Source and application of funds

for the year ended 31st December 1990

	1990		1989	
	£	£	£	£
Sources				
From operations				
Profit on ordinary activities after taxation		3,204,207		2,440,920
Adjustments for items not involving net liquid funds				
Depreciation including adjustments on disposal	441,670		350,359	
Deferred taxation	(39,000)	402,670	(36,000)	314,359
Items providing (absorbing) net liquid funds				
Work in progress	270,064		3,270,560	
Debtors	(6,053,695)		(3,781,126)	
Creditors excluding dividend	4,250,136	(1,533,495)	3,534,460	3,023,894
		2,073,382		5,779,173
Net liquid funds from operations				
Disposal of fixed assets		124,471		108,835
		2,197,853		5,888,008
Applications				
Expenditure on fixed assets	(2,392,190)		(758,109)	
Dividends paid	(622,849)	(3,015,039)	(513,513)	(1,271,622)
Decrease in net liquid funds		(817,186)		4,616,386
Being:				
Decrease in cash at bank and in hand		(817,186)		4,616,386

Notes to the financial statements

for the year ended 31st December 1990

Note 1 Accounting policies

(a) Basis of consolidation
These financial statements have been prepared under the historical cost convention and comprise the accounts of T. Clarke PLC and all its subsidiaries made up to 31st December 1990.

(b) Work in progress
Short term work in progress is valued at prime cost plus overheads. Full provision is made for losses to completion but no account is taken of claims receivable until agreed.

Long term work in progress is valued at prime cost with an addition for overheads and a prudent proportion of the estimated profit attributable to work carried out to date. The earliest point at which profit has been taken is that at which the outcome of the contract, based on an assessment by the officials of the company, can be reliably foreseen taking into account the circumstances of each contract. Full provision is made for losses to completion but no account is taken of claims receivable until agreed. In accordance with SSAP9 (revised) long term work in progress is included in debtors as amounts recoverable on contracts

Stocks are valued at the lower of cost and net realisable value.

(c) Depreciation
Depreciation is calculated on a straight line basis using the following rates:-

Freehold buildings	2%
Plant and machinery	20%
Motor vehicles	25%

(d) Deferred taxation
Provision is made at current rates for taxation deferred by reason of accelerated tax allowances granted on fixed assets in excess of the corresponding depreciation charged in the financial statements and other short term timing differences.

(e) Turnover
Turnover represents the value of work done and goods invoiced during the year.

Note 2 Turnover and profit before taxation

	Turnover		Profit before taxation	
	1990	1989	1990	1989
	£	£	£	£
Class of business				
Electrical contracting	72,574,603	58,636,516	4,408,115	3,435,101
Electrical suppliers	3,377,549	2,726,757	647,092	393,063
	75,952,152	61,363,273	5,055,207	3,828,164

Notes continued

for the year ended 31st December 1990

Note 3 Net operating expenses

	1990	1989
	£	£
Administrative expenses	4,483,955	4,022,193
Less: interest receivable	1,227,513	993,810
	3,256,442	3,028,383

Note 4 Operating profit

Operating profit is stated after charging:-	1990	1989
	£	£
Staff costs (note 5)	23,704,790	20,007,326
Depreciation of tangible fixed assets (including adjustments on disposal)	441,670	350,359
Auditors remuneration	38,000	35,000
Interest payable	159,326	127,815

Note 5 Directors and employees

Directors emoluments

Staff costs include the following emoluments in respect of directors of the company:-

	1990	1989
	£	£
Fees	25,000	32,500
Ex gratia payment to widow of former director	5,000	-
Other emoluments including pension contributions including £Nil (1989 £10,500) relating to previous year	304,750	267,309
	334,750	299,809

Directors emoluments excluding pension contributions are as follows:-

	1990	1989
The chairman including £Nil (1989 £1,000) relating to previous year	10,000	11,000
The highest paid director including £Nil (1989 £3,500) relating to previous year	70,000	64,500

The number of other directors whose emoluments were within the following ranges was:-

	Number	Number
£0 - £5,000	2	2
£5,001 - £10,000	1	2
£20,001 - £25,000	1	-
£45,001 - £50,000	-	4
£50,001 - £55,000	4	-

Notes continued

for the year ended 31st December 1990

Note 5 Directors and employees (continued)

Staff costs	1990	1989
	£	£
Staff costs during the year were as follows:-		
Wages and salaries	21,565 225	18,281,358
Social security cost	2,021,478	1,648,878
Other pension costs	118,087	77,090
	23,704,790	20,007,326
Average number of employees	1,135	1,085

Note 6 Taxation on ordinary activities

	1990	1989
	£	£
United Kingdom corporation tax based on the profit for the year as adjusted for taxation purposes at 35% (1989-35%)	1,906,214	1,430,700
Deferred taxation	(39,000)	(17,000)
	1,867,214	1,413,700
Prior year adjustments of which £Nil (1989 £19,000) relates to deferred taxation	(16,214)	(26,456)
	1,851,000	1,387,244

Note 7 Dividends

	1990	1989
On the ordinary shares:	£	£
Paid-interim dividend of 1.2p. per share (1.6p. gross per share)	147,420	114,251
Proposed-final dividend of 5.04p. per share (6.72p. gross per share)	619,164	475,429
	766,584	589,680

Note 8 Earnings per share

The earnings per share represents the profit for the year on ordinary activities after taxation divided by the number of ordinary shares in issue.

The 1989 figure has been restated on the basis that shares issued during the year were in existence at the previous balance sheet date.

Notes continued

for the year ended 31st December 1990

Note 9 Tangible fixed assets

	Freehold properties £	Short leasehold properties £	Plant, machinery and vehicles £	Total £
Group				
Cost or valuation				
At 1st January 1990	623,694	65,831	2,407,644	3,097,169
Additions	1,778,888	-	613,302	2,392,190
Disposals	-	-	(324,617)	(324,617)
At 31st December 1990	2,402,582	65,831	2,696 329	5,164,742
Depreciation				
At 1st January 1990	75,221	65,831	1,604 418	1,745,470
Charge for the year	9,387	-	436,573	445,960
Disposals	-	-	(204,436)	(204,436)
At 31st December 1990	84,608	65,831	1,836,555	1,986,994
Net book value				
At 31st December 1990	2,317,974	-	859,774	3,177,748
Net book value				
At 31st December 1989	548,473	-	803,226	1,351,699
Cost or valuation at 31st December 1990 is represented by:-				
At cost	2,302,582	65,831	2,696,329	5,064,742
At valuation 1981	100,000	-	-	100,000
	2,402,582	65,831	2,696,329	5,164,742
Company				
Cost				
At 1st January 1990	-	62,225	1,864,539	1,926,764
Additions	-	-	359,673	359,673
Disposals	-	-	(215,732)	(215,732)
At 31st December 1990	-	62,225	2,008,480	2,070,705
Depreciation				
At 1st January 1990	-	62,225	1,282,025	1,344,250
Charge for the year	-	-	321,750	321,750
Disposals	-	-	(163,447)	(163,447)
At 31st December 1990	-	62,225	1,440,328	1,502,553
Net book value				
At 31st December 1990	-	-	568,152	568,152
Net book value				
At 31st December 1989	-	-	582,514	582,514

