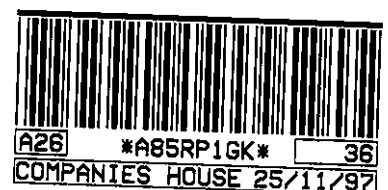


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JOHNSONS (BURSCOUGH) LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997



JOHNSONS (BURSCOUGH) LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

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JOHNSONS (BURSCOUGH) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 28 February 1997

PRINCIPAL ACTIVITIES

The principal activity of the company is that of haulage contractors

DIRECTORS AND DIRECTORS' INTERESTS

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	1997	1996
Frank Johnson	500	500
Ronald Johnson	500	500
Brian Johnson	500	500
Alan Johnson	500	500

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 :

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are responsible and prudent;
- c) Follow applicable accounting standards; subject to any material departures disclosed and explained in the financial statements;
- d) 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 accounts 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.

AUDITORS

In accordance with section 385 of the Companies Act 1985, a resolution proposing the reappointment of Haslam & Co as auditors to the company will be put to the annual general meeting.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

BY ORDER OF THE BOARD



Frank Johnson
Secretary
22 May 1997

AUDITORS' REPORT

TO THE MEMBERS OF JOHNSONS (BURSCOUGH) LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 28 February 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Haslam & Co.
Chartered Accountants
& Registered Auditors
7 Riversway Business Village
Preston
PR2 2YP

22 May 1997

JOHNSONS (BURSCOUGH) LIMITED

STATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention.

TURNOVER

Turnover represents the invoiced value of goods and services supplied to customers.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on cost at the following annual rates which are intended to write off the cost of those assets over their useful working lives:

Freehold land and buildings	Nil
Motor vehicles	25%
Fixtures and fittings	15%

STOCKS AND WORK IN PROGRESS

Stocks are stated at the lower of cost and net realisable value.

MOTOR VEHICLE REPAIRS

Costs of repairing and maintaining vehicles, together with costs of tyre replacement are charged to the profit and loss account as they are incurred.

LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rental payable under operating leases are charged to the profit and loss account on the straight line basis over the lease term.

CASHFLOW

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

JOHNSONS (BURSCOUGH) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 1997

	Note	1997	1996
TURNOVER	1	649,861	653,794
Cost of sales		537,685	566,522
GROSS PROFIT		<u>112,176</u>	<u>87,272</u>
Administrative expenses		86,379	82,266
OPERATING PROFIT	2	<u>25,797</u>	<u>5,006</u>
Interest receivable and similar income		27	162
Interest payable and similar charges		7,063	3,537
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u><u>£18,761</u></u>	<u><u>£1,631</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above financial years.

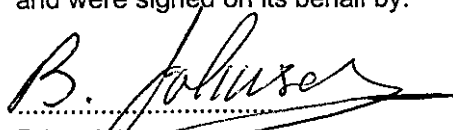
JOHNSONS (BURSCOUGH) LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 1997

	Note	1997	1996
FIXED ASSETS			
Tangible assets	3	146,343	171,770
CURRENT ASSETS			
Stock	4	15,796	11,817
Debtors	5	84,801	82,476
Cash at bank and in hand		1,856	3,986
		<u>102,453</u>	<u>98,279</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	6	147,512	149,288
NET CURRENT ASSETS		<u>(45,058)</u>	<u>(51,009)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		101,285	120,761
Creditors: amounts falling due after more than one year	7	72,622	110,859
		<u><u>£28,663</u></u>	<u><u>£9,902</u></u>
CAPITAL AND RESERVES			
Called-up share capital	8	2,000	2,000
Profit and loss account		26,663	7,902
SHAREHOLDERS' FUNDS	9	<u><u>£28,663</u></u>	<u><u>£9,902</u></u>

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

The financial statements on pages 4 to 10 were approved by the board of directors on 22 May 1997 and were signed on its behalf by:


 Brian Johnson
 Director

JOHNSONS (BURSCOUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

1) TURNOVER

The turnover for the year is attributable to the principal activity outlined in the directors' report and was all generated within the United Kingdom.

2) OPERATING PROFIT	1997	1996
Operating profit is stated after charging:		
Directors emoluments	31,654	45,432
Auditors' remuneration	1,950	1,850
Depreciation of owned assets	10,863	13,835
Depreciation	16,114	21,484
and after crediting:		
Profit on disposal of fixed assets	<u>3,650</u>	<u>12,069</u>

3) TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Motor Vehicles	Plant & Machinery	TOTAL
Cost at 1 March 1996	63,140	392,760	16,686	472,586
Additions	0	2,000	0	2,000
Disposals	0	(12,981)	0	(12,981)
Cost at 28 February 1997	<u>63,140</u>	<u>381,779</u>	<u>16,686</u>	<u>461,605</u>
Depreciation at 1 March 1996	0	289,810	11,006	300,816
Charge for year	0	26,125	852	26,977
On disposals	0	(12,531)	0	(12,531)
Depreciation at 28 February 1997	<u>0</u>	<u>303,404</u>	<u>11,858</u>	<u>315,262</u>
Net book value at 29 February 1996	<u>£63,140</u>	<u>£78,375</u>	<u>£4,828</u>	<u>£146,343</u>
Net book value at 28 February 1997	<u>£63,140</u>	<u>£102,950</u>	<u>£5,680</u>	<u>£171,770</u>

The net book value of fixed assets includes an amount of £48,341 (1996: £64,455) in respect of assets held under finance leases and hire purchase contracts.

JOHNSONS (BURSCOUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

	1997	1996
4) STOCK		
Tyres and spares	14720	10341
Fuel	1,076	1,476
	<u>£15,796</u>	<u>£11,817</u>
5) DEBTORS		
Trade debtors	78,507	75,217
Other debtors	0	346
Prepayments	6,294	6,913
	<u>£84,801</u>	<u>£82,476</u>
6) CREDITORS: Amounts falling due within one year		
Bank overdraft	39,232	43,654
Obligations under finance leases and hire purchase contracts	29,601	33,907
Trade creditors	43,300	44,073
Bank loan	5,402	4,769
Other taxation and social security	18,951	15,931
Accruals & deferred income	11,025	6,954
	<u>£147,512</u>	<u>£149,288</u>

The bank loan and overdraft are secured on the land and buildings owned by the company

JOHNSONS (BURSCOUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

	1997	1996
7) CREDITORS: Amounts falling due after more than one year:		
Obligations under finance leases and hire purchase contracts	4,983	34,584
Directors loan accounts	59,782	62,858
Bank loan	7,857	13,417
	<u>£72,622</u>	<u>£110,859</u>
	Hire Purchase Contracts	Finance Leases
Gross obligations falling:		
Due between 1 and 2 years	1,665	3,318
Due between 2 and 5 years	0	0
	<u>£1,665</u>	<u>£3,318</u>
8) CALLED-UP SHARE CAPITAL		
Authorised:		
2,000 Ordinary shares of £1 each	<u>£2,000</u>	<u>£2,000</u>
Allotted, called-up and fully paid:		
2,000 Ordinary shares of £1 each	<u>£2,000</u>	<u>£2,000</u>

JOHNSONS (BURSCOUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1997

9) RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	1997	1996
Profit for the financial year after taxation	18,761	1,631
	<u>18,761</u>	<u>1,631</u>
Opening shareholders funds at 1 March 1996	9,902	8,271
Closing shareholders funds at 28 February 1997	<u><u>£28,663</u></u>	<u><u>£9,902</u></u>