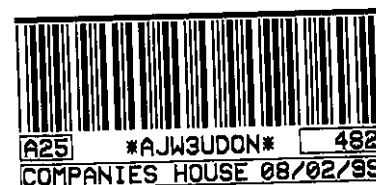


**DEVON CONTRACTORS LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MAY 1998**

**COMPANY NUMBER: 533232**



# AUDITORS' REPORT TO DEVON CONTRACTORS LIMITED

## UNDER SECTION 247B OF THE COMPANIES ACT 1985

---

We have examined the abbreviated financial statements set out on pages 2 to 5 together with the financial statements of Devon Contractors Limited for the year ended 31st May 1998 prepared under section 226 of the Companies Act 1985.

### Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### Basis of Opinion

We have carried out procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

### Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.



Thomas Westcott & Gillard  
Chartered Accountants  
Registered Auditors  
Queens House  
New Street  
Honiton  
Devon  
EX14 8BU

8th January 1999

# DEVON CONTRACTORS LIMITED

## ABBREVIATED BALANCE SHEET

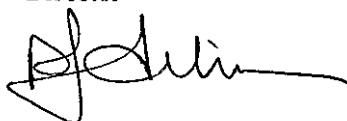
AS AT 31ST MAY 1998

	Notes	1998	1997
		£	£
<b>Fixed Assets</b>	2		
Tangible fixed assets		146,827	151,238
Fixed asset investments		2	13,750
		<u>146,829</u>	<u>164,988</u>
<b>Current Assets</b>			
Stock and work in progress		803,685	560,750
Debtors		294,005	142,327
Cash at bank and in hand		435,694	220,657
		<u>1,533,384</u>	<u>923,734</u>
<b>Creditors: Amounts Falling Due Within One Year</b>		<u>1,364,446</u>	<u>916,621</u>
<b>Net Current Assets</b>		<u>168,938</u>	<u>7,113</u>
<b>Total Assets Less Current Liabilities</b>		<u>315,767</u>	<u>172,101</u>
<b>Capital and Reserves</b>			
Share capital	3	300,000	300,000
Profit and loss account		15,767	(127,899)
<b>Shareholders' Funds</b>		<u>315,767</u>	<u>172,101</u>

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on **14TH DECEMBER 1998** and signed on its behalf.

Mr P. J. Hilson  
Director



# DEVON CONTRACTORS LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

---

### 1 Accounting Policies

#### Basis of Accounting

The Financial Statements have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

#### Turnover

Turnover is the total amount receivable by the company for goods supplied, less returns, and services provided, excluding VAT and trade discounts.

#### Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

Plant, Machinery and Workshop Fittings	Straight line basis over 2 to 5 years depending on the type of asset or 50% first year and straight line for the next four years.
Motor vehicles	30% in the first year, then on a straight line basis over 3 years.
Office Fixtures and Fittings	Straight line basis up to 5 years.

#### Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### Long Term Contracts

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long term contracts are included in the work in progress to the extent that they cannot be matched with contract work accounted for as turnover. Long term contract balances included in work in progress are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

#### Stocks

Raw Materials have been valued at the lower of cost and net realisable value.

Work in Progress has been valued at a cost less losses and payments on account.

#### Deferred Taxation

In accordance with Statement of Standard Accounting Practice No.15, deferred taxation is not provided for in respect of timing differences which, on reasonable evidence, are not expected to reverse in the foreseeable future.

# DEVON CONTRACTORS LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

### Contribution to Pension Funds

Contributions payable to the company's pension schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

### Operating Leases

Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

## 2 Fixed Assets

	Tangible Fixed Assets	Fixed Asset Investments
	£	£
<b>Cost</b>		
At 1st June 1997	343,008	13,750
Additions	106,073	779
Disposals	(51,165)	(14,527)
<b>At 31st May 1998</b>	<b>397,916</b>	<b>2</b>
<b>Depreciation and Amortisation</b>		
At 1st June 1997	191,770	-
Charge for the year	93,745	-
On disposals	(34,426)	-
<b>At 31st May 1998</b>	<b>251,089</b>	<b>-</b>
<b>Net Book Value</b>		
<b>At 31st May 1998</b>	<b>146,827</b>	<b>2</b>
At 31st May 1997	151,238	13,750

## 3 Share Capital

	1998	1997
	£	£
<b>Authorised</b>		
300,000 Ordinary shares of £1.00 each	300,000	300,000
<b>Allotted</b>		
300,000 Allotted, called up and fully paid ordinary shares of £1.00 each	300,000	300,000

## 4 Subsidiary Undertakings

Name of company	Country of registration (or incorporation and operation)	Holding	Proportion of voting rights and shares held	Nature of business
H Greenway & Sons Ltd	United Kingdom	100%	100%	Builders

# DEVON CONTRACTORS LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1998

---

### 5 Transactions with Directors

In May 1998, investments costing £14,527 were sold by the company to two of the directors Messrs P. J. Hilson and I. T. Buckland. A professional valuation carried out considered cost price to be a reasonable approximation of the current market value. At the year end payment for the investments was outstanding, and a loan was set up bearing interest at a commercial rate until the balance is settled.

Also during the year the company provided interest free loans of £5,000 each, to P.J. Hilson, (director), S. C. Hilson (employee & wife of P. J. Hilson), I. T. Buckland, (director) and C. M. Buckland (employee & wife of I. T. Buckland).

The outstanding amounts on each persons loans were as follows:-

Beginning of the year: there were no loan balances;

End of year: P.J.Hilson & I.T.Buckland owed £12,263 each, and S.C.Hilson & C.M.Buckland owed £5,000 each;

Maximum during the year: P.J.Hilson & I.T.Buckland owed £12,263 each, and S.C.Hilson & C.M.Buckland owed £5,000 each.

### 6 Related Parties

In the directors' opinion the company is controlled ultimately by Messrs P. J. Hilson and I. T. Buckland (directors) who between them own 100% of the company's share capital.