Notes continued

for the year ended 31st December 1990

Note 9 Tangible fixed assets (continued)

	Group	
If freehold properties had not been revalued they would have been included at the following amounts:-	1990	1989
	£	£
Cost	2,336,576	557,688
Accumulated depreciation	71,407	62,400
	2,265,169	495,288

Note 10 Fixed asset investments

	Company	
Investments in subsidiaries comprise:-	1990	1989
	£	£
Cost		
At 1st January 1990 and 31st December 1990	533,525	533,525
Amounts written off		
At 1st January 1990	144,368	178,768
Written back in year	(12,410)	(34,400)
At 31st December 1990	131,958	144,368
Net book value		
At 31st December 1990	401,567	389,157

Note 11 Work in progress

	Group		Company	
	1990	1989	1990	1989
	£	£	£	£
Contract work in progress comprises:-				
Cost plus attributable overheads less provision for losses	5,356,480	6,340,355	4,113,780	4,809,925
Less: payments on account	4,060,321	4,745,581	2,990,108	3,607,036
	1,296,159	1,594,774	1,123,672	1,202,889
Stocks	405,730	377,179	65,502	45,859
	1,701,889	1,971,953	1,189,174	1,248,748

Notes continued

for the year ended 31st December 1990

Note 12 Debtors

	Amounts falling due within one year		Amounts falling due after more than one year	
	1990 £	1989 £	1990 £	1989 £
Group				
Amounts recoverable on contracts	9,216,200	3,694,687	-	-
Advance corporation tax	206,388	158,476	-	-
Trade debtors	3,364,592	2,921,125	-	-
Other debtors	52,464	30,040	-	-
Prepayments and accrued income	128,594	110,215	-	-
	12,968,238	6,914,543	-	-
Company				
Amounts recoverable on contracts	9,098,946	3,674,887	-	-
Advance corporation tax	206,388	158,476	-	-
Trade debtors	2,186,676	1,705,655	-	-
Owed by group undertakings	100,000	240,942	2,500,000	300,000
Other debtors	12,213	26,920	-	-
Prepayments and accrued income	96,227	86,300	-	-
	11,700,450	5,893,180	2,500,000	300,000

Note 13 Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	1990 £	1989 £	1990 £	1989 £
Group				
Payments received on account	205,268	339,894	-	-
Loan	-	1,000,000	1,000,000	-
Trade creditors	10,552,996	8,263,883	-	-
Dividends payable	619,164	475,429	-	-
Corporation tax	2,016,481	1,557,820	-	-
Other taxation and social security payable	1,660,978	1,476,866	-	-
Accruals and deferred income	3,041,114	1,588,238	-	-
	18,096,001	14,702,130	1,000,000	-

The loan, which is from the immediate holding company, was for a period of two years from the 27th February 1990 at an interest rate of 15 [illegible]% for the year ended 27th February 1991 and 12 [illegible]% for the year ended 27th February 1992.

Notes continued

for the year ended 31st December 1990

Note 13 Creditors (continued)

	Amounts falling due within one year		Amounts falling due after more than one year	
	1990	1989	1990	1989
	£	£	£	£
Company				
Payments received on account	36,196	310,317	-	-
Loan	-	1,000,000	1,000,000	-
Trade creditors	9,165,841	7,161,313	-	-
Owed to group undertakings	1,821,719	311,733	-	-
Dividends payable	619,164	475,429	-	-
Corporation tax	1,208,165	994,119	-	-
Other taxation and social security payable	1,497,225	1,345,395	-	-
Accruals and deferred income	2,751,807	1,380,317	-	-
	17,100,117	12,978,623	1,000,000	-

Note 14 Deferred taxation

	Group		Company	
	1990	1989	1990	1989
	£	£	£	£
Provision at 1st January 1990	58,000	22,000	58,000	22,000
Transfers from profit and loss account	39,000	36,000	39,000	36,000
Provision at 31st December 1990	97,000	58,000	97,000	58,000

Note 15 Called up share capital

	1990	1989
	£	£
Authorised, 15,000,000 ordinary shares of 10 pence each	1,500,000	1,300,000
Allotted called up and fully paid: 12,285,000 ordinary shares of 10 pence each	1,228,500	982,800

On the 4th May 1990 the authorised share capital of the company was increased from £1,300,000 to £1,500,000 by special resolution by the creation of 2,000,000 ordinary shares of 10 pence each.

On the 8th May 1990 a bonus issue was made to registered shareholders as at 27th April 1990. One ordinary share was allotted for every four ordinary shares held. The issue was made by a capitalisation of reserves and credited as fully paid.

Notes continued

for the year ended 31st December 1990

Note 16 Reserves

	1990	
	Group	Company
	£	£
Profit and loss account		
At 1st January 1990	6,070,109	4,837,062
Transfers from revaluation reserve	1,332	-
Capitalisation of reserves	(245,700)	(245,700)
Profit for year	2,437,623	2,094,612
At 31st December 1990	8,263,364	6,685,974
Revaluation reserve		
At 1st January 1990	54,618	-
Transfers to profit and loss account	(1,332)	-
At 31st December 1990	53,286	-
Total reserves	8,316,650	6,685,974

The company has taken advantage of the exemption from presenting its own profit and loss account. Profit after taxation amounting to £2,861,196 (1989 - £2,190,723) has been dealt with in the financial statements of the holding company.

Note 17 Capital commitments

At 31st December 1990 there were capital commitments contracted for of £698,891 (1989 £2,135,864).

Note 18 Pension commitments

The company operates a pension scheme providing benefits based on final pensionable salary. The assets of the Scheme are held separately from those of the company, being mainly invested in an insurance contract. Contributions to the Scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by an actuary on the basis of triennial valuations using the projected unit method with a 15 year control period. The most recent valuation was at 1st January 1989. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum in deferment and 8% per annum in payment, that salary increases would average 7.5% per annum and that present and future pensions would increase at statutory rates only.

The most recent actuarial valuation showed that the market value of the Scheme's assets was £2,175,000 and that the actuarial value of these assets represented 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The employers contribution will remain at 5.6% of pensionable salaries plus the cost of insuring the lump sum death in service benefit.

Notes continued

for the year ended 31st December 1990

Note 19 Contingent liabilities

The company is guarantor in respect of banking facilities granted to certain of its subsidiary companies. The extent to which these facilities were utilised at the balance sheet date amounted to £Nil (1989 £Nil).
The company and group have contingent liabilities in respect of guarantees given for commitments in the normal course of trade.

