

Company Number: 2910751

A BUCHANAN CONTRACTORS LIMITED

FINANCIAL STATEMENTS

31ST MARCH 1998



WOOLFORD & CO CHARTERED ACCOUNTANTS



A. BUCHANAN CONTRACTORS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

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A. BUCHANAN CONTRACTORS LIMITED

Directors

A. Buchanan
M. Buchanan

Secretary

M. Buchanan

Registered Office

Woodlands Farm
Wood Street Village
Guildford
Surrey GU3 3DU

Auditors

Woolford & Co.
Chartered Accountants
Hillbrow House
Hillbrow Road
Esher
Surrey, KT10 9NW

Company Number

2910751

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A. BUCHANAN CONTRACTORS LIMITED

DIRECTORS' REPORT

31ST MARCH 1998

The directors present their report and the audited financial statements for the year ended 31st March 1998.

Principal activity

The principal activity of the company is that of contractual building work.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st March 1998	1st April 1997
	Ordinary	Ordinary
	shares	shares
A. Buchanan	1	1
M. Buchanan	1	1


Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Woolford & Co. will continue in office.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


M. Buchanan
Secretary

Woodlands Farm
Wood Street Village
Guildford
Surrey GU3 3DU

16.9.98

A. BUCHANAN CONTRACTORS LIMITED
STATEMENT OF 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 those financial statements, the directors are required to

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

AUDITORS' REPORT TO THE MEMBERS OF

A. BUCHANAN CONTRACTORS LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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.

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 error or other irregularity. 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 as at 31st March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hillbrow House
Hillbrow Road
Esher
Surrey, KT10 9NW

16/9/98



Woolford & Co.
Registered Auditors
Chartered Accountants

A. BUCHANAN CONTRACTORS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1998**

	Note	1998 £	1997 £
Turnover	2	1,730,833	957,277
Cost of sales		(1,446,175)	(822,680)
Gross profit		<u>284,658</u>	<u>134,597</u>
Net operating expenses			
Administrative expenses		(251,055)	(90,416)
Other operating income		4,772	-
Operating profit	3	<u>38,375</u>	<u>44,181</u>
Interest payable	5	(3,547)	(4,402)
Profit on ordinary activities before taxation		<u>34,828</u>	<u>39,779</u>
Taxation	6	(9,750)	(11,096)
Profit on ordinary activities after taxation		<u>25,078</u>	<u>28,683</u>
Dividends	7	(100,000)	-
Retained (loss)/profit for the year	15	<u>(74,922)</u>	<u>28,683</u>

Movements in reserves are shown in note 15.

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

There are no recognised gains and losses in 1998 or 1997 other than the (loss)/profit for the year.

A. BUCHANAN CONTRACTORS LIMITED


BALANCE SHEET

AT 31ST MARCH 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	8	101,142	88,011
Current assets			
Stocks	9	110,300	63,300
Debtors	10	84,202	56,481
Cash at bank and in hand		272	34,469
		<u>194,774</u>	<u>154,250</u>
Creditors: amounts falling due within one year	11	<u>(270,959)</u>	<u>(131,814)</u>
Net current (liabilities)/assets		(76,185)	22,436
Total assets less current liabilities		<u>24,957</u>	<u>110,447</u>
Creditors: amounts falling due after more than one year	12	<u>(9,175)</u>	<u>(19,743)</u>
		<u>15,782</u>	<u>90,704</u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account	15	15,780	90,702
Total shareholders' funds	13	<u>15,782</u>	<u>90,704</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 11 were approved by the board of directors on 16/9/98 and signed on its behalf by:


A. Buchanan
Director

A. BUCHANAN CONTRACTORS LIMITED
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's principal activity after deduction of value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	25% per annum
Motor vehicles	25% per annum
Fixtures and fittings	20% per annum
Computer equipment	33% per annum

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1997 nil)

