

Registered Number: 814861

SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT

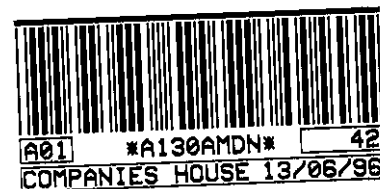
AND

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED

31ST AUGUST 1995



SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 1995

DIRECTORS:	Mrs. J.A. Enifer M.J. Enifer
SECRETARY:	Mrs. J.A. Enifer
REGISTERED NUMBER:	814861
REGISTERED OFFICE:	44/46 Orsett Road, Grays, Essex. RM17 5ED
REGISTERED AUDITORS:	Rowland Hall & Co., Chartered Accountants, 44/46 Orsett Road, Grays, Essex. RM17 5ED

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The following page does not form part of the statutory financial statements

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SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of the company for the year ended 31st August 1995.

PRINCIPAL ACTIVITY

During the year the company's principal activity changed to that of land-filling as opposed to the previous activity to September 1994 of excavation.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were as follows -

	<u>At 31st August 1995</u>	<u>At 31st August 1994</u>
Mrs. J.A. Enifer	3500	3500
M.J. Enifer	6500	6500

In accordance with the articles of association, M.J. Enifer retires by rotation and offers himself for re-election.

DIRECTORS' RESPONSIBILITIES

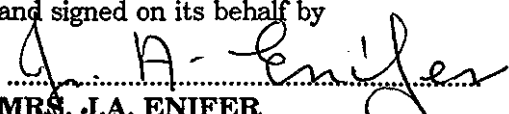
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- 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.

The company has taken advantage of the special exemptions applicable to small companies conferred by part 1 of schedule 8 to the Companies Act 1985.

Approved by the Board on 6/6/96
and signed on its behalf by


.....
MRS. J.A. ENIFER
Secretary

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF

SOUTHFIELDS GRAVEL COMPANY LIMITED

We have examined, without carrying out an audit, the financial statements for the year ended 31st August 1995 set out on pages 3 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1, the company's directors are responsible for the preparation of the financial statements, and they believe that the company is exempt from an audit. It is our responsibility to examine the financial statements and, based on our examination, to report our opinion, as set out below, to the shareholders.

BASIS OF OPINION

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the financial statements. Therefore our examination does not provide any assurance that the accounting records and the financial statements are free from material misstatement.

OPINION

In our opinion:

- a. the financial statements are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- b. having regard only to, and on the basis of, the information contained in those accounting records, the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(4) of the Act; and
- c. having regard only to, and on the basis of, the information contained in the accounting records kept by the company under section 221 of the Act, it satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

44/46 Orsett Road,
Grays, Essex

6th June 1996


ROWLAND HALL & CO.

Chartered Accountants
and Registered Auditors

SOUTHFIELDS GRAVEL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 1995

		<u>1995</u> £	<u>1994</u> £
TURNOVER		274,155	129,566
Cost of Sales		58,524	87,711
GROSS PROFIT		<u>215,631</u>	<u>41,855</u>
Administrative Expenses		51,830	42,763
OPERATING (LOSS)/PROFIT	2	<u>163,801</u>	<u>(908)</u>
OTHER OPERATING INCOME	3	2,919	4,494
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		166,720	3,586
TAXATION		(31,112)	997
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		135,608	4,583
RETAINED PROFITS BROUGHT FORWARD		158,803	154,220
RETAINED PROFITS CARRIED FORWARD		<u><u>£294,411</u></u>	<u><u>£158,803</u></u>

There are no recognised gains and losses other than the profits and losses for the two years ended 31st August 1995.

All the company's operations are classed as continuing.

SOUTHFIELDS GRAVEL COMPANY LIMITED

BALANCE SHEET
AS AT 31ST AUGUST 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£	£
TANGIBLE FIXED ASSETS	5	180,693	68,155
CURRENT ASSETS			
Debtors	6	125,444	61,812
Cash at Bank		111,533	94,404
		<u>236,977</u>	<u>156,216</u>
CREDITORS - amounts falling due within one year	7	<u>113,259</u>	<u>55,568</u>
NET CURRENT ASSETS		123,718	100,648
		<u><u>£304,411</u></u>	<u><u>£168,803</u></u>
CAPITAL AND RESERVES			
Called up Share Capital	8	10,000	10,000
Profit and Loss Account		294,411	158,803
SHAREHOLDERS FUNDS	10	<u><u>£304,411</u></u>	<u><u>£168,803</u></u>

The directors are satisfied that the company was entitled to exemption under subsection (2) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the financial statements for the financial year.

