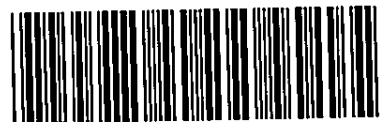


REGISTERED NUMBER 2837204 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2007
FOR
BRIDGES (ELECTRICAL ENGINEERS) LIMITED**

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BRIDGES (ELECTRICAL ENGINEERS) LIMITED

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for the Year Ended 30 SEPTEMBER 2007**

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BRIDGES (ELECTRICAL ENGINEERS) LIMITED

COMPANY INFORMATION

for the Year Ended 30 SEPTEMBER 2007

DIRECTORS

J W Bridges
Mrs J L Bridges
M L J Bridges

SECRETARY

Mrs J L Bridges

REGISTERED OFFICE

31a Second Avenue
Westfield Industrial Estate
Midsomer Norton
Radstock
BA3 4BH

REGISTERED NUMBER

2837204 (England and Wales)

AUDITORS

Underwood Barron
Chartered Accountants
and Registered Auditors
Monks Brook House
13/17 Hursley Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2FW

BANKERS

Lloyds TSB Corporate
PO Box 112
Canons House
Canons Way
BRISTOL
BS99 7LB

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 SEPTEMBER 2007

The directors present their report with the financial statements of the company for the year ended 30 September 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the manufacture and installation of control panels and related equipment

REVIEW OF BUSINESS

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

The company has had another profitable year, with turnover increasing by 26% on the prior year to £7 668 million. Gross profit increased slightly from £1 065 million to £1 151 million

It was agreed by the Board during planning in February 2007 that we would strive to be a leading M & E business in the south of England. This has required an increased investment in systems, health and safety behavioural training, business development with new customers and also demonstrating competitive advantage over our new competitors

This has shown an adverse effect on profitability which fell from 3.9% in 2006 to 1.6% in 2007. We believe that our profitability will remain low during 2008, but we are confident that with our investment, that early in 2009, we will begin to achieve a very strong profit margin

Our decision to make such a step has been hugely successful to date, with the procurement of several large orders in recent months, and we believe that our investment during these two years achieves the mission set for the business

DIVIDENDS

An interim dividend of £32,500 per share was paid on 6 April 2007. The directors recommend that no final dividend be paid

The total distribution of dividends for the year ended 30 September 2007 will be £65,000

FIXED ASSETS

The market value of freehold property owned by the company is considered to be approximately £155,000 in excess of the carrying value in the balance sheet

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2006 to the date of this report

J W Bridges
Mrs J L Bridges
M L J Bridges

CHARITABLE CONTRIBUTIONS

Contributions made by the company for charitable purposes during the year amounted to £230

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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

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

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 30 SEPTEMBER 2007

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

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

ON BEHALF OF THE BOARD



Mrs J L Boddges - Secretary

Date 26-09-2008

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
BRIDGES (ELECTRICAL ENGINEERS) LIMITED**

We have audited the financial statements of Bridges (Electrical Engineers) Limited for the year ended 30 September 2007 on pages five to seventeen. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements.

Underwood Barron

Underwood Barron
Chartered Accountants
and Registered Auditors
Monks Brook House
13/17 Hursley Road
Chandlers Ford
Eastleigh
Hampshire
SO53 2FW

Date *26 September 2008*

BRIDGES (ELECTRICAL ENGINEERS) LIMITED**PROFIT AND LOSS ACCOUNT**
for the Year Ended 30 SEPTEMBER 2007

	Notes	30 9 07 £	30 9 06 £
TURNOVER		7,667,939	6,070,002
Cost of sales		<u>6,517,070</u>	<u>5,004,277</u>
GROSS PROFIT		1,150,869	1,065,725
Administrative expenses		<u>947,510</u>	<u>738,611</u>
		203,359	327,114
Other operating income		<u>6,213</u>	-
OPERATING PROFIT	3	209,572	327,114
Interest receivable and similar income		<u>1,825</u>	-
		211,397	327,114
Interest payable and similar charges	4	<u>88,976</u>	<u>87,784</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		122,421	239,330
Tax on profit on ordinary activities	5	<u>38,545</u>	<u>83,525</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u>83,876</u>	<u>155,805</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