A. BUCHANAN CONTRACTORS LIMITED
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

3	Operating profit	1998	1997
		£	£
	Operating profit is stated after crediting		
	Interest receivable	4,772	-
	and after charging		
	Auditors' remuneration	4,420	3,484
	Loss on sale of assets	2,739	-
	Depreciation of tangible fixed assets (note 8)		
	owned assets	32,218	10,240
	leased assets	16,250	20,125
		48,468	30,365
4	Directors	1998	1997
		£	£
	Directors' emoluments	148,210	29,803
5	Interest payable	1998	1997
		£	£
	Finance lease and hire purchase contracts	3,036	4,087
	Other interest payable	511	315
		3,547	4,402
6	Taxation	1998	1997
		£	£
	Corporation tax on profit on ordinary activities at 21% (1997 23%)	9,750	10,707
	Under provision in earlier years	-	389
		9,750	11,096
7	Dividends	1998	1997
		£	£
	Interim dividend	100,000	-

A. BUCHANAN CONTRACTORS LIMITED
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Equipment and Fittings £	Total £
1st April 1997	49,488	79,397	4,477	133,362
Additions	27,357	35,601	1,381	64,339
Disposals	(2,400)	(929)	(998)	(4,327)
31st March 1998	<u>74,445</u>	<u>114,069</u>	<u>4,860</u>	<u>193,374</u>
Depreciation				
1st April 1997	16,961	27,643	747	45,351
Charge for year	18,616	28,523	1,329	48,468
Disposals	(1,050)	(240)	(298)	(1,588)
31st March 1998	<u>34,527</u>	<u>55,926</u>	<u>1,778</u>	<u>92,231</u>
Net book amount				
31st March 1998	<u>39,918</u>	<u>58,142</u>	<u>3,082</u>	<u>101,142</u>
1st April 1997	<u>32,527</u>	<u>51,754</u>	<u>3,730</u>	<u>88,011</u>

The net book amount of fixed assets includes £28,438 (1997 £52,115) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

9 Stocks and work in progress

	1998 £	1997 £
Stocks and work in progress	<u>110,300</u>	<u>63,300</u>

10 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	66,711	50,948
Other debtors	15,250	-
Prepayments and accrued income	2,241	5,533
	<u>84,202</u>	<u>56,481</u>

A. BUCHANAN CONTRACTORS LIMITED
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

11 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdrafts	53,853	-
Trade creditors	91,258	69,677
Corporation tax	-	10,707
Other taxation and social security	49,161	22,321
Other creditors	49,880	9,238
Accruals and deferred income	13,187	3,183
Obligations under finance leases and hire purchase contracts - note 12	13,620	16,688
	<u>270,959</u>	<u>131,814</u>

12 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Other creditors	<u>9,175</u>	<u>19,743</u>

Obligations under finance leases and hire purchase contracts

Amounts included above are repayable over varying periods by monthly instalments as follows:

In the next year	13,620	16,688
In the second to fifth years	9,175	19,743
	<u>22,795</u>	<u>36,431</u>

13 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	25,078	28,683
Dividends	(100,000)	-
Net (subtraction from)/addition to shareholders' funds	(74,922)	28,683
Opening shareholders' funds	90,704	62,021
Closing shareholders' funds	<u>15,782</u>	<u>90,704</u>

A. BUCHANAN CONTRACTORS LIMITED
NOTES ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1998

14 Called up share capital

	1998		1997	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Allotted called up and fully paid				
Ordinary shares of £1 each	2	2	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Profit and loss account

	1998 £
1st April 1997	90,702
Retained loss for the year	(74,922)
	<u> </u>
31st March 1998	<u>15,780</u>

16 Directors' interests and loans

As at 31st March 1998 A. Buchanan Contractors Limited owed A. Buchanan £45,761 (1997 £nil) by way of director's loan, included within other creditors. This loan is interest free and has no fixed date for repayment.

17 Related parties

Throughout the year, the company was controlled by A. Buchanan, the managing director and a shareholder of the company.

K.J. Buchanan & Co Limited is a company owned and controlled by the father of A. Buchanan. During the year A. Buchanan Contractors Limited made sales of £51,061 (1997: £nil) to K.J. Buchanan & Co Limited, and as at 31st March 1998 was owed £2,633 (1997: £nil) by that company.