The directors acknowledge their responsibilities for:

- i ensuring that the company keeps accounting records which comply with section 221; and
- ii preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with requirements of this Act relating to financial statements, so far as applicable to the company.

Advantage is taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. In the opinion of the directors, the company is entitled to those exemptions as a small company.

Approved by the Board on 6/6/96
and signed on its behalf by

.....
M.J. ENIFER Director

The notes on pages 5 to 7 form part of these financial statements

SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 1995

1. ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention.

b. Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

c. Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life -

Gravel Bearing Land	- amortised on a royalty basis calculated on volume of material extracted
Plant	- 6% and 20% on straight line basis
Equipment	- 15% and 20% on reducing balance
Motor Vehicles	- 33 1/3% on reducing balance.

d. Assets held under lease purchase agreements are included at the fair value of the leased asset at the inception of the lease. Depreciation on such assets is calculated to write off this amount on a straight line basis over the useful life of the asset.

Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is proportionate to the remaining balance of the capital sum outstanding.

e. Deferred Taxation

Deferred taxation is provided in respect of the tax effect of all timing differences, to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting) -

	<u>1995</u>	<u>1994</u>
Directors' Emoluments	£25,000	£25,000
Auditors' Remuneration	£-	£900
Depreciation of Owned Fixed Assets	£25,656	£16,069
Depreciation of Assets held under Lease		
Purchase Obligations	£15,050	-
Profit on Disposal of Fixed Assets	(£42,250)	(£1,400)
Hire of Plant and Machinery	£4,014	£4,913
Interest on Lease Purchase Obligations	£122	-
	<u> </u>	<u> </u>

3. OTHER OPERATING INCOME

Bank Deposit Interest	<u>£2,919</u>	<u>£4,494</u>
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4. DIRECTORS

Total Emoluments	<u>£29,349</u>	<u>£32,340</u>
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SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 1995

5. TANGIBLE FIXED ASSETS

	Freehold <u>Land</u>	Plant, Equipment & Vehicles	<u>Total</u>
COST			
At 31st August 1994	136,046	153,918	289,964
Additions	-	153,244	153,244
Disposals	-	(65,217)	(65,217)
At 31st August 1995	<u>£136,046</u>	<u>£241,945</u>	<u>£377,991</u>
DEPRECIATION			
At 31st August 1994	121,232	100,577	221,809
Charged for the year	317	40,389	40,706
Disposals	-	(65,217)	(65,217)
At 31st August 1995	<u>£121,549</u>	<u>£75,749</u>	<u>£197,298</u>
NET BOOK VALUE, 31ST AUGUST 1995	<u>£14,497</u>	<u>£166,196</u>	<u>£180,693</u>
NET BOOK VALUE, 31ST AUGUST 1993	<u>£14,814</u>	<u>£53,341</u>	<u>£68,155</u>

The net book value of plant, equipment and vehicles of £166,196 (1994 - £53,341) includes an amount of £60,200 (1994 - £Nil) in respect of assets held under lease purchase agreement. Depreciation of £15,050 (1994 - £Nil) was charged for the period in respect of such assets.

6. DEBTORS

	<u>1995</u>	<u>1994</u>
Trade Debtors	96,372	36,452
Other Debtors	29,072	25,360
	<u>£125,444</u>	<u>£61,812</u>

7. CREDITORS - amounts falling due within one year -

Trade Creditors	7,153	890
Other Creditors and Accruals	106,106	54,678
	<u>£113,259</u>	<u>£55,568</u>

Included in Other Creditors and Accruals is £22,232 (1994 - £Nil) in respect of lease purchase obligations falling due within one year.

SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 1995

8. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised -		
Ordinary Shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Allotted and Fully Paid -		
Ordinary Shares of £1 each	<u>£10,000</u>	<u>£10,000</u>

9. RELATED PARTY TRANSACTIONS

The directors, M.J. Enifer and Mrs. J.A. Enifer are partners in Dansand, a gravel extraction business to which Southfields Gravel Company Limited hires plant and machinery. All transactions are undertaken at normal commercial rates, and were as follows -

	<u>1995</u>	<u>1994</u>
Hire of Plant and Machinery to Dansand	<u>£36,000</u>	<u>£15,000</u>
Purchase of Plant and Machinery from Dansand	<u>£20,000</u>	<u>-</u>

10 RECONCILLATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

Profit for the Year	167,565	4,583
Opening Shareholders Funds	168,803	164,220
Closing Shareholders Funds	<u>£336,368</u>	<u>£168,803</u>