

Registered Number: 814861

SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED

31ST AUGUST 1996



SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 1996

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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SOUTHFIELDS GRAVEL COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of the company for the year ended 31st August 1996.

PRINCIPAL ACTIVITY

During the year the company's principal activity continued to be that of land-filling. Operations had changed in September 1994 from the previous activity 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 1996</u>	<u>At 31st August 1995</u>
Mrs. J.A. Enifer	3500	3500
M.J. Enifer	6500	6500

In accordance with the articles of association, Mrs. J.A. Enifer retires by rotation and offers herself 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 23/6/97
and signed on its behalf by

J. A. Enifer
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 1996 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

23rd June 1997



ROWLAND HALL & CO.

Chartered Accountants
and Registered Auditors

SOUTHFIELDS GRAVEL COMPANY LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 31ST AUGUST 1996

		<u>1996</u> £	<u>1995</u> £
TURNOVER		191,116	274,155
Cost of Sales		133,551	58,524
GROSS PROFIT		57,565	215,631
Administrative Expenses		41,759	51,830
OPERATING PROFIT	2	15,806	163,801
OTHER OPERATING INCOME	3	2,693	2,919
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		18,499	166,720
TAXATION		(6,486)	(31,112)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		12,013	135,608
RETAINED PROFITS BROUGHT FORWARD		294,411	158,803
RETAINED PROFITS CARRIED FORWARD		<u>£306,424</u>	<u>£294,411</u>

There are no recognised gains or losses other than the profits for the two years ended 31st August 1996.

All the companies operations are classed as continuing.

SOUTHFIELDS GRAVEL COMPANY LIMITED

BALANCE SHEET
AS AT 31ST AUGUST 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
TANGIBLE FIXED ASSETS	5	158,196	180,693
CURRENT ASSETS			
Debtors	6	74,235	125,444
Cash at Bank		153,021	111,533
		<u>227,256</u>	<u>236,977</u>
CREDITORS - amounts falling due within one year	7	69,028	113,259
NET CURRENT ASSETS		158,228	123,718
		<u>£316,424</u>	<u>£304,411</u>
CAPITAL AND RESERVES			
Called up Share Capital	8	10,000	10,000
Profit and Loss Account		306,424	294,411
SHAREHOLDERS FUNDS	10	<u>£316,424</u>	<u>£304,411</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 23/6/97
and signed on its behalf by

.....
M.J. ENFER 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 1996

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. Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of services to customers.

d. 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	- not provided
Plant	- 6% and 20% on straight line basis
Equipment	- 15% and 20% on reducing balance
Motor Vehicles	- 33 1/3% on reducing balance.

Depreciation is no longer provided on the gravel bearing land due to the change in the nature of the principal activity during 1995 from extraction to land fill.

e. 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.

f. 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>1996</u>	<u>1995</u>
Directors' Emoluments	£25,000	£25,000
Depreciation of Owned Fixed Assets	£43,904	£25,656
Depreciation of Assets held under Lease		
Purchase Obligations	-	£15,050
Profit on Disposal of Fixed Assets	(£526)	(£42,250)
Hire of Plant and Machinery	£134	£4,014
Interest on Lease Purchase Obligations	£1,468	£122
	<u> </u>	<u> </u>

3. OTHER OPERATING INCOME

Bank Deposit Interest	<u>£2,693</u>	<u>£2,919</u>
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SOUTHFIELDS GRAVEL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 1996

4. DIRECTORS

	<u>1996</u>	<u>1995</u>
Total Emoluments	<u>£26,817</u>	<u>£29,349</u>

5. TANGIBLE FIXED ASSETS

	<u>Freehold Land</u>	<u>Plant, Equipment & Vehicles</u>	<u>Total</u>
COST			
At 31st August 1995	136,046	241,945	377,991
Additions	-	23,881	23,881
Disposals	-	(8,350)	(8,350)
At 31st August 1996	<u>£136,046</u>	<u>£257,476</u>	<u>£393,522</u>
DEPRECIATION			
At 31st August 1995	121,549	75,749	197,298
Charged for the year	-	43,904	43,904
Disposals	-	(5,876)	(5,876)
At 31st August 1996	<u>£121,549</u>	<u>£113,777</u>	<u>£235,326</u>
NET BOOK VALUE, 31ST AUGUST 1996	<u>£14,497</u>	<u>£143,699</u>	<u>£158,196</u>
NET BOOK VALUE, 31ST AUGUST 1995	<u>£14,497</u>	<u>£166,196</u>	<u>£180,693</u>

The net book value of plant, equipment and vehicles of £143,699 (1995 - £166,196) includes an amount of £Nil (1995 - £60,200) in respect of assets held under lease purchase agreement. Depreciation of £Nil (1995 - £15,050) was charged for the period in respect of such assets.

6. DEBTORS

	<u>1996</u>	<u>1995</u>
Trade Debtors	58,182	96,372
Other Debtors	16,053	29,072
	<u>£74,235</u>	<u>£125,444</u>

7. CREDITORS - amounts falling due within one year -

Trade Creditors	5,467	7,153
Other Creditors and Accruals	63,561	106,106
	<u>£69,028</u>	<u>£113,259</u>

Included in Other Creditors and Accruals is £Nil (1995 - £22,282) 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 1996

8. SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Authorised -		
Ordinary Shares of £1 each	£10,000	£10,000
	<u> </u>	<u> </u>
Allotted and Fully Paid -		
Ordinary Shares of £1 each	£10,000	£10,000
	<u> </u>	<u> </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>1996</u>	<u>1995</u>
Hire of Plant and Machinery to Dansand	£28,500	£36,000
	<u> </u>	<u> </u>
Charge re Labour Costs to Dansand	£5,000	-
	<u> </u>	<u> </u>
Sales of Motor Vehicle to Dansand	£3,000	-
	<u> </u>	<u> </u>
Purchase of Plant and Machinery from Dansand	-	£20,000
	<u> </u>	<u> </u>

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

Profit for the Year	12,013	135,608
Opening Shareholders Funds	304,411	168,803
	<u> </u>	<u> </u>
Closing Shareholders Funds	£316,424	£304,411
	<u> </u>	<u> </u>