Note 20 Ultimate holding company

The directors regard CS Holdings (Credit Suisse) a company incorporated in Switzerland as the ultimate holding company.

Note 21 Subsidiary companies

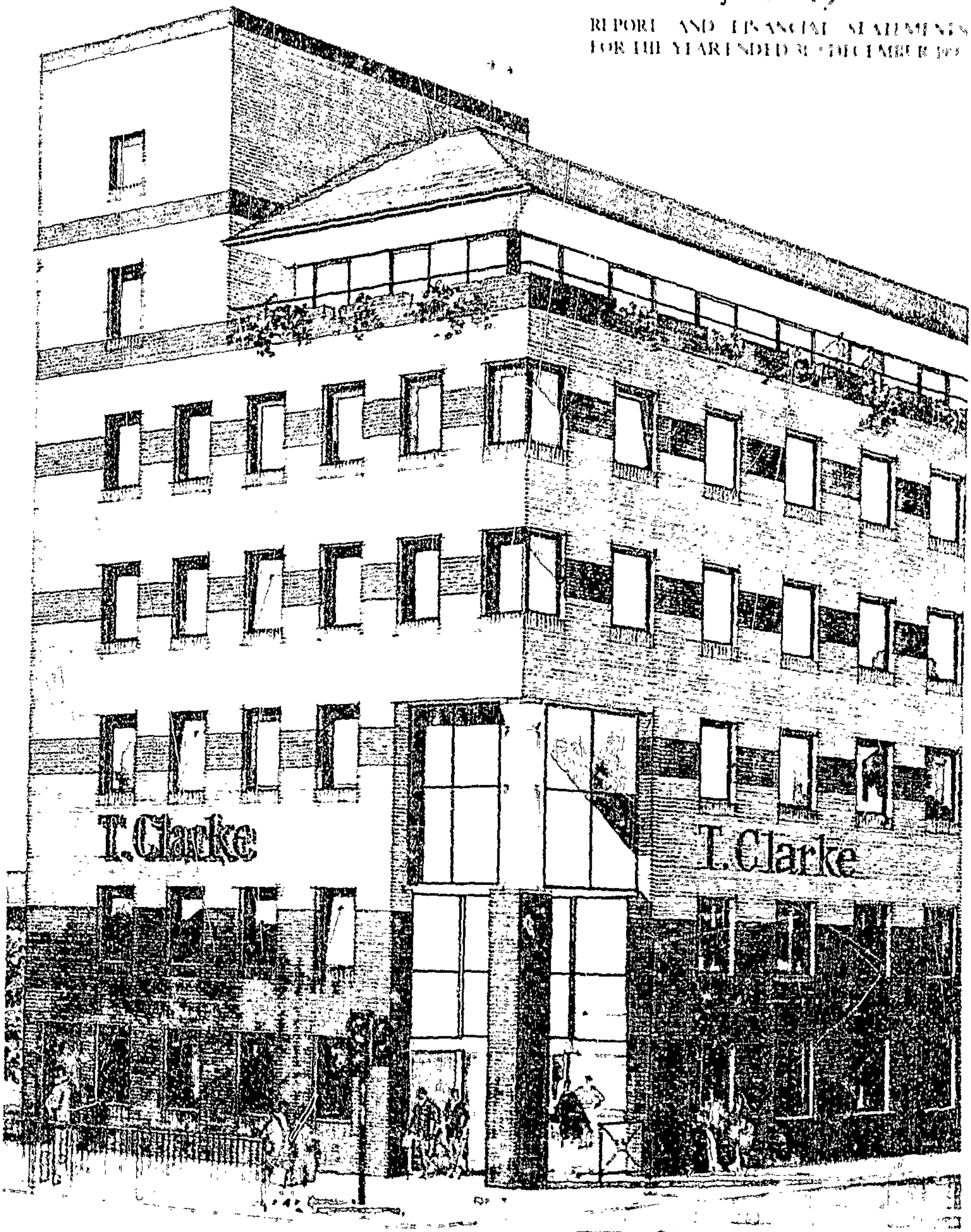
The wholly owned subsidiaries, which are all registered in England, are, with the exception of J Barker (Electrical Contractors) Limited directly held by T. Clarke PLC. The trading subsidiaries all operate within the United Kingdom.

Electrical contractors	Type of shares
T. Clarke (Northern) Limited *	Ordinary
T. Clarke (Midlands) Limited	Ordinary
Veale-Nixon Limited	Ordinary
T. Clarke Electrical Contractors Limited *	Ordinary
J. Barker (Electrical Contractors) Limited *	Ordinary and Deferred
Electrical supplies	
Eastgate Electrical Supplies Limited	Ordinary and Deferred
Ventel Limited	Ordinary and Deferred
Property holding company	
Weylex Properties Limited	Ordinary

* non trading companies

Signed copy

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER [illegible]



T.CLARKE

PUBLIC LIMITED COMPANY

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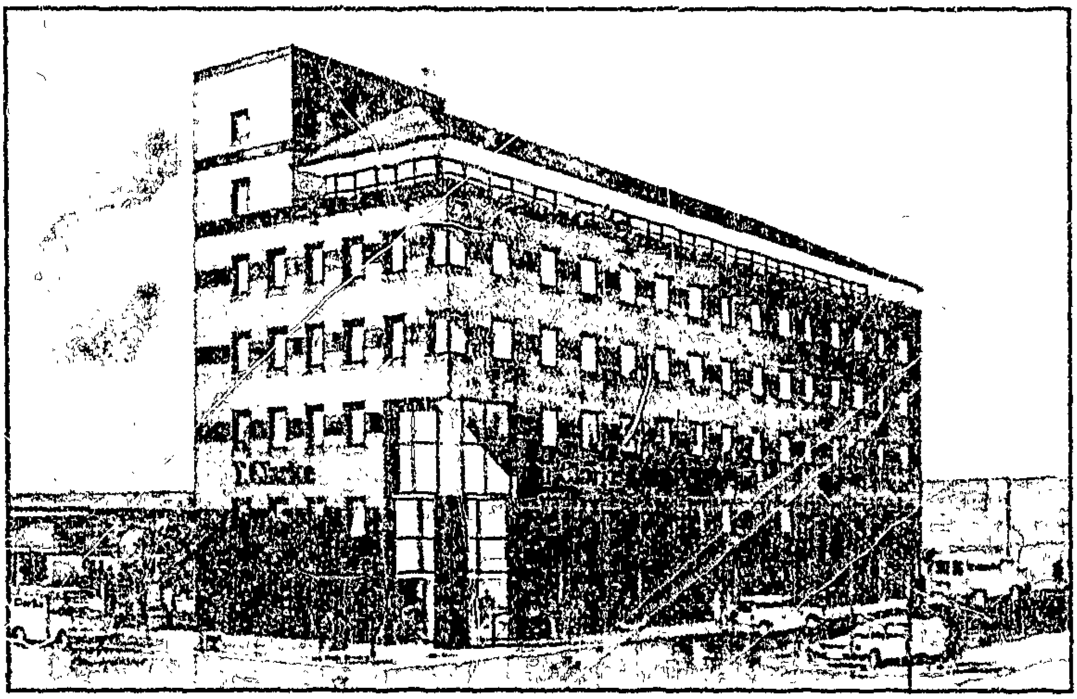

