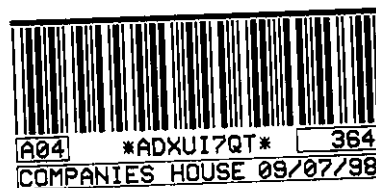


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A & C CONTRACTS LIMITED
formerly
A & C CONTRACT GLAZIERS LIMITED

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 1997**



A & C CONTRACTS LIMITED
formerly A & C CONTRACT GLAZIERS LIMITED

DIRECTORS	A A Fenlon C Hall
SECRETARY	A A Fenlon
REGISTERED OFFICE	8 Wyemanton Close Great Barr Birmingham B43 6DD
BANKERS	Lloyds Bank plc 293 High Street West Bromwich West Midlands B70 8NA
ACCOUNTANTS	KLM Accounts 15 Shenstone Road Great Barr Birmingham B43 5LW
REGISTERED NUMBER	2066699

A & C CONTRACTS LIMITED
formerly
A & C CONTRACT GLAZIERS LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 1997

The directors present their annual report with the financial statements of the company for the year ended 31 December 1997

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of contractors.

SPECIAL RESOLUTION

A Special Resolution was passed on the 19th March 1998, changing the name of the company to A & C Contracts Limited.

DIRECTORS

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

	Ordinary Shares of £1 each	
	1997	1996
A A Fenlon	50	50
C Hall	50	50

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 period. In preparing these financial statements the directors are required to:-

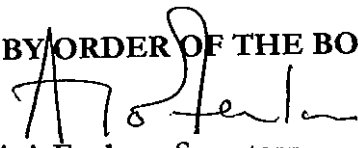
- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- (d) prepare the financial 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 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.

SMALL COMPANY EXEMPTION

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

BY ORDER OF THE BOARD


A A Fenlon - Secretary.

Date 1-7-98

**ACCOUNTANTS REPORT
TO THE SHAREHOLDERS OF
A & C CONTRACTS LIMITED
formerly
A & C CONTRACT GLAZIERS LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 1997 set out on pages 4 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

A. R. Moore

KLM ACCOUNTS
15 Shenstone Road
Great Barr
Birmingham
B43 5LW

Date : 1 / 7 / 98

A & C CONTRACTS LIMITED
formerly
3 A & C CONTRACT GLAZIERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997

	Notes	1997 £	1996 £
TURNOVER	2	119637	138011
Cost of Sales		<u>865</u>	<u>35743</u>
GROSS PROFIT		118772	102268
Administration Expenses		<u>98880</u>	<u>102905</u>
OPERATING PROFIT/(LOSS)	4	19892	-637
Interest Payable	4	<u>1805</u>	<u>1076</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		18087	-1713
Tax on Ordinary Activities	3	<u>2010</u>	<u>123</u>
PROFIT/LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		16077	-1590
Dividends		<u>4000</u>	<u>0</u>
		<u>12077</u>	<u>-1590</u>
STATEMENT OF RETAINED EARNINGS			
Retained Profit Brought Forward		13198	14788
Profit/(Loss) for the Period		<u>12077</u>	<u>-1590</u>
RETAINED PROFIT CARRIED FORWARD		<u>25275</u>	<u>13198</u>

CONTINUING ACTIVITIES

None of the company's activities was acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

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

A & C CONTRACTS LIMITED
 formerly
A & C CONTRACT GLAZIERS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		47572		15942
CURRENT ASSETS					
Debtors	6	31492		11195	
Cash at bank and in hand		<u>1298</u>		<u>17490</u>	
		32790		28685	
CREDITORS : Amounts falling due within one year	7	<u>36089</u>		<u>31329</u>	
NET CURRENT (LIABILITIES)			<u>(3299)</u>		<u>(2644)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			44273		13298
CREDITORS : Amounts falling due in more than one year	7		<u>18898</u>		0
			25375		13298
			=====		=====
CAPITAL AND RESERVES					
Called up share capital	8		100		100
Profit and loss account			<u>25275</u>		<u>13198</u>
EQUITY SHAREHOLDERS FUNDS	11		25375		13298
			=====		=====

The directors have relied upon the exemptions for individual accounts contained in subsections 247 to 249 of the Companies Act 1985 on the basis that as a small company it is entitled to those exemptions.

For the year ended 31 December 1997 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No member or members have requested an audit for the current financial year pursuant to subsection 2 of section 249B of the Act.

The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts.

