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JOHNSONS (BURSCOUGH) LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 1998



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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 1998

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:

	1998	1997
Frank Johnson	500	500
Ronald Johnson	500	500
Brian Johnson	500	500
Alan Johnson	500	500
Ian Johnson (Appointed 2 June 1997)	0	0
Mark Johnson (Appointed 2 June 1997)	0	0
Allan Johnson (Appointed 2 June 1997)	0	0

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;
- 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 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 provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



6 May 1998

AUDITORS' REPORT

TO THE MEMBERS OF JOHNSONS (BURSCOUGH) LIMITED

We have audited the financial statements on pages 4 to 9 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

6 May 1998

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 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

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 1998**

	Note	1998	1997
TURNOVER	1	732,394	649,861
Cost of sales		<u>536,463</u>	<u>537,685</u>
GROSS PROFIT		195,931	112,176
Administrative expenses		<u>97,825</u>	<u>86,379</u>
OPERATING PROFIT	2	98,106	25,797
Interest receivable and similar income		315	27
Interest payable and similar charges		<u>1,850</u>	<u>7,063</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		96,571	18,761
Taxation		10,053	0
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>£86,518</u>	<u>£18,761</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 for the above financial years.

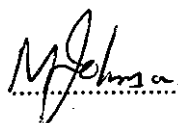
JOHNSONS (BURSCOUGH) LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 1997

	Note	1998	1997
FIXED ASSETS			
Tangible assets	3	117,066	146,343
CURRENT ASSETS			
Stock	4	17,886	15,796
Debtors	5	99,669	84,801
Cash at bank and in hand		<u>12,757</u>	<u>1,856</u>
		130,312	102,453
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	6	<u>68,021</u>	<u>147,512</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>62,291</u>	<u>(45,058)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		179,357	101,285
Creditors: amounts falling due after more than one year	6	<u>64,176</u>	<u>72,622</u>
		<u><u>£115,181</u></u>	<u><u>£28,663</u></u>
CAPITAL AND RESERVES			
Called-up share capital	7	2,000	2,000
Profit and loss account		<u>113,181</u>	<u>26,663</u>
SHAREHOLDERS' FUNDS	8	<u><u>£115,181</u></u>	<u><u>£28,663</u></u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 9 were approved by the board of directors on 6 May 1998 and were signed on its behalf by:


.....

Director

JOHNSONS (BURSCOUGH) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1998

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

1998

1997

Operating profit is stated after charging:

Directors emoluments	52,823	31,654
Auditors' remuneration	2,450	1,950
Depreciation of owned assets	11,169	10,863
Depreciation	12,086	16,114

and after crediting:

Profit on disposal of fixed assets	<u>35,578</u>	<u>3,650</u>
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3) TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Motor Vehicles	Plant & Machinery	Total
Cost at 1 March 1997	63,140	381,779	16,686	461,605
Additions	0	14,000	0	14,000
Disposals	(17,775)	(20,745)	0	(38,520)
Cost at 28 February 1998	<u>45,365</u>	<u>375,034</u>	<u>16,686</u>	<u>437,085</u>
Depreciation at 1 March 1997	0	303,404	11,858	315,262
Charge for year	0	22,531	724	23,255
On disposals	0	(18,498)	0	(18,498)
Depreciation at 28 February 1998	<u>0</u>	<u>307,437</u>	<u>12,582</u>	<u>320,019</u>
Net book value at 29 February 1998	<u>£45,365</u>	<u>£67,597</u>	<u>£4,104</u>	<u>£117,066</u>
Net book value at 28 February 1997	<u>£63,140</u>	<u>£78,375</u>	<u>£4,828</u>	<u>£146,343</u>

The net book value of fixed assets includes an amount of £36,256 (1997: £48,341) 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 1998

	1998	1997
4) STOCK		
Tyres and spares	14125	14720
Fuel	<u>3,761</u>	<u>1,076</u>
	<u>£17,886</u>	<u>£15,796</u>
5) DEBTORS		
Trade debtors	86,378	78,507
Prepayments	<u>13,291</u>	<u>6,294</u>
	<u>£99,669</u>	<u>£84,801</u>
6) CREDITORS:		
Amounts falling due within one year:		
Bank overdraft	2,630	39,232
Obligations under finance leases and hire purchase contracts	4,983	29,601
Trade creditors	31,663	43,300
Bank loan	0	5,402
Corporation tax	10,053	0
Other taxation and social security	10,825	18,951
Accruals & deferred income	<u>7,866</u>	<u>11,026</u>
	<u>£68,021</u>	<u>£147,512</u>
Amounts falling due within after more than one year:		
Obligations under finance leases and hire purchase contracts	0	4,983
Directors loan accounts	64,176	59,782
Bank loan	<u>0</u>	<u>7,857</u>
	<u>£64,176</u>	<u>£72,622</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 1998

	1998	1997
7) 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>
 8) RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS		
Profit for the financial year after taxation	86,518	18,761
Opening shareholders funds at 1 March 1997	<u>28,663</u>	<u>9,902</u>
Closing shareholders funds at 28 February 1998	<u>£115,181</u>	<u>£28,663</u>