

BEATSON'S BUILDING SUPPLIES LIMITED

DIRECTORS REPORT

YEAR ENDED 31 JULY 1996

The directors submit their report and the financial statements for the year.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was supplying building materials.

RESULTS AND DIVIDENDS

The results for the year, the dividends paid and the movement on reserves are set out on page 3. No further dividends are proposed.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The directors are satisfied with the results for the year and are confident of consolidating their position within the current market.

FIXED ASSETS

Particulars of changes in fixed assets of the company and of their cost or valuation are disclosed in note 6 to the financial statements. In the directors' opinion, the market value of land and buildings exceeds book value by £150,000.

DIRECTORS

The directors who acted throughout the year and their interest in the shares of the company were as follows:-

	31.7.1996	1.8.1995
J Marshall Jnr	114,600 shares	105,000 shares
R Marshall	100,200 shares	105,000 shares
D J Ryan	- shares	- shares

In accordance with the articles of association J Marshall Jnr retires at the forthcoming annual general meeting and being eligible, offers himself for re-election.

By order of the Board

Jan Hunter

J Hunter
Secretary

1 November 1996

Company number 44008



AUDITORS REPORT

TO THE MEMBERS OF BEATSON'S BUILDING SUPPLIES LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention, as modified by the revaluation of heritable property, and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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 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 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.

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 any 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 as at 31 July 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



LIVINGSTONE MCGOWAN MCKENNA
Registered Auditors
Chartered Accountants

4 Dumbarton Road
Clydebank
G81 1TU

5 November 1996

BEATSON'S BUILDING SUPPLIES LIMITED

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 1996

		£	1995 £
	Note		
TURNOVER	1 & 2(e)	2,471,645	2,482,371
Cost of sales		(1,883,053)	(1,878,979)
Gross profit		588,592	603,392
Administrative expenses		(557,796)	(563,537)
Other operating income		10,312	22,784
OPERATING PROFIT	1 & 3	41,108	62,639
Interest receivable		29,438	4,667
		70,546	67,306
Interest payable	4	(116)	(207)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		70,430	67,099
Tax on profit on ordinary activities	5	(18,062)	(14,745)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		52,368	52,354
Dividends		(60,000)	(12,000)
TRANSFER TO (FROM) RESERVES	12	(7,632)	40,354

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 JULY 1996

Other than those reported in the Profit and Loss Account, there were no recognised gains or losses in this and the preceding year.

References are to the notes on pages 5 to 9

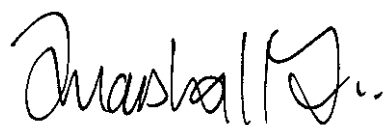
BEATSON'S BUILDING SUPPLIES LIMITED

BALANCE SHEET AT 31 JULY 1996

			1995	
		£	£	
	Note			
FIXED ASSETS				
Tangible assets	6	452,584	449,610	
CURRENT ASSETS		£		
Stock	7	335,995	335,065	
Debtors : amounts falling due within one year	8	341,163	406,291	
: amounts falling due after more than one year	8	260,000	260,000	
Cash at bank and in hand		297,169	305,739	
		<u>1,234,327</u>	<u>1,307,095</u>	
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(438,713)	(499,070)	
NET CURRENT ASSETS		<u>795,614</u>	<u>808,025</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES		1,248,198	1,257,635	
PROVISIONS FOR LIABILITIES AND CHARGES	10	-	(1,805)	
		<u>1,248,198</u>	<u>1,255,830</u>	
CAPITAL AND RESERVES				
Called up share capital	11	315,000	315,000	
Revaluation reserve		17,700	17,700	
Profit and loss account	12	915,498	923,130	
		<u>1,248,198</u>	<u>1,255,830</u>	

References are to the notes on pages 5 to 9

Approved by the Board of Directors


J Marshall Jnr
Director

1 November 1996

BEATSON'S BUILDING SUPPLIES LIMITED

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 1996

1 CONTINUING AND DISCONTINUED OPERATIONS

Turnover and operating profit relate to continuing operations. This year, as in the preceding year, there were no acquisitions or discontinued operations requiring separate disclosure.

2 ACCOUNTING POLICIES

(a) Accounting basis

The financial statements are prepared under the historical cost convention, modified to include the revaluation of heritable property, and in accordance with applicable accounting standards.

(b) Depreciation

Depreciation is provided on tangible fixed assets on a straight line basis at rates calculated to write off the cost of each asset over its expected useful life as follows:-

Heritable property	-	2% per annum
Plant and machinery	-	15% per annum
Furniture and fittings	-	15% per annum
Motor vehicles	-	20% per annum

(c) Stocks

Stocks are stated at the lower of cost and net realisable value.

(d) Deferred taxation

Deferred taxation is provided on the liability method on all short term timing differences. Provision is also made for long term timing differences except for those which are not expected to reverse in the foreseeable future.