**BALANCE SHEET
30 SEPTEMBER 2007**

	Notes	30 9 07 £	£	30 9 06 £	£
FIXED ASSETS					
Tangible assets	7		721,469		716,110
Investments	8		21,000		21,000
			<u>742,469</u>		<u>737,110</u>
CURRENT ASSETS					
Stocks	9	262,851		701,397	
Debtors	10	1,716,265		1,556,611	
Cash in hand		965		2,269	
		<u>1,980,081</u>		<u>2,260,277</u>	
CREDITORS					
Amounts falling due within one year	11	<u>1,862,108</u>		<u>2,151,425</u>	
NET CURRENT ASSETS			<u>117,973</u>		<u>108,852</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>860,442</u>		<u>845,962</u>
CREDITORS					
Amounts falling due after more than one year	12		(433,850)		(439,239)
PROVISIONS FOR LIABILITIES	16		<u>(17,623)</u>		<u>(16,630)</u>
NET ASSETS			<u><u>408,969</u></u>		<u><u>390,093</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Profit and loss account	18		<u>408,967</u>		<u>390,091</u>
SHAREHOLDERS' FUNDS	22		<u><u>408,969</u></u>		<u><u>390,093</u></u>

The financial statements were approved by the Board of Directors on its behalf by

26-09-2008

and were signed on


J W Bridges - Director


M L J Bridges - Director

The notes form part of these financial statements

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

CASH FLOW STATEMENT
for the Year Ended 30 SEPTEMBER 2007

	Notes	30 9 07 £	£	30 9 06 £	£
Net cash inflow from operating activities	1		358,098		201,115
Returns on Investments and servicing of finance	2		(87,151)		(87,784)
Taxation			(69,546)		(2,198)
Capital expenditure	2		(68,276)		(59,085)
Equity dividends paid			<u>(65,000)</u>		<u>(65,000)</u>
			68,125		(12,952)
Financing	2		<u>(64,738)</u>		<u>83,589</u>
Increase in cash in the period			<u>3,387</u>		<u>70,637</u>

Reconciliation of net cash flow to movement in net debt

	3		
Increase in cash in the period		3,387	70,637
Cash inflow from increase in debt and lease financing		<u>(3,932)</u>	<u>(80,473)</u>
Change in net debt resulting from cash flows		<u>(545)</u>	<u>(9,836)</u>
Movement in net debt in the period		(545)	(9,836)
Net debt at 1 October		<u>(1,045,049)</u>	<u>(1,035,213)</u>
Net debt at 30 September		<u>(1,045,594)</u>	<u>(1,045,049)</u>

The notes form part of these financial statements

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 SEPTEMBER 2007**

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

	30 9 07	30 9 06
	£	£
Operating profit	209,572	327,114
Depreciation charges	63,403	54,541
(Profit)/Loss on disposal of fixed assets	(486)	593
Decrease in stocks	438,546	118,337
Increase in debtors	(98,727)	(885,686)
(Decrease)/Increase in creditors	(254,210)	586,216
Net cash inflow from operating activities	358,098	201,115

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

	30 9 07	30 9 06
	£	£
Returns on investments and servicing of finance		
Interest received	1,825	-
Interest paid	(72,432)	(78,180)
Interest element of hire purchase payments	(16,544)	(9,604)
Net cash outflow for returns on investments and servicing of finance	(87,151)	(87,784)
Capital expenditure		
Purchase of tangible fixed assets	(88,625)	(61,716)
Sale of tangible fixed assets	20,349	2,631
Net cash outflow for capital expenditure	(68,276)	(59,085)
Financing		
New loans in year	-	94,663
Loan repayments in year	(12,031)	-
Capital repayments in year	15,963	(14,190)
Amount introduced by directors	151,004	3,116
Amount withdrawn by directors	(219,674)	-
Net cash (outflow)/inflow from financing	(64,738)	83,589

