

LEWIS TYLER AND SONS (FENCING) LIMITED

31 DECEMBER 1997

ANNUAL REPORT AND FINANCIAL STATEMENTS



LEWIS TYLER AND SONS (FENCING) LIMITED

DIRECTORS

A.J. Tyler
H.E. Tyler
N.C. Tyler
E.A. Tyler
J.L. Tyler
I.J. Russell

SECRETARY

A.J. Tyler

BUSINESS ADDRESS

Estate Sawmill
Mill Green
Hatfield
Herts. AL9 5PG

REGISTERED OFFICE

Estate Sawmill
Mill Green
Hatfield
Herts. AL9 5PG

REGISTERED NUMBER

1238308

AUDITORS

Hughes Allen
Greenwood House
4/7 Salisbury Court
London EC4Y 8BT

INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

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LEWIS TYLER AND SONS (FENCING) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 1997.

REVIEW OF THE BUSINESS

The company's principal activity during the year has been the manufacture, sale and erection of fencing. The directors consider that the company will continue to trade profitably for the foreseeable future.

RESULTS AND DIVIDENDS

The directors recommend payment of a dividend amounting to £2,790. (1996: £2,790)

It is proposed that the retained profit of £92,408 is transferred to reserves.

FIXED ASSETS

The movements in fixed assets during the year are set out in note 7 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests together with those of their family in the shares of the company were as follows:-

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1997</u>	<u>1996</u>
A.J. Tyler	Ordinary shares	10,000	10,000
H.E. Tyler	Ordinary shares	1,120	1,120
N.C. Tyler	Ordinary shares	1,120	1,120
E.A. Tyler	Ordinary shares	1,120	1,120
J.L. Tyler	Ordinary shares	1,120	1,120
I.J. Russell	Ordinary shares	1,120	1,120

AUDITORS


The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with Section 386(1) of the Companies Act 1985. Therefore, the auditors, Hughes Allen, will be deemed to be reappointed for each succeeding financial year.

MEMBERS RIGHT TO A GENERAL MEETING

The company has passed an elective resolution to dispense with the laying of the financial statements before the company in general meeting. In accordance with the provisions of Section 253 of the Companies Act 1985 the directors hereby notify the members of their right to require the laying of these financial statements and annual reports before a general meeting. If a member wishes a written notice must be deposited at the company's registered office in accordance with the provisions of Section 253(2) of the Companies Act 1985.

By Order of the Board

Estate Sawmill
Mill Green
Hatfield
Herts. AL9 5PG


A.J. Tyler
Secretary

28 May 1998

LEWIS TYLER AND SONS (FENCING) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF

LEWIS TYLER AND SONS (FENCING) LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Statement of 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 year. 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;
- state whether applicable accounting standards have been followed, 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.

Statement of Auditors' Responsibilities

As described above, 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 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 made by the directors in 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

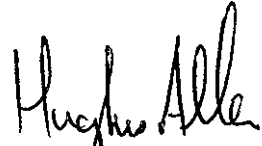
LEWIS TYLER AND SONS (FENCING) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF

LEWIS TYLER AND SONS (FENCING) LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HUGHES ALLEN
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR

Greenwood House
4/7 Salisbury Court
London EC4Y 8BT

28 May 1998

LEWIS TYLER AND SONS (FENCING) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997

	Notes	CONTINUING OPERATIONS	
		1997 £	1996 £
TURNOVER	1	2,748,160	2,343,083
Cost of sales		(2,077,138)	(1,723,719)
GROSS PROFIT		671,022	619,364
Administrative expenses		(528,790)	(510,269)
OPERATING PROFIT	2	142,232	109,095
Interest receivable		1	1
Interest payable	3	(18,431)	(20,151)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		123,802	88,945
Tax on profit on ordinary activities	5	(28,604)	(22,717)
PROFIT FOR THE FINANCIAL YEAR		95,198	66,228
Dividends	6	(2,790)	(2,790)
RETAINED PROFIT FOR THE YEAR		92,408	63,438
Retained profits brought forward		240,536	177,098
RETAINED PROFITS CARRIED FORWARD		£ 332,944	£ 240,536

The company made no recognised gains or losses in 1997 or 1996 other than the profit for the year.


