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M J REES AND COMPANY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
30 APRIL 1998

BURTON SWEET

Chartered Accountants & Registered Auditors
Thornton House
Richmond Hill
Clifton
Bristol BS8 1AT



M J REES AND COMPANY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1998

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M J REES AND COMPANY LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 30 April 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Thornton House
Richmond Hill
Clifton
Bristol BS8 1AT

15/4.....1998



BURTON SWEET
Chartered Accountants
& Registered Auditors

M J REES AND COMPANY LIMITED

ABBREVIATED BALANCE SHEET

30 APRIL 1998

		1998		1997	
	Note	£	£	£	£
FIXED ASSETS	2				
Tangible assets			102,776		90,615
CURRENT ASSETS					
Stocks		8,000		12,400	
Debtors		91,675		51,054	
Cash at bank and in hand		107,916		107,698	
		<u>207,591</u>		<u>171,152</u>	
CREDITORS: Amounts falling due within one year	3	<u>(219,998)</u>		<u>(184,094)</u>	
NET CURRENT ASSETS			(12,407)		(12,942)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>90,369</u>		<u>77,673</u>
CREDITORS: Amounts falling due after more than one year	4		(19,366)		(41,039)
PROVISIONS FOR LIABILITIES AND CHARGES			<u>(5,519)</u>		<u>(4,942)</u>
			<u>65,484</u>		<u>31,692</u>
CAPITAL AND RESERVES					
Called-up equity share capital	5		64		64
Other reserves			36		36
Profit and loss account			65,384		31,592
SHAREHOLDERS' FUNDS			<u>65,484</u>		<u>31,692</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 17/8 1998



A S THUNHURST

The notes on pages 3 to 5 form part of these financial statements.

M J REES AND COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1998

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention.

Cash Flow Statement

The director has taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	20 % per annum straight line
Fixtures & Fittings	15 % per annum reducing balance
Motor Vehicles	25 % per annum reducing balance

Work in Progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire Purchase Agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension Costs

The company operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the company. The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular costs are spread over the average expected remaining working lives of current members in the scheme.

Deferred Taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes

M J REES AND COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1998

1. ACCOUNTING POLICIES *(continued)*

and their treatment for tax purposes. Tax deferred or accelerated is in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. FIXED ASSETS

	Tangible Fixed Assets £
COST	
At 1 May 1997	360,691
Additions	39,165
Disposals	<u>(26,910)</u>
At 30 April 1998	<u>372,946</u>
 DEPRECIATION	
At 1 May 1997	270,076
Charge for year	25,165
On disposals	<u>(25,071)</u>
At 30 April 1998	<u>270,170</u>
 NET BOOK VALUE	
At 30 April 1998	<u>102,776</u>
At 30 April 1997	<u>90,615</u>

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	1,908	1,721
Other creditors	<u>16,333</u>	<u>16,333</u>
	<u>18,241</u>	<u>18,054</u>

M J REES AND COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1998

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	1,031	2,940
Other creditors	16,334	32,667
	<u>17,365</u>	<u>35,607</u>

5. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	<u>64</u>	<u>64</u>