BRIDGES (ELECTRICAL ENGINEERS) LIMITED**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 30 SEPTEMBER 2007****3 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 10 06 £	Cash flow £	At 30 9 07 £
Net cash			
Cash at bank and in hand	2,269	(1,304)	965
Bank overdraft	<u>(547,199)</u>	<u>4,691</u>	<u>(542,508)</u>
	<u>(544,930)</u>	<u>3,387</u>	<u>(541,543)</u>
Debt			
Hire purchase	(103,849)	(15,963)	(119,812)
Debts falling due within one year	(12,031)	(4,212)	(16,243)
Debts falling due after one year	<u>(384,239)</u>	<u>16,243</u>	<u>(367,996)</u>
	<u>(500,119)</u>	<u>(3,932)</u>	<u>(504,051)</u>
Total	<u><u>(1,045,049)</u></u>	<u><u>(545)</u></u>	<u><u>(1,045,594)</u></u>

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 SEPTEMBER 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Exemption from preparing consolidated financial statements

The financial statements contain information about Bridges (Electrical Engineers) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirements to prepare consolidated financial statements

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

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

Freehold property	- 2% on cost
Plant and machinery	- at variable rates on reducing balance

Stocks

Stocks and work in progress (except long term contracts) 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 contracts 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

Figures shown in the 2006 financial statements as "stocks and work in progress" have now been shown separately in the comparative figures under stock, work in progress, long term work in progress and amounts recoverable on contracts in accordance with SSAP9. The total of these four amounts remains the same as the one figure given in the 2006 financial statements

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. The comparative figure for 2006 has been moved from creditors to provisions in accordance with FRS 19

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 on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

2 STAFF COSTS

	30 9 07	30 9 06
	£	£
Wages and salaries	2,565,672	2,014,063
Social security costs	15,730	11,856
Other pension costs	-	2,028
	<u>2,581,402</u>	<u>2,027,947</u>

BRIDGES (ELECTRICAL ENGINEERS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the Year Ended 30 SEPTEMBER 2007**2 STAFF COSTS - continued**

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

	30 9 07	30 9 06
Directors	3	3
Productive and administrative staff	78	68
	<u>81</u>	<u>71</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	30 9 07	30 9 06
	£	£
Hire of plant and machinery	120,232	133,136
Depreciation - owned assets	26,151	27,960
Depreciation - assets on hire purchase contracts	37,252	26,581
(Profit)/Loss on disposal of fixed assets	(486)	593
Auditors' remuneration	5,000	13,071
	<u>141,248</u>	<u>107,261</u>
Directors' emoluments	-	2,028
Directors' pension contributions to money purchase schemes	-	-

4 INTEREST PAYABLE AND SIMILAR CHARGES

	30 9 07	30 9 06
	£	£
Bank interest	57,600	61,337
Other interest	-	1,777
Commercial finance charges	14,832	15,066
Hire purchase	16,544	9,604
	<u>88,976</u>	<u>87,784</u>

5 TAXATION**Analysis of the tax charge**

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

	30 9 07	30 9 06
	£	£
Current tax		
UK corporation tax	37,552	69,546
Deferred tax	993	13,979
Tax on profit on ordinary activities	<u>38,545</u>	<u>83,525</u>

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 SEPTEMBER 2007

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

	30 9 07 £	30 9 06 £
Profit on ordinary activities before tax	<u>122,421</u>	<u>239,330</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	36,726	71,799
Effects of Expenses not deductible for tax purposes	7,295	3,406
Capital allowances in excess of depreciation	(2,251)	(2,052)
Marginal relief	(4,218)	(3,607)
Current tax charge	<u>37,552</u>	<u>69,546</u>

6 DIVIDENDS

	30 9 07 £	30 9 06 £
Ordinary shares of £1 each		
Final	-	65,000
Interim	65,000	-
	<u>65,000</u>	<u>65,000</u>

