

R. J. SHEEN & COMPANY LIMITED

1700214

DIRECTORS' REPORT

FOR THE YEAR ENDED 29th FEBRUARY 1996

The directors present their annual report, together with the audited financial statements of the company for the year ended 29th February 1996.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £2,206. It is recommended that this amount be transferred from reserves.

The directors do not recommend payment of a dividend for the current year.

REVIEW OF THE BUSINESS

The company's principal activity during the year was bricklaying and general building. It is anticipated that the company will trade profitably during the ensuing year.

DIRECTORS AND THEIR INTERESTS

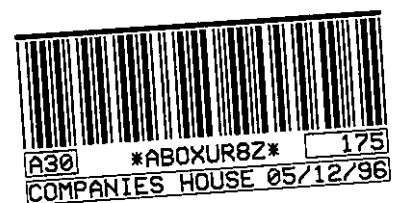
The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

Ordinary Shares of £1 each

R.J. Sheen	600
C.R. Dawson	400

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the reappointment of Harrison Hill Castle and Company as Auditors to the company will be put to the Annual General Meeting.



R. J. SHEEN & COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 29th FEBRUARY 1996

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 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 reasonably prudent;
- follow applicable accounting standards, 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.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'R. J. Sheen', with a long horizontal line extending to the right.

R.J. Sheen
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF R. J. SHEEN & COMPANY LIMITED
FOR THE YEAR ENDED 29th FEBRUARY 1996

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, 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 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 at 29th February 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Harrison Hill Castle & Co.

Chartered Accountants
Registered Auditors

Harrison Hill Castle and Company
Melbury House
34, Southborough Road
Bickley
Bromley
Kent, BR1 2EB

2.12.96

R. J. SHEEN & COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29th FEBRUARY 1996

		1996	1995
	Notes	£	£
TURNOVER	3		
Continuing operations		833,503	646,598
COST OF SALES		(688,932)	(499,519)
GROSS PROFIT		144,571	147,079
Administration expenses		(141,116)	(136,182)
OPERATING PROFIT	4/5	3,455	10,897
(Loss) on sale of fixed assets in continuing operations		-	(1,847)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		3,455	9,050
Interest payable	6	(1,951)	(1,365)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,504	7,685
Tax on ordinary activities	7	(3,710)	(3,019)
RETAINED (LOSS)/PROFIT FOR THE YEAR		(2,206)	4,666

The company had no recognised gains or losses during the year other than the profit and loss account.

R. J. SHEEN & COMPANY LIMITED

BALANCE SHEET

AS AT 29th FEBRUARY 1996

		1996		1995	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		10,959		14,373
CURRENT ASSETS					
Stocks and Work in Progress	9	52,673		37,506	
Debtors	10	27,446		29,744	
Cash at bank and in hand		40		292	
		<u>80,159</u>		<u>67,542</u>	
CREDITORS - amounts falling due within one year	11	108,249		96,841	
NET CURRENT (LIABILITIES)			<u>(28,090)</u>		<u>(29,299)</u>
NET (LIABILITIES)			<u>(17,131)</u>		<u>(14,926)</u>
CAPITAL AND RESERVES					
Called up share capital	12		1,000		1,000
Profit and loss account			(18,131)		(15,926)
	13		<u>(17,131)</u>		<u>(14,926)</u>

Approved by:

R.J. Sheen

R.J. Sheen

) Directors

C.R. Dawson

C.R. Dawson

Dated: 27-11-96

R. J. SHEEN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29th FEBRUARY 1996

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention and appropriate accounting standards. These include Financial Reporting Standard No.1 in accordance with which the company satisfies the criteria for exemption from the requirement to publish a cashflow statement.

1.2 Turnover

This represents the invoiced amounts of goods sold and services provided, net of value added tax.

1.3 Depreciation of tangible fixed assets

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings:	20 % per annum on reducing balance
Motor vehicles:	25 % per annum on reducing balance
Plant and machinery:	20 % per annum on reducing balance

1.4 Stock and Work in progress

Work in progress is valued at the lower of cost and net realisable value less progress payments with an appropriate allowance for overheads.