T. CLARKE PLC

ELECTRICAL ENGINEERS AND CONTRACTORS

Stanhope House 116-118 Walworth Road, London, SE17 1JL.
Telephone: 071-252 7676
Facsimile: 071-701 6265

Contents

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Officers and other information

Directors

David B. D'Eath (Chairman)
*Patrick E. Stanborough (Managing)
*David L. Stent (Deputy Managing)
*James A. Johnston
*Derek E. Davis
David Syz (Swiss)
Oskar Ronner (Swiss)
John H. Nixon
Barry J. Buchanan
(*executive)

Secretary

Brian Moss

Registered office

Stanhope House 116-118 Walworth Road London SE17 1JL

Technical directors

Robert G. Bowen
Reginald Webb
Derek Padwick
John C. Benson
Noel J. Anderson
Robin Wyborn
Reginald Reeves
John Davine
Leonard M. Fairman

Registrar and transfer office

Stentiford Close Ltd Broseley House Newlands Drive Witham Essex CM8 2UL. Tel 0376 515755

Auditors

Moore Stephens Chartered Accountants St. Paul's House Warwick Lane London EC4P 4BN

Bankers

National Westminster Bank PLC 64 Knightsbridge London SW1X 7LG

Corporate Broker

Brown Shipley Stockbroking Ltd Founders Court Lothbury London EC2R 7HE

Notice of annual general meeting

Notice is hereby given that the seventy-ninth annual general meeting of T. Clarke Public Limited Company will be held at the River Room, Savoy Hotel, London, WC2 on Friday the 3rd May 1991 at twelve o'clock noon to consider and if thought fit to pass the undermentioned resolutions.

Resolutions

1 That the audited financial statements for the year ended 31st December 1990 be adopted together with the directors and auditors reports thereon.

2 That the payment of a final dividend in respect of the year ended 31st December 1990, as recommended by the directors, be approved (see directors report page 4).

3 That Mr. D.B. D'Eath the director to retire by rotation in accordance with the companys articles of association, being eligible, be re- elected a director of the company.

4 That Mr. O. Ronner who retires in accordance with article number 90 of the companys articles of association, being eligible, be re-appointed a director of the company.

5 That Mr. B.J. Buchanan who retires in accordance with article number 90 of the companys articles of association, being eligible, be re-appointed a director of the company.

6 That Moore Stephens, Chartered Accountants, be re-appointed auditors to the company.

7 That the directors be authorised to fix the auditors remuneration.

By order of the board
B. MOSS (Secretary)

5th April 1991
116-118 Walworth Road, London, SE17 1JL

Chairmans statement

The cautious optimism about the prospects for 1990, which I expressed in last years statement was, in the event, well justified.

The full detail of the group results is shown on pages 8 and 9. The significant features are:-

- Group turnover up by 23.77% from £61,363,273 to £75,952,152.
- Pre-tax profits up by 32.05 22.05% from £3,828,164 to £5,055,207.
- Earnings per share up by 31.25% from 19.87 pence to 26.08 pence per share.
- Gross annual dividend up 30%.

The final dividend recommended by the directors is 5.04p per share (1989, 3.87p), lifting the gross annual dividend from 6.4p to 8.32p per share.

Shareholders should note that net interest receivable, again made a substantial contribution to the years pre-tax profits, aggregating £1,227,513 against £993,810 in 1989. We have been fortunate to have been in a position to benefit from the high interest rates prevailing throughout 1990.

During the year we have welcomed two new Directors. Oskar Ronner who has been appointed to succeed Luzius Hug, and Barry Buchanan, who has been managing director of our successful subsidiary company in Peterborough for 9 years was elected to the Parent Board in August 1990. We are pleased to have the benefit of their experience at our meetings.

Our future prospects should be viewed in the light of the general recession in business and of the depression in the construction industry during which we must anticipate a return to more modest but none the less successful levels of turnover and profitability.

We cannot in the present climate anticipate growth at the level which we have recently achieved.

I am glad to be able to tell you that our new head office building will be occupied and operational by the time this statement appears. We were honoured to welcome Mr. (now Sir) Denis Thatcher to perform our 'Topping Out' ceremony in September, and we much appreciated his presence.

This has again been a remarkable year in terms of turnover and profitability. These record results reflect a high degree of commitment by a skilled and dedicated team, without whose enthusiasm and support we could not have achieved such results nor such a generous share of the market. On behalf of my colleagues on the Board and myself, I want to thank our employees for what they have done.

D. B. D'Eath

D. B. D'EATH

Chairman

14th March 1991

Report of the directors

The directors present their annual report and the audited financial statements of the group for the year ended 31st December 1990.

Activity and Business Review

The principal activities of the group during the year consisted of:-

i) Installation and supply of electrical services and associated equipment.

ii) Manufacture and supply of specialist services trunking.

iii) Wholesale stockist and distributor of specialist conduits, cable, cable tray and ancillary accessories.

A review of the groups trading activities is referred to by the chairman in his statement on page 3.

Capitalisation Issue

On the 8th May 1990, dealings in the 2,457,000 new ordinary shares of 10 pence each (issued by means of a capitalisation of reserves and credited as fully paid in the ratio of 1 new ordinary share for every 4 ordinary shares held by registered members as at 27th April 1990) commenced. The allotted called up and fully paid share capital was thereby increased to £1,228,500 comprising 12,285,000 ordinary shares of 10 pence each.

Increase in share capital

By virtue of a special resolution approved in General Meeting by Members on the 4th May 1990, the companys authorised share capital was increased from £1,300,000 to £1,500,000 by the creation of 2,000,000 ordinary shares of 10 pence each.

Results and dividends

The profit for the year before taxation and distributions amounted to £5,055,207 (1989-£3,828,164). Specific details of the group trading activity are shown in the group profit and loss account on page 8 and in note 2 on page 11.

An interim dividend of 1.20 pence per ordinary share was paid on 8th October 1990, absorbing £147,420.

The directors recommend payment of a final dividend in respect of the year ended 31st December 1990, of 5.04 pence per ordinary share. The registrars records for final dividend purposes will close on 11th April 1991, and the shares go 'ex div' on the 2nd April 1991. Subject to members approval the final dividend will be paid 7th May 1991, absorbing £619,164.