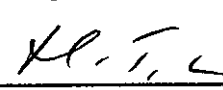
The notes on pages 6 to 11 form an integral part of these financial statements

LEWIS TYLER AND SONS (FENCING) LIMITED

BALANCE SHEET
31 DECEMBER 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		130,692		129,849
CURRENT ASSETS					
Stocks	8	325,078		263,067	
Debtors	9	427,123		367,443	
Cash at bank and in hand		36		30	
		<hr/>		<hr/>	
		752,237		630,540	
CREDITORS: Amounts falling due within one year	10	(513,023)		(469,021)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			239,214		161,519
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			369,906		291,368
CREDITORS: Amounts falling due after more than one year	11		(12,960)		(26,830)
			<hr/>		<hr/>
NET ASSETS			£ 356,946		£ 264,538
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	12		15,600		15,600
Share premium account			8,402		8,402
Profit and loss account			332,944		240,536
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS	13		£ 356,946		£ 264,538
			<hr/>		<hr/>

The financial statements were approved by the board on 28 May 1998 and signed on its behalf by


 _____)
 A.J. Tyler)
 _____) Directors

 _____)
 H.E. Tyler)

The notes on pages 6 to 11 form an integral part of these financial statements

LEWIS TYLER AND SONS (FENCING) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention in accordance with applicable Accounting Standards.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to write off the tangible assets over their estimated useful lives:-

Plant and machinery	20% Reducing balance
Fixtures & fittings	20% Reducing balance
Motor vehicles	25% Reducing balance

Leasehold properties and improvements have been amortised over the remaining term of the lease.

1.4 STOCK

Stock and work in progress are valued at the lower of cost and estimated net realisable value.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding. Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.7 DEFINED CONTRIBUTION PENSION SCHEME

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £5,335 (1996: £5,869).

2. OPERATING PROFIT

	1997	1996
	£	£
The operating profit is stated after charging:-		
Depreciation	31,339	30,753
Auditors' remuneration	6,250	6,250
Operating lease rentals	21,115	22,536

LEWIS TYLER AND SONS (FENCING) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

3.	INTEREST PAYABLE	1997 £	1996 £
	On bank loans and overdrafts and on loans repayable in full within five years	14,496	16,710
	On overdue tax	-	132
	Hire purchase interest	3,935	3,309
		<u>£ 18,431</u>	<u>£ 20,151</u>
4.	DIRECTORS AND EMPLOYEES	1997 £	1996 £
	Staff costs:-		
	Wages and salaries	448,551	408,793
	Social security costs	41,112	38,184
	Other pension costs	5,335	5,869
		<u>£ 494,998</u>	<u>£ 452,846</u>
		Number	Number
	The average monthly number of employees during the year was as follows:	<u>25</u>	<u>24</u>
		£	£
	Directors' emoluments for the year	<u>£ 155,515</u>	<u>£ 154,646</u>
5.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1997 £	1996 £
	The taxation charge based on the profit before tax comprises:-		
	U.K corporation tax	27,906	22,717
	Adjustment in respect of prior years	698	-
		<u>£ 28,604</u>	<u>£ 22,717</u>
6.	DIVIDENDS	1997 £	1996 £
	Dividends proposed	2,790	2,790
		<u>£ 2,790</u>	<u>£ 2,790</u>

LEWIS TYLER AND SONS (FENCING) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

7. TANGIBLE FIXED ASSETS

<u>Cost</u>	Beginning of year £	Additions £	Disposals £	End of year £
Leasehold improvements	86,846	9,700	-	96,546
Short leasehold property	265	-	-	265
Plant and machinery	168,911	16,716	-	185,627
Fixtures and fittings	14,558	1,171	-	15,729
Motor vehicles	84,151	5,000	(5,385)	83,766
	<u>£ 354,731</u>	<u>£ 32,587</u>	<u>£ (5,385)</u>	<u>£ 381,933</u>
 <u>Depreciation</u>	 Beginning of year £	 Charge for year £	 Eliminated on disposal £	 End of year £
Leasehold improvements	47,386	7,023	-	54,409
Short leasehold property	159	13	-	172
Plant and machinery	117,193	13,687	-	130,880
Fixtures and fittings	6,385	1,869	-	8,254
Motor vehicles	53,760	8,747	(4,981)	57,526
	<u>£ 224,883</u>	<u>£ 31,339</u>	<u>£ (4,981)</u>	<u>£ 251,241</u>
 <u>Total net book values</u>	 Beginning of year £ 129,848			 End of year £ 130,692

Included above are assets held under finance leases or hire purchase contracts as follows:-

