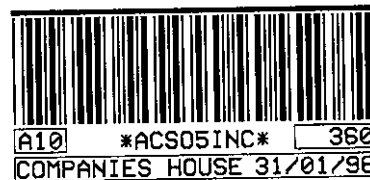


414858

R K DERHAM & COMPANY LIMITED

ANNUAL REPORT

YEAR ENDED 5 APRIL 1995



PANNELL KERR FORSTER
Chartered Accountants

R K DERHAM & COMPANY LIMITED
ANNUAL REPORT
YEAR ENDED 5 APRIL 1995

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R K DERHAM & COMPANY LIMITED
DIRECTORS, OFFICERS AND REGISTERED OFFICE
(Registered Number 414858)

DIRECTORS

E A Price
C A Twomey

SECRETARY

C A Twomey

REGISTERED OFFICE

Station Road Works
Lawford
Manningtree
Essex
CO11 2LJ

AUDITORS

Pannell Kerr Forster
Chartered Accountants
Pannell House
Charter Court
Severalls Business Park
Colchester
Essex
CO4 4YA

R K DERHAM & COMPANY LIMITED
DIRECTORS' REPORT

The directors present their report together with the financial statements for the year ended 5 April 1995.

RESULT AND DIVIDENDS

The profit for the year after tax was £22,454 (1994 - profit £29,377). The directors do not recommend the payment of a dividend in respect of the year, and the profit will be transferred to reserves.

REVIEW OF THE BUSINESS

The principal activities of the company continue to be that of construction engineers and the management and development of its commercial property for investment purposes.

DIRECTORS

The directors throughout the year and their interests in shares of the company at the beginning and end of the year were as follows:

Ordinary shares

E A Price	100
C M Price (Deceased - 26.11.95)	900

On 3 December 1995 Mrs C A Twomey was appointed Director

FREEHOLD PROPERTY

The directors are of the opinion that the market value of the company's freehold property is greater than the net book amount shown in the financial statements. Freehold investment property has been valued by the Directors at open market value.

AUDITORS

A resolution to reappoint Pannell Kerr Forster as auditors will be proposed at the forthcoming annual general meeting.

SPECIAL EXEMPTIONS

We have taken advantage in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

BY ORDER OF THE BOARD


C A Twomey
Secretary

R K DERHAM & COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

the directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
R K DERHAM & COMPANY LIMITED**

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 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. 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 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 affairs of the company as at 5 April 1995 and of the 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.

Colchester

29th January 1996


PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

R K DERHAM & COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 1995

	<u>Notes</u>	<u>£</u>	<u>1995</u>	<u>£</u>	<u>1994</u>	<u>£</u>
Turnover	1(b)		179,474		185,327	
Cost of sales			90,413		91,792	
Gross profit			89,061		93,535	
Administrative expenses			61,222		58,484	
Operating profit			27,839		35,051	
Interest receivable		2,558		1,644		
Interest payable and similar charges		(383)		(811)		
			2,175		833	
Profit on ordinary activities before taxation	3		30,014		35,884	
Tax on profit on ordinary activities			(7,560)		(6,507)	
Profit on ordinary activities after taxation being retained profit for the financial year			22,454		29,377	

Movements on reserves are set out in note 9 to the financial statements.

All amounts relate to continuing operations.

The retained profit for the year is equivalent to the historical cost profit.

R K DERHAM & COMPANY LIMITED
BALANCE SHEET
5 APRIL 1995

	<u>Notes</u>	<u>£</u>	<u>1995</u>	<u>£</u>	<u>1994</u>	<u>£</u>
FIXED ASSETS						
Tangible assets	3		459,004		450,974	
CURRENT ASSETS						
Stocks and work in progress	4	16,054		14,260		
Debtors	5	14,483		3,067		
Cash at bank and in hand		107,668		100,995		
		<u>138,205</u>		<u>118,322</u>		
CREDITORS						
Amounts falling due within one year	6	(38,516)		(33,057)		
NET CURRENT ASSETS						
			<u>99,689</u>		<u>85,265</u>	
			<u>558,693</u>		<u>536,239</u>	
CAPITAL AND RESERVES						
Called up share capital	7		2,000		2,000	
Revaluation reserve	8		278,923		278,923	
Profit and loss account	9		277,770		255,316	
EQUITY SHAREHOLDER'S FUNDS						
			<u>558,693</u>		<u>536,239</u>	

We have taken advantage in the preparation of the financial statements of the special exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

Approved by the board on 25 January 1996

.....
E A Price

Directors

.....
C A Twomey

R K DERHAM & COMPANY LIMITED
YEAR ENDED 5 APRIL 1995

	<u>1995</u> £	<u>1994</u> £
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		
Profit for the financial year	22,454	29,377
Unrealised surplus on revaluation of properties	-	77,418
	<hr/>	<hr/>
Total recognised	<u>22,454</u>	<u>106,795</u>

R K DERHAM & COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 1995

1 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the accounts of the company are described below.

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of the freehold property.

In accordance with Financial Reporting Standard Number 1, the company has taken advantage of the exemption available, by virtue of its size, from the requirement to prepare a Cash Flow Statement. Accordingly, no Cash Flow Statement is included in these financial statements.

(b) Turnover

Turnover represents sales and rental income at invoice value excluding value added tax.

