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Registered No. 10649

DRAKE & SCULL (SCOTLAND) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1998

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41 Watt Road
Hillingdon Industrial Estate
Glasgow
G52 4RY

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 December 1998.

Business Review

The Company did not trade during the year, and is expected to remain dormant for the foreseeable future. Since 25 August 1989 the Company has acted solely as an agent on a non-profit making basis for Drake & Scull Engineering Limited, a fellow subsidiary, and the relevant trading transactions are accordingly reflected in the accounts of that company.

Directors and Directors' Interests

The Directors of the Company during the year are listed below:-

F T MacInnis

N J Critchlow (Appointed 11 August 1998)

A J Gay (Resigned 31 October 1998)

M K Davis

C A Moore (Resigned 31 March 1998)

The Directors had no interest in the shares of the Company, had derived no special financial benefits, nor had material contracts with the Company during the year.

As the Company's ultimate parent company is registered outside the United Kingdom, there is no requirement to detail the interests of Directors in EMCOR Group Inc. at 31 December 1998.

Auditors

Arthur Andersen have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

Directors' Responsibilities for the Accounts

Company law requires the Directors to prepare accounts 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 accounts, 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; and
- prepare the accounts on a 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 accounts 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.

By Order of the Board



M L Walker

Secretary

31 August 1999

AUDITORS' REPORT

Page 2

TO THE MEMBERS OF DRAKE & SCULL (SCOTLAND) LIMITED

We have audited the accounts on pages 3 and 4 which have been prepared under the accounting policies set out on page 4.

Respective Responsibilities of Directors and Auditors

As described on page 1 the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and 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 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 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants & Registered Auditors
1 Surrey Street
London
WC2R 2PS

31 August 1999

BALANCE SHEET AS AT 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CURRENT ASSETS			
Receivable in more than one year:			
Debtors - amount due from parent undertaking		14,500	14,500
		_____	_____
NET CURRENT ASSETS		£14,500	£14,500
		_____	_____
CAPITAL AND RESERVES			
Called up share capital	3	14,500	14,500
		_____	_____
EQUITY SHAREHOLDERS' FUNDS		£14,500	£14,500
		_____	_____

The company was dormant within the meaning of section 250 of the Companies Act 1985 throughout the year ended 31 December 1998.

These accounts were approved by the Board of Directors on 31 August 1999 and signed on its behalf by:-

N J Critchlow 
Director

The accompanying notes are an integral part of this balance sheet.

NOTES TO THE ACCOUNTS**1. ACCOUNTING POLICIES****Accounting Convention**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

2. TRADING ACTIVITIES

The Company did not trade during the year, it having acted solely as an agent on a non-profit making basis for Drake & Scull Engineering Limited, a fellow subsidiary undertaking. Accordingly a profit and loss account has not been prepared and there are no recognised gains or losses in the year.

The Directors' emoluments and auditors' remuneration have been borne by Drake & Scull Engineering Limited and are reflected in the accounts of that company.

3. CALLED UP SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
Authorised:		
Ordinary shares of £1 each	£20,000	£20,000
	_____	_____
Allotted, issued and fully paid:		
Ordinary shares of £1 each	£14,500	£14,500
	_____	_____

4. PARENT UNDERTAKING

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member is EMCOR Group Inc., the ultimate parent company, incorporated in the USA, and the parent undertaking of the smallest such group is EMCOR (UK) Limited, registered in England and Wales. Copies of EMCOR Group Inc's accounts can be obtained from 101 Merritt Seven Corporate Park, 7th Floor, Norwalk, CT06851, USA. Copies of EMCOR (UK) Limited's accounts can be obtained from 1 Thameside, Kew Bridge Road, Kew Bridge, Middlesex, TW8 0HF.