At 31 March 2003	<u>786,856</u>	<u>1,231,615</u>	<u>1</u>	<u>2,018,472</u>
At 31 March 2002	<u>188,701</u>	<u>1,239,227</u>	<u>1</u>	<u>1,427,929</u>

Included in land and buildings is freehold land valued at £20,947 (2002 - £20,947) which is not depreciated.

Dodd Group Holdings Limited
Notes to the Financial Statements
for the Year Ended 31 March 2003

10. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST:	
At 1 April 2002	
and 31 March 2003	<u>17,898</u>
NET BOOK VALUE:	
At 31 March 2003	<u>17,898</u>
At 31 March 2002	<u>17,898</u>

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Dodd Group Limited

Nature of business: Electrical, heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Dodd Group (Midlands) Limited

Nature of business: Electrical, heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Dodd Group (Eastern) Limited

Nature of business: Electrical, heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Dodd Group (South) Limited

Nature of business: Electrical, heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Dodd Environmental Services Limited

Nature of business: Heating and ventilation contractors

	%
Class of shares:	holding
Ordinary	100.00

Technology Installation Services Limited

Nature of business: I.T. Network Systems designers & installers

	%
Class of shares:	holding
Ordinary	100.00

All of the above subsidiaries are included in the consolidated financial statements.

Dodd Group Holdings Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2003**

11. STOCKS

	Group	
	31.3.03	31.3.02
	£	£
Raw materials	42,467	60,860
Work-in-progress	3,857,749	6,764,088
Payments on account	<u>(1,671,160)</u>	<u>(3,534,340)</u>
	<u>2,229,056</u>	<u>3,290,608</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.03	31.3.02	31.3.03	31.3.02
	£	£	£	£
Trade debtors	6,405,207	4,908,311	16,826	5,156
Amounts owed by group undertakings	-	-	59,000	1,000
Amounts recoverable on contract	1,371,276	148,430	-	-
Other debtors	144,836	149,460	105,240	-
Prepayments and accrued income	<u>155,950</u>	<u>75,704</u>	<u>-</u>	<u>-</u>
	<u>8,077,269</u>	<u>5,281,905</u>	<u>181,066</u>	<u>6,156</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.03	31.3.02	31.3.03	31.3.02
	£	£	£	£
Hire purchase contracts (see note 15)	280,469	40,504	-	-
Trade creditors	7,710,404	6,134,157	4,422	25,028
Amounts owed to group undertakings	-	-	65,507	99,083
Taxation	570,384	683,187	33,935	32,785
Social security and other taxes	1,291,567	1,202,451	37,067	15,461
Other creditors	403,100	295,872	32,247	27,074
Directors loan account	451,471	249,667	30,000	-
Accrued expenses	<u>373,070</u>	<u>323,489</u>	<u>-</u>	<u>-</u>
	<u>11,080,465</u>	<u>8,929,327</u>	<u>203,178</u>	<u>199,431</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31.3.03	31.3.02
	£	£
Hire purchase contracts (see note 15)	<u>3,049</u>	<u>-</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2003**

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	31.3.03	31.3.02
	£	£
Gross obligations repayable:		
Within one year	288,176	41,642
Between one and five years	<u>3,049</u>	<u>-</u>
	<u>291,225</u>	<u>41,642</u>
Finance charges repayable:		
Within one year	<u>7,707</u>	<u>1,138</u>
Net obligations repayable:		
Within one year	280,469	40,504
Between one and five years	<u>3,049</u>	<u>-</u>
	<u>283,518</u>	<u>40,504</u>

The following payments are committed to be paid within one year:

Group

	Operating leases	
	31.3.03	31.3.02
	£	£
Expiring:		
Within one year	1,790	67,066
Between one and five years	<u>233,512</u>	<u>120,784</u>
	<u>235,302</u>	<u>187,850</u>

Company

	Operating leases	
	31.3.03	31.3.02
	£	£
Expiring:		
Between one and five years	<u>-</u>	<u>5,216</u>

16. PROVISION FOR LIABILITIES AND CHARGES

	Group		Company	
	31.3.03	31.3.02	31.3.03	31.3.02
	£	£	£	£
Deferred taxation	<u>18,190</u>	<u>17,669</u>	<u>18,190</u>	<u>17,669</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2003**

16. PROVISION FOR LIABILITIES AND CHARGES - continued

Group

	Deferred tax £
Balance at 1 April 2002	17,669
Accelerated capital allowances	<u>521</u>
Balance at 31 March 2003	<u><u>18,190</u></u>

Company

	Deferred tax £
Balance at 1 April 2002	17,669
Accelerated capital allowances	<u>521</u>
Balance at 31 March 2003	<u><u>18,190</u></u>

17. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.3.03	31.3.02
			£	£
500,000	Ordinary	10p	50,000	50,000
(31.3.02 - 50,000)			<u><u> </u></u>	<u><u> </u></u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.03	31.3.02
			£	£
175,000	Ordinary	10p	17,500	17,500
(31.3.02 - 17,500)			<u><u> </u></u>	<u><u> </u></u>

Dodd Group Holdings Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2003**

18. RESERVES

Group

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2002	7,650,239	112,618	7,762,857
Retained profit for the year	<u>1,818,899</u>	<u>-</u>	<u>1,818,899</u>
At 31 March 2003	<u>9,469,138</u>	<u>112,618</u>	<u>9,581,756</u>

Company

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 April 2002	2,142,369	112,618	2,254,987
Retained profit for the year	<u>671,759</u>	<u>-</u>	<u>671,759</u>
At 31 March 2003	<u>2,814,128</u>	<u>112,618</u>	<u>2,926,746</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	31.3.03 £	31.3.02 £
Profit for the financial year	2,318,899	2,186,599
Dividends	<u>(500,000)</u>	<u>(400,000)</u>
Net addition to shareholders' funds	1,818,899	1,786,599
Opening shareholders' funds	<u>7,780,357</u>	<u>5,993,758</u>
Closing shareholders' funds	<u>9,599,256</u>	<u>7,780,357</u>
Equity interests	<u>9,599,256</u>	<u>7,780,357</u>

Dodd Group Holdings Limited

**Notes to the Financial Statements
for the Year Ended 31 March 2003**

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	31.3.03 £	31.3.02 £
Profit for the financial year	1,171,759	552,779
Dividends	<u>(500,000)</u>	<u>(400,000)</u>
Net addition to shareholders' funds	671,759	152,779
Opening shareholders' funds	<u>2,272,487</u>	<u>2,119,708</u>
Closing shareholders' funds	<u>2,944,246</u>	<u>2,272,487</u>
 Equity interests	 <u>2,944,246</u>	 <u>2,272,487</u>

20. DEFERRED TAXATION

	2003 £	2002 £
Provision at start of period	(87,942)	(53,934)
Deferred tax charge in profit and loss account	<u>106,132</u>	<u>(34,008)</u>
Provision at end of period	<u>18,190</u>	<u>(87,942)</u>

The movement for the year relates to timing differences between depreciation charged and taxation allowances claimed on capital expenditure.

21. DIRECTORS EMOLUMENTS

	31.3.03 £	31.3.02 £
Emoluments	985,528	832,361
Company contributions to money purchase schemes	317,567	185,172
 The remuneration of the highest paid director included above was:		
Emoluments	676,894	572,583
Company contributions to money purchase schemes	300,200	154,278

During the year 3 directors (2002 - 3), were accruing benefits under money purchase schemes.