3. TURNOVER

The turnover and pre-tax profit are wholly attributable to the company's main activity.

The turnover arises entirely in the U.K.

4. OPERATING PROFIT

1996	1995
£	£

This is stated after charging (crediting):

Staff costs (see note 5)	65,963	57,227
Auditors' remuneration	2,600	2,100
Depreciation	3,414	3,510
Hire of equipment	14,649	19,010
	<u> </u>	<u> </u>

R. J. SHEEN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 29th FEBRUARY 1996

5. EMPLOYEE INFORMATION

	1996	1995
	£	£
5.1 Staff costs:		
Wages and salaries	56,890	48,883
Social security costs	5,457	5,428
Other pension costs	3,616	2,916
	<u>65,963</u>	<u>57,227</u>

5.2 The average weekly number of employees during the year was as follows:-	No.	No.
	4	3
	<u> </u>	<u> </u>

5.3 Directors' emoluments:

	£	£
Fees and salaries	42,039	35,176
Pension contributions	3,616	2,916
	<u>45,655</u>	<u>38,092</u>

6. INTEREST PAYABLE

	1996	1995
	£	£
On bank loans, overdrafts and similar loans:-		
Repayable otherwise than by instalments	1,951	1,365
	<u>1,951</u>	<u>1,365</u>

7. TAXATION

	1996	1995
	£	£
7.1 The tax charge on the profit on ordinary activities for the year was as follows:		
U.K corporation tax at 25%	3,710	3,019
	<u>3,710</u>	<u>3,019</u>

R. J. SHEEN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 29th FEBRUARY 1996

7.2 The company is a close company within the terms of section 414 of the Taxes Act 1988.

8. TANGIBLE FIXED ASSETS

	Fixtures Fittings & Office Equipment £	Plant and Machinery £	Motor Vehicles £	Total £
Cost:				
At 29th February 1996	<u>7,767</u>	<u>960</u>	<u>29,622</u>	<u>38,349</u>
Depreciation:				
At 1st March 1995	4,579	584	18,813	23,976
Charge for the year	<u>637</u>	<u>75</u>	<u>2,702</u>	<u>3,414</u>
At 29th February 1996	<u>5,216</u>	<u>659</u>	<u>21,515</u>	<u>27,390</u>
Book Value at 29th February 1996	<u>2,551</u>	<u>301</u>	<u>8,107</u>	<u>10,959</u>
Book Value at 28th February 1995	<u>3,188</u>	<u>376</u>	<u>10,809</u>	<u>14,373</u>

9. STOCKS AND WORK IN PROGRESS

	1996 £	1995 £
The amounts attributable to the different categories are as follows:		
Work in progress	<u>52,673</u>	<u>37,506</u>

R. J. SHEEN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 29th FEBRUARY 1996

10. DEBTORS

	1996 £	1995 £
Trade debtors	22,685	29,710
Other debtors	-	34
Directors' current accounts	4,761	-
	<u>27,446</u>	<u>29,744</u>

11. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1996 £	1995 £
Bank overdraft	62,150	44,515
Corporation tax	3,710	3,019
Other taxes and social security costs	23,798	25,535
Directors' current accounts	-	653
Other creditors	10,773	15,110
Accruals	7,818	8,009
	<u>108,249</u>	<u>96,841</u>

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The company expects to operate within the facility currently agreed and within that expected to be agreed when the company's bankers consider its renewal for a further year. These views are based on the company's plans and on the successful outcome of discussions with the company's bankers.

12. SHARE CAPITAL

	1996 £	1995 £
AUTHORISED SHARE CAPITAL		
5,000 Ordinary Shares of £1 each	<u>5,000</u>	<u>5,000</u>
CALLED UP AND FULLY PAID		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

R. J. SHEEN & COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 29th FEBRUARY 1996

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
(Loss)/profit for the financial year	(2,206)	4,666
Opening shareholders' funds	(14,925)	(19,592)
Closing shareholders' funds	<u>(17,131)</u>	<u>(14,926)</u>