

Registrar.

Co. No. 1288324

KDS CONSTRUCTION COMPANY LIMITED

REPORTS AND FINANCIAL STATEMENTS

31ST JANUARY 1996

(ABBREVIATED IN ACCORDANCE WITH THE PROVISIONS OF THE COMPANIES ACT 1985)

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KDS CONSTRUCTION COMPANY LIMITED

AUDITORS' REPORT

TO THE DIRECTORS OF KDS CONSTRUCTION COMPANY LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 8 together with the full financial statements of KDS Construction Company Limited for the year ended 31st January 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion, the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31st January 1996, and the abbreviated accounts on pages 3 to 8 have been properly prepared in accordance with that Schedule.

On 29th March 1996 we reported as auditors of KDS Construction Company Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st January 1996, and our audit report was as follows:

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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.

Continued overleaf....

KDS CONSTRUCTION COMPANY LIMITED

AUDITORS' REPORT

TO THE DIRECTORS OF KDS CONSTRUCTION COMPANY LIMITED - CONTINUED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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 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 mis-statement, 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.

Opinion

The company has not prepared group accounts. In our opinion the company is entitled for the year ended 31st January 1996 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st January 1996 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.

HART SHAW

SHEFFIELD

HART SHAW

29th March 1996

Chartered Accountants
and
Registered Auditors

KDS CONSTRUCTION COMPANY LIMITED
BALANCE SHEET - 31ST JANUARY 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
FIXED ASSETS			
Tangible assets	2	197,501	97,558
Investments	3	5,027	5,027
		<u>202,528</u>	<u>102,585</u>
CURRENT ASSETS			
Stocks		7,562	5,334
Debtors		454,766	465,208
Cash at bank and in hand		498	247
		<u>462,826</u>	<u>470,789</u>
CREDITORS			
Amounts falling due within one year		232,082	264,382
NET CURRENT ASSETS		<u>230,744</u>	<u>206,407</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>433,272</u>	<u>308,992</u>
CREDITORS			
Amounts falling due after more than one year		54,412	9,718
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation		4,697	5,029
		<u>59,109</u>	<u>14,747</u>
NET ASSETS		<u>374,163</u>	<u>294,245</u>
CAPITAL AND RESERVES			
Equity interests:			
Called up share capital	5	100	100
Profit and loss account		374,063	294,145
TOTAL SHAREHOLDERS' FUNDS		<u>374,163</u>	<u>294,245</u>

Continued overleaf....

KDS CONSTRUCTION COMPANY LIMITED

BALANCE SHEET - 31ST JANUARY 1996 - CONTINUED

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exemptions as a small company.

The directors have taken advantage of the special exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these special exemptions as a small company.

The financial statements were approved by the Board on 29th March 1996 and signed on their behalf by:

T.B. JEFFS

P. JEFFS

}
} Directors
)

The notes on pages 5 to 8 form part of these financial statements.

KDS CONSTRUCTION COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31ST JANUARY 1996

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements are prepared under the historical cost convention.

b) Group accounts

The company has not prepared group accounts in accordance with Section 248 of the Companies Act 1985.

c) Depreciation

Tangible fixed assets are depreciated in order to write off the cost less residual value of the assets over their estimated useful lives using the following methods and rates:

Freehold buildings	2%	Straight line
Plant and machinery	25%	Reducing balance
Fixtures, fittings and equipment	25%	Reducing balance
Motor vehicles	25%	Reducing balance

d) Investments

Fixed asset investments are stated at cost less provision for diminution in value.

e) Stocks and work in progress

Work in progress is valued at the lower of cost and estimated net realisable value.

f) Hire purchase and leasing commitments

Assets obtained under hire purchase and finance lease contracts are capitalised in the balance sheet and depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the contract on the straight line method.

g) Pensions

The cost of providing retirement pensions and related benefits in respect of defined contribution schemes is charged to the profit and loss account when incurred. The contributions are held in administered funds separately from the company's assets.

h) Deferred taxation

Provision is made for deferred taxation except where there is a reasonable probability that no liability will arise in the foreseeable future.

i) Capital instruments

All capital instruments are accounted for and classified as equity share capital according to their form.

KDS CONSTRUCTION COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31ST JANUARY 1996

2. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u>	<u>Plant and Machinery</u>	<u>Fixtures, Fittings & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£
COST					
At 1.2.1995	33,247	76,263	66,129	91,420	267,059
Additions	-	23,404	-	131,714	155,118
Disposals	-	(7,500)	-	(41,476)	(48,976)
At 31.01.1996	<u>33,247</u>	<u>92,167</u>	<u>66,129</u>	<u>181,658</u>	<u>373,201</u>
DEPRECIATION					
At 1.2.1995	7,606	42,744	62,729	56,422	169,501
Charge for year	665	11,463	850	25,646	38,624
Disposals	-	(4,864)	-	(27,561)	(32,425)
At 31.01.1996	<u>8,271</u>	<u>49,343</u>	<u>63,579</u>	<u>54,507</u>	<u>175,700</u>
NET BOOK VALUE					
At 31.01.1996	<u>24,976</u>	<u>42,824</u>	<u>2,550</u>	<u>127,151</u>	<u>197,501</u>
At 31.01.1995	<u>25,641</u>	<u>33,519</u>	<u>3,400</u>	<u>34,998</u>	<u>97,558</u>

Included in fixed assets are the following amounts in respect of assets held under finance leases or hire purchase contracts:

	<u>Net Book Value</u>	
	<u>1996</u>	<u>1995</u>
	£	£
Plant and machinery	27,300	20,844
Motor vehicles	113,316	15,297
	<u>140,616</u>	<u>36,141</u>

KDS CONSTRUCTION COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31ST JANUARY 1996

3. FIXED ASSET INVESTMENTS

Investment in subsidiary undertakings:	£
COST	
At 1st February 1995 and at 31st January 1996	<u>5,027</u>
NET BOOK VALUE	
At 31st January 1996	<u>5,027</u>
At 31st January 1995	<u>5,027</u>

In the opinion of the directors the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company's investment in subsidiary undertakings represents holdings in the following companies, all of whom are registered in England and Wales:

<u>Company</u>	<u>Class of Share</u>	<u>% Holding</u>
Parkgate Employment Agency Limited	Ordinary	100
D.A.C. (Consultants) Limited	Ordinary	<u>50</u>

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<u>Capital & Profit for Reserves</u>	<u>the year</u>
	£	£
Parkgate Employment Agency Limited	<u>153,409</u>	<u>11,780</u>

The principal activity of Parkgate Employment Agency Limited was that of a secretarial and employment agency. D.A.C.(Consultants) Limited does not trade.

4. SECURED CREDITORS

The bank overdraft of £5,925 is secured.

KDS CONSTRUCTION COMPANY LIMITED

NOTES TO THE ACCOUNTS - 31ST JANUARY 1996

	<u>1996</u>	<u>1995</u>
	£	£
5. SHARE CAPITAL		
Authorised		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>