

WINGATE ELECTRICAL PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Company Registration Number 01153427

Tenon Limited
Accountants & Business Advisers
Clifton House
Bunnian Place
Basingstoke
Hampshire

WINGATE ELECTRICAL PLC
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

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WINGATE ELECTRICAL PLC
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 SEPTEMBER 2006

The board of directors	R J Cummins P F Frewin S P Kerr T R Taber J D Munro
Company secretary	M R Frewin
Business address	Wingate House Rutherford Road Basingstoke Hampshire
Registered office	Wingate House Rutherford Road Basingstoke Hampshire
Auditor	Tenon Audit Limited Clifton House Bunnian Place Basingstoke Hampshire
Accountants	Tenon Limited Accountants & Business Advisers Clifton House Bunnian Place Basingstoke Hampshire
Bankers	Natwest 3 London Street Basingstoke Hampshire

WINGATE ELECTRICAL PLC
THE DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 2006

The directors present their report and the financial statements of the company for the year ended 30 September 2006.

Principal activities and business review

The principal activity of the company continued to be that of electrical contracting and supply.

During the course of the year we continued to strengthen our core activity of construction enabling services throughout our eight UK regional offices whilst increasing the company's strength in specifically targeted sectors of the building services market. This addition to our portfolio of services has assisted the growth in turnover by 23% and profitability by 13%.

This growth has been achieved in an ever more competitive construction market place with increasing project requirements affecting Health & Safety, Responsibilities on Environmental issues to Conserve Power and Certificated Waste Transfer adding to our costs.

At the year end the company had shareholder funds of £3,920,660 including distributable profits of £3,817,135. The directors therefore believe the company's position to be satisfactory especially as the company has net current assets of £2,878,164.

Our forward strategy is to maintain our leading UK core activity position and target additional sectors of the building services market to support the growth success we have experienced in the Rail sector.

The Directors firmly believe in and are committed to incorporating the values of the Stern Review (The Economics of Climate Change) into our business.

Results and dividends

The profit for the year, after taxation, amounted to £691,555. Particulars of dividends paid are detailed in note 8 to the financial statements.

Financial risk management objectives and policies

The company finances its operations through a mixture of retained profits and where necessary to fund expansion or capital expenditure programmes through bank borrowings.

The management's objectives are to:

- retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds; and
- minimise the company's exposure to fluctuating interest rates when seeking new borrowings; and
- match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the company's trading activities.

All the companies surplus funds are invested in sterling bank deposit accounts and its borrowings are obtained from standard bank loan accounts and the company pension fund. The directors therefore consider that there is no price risk exposure.

The directors and their interests in the shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

WINGATE ELECTRICAL PLC
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 SEPTEMBER 2006

	Ordinary Shares of £1 each	
	At	At
	30 September 2006	1 October 2005 <i>or later date of appointment</i>
R J Cummins	-	-
P F Frewin	-	-
S P Kerr	-	-
T R Taber	-	-
J D Munro	-	-
	=	=

Details of the interests of P F Frewin in the shares of the parent company are shown in that company's financial statements.

J D Munro was appointed as a director on 23 February 2006.

Policy on the payment of creditors

The company's policy for all suppliers is to;

- (a) settle agreed outstanding accounts in accordance with the terms and conditions agreed with them;
- (b) ensure that suppliers are made aware of the terms by inclusion of the relevant terms in contracts (if applicable); and
- (c) pay in accordance with its contractual and other legal obligations.

The average number of days credit given for trade purchases as at 30 September 2006 was 41 (2005: 42).

Directors' responsibilities

The directors are responsible for preparing the Annual Report and 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

WINGATE ELECTRICAL PLC
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 SEPTEMBER 2006

- 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 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.

In so far as the directors, individually, are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Charitable donations

During the year the company made the following contributions:

	2006	2005
	£	£
Charitable	10,712	9,000

Auditor

A resolution to re-appoint Tenon Audit Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



J D Munro

Director

Approved by the directors on ... 6/3/07

WINGATE ELECTRICAL PLC
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINGATE
ELECTRICAL PLC

YEAR ENDED 30 SEPTEMBER 2006

We have audited the financial statements of Wingate Electrical plc on pages 7 to 22 for the year ended 30 September 2006. 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 auditor's 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 auditor

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Directors' Report 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 Directors' Report 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.