Dividends totalling £65,000 were proposed on 6 April 2008

7 TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Totals £
COST			
At 1 October 2006	579,305	371,938	951,243
Additions	-	88,625	88,625
Disposals	-	(39,019)	(39,019)
At 30 September 2007	<u>579,305</u>	<u>421,544</u>	<u>1,000,849</u>
DEPRECIATION			
At 1 October 2006	33,460	201,673	235,133
Charge for year	11,354	52,049	63,403
Eliminated on disposal	-	(19,156)	(19,156)
At 30 September 2007	<u>44,814</u>	<u>234,566</u>	<u>279,380</u>
NET BOOK VALUE			
At 30 September 2007	<u>534,491</u>	<u>186,978</u>	<u>721,469</u>
At 30 September 2006	<u>545,845</u>	<u>170,265</u>	<u>716,110</u>

Included within the net book value of £186,978 is £146,543.58 (2006 £79,743) which related to assets held under hire purchase agreements. The depreciation charged in the financial statements in the year in respect of such assets amounted to £37,252 (2006 £26,581).

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 SEPTEMBER 2007

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 October 2006	
and 30 September 2007	<u>21,000</u>
NET BOOK VALUE	
At 30 September 2007	<u>21,000</u>
At 30 September 2006	<u>21,000</u>

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

Amber Integrated Controls and Automation Limited
Nature of business Design/manufacture of control systems

Class of shares	% holding	30 9 07	30 9 06
Ordinary	50 70	£	£
Aggregate capital and reserves		151,408	123,753
Profit for the year		<u>27,655</u>	<u>85,710</u>

Bridges (Mechanical Engineers) Limited
Nature of business Dormant

Class of shares	% holding	30 9 07	30 9 06
Ordinary	100 00	£	£
Aggregate capital and reserves		<u>1,000</u>	<u>1,000</u>

9 STOCKS

	30 9 07	30 9 06
	£	£
Stocks	45,740	65,397
Work-in-progress	<u>202,886</u>	<u>148,100</u>
	248,626	213,497
Net costs less foreseeable losses	<u>14,225</u>	<u>487,900</u>

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 9 07	30 9 06
	£	£
Trade debtors	898,407	1,154,203
Amounts recoverable on contract	678,568	306,692
Amounts due from related parties	10,741	-
Directors' current accounts	62,704	-
Tax repayable	-	1,777
Prepayments and accrued income	<u>65,845</u>	<u>93,939</u>
	<u>1,716,265</u>	<u>1,556,611</u>

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 SEPTEMBER 2007

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 9 07	30 9 06
	£	£
Bank loans and overdrafts (see note 13)	558,751	559,230
Hire purchase contracts (see note 14)	53,958	48,849
Trade creditors	832,878	1,079,755
Amounts owed to group undertakings	67,194	1,000
Corporation tax	37,552	71,323
Social security and other taxes	195,613	157,941
Other creditors	37,009	222,661
Amounts due to related parties	6,435	-
Directors' current accounts	-	5,966
Accrued expenses	72,718	4,700
	<u>1,862,108</u>	<u>2,151,425</u>

12 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 9 07	30 9 06
	£	£
Bank loans (see note 13)	367,996	384,239
Hire purchase contracts (see note 14)	65,854	55,000
	<u>433,850</u>	<u>439,239</u>

13 LOANS

An analysis of the maturity of loans is given below

	30 9 07	30 9 06
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	542,508	547,199
Bank loans	16,243	12,031
	<u>558,751</u>	<u>559,230</u>
Amounts falling due between one and two years		
Bank loans	<u>17,556</u>	<u>16,243</u>
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>61,654</u>	<u>57,042</u>
Amounts falling due in more than five years		
Repayable by instalments		
Bank loans	<u>288,786</u>	<u>310,954</u>

14 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	30 9 07	30 9 06
	£	£
Net obligations repayable		
Within one year	53,958	48,849
Between one and five years	65,854	55,000
	<u>119,812</u>	<u>103,849</u>

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 SEPTEMBER 2007

15 SECURED DEBTS

The following secured debts are included within creditors

	30 9 07	30 9 06
	£	£
Bank overdrafts	542,508	547,199
Bank loans	384,239	396,270
Hire purchase contracts	119,812	103,849
	<u>1,046,559</u>	<u>1,047,318</u>

The bank loan is repayable in equal instalments over 15 years Interest is charged on the loan at 3% above Lloyds TSB Bank plc's base rate

