

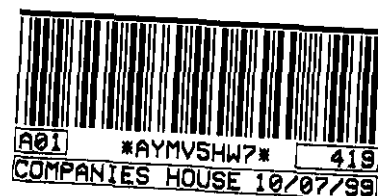
Registered no. 814861

SOUTHFIELDS GRAVEL COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 1998

**ROWLAND HALL
CHARTERED ACCOUNTANTS
44/46 ORSETT ROAD
GRAYS, ESSEX
RM17 5ED**



SOUTHFIELDS GRAVEL COMPANY LIMITED

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SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 1998

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 a 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.

Directors

M. J. Enifer
Mrs. J. A. Enifer

Secretary

Mrs. J. A. Enifer

Registered Office

44/46 Orsett Road
Grays
Essex
RM17 5ED

Principal Activities

The principal activities of the company throughout the year were that of land-filling.

Year 2000

Most computer and digital storage systems will require modification or replacement to accommodate the Year 2000 and beyond. This will be required so as to avoid computer malfunction and any possible commercial disruption.

This issue is complex and not only affects our own computer systems but also that of our suppliers. Any problems with supplier systems could potentially expose us to further risks in the event that they fail to remedy their own Year 2000 issues.

In response to these risks the directors have been making enquiries as to the Year 2000 compatibility of all suppliers systems. They are also taking steps to ensure that their own computer systems are Year 2000 compliant.

As a result of the complexity of the Year 2000 issue it is possible that Year 2000 problems may still occur. The directors however, are taking sufficient steps to ensure that any failures within their control will be prevented. They also believe that any necessary corrective or preventative action will not incur significant costs so as to disrupt the continuation of the business.

SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 1998 (CONT)

Directors

The present directors are as shown above. All served on the board throughout the year.

Mrs A. J. Enifer retires by rotation and, being eligible, offers herself for re-election.

Directors' Interests

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

	31 August 1998	1 September 1997
M. J. Enifer		
Beneficial interests	6500	6500
Mrs. J. A. Enifer		
Beneficial interests	3500	3500

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD


.....
MRS. J. A. ENIFER - SECRETARY

Date: 24/6/99

SOUTHFIELDS GRAVEL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1998

	Note	1998 £	1997 £
TURNOVER	2	236,318	259,172
Cost of sales		166,738	139,508
GROSS PROFIT		69,580	119,664
Net operating expenses	3	25,192	25,716
OPERATING PROFIT	4	44,388	93,948
Other interest receivable and <i>similar income</i>		6,002	4,298
Interest payable and similar charges		(1,729)	(470)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		48,661	97,776
Tax on profit on ordinary activities	5	12,404	24,305
RETAINED PROFIT FOR THE FINANCIAL YEAR		36,257	73,471
Retained profit brought forward		379,895	306,424
RETAINED PROFIT CARRIED FORWARD		416,152	379,895

The annexed notes form part of these financial statements.

SOUTHFIELDS GRAVEL COMPANY LIMITED

BALANCE SHEET AT 31 AUGUST 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	6	133,517	152,530
CURRENT ASSETS			
Debtors	7	204,061	141,934
Cash at bank and in hand		179,926	264,998
		<u>383,987</u>	<u>406,932</u>
CREDITORS			
Amounts falling due within one year	8	<u>91,352</u>	<u>169,567</u>
NET CURRENT ASSETS		292,635	237,365
NET ASSETS		<u>426,152</u>	<u>389,895</u>
CAPITAL AND RESERVES			
Called up share capital	9	10,000	10,000
Profit and loss account		<u>416,152</u>	<u>379,895</u>
SHAREHOLDERS' FUNDS		<u>426,152</u>	<u>389,895</u>

The directors are satisfied that the company was entitled to exemption under subsection (1) 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 accounts 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 accounts 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 the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the board on 24/6/99
ON BEHALF OF THE BOARD

M.J. ENFER - DIRECTOR

Date:

The annexed notes form part of these financial statements.

SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1998

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

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

The effect of events in relation to the year ended 31 August 1998 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 August 1998 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Gravel Bearing Land	- not provided
Plant	- 6% and 20% on straight line basis
Equipment	- 15% and 20% on reducing balance
Motor vehicles	- 33% on reducing balance

2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

3. NET OPERATING EXPENSES

	1998	1997
	£	£
Administrative expenses	25,192	25,716
	<u> </u>	<u> </u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	1998	1997
	£	£
Depreciation of fixed assets	56,854	49,321
Profit on sale of fixed assets	(1,012)	(3,600)
	<u> </u>	<u> </u>

SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1998 (CONT)

5. TAXATION ON ORDINARY ACTIVITIES

	1998 £	1997 £
Current year		
Corporation tax at 21% (1997 24%)	12,404	24,305

6. TANGIBLE FIXED ASSETS

	Freehold land £	Plant £	Equipment £	Motor vehicles £	Total £
Cost					
At 1 September 1997	136,046	285,869	2,626	5,035	429,576
Additions	-	37,500	349	-	37,849
Disposals	-	-	-	(5,035)	(5,035)
At 31 August 1998	136,046	323,369	2,975	-	462,390
Depreciation					
At 1 September 1997	121,549	148,515	1,955	5,026	277,045
Charge for the year	-	56,650	204	-	56,854
Elimination on disposals	-	-	-	(5,026)	(5,026)
At 31 August 1998	121,549	205,165	2,159	-	328,873
Net book value					
At 31 August 1998	14,497	118,204	816	-	133,517
At 31 August 1997	14,497	137,353	671	9	152,530

7. DEBTORS

	1998 £	1997 £
Trade debtors	107,288	94,526
Amount owed by undertakings in which company has an interest	89,480	41,564
Other debtors	7,293	5,844
	204,061	141,934

SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1998 (CONT)

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1998 £	1997 £
Trade creditors	5,651	6,079
Corporation tax payable	16,709	24,305
Social security and other taxes	34,136	60,490
Other creditors	34,856	78,693
	<u>91,352</u>	<u>169,567</u>

9. SHARE CAPITAL

	1998 £	1997 £
Authorised 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid 10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

10. TRANSACTIONS WITH DIRECTORS

i) Transactions with Directors

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:

	1998	1997
Hire of Plant and Machinery	£19617	£12583
Charge re Labour Costs to Dansand	£28749	£17417

At the end of the year, the balances on the directors' current accounts, included in other creditors, were as follows:

M. J. Enifer	£26103	£38031
Mrs. J. A. Enifer	£4664	£4664

ii) Ultimate Controlling Party

M. J. Enifer is considered the ultimate controlling party by virtue of his shareholding.