Advantage has been taken in the preparation of the financial statements of the special exemptions conferred by Part I of schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

A A Fenlon
 A A Fenlon - on behalf of the board

C Hall 1-7-98.
 C Hall Date

A & C CONTRACTS LIMITED
 formerly
A & C CONTRACT GLAZIERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

Depreciation

Depreciation is provided on all assets in equal instalments over their expected useful life as follows:

Motor vehicles	25% reducing balance basis
Plant and equipment	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis

Small Company Exemption

The company is exempt from the requirement to publish a cash flow statement and associated information as defined by S246-S247 Companies Act 1985

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied to third parties.

Leased Assets

Where the assets are financed by leasing agreements ('financial leases') the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital payments outstanding.

2. TURNOVER

The turnover and pre-tax (loss)/profit is wholly attributable to the company's principal activities.

3. TAXATION

The tax charge on the (Loss)/Profit on Ordinary Activities was as follows:

	1997	1996
	£	£
Corporation tax (charged at current rates)	2010	(544)
Underprovision in previous year	<u>351</u>	<u>421</u>
	2361	(123)
	===	===

A & C CONTRACTS LIMITED
 formerly
A & C CONTRACT GLAZIERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

4. OPERATING (LOSS)/PROFIT

The Operating (Loss)/Profit is stated after charging :

	1997	1996
	£	£
Amounts written off tangible assets	6610	4930
Directors remuneration	51953	48600
	=====	=====

INTEREST PAYABLE

	1997	1996
	£	£
Leasing and HP interest	1805	1076
	=====	=====

5. FIXED ASSETS

Tangible assets	Motor vehicles	Plant & equipment	Fixtures & fittings	Total
	£	£	£	£
COST				
At 1 January 1997	46436	3380	2659	52475
(Disposals)	(46436)			(46436)
Additions	<u>51738</u>	<u>0</u>	<u>0</u>	<u>51738</u>
At 31 December 1997	<u>51738</u>	<u>3380</u>	<u>2659</u>	<u>57777</u>
DEPRECIATION				
At 1 January 1997	32938	2810	785	36533
(Disposals)	(32938)			(32938)
Charge for the Year	<u>6000</u>	<u>142</u>	<u>468</u>	<u>6610</u>
At 31 December 1997	<u>6000</u>	<u>2952</u>	<u>1253</u>	<u>(10205)</u>
NET BOOK VALUE				
At 31 December 1997	45738	428	1406	47572
	=====	=====	=====	=====
At 31 December 1996	13498	570	1874	15942
	=====	=====	=====	=====

A & C CONTRACTS LIMITED
 formerly
A & C CONTRACT GLAZIERS LIMITED
 7 **NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 31 DECEMBER 1997

6. DEBTORS	1997	1996
	£	£
Amounts falling due within one year		
Trade debtors	27032	6157
Prepayments	4460	4494
Corporation tax refundable	<u> </u>	<u>544</u>
	31492	11195
7. CREDITORS	1997	1996
	£	£
Amounts due within one year		
Trade creditors	4000	1144
Other taxes and social security costs	12765	10924
Accruals	995	1216
Directors loan accounts	11220	12439
Hire purchase	4836	5606
Corporation tax	1660	-----
Bank overdraft	<u>6313</u>	<u> </u>
	36089	31329
Amounts due after more than one year		
Hire purchase	<u>18898</u>	<u>0</u>
8. CALLED UP SHARE CAPITAL	1997	1996
	No	No
Ordinary shares of £1 each		
Authorised	<u>1000</u>	<u>1000</u>
Allotted, issued and fully paid	<u>100</u>	<u>100</u>
9. CAPITAL COMMITMENTS	1997	1996
	£	£
Contracted	Nil	Nil
Authorised, but not contracted for	<u>Nil</u>	<u>Nil</u>
10. CONTINGENT LIABILITIES		
Contingent liabilities as at the balance sheet date were £nil (1996 £nil)		

A & C CONTRACTS LIMITED

formerly

A & C CONTRACT GLAZIERS LIMITED

**8 NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997**

11. SHAREHOLDERS FUNDS	1997	1996
	£	£
Reconciliation of movements in shareholders funds:-		
Opening shareholders funds	13298	14888
Increase in profit and loss account	<u>12077</u>	<u>-1590</u>
	<u>25375</u>	<u>13298</u>

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	1997	1996
	£	£
Amounts payable within one year	2418	7192
Two to five years	<u>21316</u>	<u> </u>
	23734	7192
Less : Finance charges allocated to future periods.	<u>7259</u>	<u>1586</u>
	<u>16475</u>	<u>5606</u>