Directors and their interests

The composition of the board, at report date, is shown on page 1. During the year Mr. Luzius Hug resigned from the board and Messrs. Oskar Ronner and Barry Buchanan were appointed directors. In accordance with the companys articles of association the newly appointed directors are to retire at the forthcoming annual general meeting and being eligible will submit themselves for re-appointment.

The director to retire by rotation at the said annual general meeting is Mr. David D'Eath, who being eligible will also submit himself for re-appointment. None of the retiring/eligible directors has a service agreement with the company.

Report of the directors

The names of those who were directors during the year and their interest in the companys issued share capital, beneficial unless otherwise stated, are shown below:-

	Interest in ordinary shares		
	* 1.1.90	o 31.12.90	o 14.3.91
David B. D'Eath	42,900	53,625	53,625
Patrick E. Stanborough	34,575	43,218	43,218
David L. Stent	2,000	2,500	2,500
James A. Johnston	16,560	20,699	20,699
Derek E. Davis	19,560	24,450	24,450
David Syz (non beneficial)	2,000	2,500	2,500
John H. Nixon	58,500	73,125	73,125
Luzius Hug (resigned 4.5.90-non-beneficial)	2,000	-	-
Oskar Ronner (appointed 4.5.90-non-beneficial)	-	2,500	2,500
Barry J. Buchanan (appointed 23.8.90)	-	• 3,625	3,625

(*pre-capitalisation) (o post capitalisation)
(• at the date of appointment)

Substantial shareholdings

The company has been advised of the following substantial interests in its issued ordinary share capital:-

	Number of Ordinary Shares	% of issued Ordinary Share Capital
Denis Sidney Clarke Esq	622,126	5.06
Electrowatt Limited	6,529,950	53.15
Imperial Group Pension Trust Limited and another	1,124,232	9.15
London Atlantic Investment Trust PLC & 3i Group PLC	588,125	4.79

Fixed assets

The movements in tangible fixed assets during the year are set out in note 9 to the financial statements.

On the 4th March 1991, the Company took possession of its new headquarter building at 116-118 Walworth Road, London SE17 1JL. It is anticipated that it will be fully staffed and operational by the 31st March 1991.

The cost of this development (excluding land but including demolition etc) amounted to £2,100,000 all funded out of current cash flow. In the opinion of your directors the current open market value of the groups interest in freehold land and buildings exceeds the book value by £500,000 and the estimated liability to taxation upon realisation would be approximately £145,000.

It is confirmed that the insured valuations have been reviewed and are considered adequate.

Close company status

The directors are of the opinion that the company is not a close company under the Income and Corporation Taxes Act, 1988.

Employee consultation

The group recognises the benefits of keeping employees informed of matters which are of concern to them and to ensure that they have a clear appreciation of the groups financial position.

Report of the directors

Disabled employees

The group recognises its obligation towards employment of disabled persons and gives full consideration to suitable applicants in vacancies that arise. Opportunities also exist for employees of the group companies who become disabled to continue in their employment or to be trained for other positions within the group.

Donations

The group contributed £4,380 to charities during the year.

Stock Exchange/ Capital Gains Tax

Members are advised that the companys shares are included on the (International) Stock Exchange Automated Quotations System (SEAQ) and the daily price can be found in the Financial Times under the Electrical section.

At 31st March 1982, (the rebasing date for capital gains tax purposes) the middle market price of T. Clarke PLC 10 pence ordinary shares was 16.4 pence per share (adjusted re 1990 Capitalisation Issue).

Auditors

A resolution for the re-appointment of Moore Stephens as auditors to the company will be proposed at the annual general meeting.

By order of the board
R. MOSS
Secretary

116-118 Walworth Road
London, SE17 1JL
14th March 1991

Report of the auditors

to the members of T. Clarke PLC

We have audited the financial statements on pages 8 to 19 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31st December 1990 and of the group profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Stephens

St. Paul's House,
Warwick Lane,
London, EC4P 4BN.
14th March 1991

MOORE STEPHENS
Chartered Accountants

Group profit and loss account

for the year ended 31st December 1990

	Notes	1990	1989
		£	£
Turnover	2	75,952,152	61,363,273
Cost of sales		67,640,503	54,506,726
Gross profit		8,311,649	6,856,547
Net operating expenses	3	3,256,442	3,028,383
Profit on ordinary activities before taxation	4	5,055,207	3,828,164
Taxation on profit on ordinary activities	6	1,851,000	1,387,244
Profit on ordinary activities after taxation		3,204,207	2,440,920
Dividends	7	766,584	589,680
Retained profit for the financial year	16	2,437,623	1,851,240
Earnings per share	8	26 08 pence	19.87 pence

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Balance sheets

at 31st December 1990

	Notes	Group 1990	Group 1989	Company 1990	Company 1989
		£	£	£	£
Fixed assets					
Tangible assets	9	3,177,748	1,351,699	568,152	582,514
Investments	10	-	-	401,567	389,157
		3,177,748	1,351,699	969,719	971,671
Deferred taxation	14	97,000	58,000	97,000	58,000
Current assets					
Work in progress	11	1,701,889	1,971,953	1,189,174	1,248,748
Debtors	12	12,968,238	6,914,543	14,200,450	6,193,180
Cash at bank and in hand		10,696,276	11,513,462	9,558,248	10,326,886
		25,366,403	20,399,958	24,947,872	17,768,814
Creditors, amounts falling due within one year	13	(18,096,001)	(14,702,130)	(17,100,117)	(12,978,623)
Net current assets		7,270,402	5,697,828	7,847,755	4,790,191
Total assets less current liabilities		10,545,150	7,107,527	8,914,474	5,819,862
Creditors, amounts falling due after more than one year	13	(1,000,000)	-	(1,000,000)	-
		9,545,150	7,107,527	7,914,474	5,819,862
Capital and reserves					
Called up share capital	15	1,228,500	982,800	1,228,500	982,800
Reserves	16	8,316,650	6,124,727	6,685,974	4,837,062
Shareholders funds		9,545,150	7,107,527	7,914,474	5,819,862

These financial statements were approved by the board on 14th March 1991

D. B. D'Eath

D.B. D'EATH	)	
	)	Directors
P.E. STANBOROUGH	)	

Source and application of funds

for the year ended 31st December 1990

	1990		1989	
	£	£	£	£
Sources				
From operations				
Profit on ordinary activities after taxation		3,204,207		2,440,920
Adjustments for items not involving net liquid funds				
Depreciation including adjustments on disposal	441,670		350,359	
Deferred taxation	(39,000)	402,670	(36,000)	314,359
Items providing (absorbing) net liquid funds				
Work in progress	270,064		3,270,560	
Debtors	(6,053,695)		(3,781,126)	
Creditors excluding dividend	4,250,136	(1,533,495)	3,534,460	3,023,894
Net liquid funds from operations		2,073,382		5,779,173
Disposal of fixed assets		124,471		108,835
		2,197,853		5,888,008
Applications				
Expenditure on fixed assets	(2,392,190)		(758,109)	
Dividends paid	(622,849)	(3,015,039)	(513,513)	(1,271,622)
Decrease in net liquid funds		(817,186)		4,616,386
Being:				
Decrease in cash at bank and in hand		(817,186)		4,616,386

Notes to the financial statements

for the year ended 31st December 1990

Note 1 Accounting policies

(a) Basis of consolidation
These financial statements have been prepared under the historical cost convention and comprise the accounts of T. Clarke PLC and all its subsidiaries made up to 31st December 1990.