(e) Turnover

Turnover represents the amount receivable for goods sold and services provided excluding value added tax.

(f) Pension scheme

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge detailed in note 14 below represents contributions payable by the company to the funds. No amounts remain unpaid at 31 July 1996 (1995 - £nil).

(g) Operating leases

Rents receivable under operating leases are credited to the profit and loss account as they fall due.

BEATSON'S BUILDING SUPPLIES LIMITED

NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31 JULY 1996

3 OPERATING PROFIT

1995

Operating profit is stated after charging (crediting) :-	£	£
Directors emoluments for management services	76,221	134,751
Depreciation	43,655	24,249
Auditors remuneration	3,445	3,585
Gain on sale of tangible fixed assets	(4,642)	(3,409)
Hire of plant and machinery	417	519
Rents receivable in respect of operating leases	(3,670)	(3,575)

4 INTEREST PAYABLE

1995

	£	£
On bank overdraft	116	207

5 TAXATION

The Profit and Loss Account charge represents United Kingdom Corporation Tax as follows :-

	£	£
Charge for year	19,867	12,940
Transfer to (from) deferred tax	(1,805)	1,805
	18,062	14,745

6 FIXED ASSETS

Tangible assets

	Heritable property	Plant and machinery	Motor vehicles	Furniture & fittings	Total
Cost or Valuation	£	£	£	£	£
Opening balance	372,934	71,642	116,277	16,016	576,869
Additions	-	8,488	50,887	4,312	63,687
Disposals	(5,358)	-	(15,852)	-	(21,210)
Closing balance	367,576	80,130	151,312	20,328	619,346
Depreciation					
Opening balance	35,618	36,692	45,548	9,401	127,259
Charge	6,609	9,801	24,755	2,490	43,655
On disposals	-	-	(4,152)	-	(4,152)
Closing balance	42,227	46,493	66,151	11,891	166,762
Net book value	325,349	33,637	85,161	8,437	452,584

BEATSON'S BUILDING SUPPLIES LIMITED

NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31 JULY 1996

6 FIXED ASSETS (continued)

The historical cost figures for heritable properties revalued are as follows -

	£	1995 £
Cost	22,300	22,300
Accumulated depreciation	(5,352)	(4,906)
	<u>16,948</u>	<u>17,394</u>

7 STOCK

	£	1995 £
Goods for re-sale	<u>335,995</u>	<u>335,065</u>

8 DEBTORS

	£	1995 £
Amounts falling due within one year -		
Trade debtors	331,565	391,596
Other debtors	8,362	13,444
Prepayments and accrued income	1,236	1,251
	<u>341,163</u>	<u>406,291</u>
Amounts falling due after more than one year -		
Other debtors	260,000	260,000
	<u>601,163</u>	<u>666,291</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	1995 £
Trade creditors	300,195	374,340
Advance corporation tax	15,000	-
Corporation tax	336	9,940
Other taxes and social security costs	20,680	19,965
Accruals and deferred income	102,502	94,825
	<u>438,713</u>	<u>499,070</u>

BEATSON'S BUILDING SUPPLIES LIMITED

NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31 JULY 1996

10 PROVISION FOR LIABILITIES AND CHARGES

	1995	
	£	£
Deferred tax	-	1,805
	<u> </u>	<u> </u>

11 SHARE CAPITAL

	1995	
	£	£
Authorised :		
1,000,000 shares of £1 each	1,000,000	1,000,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid :		
315,000 ordinary shares of £1 each	315,000	315,000
	<u> </u>	<u> </u>

12 PROFIT AND LOSS ACCOUNT

	1995	
	£	£
Opening balance	923,130	882,776
Transfer to (from) reserves	(7,632)	40,354
	<u> </u>	<u> </u>
Closing balance	915,498	923,130
	<u> </u>	<u> </u>

13 DIRECTORS EMOLUMENTS

	1995	
	£	£
Chairman and highest paid director	49,484	114,591
	<u> </u>	<u> </u>
Other directors :-		
£ 0 - £ 5,000	2	2

BEATSON'S BUILDING SUPPLIES LIMITED

NOTES TO THE ACCOUNTS (continued)
YEAR ENDED 31 JULY 1996

14 STAFF COSTS

Average number employed in the year -

Administrative	7	8
Operative	12	13
	<u>19</u>	<u>21</u>

Aggregate amounts paid -	£	1995 £
Wages and salaries	262,771	309,726
Social security costs	26,788	27,166
Other pension costs	36,354	28,554
	<u>325,913</u>	<u>365,446</u>

15 CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the year (1995 £nil).

16 CAPITAL COMMITMENTS

There were no capital commitments at the end of the year (1995 £nil).

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	£	1995 £
Opening balance	1,255,830	1,215,476
Profit for financial year	52,368	52,354
	<u>1,308,198</u>	<u>1,267,830</u>
Dividends	(60,000)	(12,000)
Closing balance	<u>1,248,198</u>	<u>1,255,830</u>