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FORDE & McHUGH LIMITED

REPORT AND FINANCIAL STATEMENTS

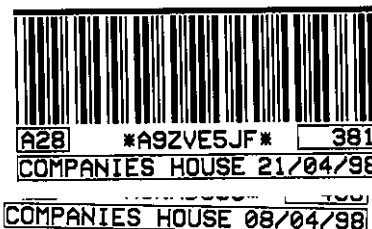
YEAR ENDED 31ST MAY 1997

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Notes to the Financial Statements

The following pages do not form part
of the Statutory Accounts:

Profit & Loss Account



FORDE & McHUGH LIMITED

REPORT OF THE DIRECTORS

The Directors present their Annual Report with the financial statements of the Company for the period ended 31st May 1997.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was as Street Lighting Contractors.

DIRECTORS

The Directors in office in the year and their beneficial interest in the Company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	At 31.5.1997	At 31.5.1996
Mr. A.McHugh	1	1
Mrs.K.McHugh	1	1

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 accounts.
- 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.

AUDITORS

The Auditors, K.D. Speyer & Co, will be proposed for re-appointment in accordance with Section 386 of the Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD

..........**DIRECTOR**

.....31/3/98..... **DATE**

**REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF FORDE & McHUGH LIMITED**

We have audited the financial statements on pages 1 to 7 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on pages 1, the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based upon 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 31st May 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.


.....
K.D. SPEYER & COMPANY
(Registered Auditors)
26 Bessborough Road
Harrow
Middlesex. HA1 3DL.

.....31st March 1998Date

FORDE & McHUGH LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 1997

		£ <u>1997</u>	£ <u>1996</u>
TURNOVER		951,285	840,347
Cost of Sales		(801,707)	(738,478)
		<hr/>	<hr/>
GROSS PROFIT		149,578	101,869
Administrative Expenses		(126,779)	(132,254)
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)	2	22,799	(30,385)
Interest Receivable		5,580	10,832
		<hr/>	<hr/>
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAX		28,379	(19,553)
(Tax) on Profit on Ordinary Activities	3	(3,265)	(365)
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		25,114	(19,918)
Dividends		(16,875)	(20,000)
		<hr/>	<hr/>
RETAINED PROFIT/(LOSS) FOR THE YEAR		8,239	(39,918)
RETAINED PROFIT BROUGHT FORWARD		367,281	407,199
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		<u>£375,520</u>	<u>£367,281</u>

All amounts relate to continuing activities.

All recognized gains and losses are included in the profit and loss account.

FORDE & McHUGH LIMITED
BALANCE SHEET AS AT 31ST MAY 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible Assets	4	62,272	92,349
CURRENT ASSETS			
Stocks and Work in Progress		62,382	68,021
Debtors	5	102,333	102,620
Cash at Bank and In Hand		366,753	225,570
		<u>531,468</u>	<u>396,211</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(219,277)	(121,277)
NET CURRENT ASSETS		<u>312,191</u>	<u>274,934</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		374,463	367,283
		<u>£374,463</u>	<u>£367,283</u>
CAPITAL AND RESERVE			
Called-up Share Capital	7	2	2
RESERVES			
Profit and Loss Account		374,461	367,281
SHAREHOLDERS FUNDS	8	<u>£374,463</u>	<u>£367,283</u>

Advantage has been taken in preparation of the financial statements of special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985 because in the opinion of the Directors the Company is entitled as a small company.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

..... *A. M. J.*

APPROVED BY THE BOARD ... *31/3/98* ... Date

The notes on pages 5 to 7 form part of these financial statements.

FORDE & McHUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1997

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

(b) Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties except in respect of long term contracts when turnover represents the sales value of work done in the year including estimates in respect of amounts not invoiced.

(c) Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

(d) Tangible Fixed Assets

Depreciation is provided on tangible fixed assets at rates calculated to write off each asset over its expected useful life as follows:

Office Equipment & Plant & Machinery	15% on reducing balance
Motor Vehicles	20% on reducing balance

(e) Deferred Taxation

Provision is not made for deferred taxation because, in the opinion of the Directors, a liability is unlikely to crystallise in the foreseeable future.

(f) Pensions

The Company operates a defined contribution executive scheme for the Directors. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

FORDE AND MCHUGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 1997

	1997	1996
	£	£
2. OPERATING RESULT		
Operating Result is stated after charging:		
Auditors' Remuneration	5,000	5,000
Depreciation of owned Assets	13,113	20,490
Profit/(Loss) on Sale of Fixed Assets	8,087	757
Directors' Emoluments	<u>29,000</u>	<u>26,448</u>

3. TAX ON RESULT ON ORDINARY ACTIVITIES

Based on result for the year:

U.K. Corporation Tax at 25%	-	-
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4. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Plant & Equipt</u>	<u>Total</u>
<u>COST</u>			
At 1.6.1996	116,732	97,184	213,916
Additions	-	4,623	4,623
Disposals	<u>(26,984)</u>	<u>-</u>	<u>(26,984)</u>
At 31.5.1997	£ 89,748	£101,807	£191,555
<u>DEPRECIATION</u>			
At 1.6.1996	59,029	62,538	121,567
Charge for year	7,223	5,890	13,113
Disposals	<u>(5,397)</u>	<u>-</u>	<u>(5,397)</u>
At 31.5.1997	£60,855	£68,428	£129,283
<u>NET BOOK VALUES</u>			
At 31.5.1997	<u>£28,893</u>	<u>£33,379</u>	<u>£62,272</u>
At 31.5.1996	<u>£57,703</u>	<u>£34,646</u>	<u>£92,349</u>

	£	£
5. DEBTORS - Amounts receivable within one year	1997	1996
Corporation Tax	-	10,185
Trade Debtors	102,333	88,635
Prepayments and Accrued Income		<u>3,800</u>
	<u>£102,333</u>	<u>£98,820</u>
6. CREDITORS-Amounts falling due within one year		
Directors Loan Account	455	860
Trade Creditors and Accrued Expenses	129,145	52,658
Corporation Tax	3,265	-
Other Taxes and Social Security	22,480	4,294
Amounts received on Account	<u>63,932</u>	<u>63,465</u>
	<u>£219,277</u>	<u>£121,277</u>
7. CALLED-UP SHARE CAPITAL		
Authorised:	100	100
Ordinary Shares of £1 each		
Allotted and Fully Paid:		
Ordinary Shares of £1 each	2	2
8. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS		
Profit/(Loss) for the financial year after		
taxation	25,114	(19,918)
Dividends	(16,875)	(20,000)
Prior Year Adjustment	(1,059)	-
Opening Shareholders Funds	367,281	407,199
Closing Shareholders Funds	<u>£374,461</u>	<u>£367,281</u>