(c) Stocks and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value. Cost of manufactured products consists of direct materials, labour and an appropriate proportion of factory overheads.

(d) Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets to reduce them to their estimated net realisable values over their anticipated useful lives at the following rates:-

Plant and equipment	- 20% on net book value
Motor vehicles	- 25% on net book value

Freehold property used by the business is maintained to a high standard and accordingly the directors consider that the life of this asset is so long and the residual value, based on the price at the time of acquisition is so high that depreciation is insignificant. Freehold investment property has not been depreciated in accordance with Statement of Standard Accounting Practice 19.

(e) Deferred taxation

Provision is made for deferred tax, using the liability method, at the rate of corporation tax ruling at the year end where it is probable that a liability will crystallise in the foreseeable future.

(f) Hire purchase contracts

Assets acquired under hire purchase contracts are treated as tangible fixed assets and depreciation is provided accordingly. The amounts outstanding on the contracts are shown as a liability due over the period of the contracts.

Interest is charged to the profit and loss account using the straight line method over the period of the contracts.

(g) Revaluation surplus.

Surpluses arising on the revaluation of investment properties are credited to the revaluation reserve. Deficits on revaluation are charged against the reserve.

R K DERHAM & COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 1995

2

PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

1995

£

1994

£

The profit on ordinary activities before taxation is after charging:

Directors' emoluments:

Salaries

10,960

10,888

Social security costs

610

691

11,570

11,579

Auditors' remuneration

2,250

2,200

Depreciation

5,287

2,782

3

TANGIBLE FIXED ASSETS

Freehold
Property

Investment
Property

Motor
Vehicles

Plant
and
Equipment

Total

£

£

£

£

£

Cost

-

-

32,200

16,908

-

Valuation

44,200

398,000

-

-

442,200

At 6 April 1994

44,200

398,000

32,200

16,908

491,308

Additions

-

-

12,031

2,999

15,030

Disposals

-

-

(9,623)

-

(9,623)

Cost

-

-

34,608

19,907

54,515

Valuation

44,200

398,000

-

-

442,200

At 5 April 1995

44,200

398,000

34,608

19,907

496,715

Depreciation

At 6 April 1994

-

-

25,128

15,206

40,334

Charge for year

-

-

4,347

940

5,287

Eliminated on disposals

-

-

(7,910)

-

(7,910)

At 5 April 1995

-

-

21,565

16,146

37,711

Net book amounts

Cost

-

-

13,043

3,761

16,804

Valuation

44,200

398,000

-

-

442,200

At 5 April 1995

44,200

398,000

13,043

3,761

459,004

Cost

-

-

7,072

1,702

8,774

Valuation

44,200

398,000

-

-

442,200

44,200

398,000

7,072

1,702

450,974

The historical cost of the freehold property is £28,555 (1994 : £28,555) and the freehold investment property £170,720 (1994 : 170,720).

The directors are of the opinion that the book value of the freehold property is not greater than its open market value.

R K DERHAM & COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 1995

4	STOCKS AND WORK IN PROGRESS	<u>1995</u>	<u>1994</u>
		£	£
	Raw materials and consumables	10,366	9,993
	Work in progress	5,688	4,267
		<hr/>	<hr/>
		16,054	14,260
		<hr/>	<hr/>
5	DEBTORS		
	Due within one year:		
	Trade debtors	14,252	2,912
	Prepayments	231	155
		<hr/>	<hr/>
		14,483	3,067
		<hr/>	<hr/>
6	CREDITORS		
	Amounts falling due within one year:		
	Trade creditors	12,187	2,992
	Corporation tax	7,600	9,100
	Other taxation and social security	4,867	4,579
	Directors' loan accounts	843	3,700
	Other creditors and accruals	13,019	12,686
		<hr/>	<hr/>
		38,516	33,057
		<hr/>	<hr/>
7	SHARE CAPITAL		
	Authorised:		
	Ordinary shares of £1 each	2,000	2,000
		<hr/>	<hr/>
	Allotted, called up and fully paid:		
	Ordinary shares of £1 each	2,000	2,000
		<hr/>	<hr/>

R K DERHAM & COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 1995

8	REVALUATION RESERVE	<u>1995</u> £	<u>1994</u> £
	Balance at 6 April 1994	278,923	201,505
	Surplus on revaluation	-	77,418
		<hr/>	<hr/>
	Balance at 5 April 1995	278,923	278,923
		<hr/>	<hr/>
9	PROFIT AND LOSS ACCOUNT		£
	At 6 April 1994		255,316
	Retained profit for year		22,454
			<hr/>
	At 5 April 1995		277,770
			<hr/>
10	DEFERRED TAXATION		
	No provision for deferred taxation on short term timing differences is required. If the freehold property was to be sold at the value stated in the balance sheet there would not be a liability to capital gains tax.		
	If the property was to be sold a clawback of industrial buildings allowances would give rise to a tax charge of £10,600 (1994 -£10,500).		
11	RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUND	<u>1995</u> £	<u>1994</u> £
	Profit for the financial year	22,454	29,377
	Balance at 5 April 1994	536,239	429,444
	Surplus on revaluation of investment properties	-	77,418
		<hr/>	<hr/>
	Balance at 5 April 1995	558,693	536,239
		<hr/>	<hr/>