	£
Net book values at 31 December 1997:	
Plant and machinery	3,350
Motor vehicles	22,743
	<u>£ 26,093</u>

Depreciation charge for the year:

Plant and machinery	838
Motor vehicles	7,581
	<u>£ 8,419</u>

LEWIS TYLER AND SONS (FENCING) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

8. STOCKS

	1997	1996
	£	£
Short term work in progress	6,000	10,000
Finished goods and goods for resale	319,078	253,067
	<hr/>	<hr/>
	£ 325,078	£ 263,067
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9. DEBTORS

	1997	1996
	£	£
Trade debtors	413,199	358,123
Advance corporation tax recoverable	698	1,395
Other debtors	-	1,100
Prepayments and accrued income	13,226	6,825
	<hr/>	<hr/>
	£ 427,123	£ 367,443
	<hr/>	<hr/>

10. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1997	1996
	£	£
Bank loans and overdrafts	162,300	62,969
Other Loans	30,000	34,000
Trade creditors	223,811	278,404
Proposed dividend	2,790	2,790
Advance corporation tax payable	698	698
Corporation tax	27,208	22,717
Other taxes and social security costs	42,672	45,960
Net obligations under finance lease and hire purchase contracts	13,044	10,531
Accruals and deferred income	10,500	10,952
	<hr/>	<hr/>
	£ 513,023	£ 469,021
	<hr/>	<hr/>

The bank loans and overdraft are secured as follows:

1. A debenture floating charge in favour of the bank over all assets and undertakings of the company
2. A sole guarantee by A J Tyler in the sum of £50,000 supported by a personal freehold property.

LEWIS TYLER AND SONS (FENCING) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1997 £	1996 £
Bank loans	-	4,375
Net obligations under finance leases and hire purchase contracts	12,960	22,455
	<u>£ 12,960</u>	<u>£ 26,830</u>

The above amounts are wholly repayable within five years

Net obligations under finance leases
and hire purchase contracts

Repayable within one year	15,569	14,176
Repayable between one and five years	13,832	25,182
	<u>29,401</u>	<u>39,358</u>
Finance charges and interest allocated to future accounting periods	(3,397)	(6,372)
	<u>26,004</u>	<u>32,986</u>
Included in current liabilities	(13,044)	(10,531)
	<u>£ 12,960</u>	<u>£ 22,455</u>

12. SHARE CAPITAL	1997 £	1996 £
<u>Authorised</u> 25,000 Ordinary shares of £1 each	<u>£ 25,000</u>	<u>£ 25,000</u>
<u>Allotted, called up and fully paid</u> 15,600 Ordinary shares of £1 each	<u>£ 15,600</u>	<u>£ 15,600</u>

The company is controlled by its directors as disclosed in the directors report

13. RECONCILIATION OF SHAREHOLDERS FUNDS	1997 £	1996 £
Retained profit for the year	95,198	66,228
Dividends	(2,790)	(2,790)
	<u>92,408</u>	<u>63,438</u>
Net addition to shareholders funds	264,538	201,100
Opening shareholders funds		
Closing shareholders funds	<u>£ 356,946</u>	<u>£ 264,538</u>

LEWIS TYLER AND SONS (FENCING) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1997

14. CAPITAL COMMITMENTS

	1997 £	1996 £
Details of capital commitments at 31 December 1997 are as follows:-		
Contracted for but not provided in the financial statements	£ 19,500	£ -

15. OPERATING LEASE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings		Other	
	1997 £	1996 £	1997 £	1996 £
Expiry date:				
Within one year	-	-	3,464	-
Between one and five years	-	-	14,619	21,872
After five years	52,000	52,000	-	-
	<u>£ 52,000</u>	<u>£ 52,000</u>	<u>£ 18,083</u>	<u>£ 21,872</u>

16. RELATED PARTY TRANSACTIONS

Included in creditors due within one year is a loan from a director A.J. Tyler of £30,000 (1996: £30,000). The company paid interest of £3,412 (1996: £3,300) on that loan.

The company repaid a loan of £4,000 in the year to a former director M. Tyler and paid interest on that loan of £109 (1996: £1,227).

The company paid the following dividends to related parties during the year:-

	1997 £	1996 £
A.J. Tyler	1,789	1,789
H.E. Tyler	201	201
N.C. Tyler	200	200
E.A. Tyler	200	200
J.L. Tyler	200	200
I.J. Russell	200	200
	<u>£ 2,790</u>	<u>£ 2,790</u>