WINGATE ELECTRICAL PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINGATE
ELECTRICAL PLC *(continued)*

YEAR ENDED 30 SEPTEMBER 2006

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 2006 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 Directors' Report is consistent with the financial statements.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
Clifton House
Bunnian Place
Basingstoke
Hampshire

Date: *26th March 2007*

WINGATE ELECTRICAL PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2006

	Note	2006 £	2005 (restated) £
Turnover	2	24,126,105	19,594,512
Cost of sales		(19,149,159)	(14,812,050)
Gross profit		<u>4,976,946</u>	<u>4,782,462</u>
Administrative expenses		(3,893,449)	(3,842,920)
Operating profit	3	<u>1,083,497</u>	<u>939,542</u>
Interest receivable		48,790	51,098
Interest payable and similar charges	6	(19,239)	(7,518)
Profit on ordinary activities before taxation		<u>1,113,048</u>	<u>983,122</u>
Tax on profit on ordinary activities	7	(421,493)	(333,262)
Profit for the financial year		<u>691,555</u>	<u>649,860</u>

All of the activities of the company are classed as continuing.

The notes on pages 11 to 22 form part of these financial statements.

WINGATE ELECTRICAL PLC
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30 SEPTEMBER 2006

	2006	2005 <i>(restated)</i>
	£	£
Profit for the financial year Attributable to the shareholders	691,555	649,860
Total recognised gains and losses relating to the year	<u>691,555</u>	<u>649,860</u>
Prior year adjustment (see note 9)	<u>300,000</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>991,555</u>	<u>649,860</u>

The notes on pages 11 to 22 form part of these financial statements.

WINGATE ELECTRICAL PLC

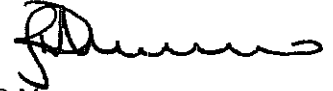
BALANCE SHEET

30 SEPTEMBER 2006

	Note	2006		2005 (restated)	
		£	£	£	£
Fixed assets					
Tangible assets	10		1,299,456		1,116,645
Current assets					
Stocks	11	115,879		89,640	
Debtors	12	4,858,324		4,572,761	
Cash at bank and in hand		1,927,488		1,077,865	
			<u>6,901,691</u>	<u>5,740,266</u>	
Creditors: Amounts falling due within one year	13	<u>(4,023,527)</u>		<u>(3,205,901)</u>	
Net current assets			2,878,164		2,534,365
Total assets less current liabilities			<u>4,177,620</u>		<u>3,651,010</u>
Creditors: Amounts falling due after more than one year	14		(196,960)		(82,784)
			<u>3,980,660</u>		<u>3,568,226</u>
Provisions for liabilities					
Deferred taxation	18		(60,000)		(28,000)
			<u>3,920,660</u>		<u>3,540,226</u>
Capital and reserves					
Called-up share capital	21		100,000		100,000
Share premium account	23		3,525		3,525
Profit and loss account	24		3,817,135		3,436,701
Shareholders' funds	25		<u>3,920,660</u>		<u>3,540,226</u>

These financial statements were approved by the directors on the 6/3/07 and are signed on their behalf by:


P F Frewin
Director


J D Munro
Director

The notes on pages 11 to 22 form part of these financial statements.

WINGATE ELECTRICAL PLC
CASH FLOW STATEMENT
YEAR ENDED 30 SEPTEMBER 2006

		2006		2005 <i>(restated)</i>	
	Note	£	£	£	£
Net cash inflow from operating activities	27		1,769,001		676,329
Returns on investments and Servicing of finance					
Interest received		48,790		51,098	
Interest paid		(10,044)		(2,277)	
Interest element of hire purchase		(9,195)		(5,241)	
Net cash inflow from returns on investments and servicing of finance			29,551		43,580
Taxation			(282,938)		(325,262)
Capital expenditure					
Payments to acquire tangible fixed assets		(255,637)		(487,510)	
Net cash outflow from capital expenditure			(255,637)		(487,510)
Equity dividends paid			(311,121)		(300,000)
Cash inflow/(outflow) before financing			948,856		(392,863)
Financing					
Repayment of bank loans		-		(100,809)	
Capital element of hire purchase		(82,306)		(95,161)	
Net (outflow)/inflow from other long-term creditors		(16,927)		100,000	
Net cash outflow from financing			(99,233)		(95,970)
Increase/(decrease) in cash	27		849,623		(488,833)

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

1. Accounting policies

Basis of accounting

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

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

-FRS 21 'Events after the Balance Sheet date (IAS 10)'.

