

Company Registration No. 1473738

CARR & SMITH (BUILDERS) LIMITED

Report and Financial Statements

31 January 2002

**Deloitte & Touche
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN
United Kingdom**



CARR & SMITH (BUILDERS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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CARR & SMITH (BUILDERS) LIMITED**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 January 2002.

ACTIVITIES

The company's principal activity is building and contracting.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company has had a disappointing year, resulting in a small profit from activities in the year. The directors are optimistic that future sustainable profitable trading will return based on the current level of enquiries and confirmed orders.

DIVIDENDS

The results for the year are set out in detail on page 4. The directors do not recommend the payment of a dividend and the retained profit for the year of £431 (2001 : loss £10,274) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year, together with their interests in the share capital of the company, are as follows:

	Ordinary shares	
	2002 No.	2001 No.
R G Smith	600	600
Mrs C E Smith	600	600
E D A Smith	200	200

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

C. E. Smith

C E Smith
Secretary

CARR & SMITH (BUILDERS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; and
- 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARR & SMITH (BUILDERS) LIMITED

We have audited the financial statements of Carr & Smith (Builders) Limited for the year ended 31 January 2002, which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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.

Uncertainty relating to going concern basis

As stated in note 1 the financial statements have been prepared on a going concern basis, the validity of which depends upon appropriate financial support continuing to be available from its bankers. The financial statements do not take account of any adjustments that would be necessary should this support not continue. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and
Registered Auditors

**Deloitte
Touche
Tohmatsu**

1 July 2002

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

CARR & SMITH (BUILDERS) LIMITED
PROFIT AND LOSS ACCOUNT
Year ended 31 January 2002

	Note	2002 £	2001 £
TURNOVER: continuing operations	2	634,859	564,390
Cost of sales		(553,936)	(492,853)
Gross profit		<u>80,923</u>	<u>71,537</u>
Distribution costs		(3,570)	(3,699)
Administrative expenses		(72,425)	(73,727)
Total operating expenses		<u>(75,995)</u>	<u>(77,426)</u>
OPERATING PROFIT/(LOSS): continuing operations	4	4,928	(5,889)
Interest receivable and similar income		1	2
Interest payable and similar charges	5	(4,498)	(4,387)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR			
TRANSFERRED TO RESERVES	14	<u>431</u>	<u>(10,274)</u>

The statement of movements on reserves is shown in note 14 to the accounts.

There are no recognised gains or losses for the current financial year and the preceding financial year other than as stated in the profit and loss account.


CARR & SMITH (BUILDERS) LIMITED

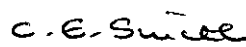
**BALANCE SHEET
31 January 2002**

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	7	23,649	31,014
CURRENT ASSETS			
Stocks	8	15,494	33,418
Debtors	9	16,462	9,171
Cash at bank and in hand		148	188
		32,104	42,777
CREDITORS: amounts falling due within one year	10	(76,226)	(84,256)
NET CURRENT LIABILITIES		(44,122)	(41,479)
TOTAL ASSETS LESS CURRENT LIABILITIES		(20,473)	(10,465)
CREDITORS: amounts falling due after more than one year	11	(8,509)	(18,948)
NET LIABILITIES		(28,982)	(29,413)
CAPITAL AND RESERVES			
Called up share capital	13	1,500	1,500
Profit and loss account	14	(30,482)	(30,913)
TOTAL EQUITY SHAREHOLDERS' DEFICIT	15	(28,982)	(29,413)

These financial statements were approved by the Board of Directors on 28 June 2002

Signed on behalf of the Board of Directors


R G Smith
Director


Mrs C E Smith
Director

CARR & SMITH (BUILDERS) LIMITED**NOTES TO THE ACCOUNTS**
Year ended 31 January 2002**1 ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention and on a going concern basis, the validity of which depends on the company receiving continued support from its bankers. If such support were not available, adjustments might have to be made to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify fixed assets as current assets and long term liabilities as current liabilities.

At 31 January 2002 the company's current liabilities exceeded its current assets by £44,122. The directors are of the opinion that sufficient facilities will be made available to the company and, accordingly, have prepared the financial statements on a going concern basis.

Tangible fixed assets

Depreciation is calculated so as to write off the cost of tangible fixed assets by the reducing balance method as follows:

Equipment, fixtures and fittings	15%
Motor vehicles	25%

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Work in progress is valued at direct cost including attributable overheads less progress claims received and receivable.

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease rentals in proportion to the capital element outstanding.

Operating lease rentals are charged to the profit and loss as they accrue.

Pension

The company operates a defined contribution scheme for three directors. The assets of the scheme are held separately from those of the company. The pension cost charge represents contributions payable by the company to the fund.

2 TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

The turnover, which arises in the United Kingdom, is attributable to the company's principal activity.

CARR & SMITH (BUILDERS) LIMITED
NOTES TO THE ACCOUNTS
Year ended 31 January 2002
3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2002	2001
	£	£
Directors' remuneration		
Emoluments (excluding pension contributions)	79,443	82,271
Company contributions to money purchase and similar pension schemes in respect of directors' services	6,292	6,241
	2002	2001
	No.	No.
The number of directors who:		
▪ are members of a money purchase pension scheme	3	3
	2002	2001
	£	£
Staff costs during the year (including directors)		
Wages and salaries	257,990	244,336
Social security costs	21,564	15,323
Pension costs	6,292	6,241
	285,846	265,900

The average number employed by the company during the year was 11 (2001 - 11). Due to the size and organisation of the company the directors are unable to classify these employees by department.

