

Registered no. 814861

SOUTHFIELDS GRAVEL COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 1999

**ROWLAND HALL
CHARTERED ACCOUNTANTS
44/54 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 1999

The directors present their report and the financial statements of the company for the year ended 31 August 1999.

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

The company has not experienced any computer malfunction or commercial disruption with respect to the Year 2000 issue. Furthermore the directors do not feel that any future problems or costs are likely to be incurred with respect to the Year 2000 issue.

Directors

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

Mr. M. J. Enifer retires by rotation and, being eligible, offers himself for re-election.

SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 1999 (CONT)

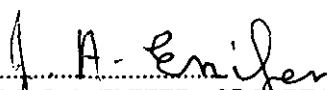
Directors' Interests

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

	31 August 1999	1 September 1998
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: 30.06.00

SOUTHFIELDS GRAVEL COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1999

	Note	1999 £	1998 £
TURNOVER	2	244,731	236,318
Cost of sales		216,414	166,738
GROSS PROFIT		28,317	69,580
Net operating expenses	3	36,440	25,192
OPERATING (LOSS)/PROFIT	4	(8,123)	44,388
Other interest receivable and similar income		5,036	6,002
Interest payable and similar charges		-	(1,729)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,087)	48,661
Tax on profit on ordinary activities	5	7,655	12,404
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(10,742)	36,257
Retained profit brought forward		416,152	379,895
RETAINED PROFIT CARRIED FORWARD		405,410	416,152

The annexed notes form part of these financial statements.

SOUTHFIELDS GRAVEL COMPANY LIMITED

BALANCE SHEET AT 31 AUGUST 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Tangible assets	6	85,065	133,517
CURRENT ASSETS			
Debtors	7	226,991	204,061
Cash at bank and in hand		193,168	179,926
		<u>420,159</u>	<u>383,987</u>
CREDITORS			
Amounts falling due within one year	8	<u>89,814</u>	<u>91,352</u>
NET CURRENT ASSETS		330,345	292,635
NET ASSETS		<u>415,410</u>	<u>426,152</u>
CAPITAL AND RESERVES			
Called up share capital	9	10,000	10,000
Profit and loss account		405,410	416,152
SHAREHOLDERS' FUNDS		<u>415,410</u>	<u>426,152</u>

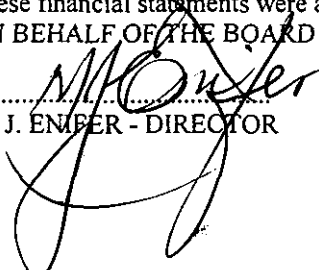
The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

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 (effective March 1999).

These financial statements were approved by the board on 29.06.99
ON BEHALF OF THE BOARD


M. J. ENIFER - DIRECTOR

Date: 30.06.99

The annexed notes form part of these financial statements.

SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1999

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 1999 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 1999 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

	1999 £	1998 £
Administrative expenses	36,440	25,192
	<u> </u>	<u> </u>

4. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	1999 £	1998 £
Depreciation and amortisation of owned assets	52,046	56,854
Loss on sale of fixed assets	-	(1,012)
	<u> </u>	<u> </u>

5. TAXATION ON ORDINARY ACTIVITIES

	1999 £	1998 £
Current year		
Corporation tax at 20% (1998 21%)	7,655	12,404
	<u> </u>	<u> </u>

SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1999 (CONT)

6. TANGIBLE FIXED ASSETS

	Freehold land £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 September 1998	136,046	323,369	2,976	462,391
Additions	-	3,593	-	3,593
Disposals	-	-	-	-
At 31 August 1999	<u>136,046</u>	<u>326,962</u>	<u>2,976</u>	<u>465,984</u>
Depreciation				
At 1 September 1998	121,549	205,165	2,159	328,873
Charge for the year	-	51,883	163	52,046
Elimination on disposals	-	-	-	-
At 31 August 1999	<u>121,549</u>	<u>257,048</u>	<u>2,322</u>	<u>380,919</u>
Net book value				
At 31 August 1999	<u>14,497</u>	<u>69,914</u>	<u>654</u>	<u>85,065</u>
<i>At 31 August 1998</i>	<u>14,497</u>	<u>118,204</u>	<u>816</u>	<u>133,517</u>

7. DEBTORS

	1999 £	1998 £
Trade debtors	129,202	107,288
Amount owed by related parties	93,352	89,480
Other debtors	4,437	7,293
	<u>226,991</u>	<u>204,061</u>

SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 1999 (CONT)

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1999 £	1998 £
Trade creditors	22,357	5,651
Corporation tax payable	7,655	16,709
Social security and other taxes	38,224	34,136
Other creditors	21,578	34,856
	<u>89,814</u>	<u>91,352</u>

9. SHARE CAPITAL

	1999 £	1998 £
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:

	1999	1998
Hire of Plant and Machinery to Dansand	£39,417	£19,617
Charge re Labour Costs to Dansand	£29,209	£28,749
Balance due from Dansand at end of year	£93,352	£89,480

M. J. Enifer is also director of Southfields Recycling Limited, a company for which Southfields Gravel Company Limited met company formation costs of £300 during the year.

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

M. J. Enifer	£13,103	£26,103
Mrs. J. A. Enifer	£4,664	£4,664

ii) Ultimate Controlling Party

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