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the company declares dividends to the holders of equity instruments after the balance sheet date, the company does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the company. Shareholders' funds at 1 October 2004 have been increased by £300,000. For year ended 30 September 2005, the change in accounting policy has resulted in a net increase in retained profit for the year of £300,000. The balance sheet at 30 September 2005 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £300,000.

Turnover

The turnover shown in the profit and loss account represents amounts receivable during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Land and buildings freehold	- Over 50 years
Plant and Machinery	- 6 years straight line
Fixtures, fittings and equipment	- 3 - 5 years straight line
Leasehold improvements	- 3 - 20 years straight line

Stock

Stock is valued at the lower of cost and net realisable value.

Hire purchase agreements

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

1. Accounting policies *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated in the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

3. Operating profit

Operating profit is stated after charging:

	2006	2005 <i>(restated)</i>
	£	£
Depreciation of owned fixed assets	314,296	225,424
Depreciation of assets held under hire purchase agreements	26,004	26,314
Operating lease costs:		
-Plant and machinery	1,754,886	1,450,168
-Other	212,455	214,956
Auditor's remuneration - audit of the financial statements	12,500	10,650
Auditor's remuneration - other fees	5,750	7,350
	<u>2006</u>	<u>2005</u> <i>(restated)</i>
	<u>£</u>	<u>£</u>
Auditor's remuneration - audit of the financial statements	12,500	10,650
Auditor's remuneration - other fees:		
- Taxation services	2,675	4,325
- Statutory accounts	3,075	3,025
	<u>5,750</u>	<u>7,350</u>

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2006	2005 <i>(restated)</i>
	No	No
Office and management	58	59
Distribution and sales	184	157
	<u>242</u>	<u>216</u>

The aggregate payroll costs of the above were:

	2006	2005 <i>(restated)</i>
	£	£
Wages and salaries	7,444,871	6,578,193
Social security costs	823,560	709,347
Other pension costs	110,188	194,456
	<u>8,378,619</u>	<u>7,481,996</u>

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2006	2005 <i>(restated)</i>
	£	£
Emoluments receivable	578,770	478,025
Value of company pension contributions to money purchase schemes	<u>70,037</u>	<u>157,854</u>
	<u>648,807</u>	<u>635,879</u>

Emoluments of highest paid director:

	2006	2005 <i>(restated)</i>
	£	£
Total emoluments (excluding pension contributions)	203,859	189,191
Value of company pension contributions to money purchase schemes	<u>45,719</u>	<u>118,316</u>
	<u>249,578</u>	<u>307,507</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2006	2005 <i>(restated)</i>
	No	No
Money purchase schemes	<u>5</u>	<u>4</u>

6. Interest payable and similar charges

	2006	2005 <i>(restated)</i>
	£	£
Finance charges	9,195	5,241
Other similar charges payable	<u>10,044</u>	<u>2,277</u>
	<u>19,239</u>	<u>7,518</u>

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2006	2005 <i>(restated)</i>
	£	£
In respect of the year:		
UK Corporation tax	386,555	280,000
Over/under provision in prior year	2,938	25,262
	<u>389,493</u>	<u>305,262</u>
Deferred tax:		
Origination and reversal of timing differences	32,000	28,000
Tax on profit on ordinary activities	<u>421,493</u>	<u>333,262</u>

There are no known circumstances affecting future tax charges.

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 28.58%).

	2006	2005 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	<u>1,113,048</u>	<u>983,122</u>
Profit/(loss) on ordinary activities by rate of tax	333,914	280,976
Effects of:		
Expenses not deductible for tax purposes	55,462	39,183
Capital allowances for period in excess of depreciation	2,506	(26,777)
Adjustments to tax charge in respect of previous periods	2,938	25,262
Other tax adjustments	(5,327)	(13,382)
Total current tax (note 7(a))	<u>389,493</u>	<u>305,262</u>

8. Dividends

Equity dividends

	2006	2005 <i>(restated)</i>
	£	£
Paid during the year		
Equity dividends on ordinary shares	<u>311,121</u>	<u>300,000</u>

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

9. Prior year adjustment

During the year the company adopted FRS21 - Events after the Balance Sheet date, which has affected the timing of recognition of equity dividends. Under the new standard only equity dividends which are declared prior to the year-end are shown as a liability at the balance sheet date.