(b) Work in progress
Short term work in progress is valued at prime cost plus overheads. Full provision is made for losses to completion but no account is taken of claims receivable until agreed.

Long term work in progress is valued at prime cost with an addition for overheads and a prudent proportion of the estimated profit attributable to work carried out to date. The earliest point at which profit has been taken is that at which the outcome of the contract, based on an assessment by the officials of the company, can be reliably foreseen taking into account the circumstances of each contract. Full provision is made for losses to completion but no account is taken of claims receivable until agreed. In accordance with SSAP9 (revised) long term work in progress is included in debtors as amounts recoverable on contracts.

Stocks are valued at the lower of cost and net realisable value

(c) Depreciation
Depreciation is calculated on a straight line basis using the following rates:-

Freehold buildings	2%
Plant and machinery	20%
Motor vehicles	25%

(d) Deferred taxation
Provision is made at current rates for taxation deferred by reason of accelerated tax allowances granted on fixed assets in excess of the corresponding depreciation charged in the financial statements and other short term timing differences.

(e) Turnover
Turnover represents the value of work done and goods invoiced during the year.

Note 2 Turnover and profit before taxation

	Turnover		Profit before taxation	
	1990 £	1989 £	1990 £	1989 £
Class of business				
Electrical contracting	72,574,603	58,636,516	4,408,115	3,435,101
Electrical suppliers	3,377,549	2,726,757	647,092	393,063
	75,952,152	61,363,273	5,055,207	3,828,164

Notes continued

for the year ended 31st December 1990

Note 3 Net operating expenses

	1990	1989
	£	£
Administrative expenses	4,483,955	4,022,193
Less: interest receivable	1,227,513	993,810
	3,256,442	3,028,383

Note 4 Operating profit

	1990	1989
Operating profit is stated after charging:-	£	£
Staff costs (note 5)	23,704,790	20,007,326
Depreciation of tangible fixed assets (including adjustments on disposal)	441,670	350,359
Auditors remuneration	38,000	35,000
Interest payable	159,326	127,815

Note 5 Directors and employees

Directors emoluments

Staff costs include the following emoluments in respect of directors of the company:-

	1990	1989
	£	£
Fees	25,000	32,500
Ex gratia payment to widow of former director	5,000	-
Other emoluments including pension contributions including £Nil (1989 £10,500) relating to previous year	304,[illegible]	267,309
	334,[illegible]	299,809

Directors emoluments excluding pension contributions are as follows:-

	1990	1989
The chairman including £Nil (1989 £1,000) relating to previous year	10,000	11,000
The highest paid director including £Nil (1989 £3,500) relating to previous year	70,000	64,500

The number of other directors whose emoluments were within the following ranges was:-

	Number	Number
£0 - £5,000	2	2
£5,001 - £10,000	1	2
£20,001 - £25,000	1	-
£45,001 - £50,000	-	[illegible]
£50,001 - £55,000	4	-

Notes continued

for the year ended 31st December 1990

Note 5 Directors and employees (continued)

Staff costs	1990	1989
	£	£
Staff costs during the year were as follows:-		
Wages and salaries	21,565 225	18,281,358
Social security cost	2,021,478	1,648,878
Other pension costs	118,087	77,090
	23,704,790	20,007,326
Average number of employees	1,135	1,085

Note 6 Taxation on ordinary activities

	1990	1989
	£	£
United Kingdom corporation tax based on the profit for the year as adjusted for taxation purposes at 35% (1989-35%)	1,906,214	1,430,700
Deferred taxation	(39,000)	(17,000)
	1,867,214	1,413,700
Prior year adjustments of which £Nil (1989 £19,000) relates to deferred taxation	(16,214)	(26,456)
	1,851,000	1,387,244

Note 7 Dividends

	1990	1989
On the ordinary shares:	£	£
Paid-interim dividend of 1.2p. per share (1.6p. gross per share)	147,420	114,251
Proposed-final dividend of 5.04p. per share (6.72p. gross per share)	619,164	475,429
	766,584	589,680

Note 8 Earnings per share

The earnings per share represents the profit for the year on ordinary activities after taxation divided by the number of ordinary shares in issue.

The 1989 figure has been restated on the basis that shares issued during the year were in existence at the previous balance sheet date.

Notes continued

for the year ended 31st December 1990

Note 9 Tangible fixed assets

	Freehold properties £	Short leasehold properties £	Plant, machinery and vehicles £	Total £
Group				
Cost or valuation				
At 1st January 1990	623,694	65,831	2,407,644	3,097,169
Additions	1,778,888	-	613,302	2,392,190
Disposals	-	-	(324,617)	(324,617)
At 31st December 1990	2,402,582	65,831	2,696,329	5,164,742
Depreciation				
At 1st January 1990	75,221	65,831	1,604,418	1,745,470
Charge for the year	9,387	-	436,573	445,960
Disposals	-	-	(204,436)	(204,436)
At 31st December 1990	84,608	65,831	1,836,555	1,986,994
Net book value At 31st December 1990	2,317,974	-	859,774	3,177,748
Net book value At 31st December 1989	548,473	-	803,226	1,351,699
Cost or valuation at 31st December 1990 is represented by:-				
At cost	2,302,582	65,831	2,696,329	5,064,742
At valuation 1981	100,000	-	-	100,000
	2,402,582	65,831	2,696,329	5,164,742
Company				
Cost				
At 1st January 1990	-	62,225	1,864,539	1,926,764
Additions	-	-	359,673	359,673
Disposals	-	-	(215,732)	(215,732)
At 31st December 1990	-	62,225	2,008,480	2,070,705
Depreciation				
At 1st January 1990	-	62,225	1,282,025	1,344,250
Charge for the year	-	-	321,750	321,750
Disposals	-	-	(163,447)	(163,447)
At 31st December 1990	-	62,225	1,440,328	1,502,553
Net book value At 31st December 1990	-	-	568,152	568,152
Net book value At 31st December 1989	-	-	582,514	582,514

Notes continued

for the year ended 31st December 1990

Note 9 Tangible fixed assets (continued)

	Group	
If freehold properties had not been revalued they would have been included at the following amounts:-	1990 £	1989 £
Cost	2,336,576	557,688
Accumulated depreciation	71,407	62,400
	2,265,169	495,288

