

FKB ELECTRICAL LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31ST DECEMBER 1995

COMPANY NUMBER (2847472)

Presented by:

**Afford Bond
Chartered Accountants
Registered Auditors
31 Wellington Road
Nantwich
Cheshire
CW5 7ED**



AUDITORS' REPORT TO THE DIRECTORS OF FKB ELECTRICAL LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6 together with the financial statements of FKB Electrical Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1995. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on pages 1 and 2 and that the abbreviated accounts have been properly prepared from those financial statements.

In our opinion, the company is entitled under Section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31st December 1995 and the abbreviated accounts on pages 2 to 6 have been properly prepared in accordance with that Schedule.

On 17 May 1996 we reported, as auditors of FKB Electrical Limited to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1995 and our audit report was as follows:

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on pages 1 and 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 judgments 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 31st December 1995 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.



Afford Bond
Chartered Accountants
Registered Auditors
17 May 1996

31 Wellington Road
Nantwich, Cheshire

FKB ELECTRICAL LIMITED


ABBREVIATED BALANCE SHEET AT 31ST DECEMBER 1995

	<u>Notes</u>	<u>£</u>	<u>£</u>	<u>1994</u>	<u>£</u>
Fixed assets					
Tangible assets	2	27,250		13,049	
Intangible assets	3	5,000		7,500	
		<u>32,250</u>		<u>20,549</u>	
Current assets					
Stocks and work in progress		99,915	14,727		
Debtors		116,193	98,533		
Cash at bank and in hand		15,239	19,209		
		<u>231,347</u>	<u>132,469</u>		
Creditors : amounts falling due within one year	4	<u>210,773</u>	<u>129,633</u>		
Net current assets		20,574		2,836	
Total assets less current liabilities		<u>52,824</u>		<u>23,385</u>	
Creditors: amounts falling due after more than one year	5	10,445		4,311	
Net assets		<u>£42,379</u>		<u>£19,074</u>	
Capital and reserves					
Called up share capital	6	1,000	1,000		
Profit and loss account		41,379	18,074		
		<u>£42,379</u>	<u>£19,074</u>		

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In preparing the financial statements, the directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

The accounts were approved by the Board on 30 April 1996 and signed on its behalf by:


M G Harding
Director

The annexed notes form part of these abbreviated accounts.

FKB ELECTRICAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 1995

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules.

Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by instalments over their estimated useful economic lives as follows:

Plant and machinery	-	20% and 50% reducing balance
Motor vehicles	-	25% per annum reducing balance
Fixtures, fittings and office equipment	-	20% per annum reducing balance

Stocks and work in progress

Stocks are stated at the lower of cost and estimated net realisable value. In respect of work in progress, cost includes a relevant proportion of overheads according to the stage of completion, and when relevant with reference to work certified by third parties.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Advance corporation tax on dividends paid and provided for in the year is not written off if tax liabilities for the period up to the next balance sheet are expected to be sufficient to absorb this tax.

Leased assets

Where the assets are financed by leasing agreements the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital payments outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme for certain key employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

FKB ELECTRICAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 1995 (continued)

2. Tangible fixed assets

	Total £
Cost	
At 1st January 1995	21,453
Additions	22,941
Disposals	-
At 31st December 1995	<u>£44,394</u>
Depreciation	
At 1st January 1995	8,404
Charge for the year	8,740
Disposals	-
At 31st December 1995	<u>£17,144</u>
Net book value	
At 31st December 1995	<u>£27,250</u>
At 31st December 1994	<u>£13,049</u>

Included in the total net book value of Motor Vehicles is £13,759 (1994 £NIL) in respect of assets held under hire purchase contracts. Depreciation for the year on these assets was £4,586 (1994 £NIL).

3. Intangible fixed assets

	<u>Goodwill</u> £
Cost	
At 1st January 1995	10,000
At 31st December 1995	<u>£10,000</u>
Amortisation	
At 1st January 1995	2,500
Charge for the year	2,500
At 31st December 1995	<u>£5,000</u>
Net book value	
At 31st December 1995	<u>£5,000</u>
At 31st December 1994	<u>£7,500</u>

FKB ELECTRICAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 1995 (continued)

**4. Creditors : amounts falling due within one year
included the following:**

	1995 £	1994 £
Bank overdraft - secured	42,746	19,970
Taxation and social security	36,605	21,554
	<u>79,351</u>	<u>41,524</u>

**5. Creditors : amounts falling due after more
than one year**

	1995 £	1994 £
Bank loan	-	1,228
CDA loan	1,502	3,083
Obligations under finance leases and hire purchase contracts	8,943	-
	<u>£10,445</u>	<u>£4,311</u>

Creditors repayable by instalments

	Instalments payable within five years		Instalments payable after five years		Total	
	1995 £	1994 £	1995 £	1994 £	1995 £	1994 £
Bank loan	1,233	3,478	-	-	1,233	3,478
CDA loan	2,702	4,283	-	-	2,702	4,283
Obligations under finance leases and hire purchase contracts	13,932	-	-	-	13,932	-
	<u>£17,867</u>	<u>£7,761</u>	<u>£</u>	<u>£</u>	<u>£17,867</u>	<u>£7,761</u>

The bank loan is repayable in monthly instalments of £212.50 including interest over two years from July 1994. Interest is fixed at 13.25%. The Crewe Development Agency loan is repayable in monthly instalments of £121.95 including interest over five years from March 1993, the liability was taken over on 1st January 1994 from M G Harding t/a FKB Electrical. Interest is fixed at 7% per annum.

FKB ELECTRICAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 1995 (continued)

6. Called up share capital

	1995 £	1994 £
Authorised 1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	1,000	1,000

7. Transactions with directors

The company is operating from premises where the lease remains in the name of the unincorporated predecessor business. The company is honouring the obligation of the lease and benefiting from the use of the property. Mr Harding, the proprietor of the predecessor business, is receiving no benefit from this transaction. In due course an assignment will be completed transferring the lease to the limited company.