The disclosure of dividends has also changed in line with amendments to the Companies Act. Details of dividends declared and paid are now included in note 8 to the financial statements.

As the above is a change in accounting policy it has been reflected as a prior year adjustment.

10. Tangible fixed assets

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Leasehold improve- ments £	Total £
Cost					
At 1 October 2005	145,636	1,933,558	130,788	93,485	2,303,467
Additions	—	413,406	63,577	46,128	523,111
At 30 September 2006	<u>145,636</u>	<u>2,346,964</u>	<u>194,365</u>	<u>139,613</u>	<u>2,826,578</u>
Depreciation					
At 1 October 2005	4,309	1,062,366	79,202	40,945	1,186,822
Charge for the year	2,913	286,954	32,635	17,798	340,300
At 30 September 2006	<u>7,222</u>	<u>1,349,320</u>	<u>111,837</u>	<u>58,743</u>	<u>1,527,122</u>
Net book value					
At 30 September 2006	<u>138,414</u>	<u>997,644</u>	<u>82,528</u>	<u>80,870</u>	<u>1,299,456</u>
At 30 September 2005	<u>141,327</u>	<u>871,192</u>	<u>51,586</u>	<u>52,540</u>	<u>1,116,645</u>

Hire purchase agreements

Included within the net book value of £1,299,456 is £241,469 (2005 - £92,095) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £26,004 (2005 - £26,314).

11. Stocks

	2006 £	2005 (restated) £
Finished goods	<u>115,879</u>	<u>89,640</u>

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

12. Debtors

	2006	2005 (restated)
	£	£
Trade debtors	510,599	807,189
Other debtors	4,240,330	3,691,791
Prepayments and accrued income	107,395	73,781
	<u>4,858,324</u>	<u>4,572,761</u>

13. Creditors: Amounts falling due within one year

	2006	2005 (restated)
	£	£
Other loans	18,463	17,216
Trade creditors	2,163,818	1,717,674
Amounts owed to group undertakings	50,122	50,122
Corporation tax	386,555	280,000
PAYE and social security	237,216	217,394
VAT	539,975	546,687
Hire purchase agreements	86,912	34,094
Other creditors	103,775	128,453
Accruals and deferred income	436,691	214,261
	<u>4,023,527</u>	<u>3,205,901</u>

14. Creditors: Amounts falling due after more than one year

	2006	2005 (restated)
	£	£
Hire purchase agreements	132,350	-
Other loans	64,610	82,784
	<u>196,960</u>	<u>82,784</u>

15. Creditors - other loans

Creditors include finance capital which is due for repayment as follows:

	2006	2005 (restated)
	£	£
Amounts repayable:		
In one year or less or on demand	18,463	17,216
In more than one year but not more than two years	20,000	20,000
In more than two years but not more than five years	44,610	62,784
	<u>83,073</u>	<u>100,000</u>

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

16. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2006	2005 (restated)
	£	£
Amounts payable within 1 year	97,464	34,094
Amounts payable between 2 to 5 years	138,074	-
	<u>235,538</u>	<u>34,094</u>
Less interest and finance charges relating to future periods	(16,276)	-
	<u>219,262</u>	<u>34,094</u>
Hire purchase agreements are analysed as follows:		
Current obligations	86,912	34,094
Non-current obligations	132,350	-
	<u>219,262</u>	<u>34,094</u>

17. Pensions

Defined contribution

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds. The balance due to the funds at 30 September 2006 is £10,340 (2005 - £8,088).

	2006	2005
	£	£
Contributions payable by the company for the year	<u>110,188</u>	<u>194,456</u>

18. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2006	2005 (restated)
	£	£
At 1 October 2005	28,000	-
Profit and loss account movement arising during the year	<u>32,000</u>	<u>28,000</u>
At 30 September 2006	<u>60,000</u>	<u>28,000</u>

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2006

18. Deferred taxation *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2006	2005 <i>(restated)</i>
	£	£
Excess of taxation allowances over depreciation on fixed assets	60,000	28,000
	<u>60,000</u>	<u>28,000</u>

19. Commitments under operating leases

At 30 September 2006 the company had annual commitments under non-cancellable operating leases as set out below.

	2006		2005	
	Land & buildings	Other Items	Land & buildings <i>(restated)</i>	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	6,000	44,011	-	77,463
Within 2 to 5 years	118,340	337,349	32,996	270,092
After more than 5 years	186,535	-	168,535	-
	<u>310,875</u>	<u>381,360</u>	<u>201,531</u>	<u>347,555</u>

20. Related party transactions

The company paid £90,000 (2005 - £90,000) in respect of rent for land and buildings owned by R F Frewin and P F Frewin.