Note 10 Fixed asset investments

	Company	
Investments in subsidiaries comprise:-	1990 £	1989 £
Cost		
At 1st January 1990 and 31st December 1990	533,525	533,525
Amounts written off		
At 1st January 1990	144,368	178,768
Written back in year	(12,410)	(34,400)
At 31st December 1990	131,958	144,368
Net book value		
At 31st December 1990	401,567	389,157

Note 11 Work in progress

	Group		Company	
	1990 £	1989 £	1990 £	1989 £
Contract work in progress comprises:-				
Cost plus attributable overheads less provision for losses	5,356,480	6,340,355	4,113,780	4,809,925
Less: payments on account	4,060,321	4,745,581	2,990,108	3,607,036
	1,296,159	1,594,774	1,123,672	1,202,889
Stocks	405,730	377,179	65,502	45,859
	1,701,889	1,971,953	1,189,174	1,248,748

Notes continued

for the year ended 31st December 1990

Note 12 Debtors

	Amounts falling due within one year		Amounts falling due after more than one year	
	1990 £	1989 £	1990 £	1989 £
Group				
Amounts recoverable on contracts	9,216,200	3,694,687	-	-
Advance corporation tax	206,388	158,476	-	-
Trade debtors	3,364,592	2,921,125	-	-
Other debtors	52,464	30,040	-	-
Prepayments and accrued income	128,594	110,215	-	-
	12,968,238	6,914,543	-	-
Company				
Amounts recoverable on contracts	9,098,946	3,674,887	-	-
Advance corporation tax	206,388	158,476	-	-
Trade debtors	2,186,676	1,705,655	-	-
Owed by group undertakings	100,000	240,942	2,500,000	300,000
Other debtors	12,213	26,920	-	-
Prepayments and accrued income	96,227	86,300	-	-
	11,700,450	5,893,180	2,500,000	300,000

Note 13 Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	1990 £	1989 £	1990 £	1989 £
Group				
Payments received on account	205,268	339,894	-	-
Loan	-	1,000,000	1,000,000	-
Trade creditors	10,552,996	8,263,883	-	-
Dividends payable	619,164	475,429	-	-
Corporation tax	2,016,481	1,557,820	-	-
Other taxation and social security payable	1,660,978	1,476,866	-	-
Accruals and deferred income	3,041,114	1,588,238	-	-
	18,096,001	14,702,130	1,000,000	-

The loan, which is from the immediate holding company, was for a period of two years from the 27th February 1990 at an interest rate of 15 % for the year ended 27th February 1991 and 12 % for the year ended 27th February 1992.

Notes continued

for the year ended 31st December 1990

Note 13 Creditors (continued)

	Amounts falling due within one year		Amounts falling due after more than one year	
	1990	1989	1990	1989
	£	£	£	£
Company				
Payments received on account	36,196	310,317	-	-
Loan	-	1,000,000	1,000,000	-
Trade creditors	9,165,841	7,161,313	-	-
Owed to group undertakings	1,821,719	311,733	-	-
Dividends payable	619,164	475,429	-	-
Corporation tax	1,208,165	994,119	-	-
Other taxation and social security payable	1,497,225	1,345,395	-	-
Accruals and deferred income	2,751,807	1,380,317	-	-
	17,100,117	12,978,623	1,000,000	-

Note 14 Deferred taxation

	Group		Company	
	1990	1989	1990	1989
	£	£	£	£
Provision at 1st January 1990	58,000	22,000	58,000	22,000
Transfers from profit and loss account	39,000	36,000	39,000	36,000
Provision at 31st December 1990	97,000	58,000	97,000	58,000

Note 15 Called up share capital

	1990	1989
	£	£
Authorised: 15,000,000 ordinary shares of 10 pence each	1,500,000	1,300,000
Allotted called up and fully paid: 12,285,000 ordinary shares of 10 pence each	1,228,500	982,800

On the 4th May 1990 the authorised share capital of the company was increased from £1,300,000 to £1,500,000 by special resolution by the creation of 2,000,000 ordinary shares of 10 pence each.

On the 8th May 1990 a bonus issue was made to registered shareholders as at 27th April 1990. One ordinary share was allotted for every four ordinary shares held. The issue was made by a capitalisation of reserves and credited as fully paid.

Notes continued

for the year ended 31st December 1990

Note 16 Reserves

	1990	
	Group	Company
	£	£
Profit and loss account		
At 1st January 1990	6,070,109	4,837,062
Transfers from revaluation reserve	1,332	-
Capitalisation of reserves	(245,700)	(245,700)
Profit for year	2,437,623	2,094,612
At 31st December 1990	8,263,364	6,685,974
Revaluation reserve		
At 1st January 1990	54,618	-
Transfers to profit and loss account	(1,332)	-
At 31st December 1990	53,286	-
Total reserves	8,316,650	6,685,974

The company has taken advantage of the exemption from presenting its own profit and loss account. Profit after taxation amounting to £2,861,196 (1989 - £2,190,723) has been dealt with in the financial statements of the holding company.

Note 17 Capital commitments

At 31st December 1990 there were capital commitments contracted for of £698,891 (1989 £2,135,864).

Note 18 Pension commitments

The company operates a pension scheme providing benefits based on final pensionable salary. The assets of the Scheme are held separately from those of the company, being mainly invested in an insurance contract. Contributions to the Scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by an actuary on the basis of triennial valuations using the projected unit method with a 15 year control period. The most recent valuation was at 1st January 1989. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 9% per annum in deferment and 8% per annum in payment, that salary increases would average 7.5% per annum and that present and future pensions would increase at statutory rates only.

The most recent actuarial valuation showed that the market value of the Scheme's assets was £2,175,000 and that the actuarial value of these assets represented 109% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The employers contribution will remain at 5.6% of pensionable salaries plus the cost of insuring the lump sum death in service benefit.

Note 19 Contingent liabilities

The company is guarantor in respect of banking facilities granted to certain of its subsidiary companies. The extent to which these facilities were utilised at the balance sheet date amounted to £Nil (1989 £Nil).
The company and group have contingent liabilities in respect of guarantees given for commitments in the normal course of trade.

