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PIP LIFT SERVICE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1996

ANNUAL RETURN COPY

SEARLE HASAN FREED & COMPANY
ACCOUNTANTS
4 CAMBRIDGE HOUSE, CAMBRIDGE ROAD
BARKING, ESSEX IG11 8NR



PIP LIFT SERVICE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST ENDED 31ST DECEMBER 1996

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PIP LIFT SERVICE LIMITED

DIRECTOR:

P. MASTERSON

SECRETARY:

L.P. PALMER

REGISTERED OFFICE:

4 CAMBRIDGE HOUSE
CAMBRIDGE ROAD
BARKING
ESSEX IG11 8NR

REGISTERED NUMBER:

2746163

AUDITORS:

BURNEY & CO.
CHARTERED ACCOUNTANTS
& REGISTERED AUDITORS
18 CLARENCE ROAD
LONDON
N 22 4PL

ACCOUNTANTS:

SEARLE HASAN FREED & CO
4 CAMBRIDGE HOUSE
CAMBRIDGE ROAD
BARKING
ESSEX IG11 8NR

PIP LIFT SERVICE LIMITED
REPORT OF THE DIRECTOR

The director presents his annual report with the financial statements of the company for the year ended 31st December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the lift repairs and maintenance contractors.

DIRECTOR

The director in office during the year and his beneficial interest in the company's issued share capital was as follows:

<u>Name</u>	<u>Class of capital</u>	<u>31.12.1996</u>	<u>01.01.1996</u>
P. Masterson	Ordinary £1	250	NIL

BUSINESS AND RESULTS

The results for the year under review show a net profit of £31,782 (1995: profit £13,407) The company expects to do well and continue to make profits during the years ahead.

PROPOSED DIVIDENDS

The director recommends that no dividend be paid this year and the accumulated profit amounting to £ 23,875 be carried forward. (1995: Loss £ (356)

STATEMENTS 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 and 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;
- follow applicable accounting standards;
- prepare the financial statements on the going concern basis.

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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the period the company did not contribute to any political or charitable organisations.

AUDITORS

The auditors, BURNEY & CO. Chartered Accountants, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

In preparing the above report, the Director has taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

ON BEHALF OF THE BOARD OF DIRECTORS


..... (L.P. PALMER) Secretary

Approved by the Board on:

2/6/97

AUDITORS' REPORT TO THE SHAREHOLDERS OF
PIP LIFT SERVICE LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the accounting policies set out on pages 8 & 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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 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 the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

BURNEY & CO

Chartered Accountants and
Registered Auditors

Dated: 3rd June 1997.

18, Clarence Road
London N22 4PL

PIP LIFT SERVICE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Turnover	1(c) & 2	751,700	492,486
Cost of Sales		(563,867)	(341,565)
Gross Profit		<u>187,833</u>	<u>150,921</u>
Administrative Expenses		<u>(154,984)</u>	<u>(135,160)</u>
Operating Profit/(Loss)	3	32,849	15,761
Profit/(Loss) on disposal of fixed assets		-	-
Fixed Asset written off		-	(596)
Interest Payable	4	(3,198)	(3,156)
Interest Receivable		2,131	1,398
Profit/(Loss) on ordinary activities before taxation		<u>31,782</u>	<u>13,407</u>
Taxation	5	(7,551)	(5,009)
Profit/(Loss) for the financial year after taxation		<u>24,231</u>	<u>(8,398)</u>
Dividends (Proposed)	6	-	-
Retained Profit/(Loss) for the financial year		<u>24,231</u>	<u>8,398</u>
Profit/(Loss) brought forward at 1 January 1996		(356)	(8,754)
Profit/(Loss) carried forward at 31 December 1996		<u><u>23,875</u></u>	<u><u>£(356)</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

PIP LIFT SERVICE LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 1996

	Notes	<u>1996</u> £	<u>1995</u> £
FIXED ASSETS			
Tangible Assets	7	47,760	22,729
		<u>47,760</u>	<u>22,729</u>
CURRENT ASSETS			
Stock		12,037	9,221
Debtors	8	120,125	60,520
Cash at Bank and in Hand		30,800	39,964
		<u>162,962</u>	<u>109,705</u>
CURRENT LIABILITIES			
Creditors (amounts falling due within one year)	9	(184,444)	(95,418)
NET CURRENT ASSETS		<u>(21,482)</u>	<u>14,287</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		26,278	37,016
Creditors (amounts falling due after more than one year)	10	(1,403)	(37,272)
		<u>£24,875</u>	<u>£(256)</u>
CAPITAL AND RESERVES			
Called up Share Capital	11	1000	100
Profit and Loss Account		23,875	(356)
SHARE HOLDERS' FUNDS	12	<u>£ 24,875</u>	<u>£(256)</u>
(Including non-equity interests)			

The director has taken advantage of special exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in his opinion, the company qualifies as a small company.

ON BEHALF OF THE BOARD OF DIRECTORS



.....(Director)
P. Masterson

Approved by the board on : 2/6/97

PIP LIFT SERVICE LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER 1996

	<u>1996</u>	<u>1995</u>
	£	£
Profit / (Loss) for the financial year after taxation	24,231	8,398
 Total Recognised Gains/ (Losses) relating to the year	 <u>24,231</u>	 <u>£8,398</u>

The notes on pages 8 to 12 form part of these financial statements

PIP LIFT SERVICE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 1996

1. ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention.

(b) CASH FLOW

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow Statements'

(c) TURNOVER

Turnover represents net invoiced sales of goods and services, excluding VAT.

(d) TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer Equipment	25%	on	reducing	balance
Motor vehicles	25%	"	"	"
Office Equipment	25%	"	"	"

(e) 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.