4 OPERATING PROFIT/(LOSS)

	2002	2001
	£	£
Operating profit/(loss) is after charging:		
Depreciation		
Owned assets	2,923	3,842
Leased assets	4,442	4,252
Rentals under operating leases		
Hire of equipment	18,557	13,797
Auditors' remuneration	2,000	2,000
and after crediting:		
Profit on disposal of fixed assets	-	17

CARR & SMITH (BUILDERS) LIMITED
NOTES TO THE ACCOUNTS
Year ended 31 January 2002
5 INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank loans and overdrafts	3,388	3,296
Finance leases and hire purchase contracts	1,110	1,091
	<u>4,498</u>	<u>4,387</u>

6 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Unrelieved losses amounting to £34,339 (2001 - £35,638) remain available to offset future trading profits.

7 TANGIBLE FIXED ASSETS

	Equipment, fixtures and fittings	Motor vehicles	Total
	£	£	£
Cost			
At 1 February 2001 and at 31 January 2002	<u>21,098</u>	<u>57,671</u>	<u>78,769</u>
Accumulated depreciation			
At 1 February 2001	17,218	30,537	47,755
Charge in year	<u>582</u>	<u>6,783</u>	<u>7,365</u>
At 31 January 2002	<u>17,800</u>	<u>37,320</u>	<u>55,120</u>
Net book value			
At 31 January 2002	<u>3,298</u>	<u>20,351</u>	<u>23,649</u>
At 31 January 2001	<u>3,880</u>	<u>27,134</u>	<u>31,014</u>

The net book value of motor vehicles held under finance leases at 31 January 2002 is £13,328 (2000 - £17,770).

CARR & SMITH (BUILDERS) LIMITED
NOTES TO THE ACCOUNTS
Year ended 31 January 2002
8 STOCKS

	2002	2001
	£	£
Raw materials	10,700	11,564
Short term work in progress	16,094	35,163
Less: Payments on account	(11,300)	(13,309)
	<u>15,494</u>	<u>33,418</u>

9 DEBTORS

	2002	2001
	£	£
Trade debtors	13,506	5,330
Other debtors	706	1,602
Prepayments and accrued income	2,250	2,239
	<u>16,462</u>	<u>9,171</u>

All amounts are due within one year.

Included in debtors is an amount due from directors of £706, which is the maximum amount due from them during the year. Since the year end the amount due has been repaid.

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Bank loans and overdraft	34,639	31,956
Obligations under finance leases and hire purchase contracts	3,922	6,256
Trade creditors	28,206	37,650
Directors' current accounts	-	1,404
Other taxes and social security	6,414	4,732
Accruals and deferred income	3,045	2,258
	<u>76,226</u>	<u>84,256</u>

The amounts due to the directors are interest free.

CARR & SMITH (BUILDERS) LIMITED
NOTES TO THE ACCOUNTS
Year ended 31 January 2002
11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Bank loans	6,817	13,334
Obligations under finance leases and hire purchase contracts	1,692	5,614
	<u>8,509</u>	<u>18,948</u>

12 BORROWINGS

	2002	2001
	£	£
Bank loans and overdraft	41,456	45,290
Directors' current account	-	1,404
Obligations under finance leases and hire purchase contracts	5,614	11,870
	<u>47,070</u>	<u>58,564</u>

The maturity of the above amounts is as follows:

In one year or less, or on demand	38,561	39,616
In more than one year but no more than two years	8,509	10,589
In more than two years but no more than five years	-	8,359
	<u>47,070</u>	<u>58,564</u>

The bank loan and overdraft at 31 January 2002 are secured by a fixed and floating charge over the company's assets.

13 CALLED UP SHARE CAPITAL

	2002	2001
	£	£
Authorised		
10,000 Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>
Called up, allotted and fully paid		
1,500 Ordinary shares of £1.00 each	<u>1,500</u>	<u>1,500</u>

CARR & SMITH (BUILDERS) LIMITED

NOTES TO THE ACCOUNTS
Year ended 31 January 2002

14 STATEMENT OF MOVEMENTS ON RESERVES

	Profit and loss account £
At 1 February 2001	(30,913)
Profit retained for the year	431
	<hr/>
At 31 January 2002	<u>(30,482)</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit/(loss) attributable to members of the company	431	(10,274)
Opening shareholders' (deficit)	(29,413)	(19,139)
	<hr/>	<hr/>
Closing shareholders' (deficit)	<u>(28,982)</u>	<u>(29,413)</u>

16 RELATED PARTY TRANSACTIONS

R G and Mrs C E Smith have together given personal guarantees of £37,932 to secure the company's bank borrowings.

Included in turnover are the amounts of £2,693 and £4,002 invoiced to Mr & Mrs R G Smith and Mr E D A Smith, respectively, for work on their properties, this being performed on an arm length basis.

17 PENSION COMMITMENTS

The company operates a defined contribution scheme, the assets of which are held separately from those of the company.

The total pension cost to the company for the year ended 31 January 2002 was £6,292 (2001 - £6,241)