Note 20 Ultimate holding company

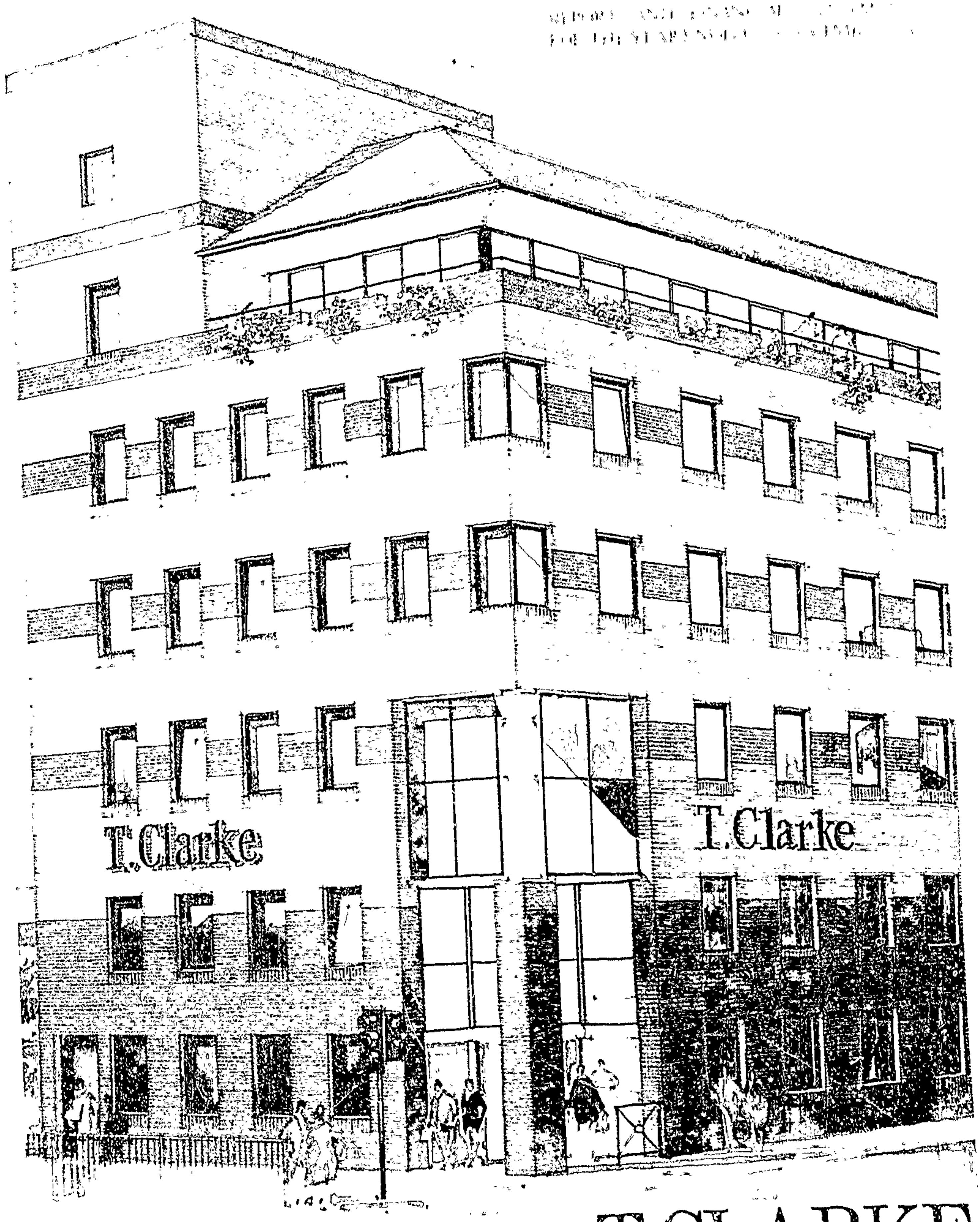
The directors regard CS Holdings (Credit Suisse) a company incorporated in Switzerland as the ultimate holding company.

Note 21 Subsidiary companies

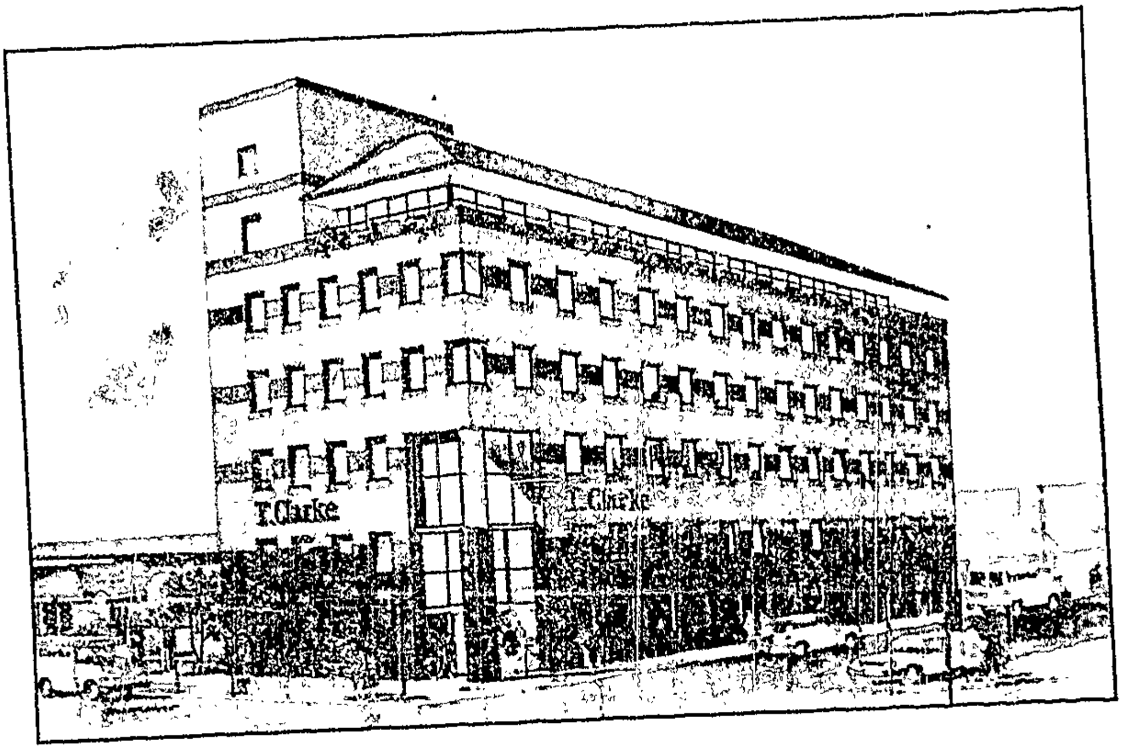
The wholly owned subsidiaries, which are all registered in England, are, with the exception of J. Barker (Electrical Contractors) Limited directly held by T. Clarke PLC. The trading subsidiaries all operate within the United Kingdom.

	Type of shares
Electrical contractors	
T. Clarke (Northern) Limited *	Ordinary
T. Clarke (Midlands) Limited	Ordinary
Veale-Nixon Limited	Ordinary
T. Clarke Electrical Contractors Limited *	Ordinary
J. Barker (Electrical Contractors) Limited *	Ordinary and Deferred
Electrical supplies	
Eastgate Electrical Supplies Limited	Ordinary and Deferred
Ventel Limited	Ordinary and Deferred
Property holding company	
Weylex Properties Limited	Ordinary

* non trading companies



T.CLARKE
PUBLIC LIMITED COMPANY



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