(f) DEFERRED TAXATION

Provision is made at current rate for taxation deferred in respect of all material timing differences except to the extent that in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future

PIP LIFT SERVICE LIMITED
NOTES TO THE ACCOUNTS - 31ST DECEMBER 1996 (Cont.)

(g) LEASED ASSETS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of rental obligations is charged to profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

2. TURNOVER

Turnover and profit before taxation are attributable to the principal activity of the company.

3. OPERATING PROFIT

The operating profit (1995: Profit) is stated after charging:

	<u>1996</u>	<u>1995</u>
	£	£
Fixed Asset W/off	-	596
Depreciation of tangible fixed asset	8,456	7,575
Operating lease charge	4,902	5,590
Auditors remuneration	300	300
	<u> </u>	<u> </u>
Directors' emoluments-		
For services as directors	48,822	38,599
	<u> </u>	<u> </u>
4. INTEREST PAYABLE		
Debenture Interest	2,350	2,350
H.P. Interest	848	806
	<u>£ 3,198</u>	<u>£ 3,156</u>

5. TAXATION

The UK corporation tax charge on the profit on ordinary activities based on the adjusted profit of the year @ 24%
 (1995) : 25%

<u>£ 7,551</u>	<u>£ 5,009</u>
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PIP LIFT SERVICE LIMITED
NOTES TO THE ACCOUNTS - 31ST DECEMBER 1996 (Cont.)

6. DIVIDENDS

	<u>1996</u>	<u>1995</u>
Dividend on ordinary shares - proposed	<u>£ NIL</u>	<u>£ NIL</u>

7. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u> £	<u>Computer Equipment</u> £	<u>Office Equipment</u> £	<u>Total</u> £
<u>Cost or valuation</u>				
At 1 Jan. 1996	33,138	2,774	865	36,777
Additions	32,787	700	-	33,487
Disposals	-	-	-	-
At 31st Dec. 1996	<u>65,925</u>	<u>3,474</u>	<u>865</u>	<u>70,264</u>
<u>Depreciation</u>				
At 1 Jan. 1996	12,916	693	439	14,048
on disposals	-	-	-	-
charge for year	7,655	695	106	8456
At 31st Dec. 1996	<u>20,571</u>	<u>1,388</u>	<u>545</u>	<u>22,504</u>
Net book value				
At 31st Dec. 1996	<u>£ 45,354</u>	<u>£ 2,086</u>	<u>£ 320</u>	<u>£ 47,760</u>
At 31st Dec 1995	<u>£ 20,222</u>	<u>£ 2,081</u>	<u>£ 426</u>	<u>£ 22,729</u>

The net book value of motor vehicles includes £9,154 (1995: £12,205) in respect of assets held under finance leases. The amount of depreciation in respect of such assets amounted to £3,051 for the year (1995: 4,068)

PIP LIFT SERVICE LIMITED
NOTES TO THE ACCOUNTS - 31 ST DEC 1996 (Cont.)

8. DEBTORS

	<u>1996</u>	<u>1995</u>
Trade debtors	117,287	56,318
Other debtors	-	500
Prepayments	2,838	3,702
	<u>120,125</u>	<u>60,520</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1996</u>	<u>1995</u>
Obligations under finance leases	5,869	5,869
Debentures Payable-PIP Electrics Ltd	20,000	-
Inter- Company Payable - PIP Electrics Ltd	4,675	5,811
Debt due within one year	<u>30,544</u>	<u>11,680</u>
Trade Creditors	101,465	58,513
Other Creditors	31,486	2,396
Taxation and Social Security	13,398	17,820
Corporation Tax	7,551	5,009
	<u>£184,444</u>	<u>£95,418</u>

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

	<u>1996</u>	<u>1995</u>
Obligations under finance leases	1,403	7,272
Debentures - PIP Electrics Ltd	-	30,000
Debt due after more than one year	<u>1,403</u>	<u>37,272</u>
Other Creditors	-	-
Debt due after more than one year		
- repayable between 1-2 years	1,403	35,869
- repayable between 2-5 years	-	1,403
	<u>£ 1,403</u>	<u>£ 37,272</u>

PIP LIFT SERVICE LIMITED
NOTES TO THE ACCOUNTS - 31ST DEC 1996 (Cont.)

11. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Authorised 50,000 Ordinary shares of £1 each	£50,000	£ 100
Allotted, called up & fully paid 1000 Ordinary shares of £1 each	£ 1,000	£ 100

12. SHAREHOLDERS' FUNDS

(a) Analysis of shareholders' funds		
Non-Equity	-	-
Equity	24,875	(256)
	<u>£ 24,875</u>	<u>£(256)</u>
(b) Reconciliation of movements on shareholders' funds		
Profit/(Loss) for the financial year after taxation	24,231	8,398
Dividends	-	-
	<u>24,231</u>	<u>8,398</u>
New Share Capital Subscribed	900	-
	<u>25,131</u>	<u>8,398</u>
Opening shareholders' funds at 1 January 1996	(256)	(8,654)
Closing shareholders' funds at 31 December 1996	<u>£ 24,875</u>	<u>£ (256)</u>

13. CONTINGENT LIABILITY None

14. COMMITMENTS

CAPITAL COMMITMENTS

At 31st December 1996 capital expenditure commitments were none.

LEASE COMMITMENTS - OPERATING LEASES

At 31st Dec 1996, the company had annual commitments of £6,079 (1995: £5,590) under non - cancellable operating lease which expires within two to five years.

15. TRANSACTIONS WITH DIRECTORS - None

16. POST - BALANCE SHEET EVENTS - None