The company also paid £79,000 (2005 - £79,000) in respect of rent for the three (2005 - three) properties owned by Wingate Electrical Limited 1989 Pension Plan and £15,000 (2005 - £15,000) to Crescent Trustees Limited in respect of a property owned by the pension scheme for two of the Directors.

During the year ended 30 September 2005 a loan of £100,000 was made to the company by the Wingate Electrical Limited 1989 Pension Plan. At the year end £83,073 (2005: £100,000) was outstanding in respect of this loan and included within creditors. The loan is repayable over 60 months and an annual interest rate of 7.50% applies. During the year interest of £7,254 was paid in respect of the loan.

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21. Share capital

Authorised share capital:

	2006	2005 (restated)
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2006		2005 (restated)	
	No	£	No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

22. Derivatives

The company has no financial instruments that fall to be classified as derivatives.

23. Share premium account

There was no movement on the share premium account during the financial year.

24. Profit and loss account

	2006	2005 (restated)
	£	£
Balance brought forward as previously reported	3,136,701	3,086,841
Prior year adjustment (see note 9)	<u>300,000</u>	<u>—</u>
Balance brought forward restated	3,436,701	3,086,841
Profit for the financial year	691,555	649,860
Equity dividends paid	<u>(311,121)</u>	<u>(300,000)</u>
Balance carried forward	<u>3,817,135</u>	<u>3,436,701</u>

25. Reconciliation of movements in shareholders' funds

	2006		2005 (restated)	
	£	£	£	£
Profit for the financial year		691,555		649,860
Equity dividends paid		<u>(311,121)</u>		<u>(300,000)</u>
Net addition to shareholders' funds		380,434		349,860
Opening shareholders' funds		3,240,226		3,190,366
Prior year adjustment (see note 9)		<u>300,000</u>		<u>—</u>
Closing shareholders' funds		<u>3,920,660</u>		<u>3,540,226</u>

WINGATE ELECTRICAL PLC
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YEAR ENDED 30 SEPTEMBER 2006

26. Control Note

The immediate and ultimate parent company is Wingate Limited, a company registered in England and Wales.

The directors regard Mr P F Frewin as the ultimate controlling party by virtue of his majority interest in the equity capital of Wingate Limited.

27. Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	2006	2005 (restated)
	£	£
Operating profit	1,083,497	939,542
Depreciation	340,300	251,738
Increase in stocks	(26,239)	(13,644)
Increase in debtors	(285,563)	(604,279)
Increase in creditors	657,006	102,972
Net cash inflow from operating activities	<u>1,769,001</u>	<u>676,329</u>

Reconciliation of net cash flow to movement in net funds

	2006		2005 (restated)	
	£	£	£	£
Increase/(decrease) in cash in the period	849,623		(488,833)	
Net cash outflow from bank loans		-	100,809	
Cash outflow in respect of hire purchase	82,306		95,161	
Net cash outflow from/(inflow) from other long-term creditors	<u>16,927</u>		<u>(100,000)</u>	
Change in net funds resulting from cash flows		948,856		(392,863)
New finance leases		(267,474)		-
Movement in net funds in the period		<u>681,382</u>		<u>(392,863)</u>
Net funds at 1 October 2005		943,771		1,336,634
Net funds at 30 September 2006		<u>1,625,153</u>		<u>943,771</u>

WINGATE ELECTRICAL PLC
NOTES TO THE FINANCIAL STATEMENTS
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27. Notes to the statement of cash flows *(continued)*

Analysis of changes in net funds

	At 1 October 2005 £	Cash flows £	Other changes £	At 30 September 2006 £
Net cash:				
Cash in hand and at bank	1,077,865	849,623	—	1,927,488
Debt:				
Debt due within 1 year	(17,216)	—	(1,247)	(18,463)
Debt due after 1 year	(82,784)	16,927	1,247	(64,610)
Hire purchase agreements	(34,094)	82,306	(267,474)	(219,262)
	<u>(134,094)</u>	<u>99,233</u>	<u>(267,474)</u>	<u>(302,335)</u>
Net funds	<u>943,771</u>	<u>948,856</u>	<u>(267,474)</u>	<u>1,625,153</u>