The bank loans and overdraft are secured by a first legal charge to Lloyds TSB Bank plc dated 17 June 2004 on the company's freehold premises, and an unlimited debenture dated 13 October 1993 secured by a fixed and floating charge

The bank also holds a guarantee for £30,000 in favour of Amber Integrated Controls and Automation Limited, the subsidiary company

The hire purchase agreements are secured by the fixed assets to which they relate

16 PROVISIONS FOR LIABILITIES

	30 9 07	30 9 06
	£	£
Deferred tax		
Accelerated capital allowances	<u>17,623</u>	<u>16,630</u>
		Deferred tax
		£
Balance at 1 October 2006		16,630
Profit and loss account		
- change in rate		(1,109)
- charge for the year		<u>2,102</u>
Balance at 30 September 2007		<u>17,623</u>

17 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	30 9 07	30 9 06
		£1	£	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid Number	Class	Nominal value	30 9 07	30 9 06
		£1	£	£
2	Ordinary		<u>2</u>	<u>2</u>

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 SEPTEMBER 2007

18 RESERVES

	Profit and loss account £
At 1 October 2006	390,091
Profit for the year	83,876
Dividends	(65,000)
At 30 September 2007	<u>408,967</u>

19 TRANSACTIONS WITH DIRECTORS

The following loans to directors subsisted during the years ended 30 September 2007 and 30 September 2006

	30 9 07 £	30 9 06 £
J W Bridges and Mrs J L Bridges		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	23,342	-
Maximum balance outstanding during year	<u>57,099</u>	<u>-</u>
M L J Bridges		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	39,362	-
Maximum balance outstanding during year	<u>39,362</u>	<u>-</u>

Interest has been charged on these loans at the official rate

During the year the company bought a car from J W Bridges for £7,000

20 RELATED PARTY DISCLOSURES

During the year the company entered into contracts both as supplier and purchaser with Amber Integrated Controls and Automation Limited, its subsidiary. Sales to that company amounted to £1,141,401 (2006 £707,233), whilst purchases amounted to £126,899 (2006 £86,466). At the year end the amount owing to Amber Integrated Controls and Automation Limited was £66,194 (2006 owing by that company £78,610).

During the year the company made purchases totalling £67,824 (2006 £139,327) from Bridges M & E (Northern) Limited, a company in which the directors J W Bridges and J L Bridges had interests as directors and shareholders. At the same time, loans were also made to this company. At the year end the amount owing from Bridges M & E (Northern) Limited was £486 (2006 £nil). The highest outstanding amount during the year was £19,486.

During the year the company made loans totalling £4,365 to Emerald Systems Limited, a new company in which the director J W Bridges had an interest as director and shareholder. At the year end the amount owing from Emerald Systems Limited was £4,365.

During the year the company entered into contracts both as supplier and purchaser with AMF Wholesale Limited, a company in which the director M L J Bridges had an interest as director and shareholder. Sales to that company amounted to £2,796 (2006 £4,645), whilst purchases amounted to £15,976 (2006 £22,266). At the year end the amount owing to AMF Wholesale Limited was £6,435 (2006 £1,566).

During the year the company made loans totalling £5,890 (2006 £nil) to BHW (George Inn) Limited, a company in which the director J L Bridges had an interest as director and shareholder. At the year end the amount owing from BHW (George Inn) Limited was £5,890 (2006 £nil).

The company also owed Bridges (Mechanical Engineers) Limited £1,000 at the year end (2006 £1,000).

21 ULTIMATE CONTROLLING PARTY

The ultimate controlling parties are the directors J W Bridges and J L Bridges, who together own 100% of the issued share capital of the company.

BRIDGES (ELECTRICAL ENGINEERS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 SEPTEMBER 2007

22 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30 9 07	30 9 06
	£	£
Profit for the financial year	83,876	155,805
Dividends	<u>(65,000)</u>	<u>(65,000)</u>
Net addition to shareholders' funds	18,875	90,805
Opening shareholders' funds	<u>390,093</u>	<u>299,288</u>
Closing shareholders' funds	<u><u>408,968</u></u>	<u><u>390,093</u></u>