

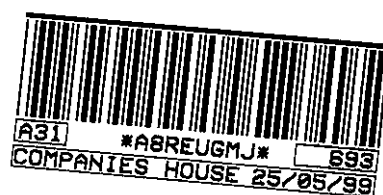
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WHITLEY (BUILDERS) LIMITED
FINANCIAL STATEMENTS
30TH SEPTEMBER 1998

Company Registration Number 01149823

MERVYN E SMITH & CO

Chartered Accountants
294a High Street
Sutton
Surrey
SM1 1PQ



WHITLEY (BUILDERS) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 1998

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WHITLEY (BUILDERS) LIMITED
THE DIRECTOR'S REPORT
YEAR ENDED 30TH SEPTEMBER 1998

The director has pleasure in presenting his report and the unaudited financial statements of the company for the year ended 30th September 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company is building, house extensions and general property renovation.

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company was as follows:

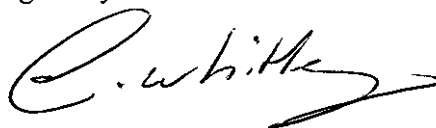
	ordinary Shares of £1 each	
	At 30 September 1998	At 1 October 1997
D.A Whitley	<u>1,500</u>	<u>1,500</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Collendean Farm
Collendean Lane
Norwood Hills
Nr Reigate Surrey
RH6 0HP

Signed by order of the director



CHRISTINE GILLIAN WHITLEY
Company Secretary

Approved by the director on 30th March 1999

WHITLEY (BUILDERS) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH SEPTEMBER 1998

	Note	1998 £	1997 £
TURNOVER		325,833	432,855
OPERATING COSTS:			
Raw materials and consumables		123,044	197,774
Other external charges		122,209	125,752
Staff costs		51,217	48,843
Depreciation written off fixed assets		9,275	11,844
Other operating charges		28,711	27,757
OPERATING (LOSS)/PROFIT	2	(8,623)	20,885
Depreciation written back		1,200	-
		(7,423)	20,885
Interest receivable		220	108
Interest payable		(1,690)	(1,565)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(8,893)	19,428
Tax on (loss)/profit on ordinary activities	4	(2,226)	4,538
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(6,667)	14,890
Equity dividends paid		-	2,500
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(6,667)	12,390

The notes on pages 6 to 10 form part of these financial statements.

WHITLEY (BUILDERS) LIMITED
YEAR ENDED 30TH SEPTEMBER 1998

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1998 £	1997 £
(Loss)/Profit for the financial year attributable to the shareholders	(6,667)	14,890
Unrealised profit on revaluation of properties	1,200	-
Total gains and losses recognised since the last annual report	<u>(5,467)</u>	<u>14,890</u>

The notes on pages 6 to 10 form part of these financial statements.

WHITLEY (BUILDERS) LIMITED

BALANCE SHEET

30TH SEPTEMBER 1998

	Note	1998	1997
		£	£
FIXED ASSETS			
Tangible assets	5	48,104	53,192
CURRENT ASSETS			
Stocks		29,322	11,876
Debtors	6	73,853	127,381
Cash at bank and in hand		7,066	25,569
		<u>110,241</u>	<u>164,826</u>
CREDITORS: Amounts falling due within one year	7	<u>(47,648)</u>	<u>(91,769)</u>
NET CURRENT ASSETS		<u>62,593</u>	<u>73,057</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>110,697</u>	<u>126,249</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(3,544)</u>	<u>(12,428)</u>
		<u>107,153</u>	<u>113,821</u>

The balance sheet continues on the following page.

The notes on pages 6 to 10 form part of these financial statements.

WHITLEY (BUILDERS) LIMITED**BALANCE SHEET** *(continued)***30TH SEPTEMBER 1998**

	Note	1998 £	1997 £
CAPITAL AND RESERVES			
Called-up equity share capital	12	1,500	1,500
Profit and loss account	13	105,653	112,321
SHAREHOLDERS' FUNDS		<u>107,153</u>	<u>113,821</u>

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved and signed by the director on 30th March 1999

D.A WHITLEY
Director



WHITLEY (BUILDERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

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% Reducing Balance
Fixtures & Fittings	20% Reducing Balance
Motor Vehicles	25% Reducing Balance
Office Equipment	20% Reducing Balance

No depreciation is to be charged on the Freehold Property. In the opinion of the Director the market value is in excess of the book value.

Stocks

Stock has been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress has been valued at the cost of direct materials and expenditure incurred in that work in progress, less a provision 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 contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

WHITLEY (BUILDERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 1998

2. OPERATING LOSS/PROFIT

Operating loss/profit is stated after charging/(crediting):

	1998 £	1997 £
Depreciation	9,275	11,570
Loss on disposal of fixed assets	-	274
Auditors' fees	-	4,700
	<u> </u>	<u> </u>

3. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	1998 £	1997 £
Aggregate emoluments	26,000	25,604
Value of company pension contributions to money purchase schemes	7,482	9,200
	<u>33,482</u>	<u>34,804</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	1998 No.	1997 No.
Money purchase schemes	<u>1</u>	<u>1</u>

4. TAX ON LOSS/PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
In respect of the year:		
Corporation tax based on the results for the year at 21% (1997 - 24/21%)	-	4,538
Adjustment in respect of previous years:		
Corporation tax	(2,226)	-
	<u>(2,226)</u>	<u>4,538</u>

WHITLEY (BUILDERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 1998

5. FIXED ASSETS

	Brought forward 1 Oct 97	Additions	Revaluation	Carried forward 30 Sep 98
	£	£	£	£
COST				
Freehold Property	15,000	-	-	15,000
Plant & Machinery at cost	56,480	-	-	56,480
Fixtures & Fittings	1,965	-	-	1,965
Motor Vehicles	43,336	-	-	43,336
Office Equipment	31,819	2,987	-	34,806
	<u>148,600</u>	<u>2,987</u>	<u>-</u>	<u>151,587</u>
	Brought forward 1 Oct 97	Charge	Revaluation	Carried forward 30 Sep 98
	£	£	£	£
DEPRECIATION				
Freehold Property	1,200	-	(1,200)	-
Plant & Machinery at cost	38,022	3,692	-	41,714
Fixtures & Fittings	959	201	-	1,160
Motor Vehicles	27,376	3,990	-	31,366
Office Equipment	27,851	1,392	-	29,243
	<u>95,408</u>	<u>9,275</u>	<u>(1,200)</u>	<u>103,483</u>
			Brought forward 1 Oct 97	Carried forward 30 Sep 98
			£	£
NET BOOK VALUE				
Freehold Property			13,800	15,000
Plant & Machinery at cost			18,458	14,766
Fixtures & Fittings			1,006	805
Motor Vehicles			15,960	11,970
Office Equipment			3,968	5,563
			<u>53,192</u>	<u>48,104</u>

Hire purchase agreements

Included within the net book value of £48,104 is £18,724 (1997 - £24,178) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £5,454 (1997 - £7,076).

WHITLEY (BUILDERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 1998

6. DEBTORS

	1998 £	1997 £
Trade debtors	1,879	57,297
Corporation Tax repayable	2,226	-
ACT recoverable against future taxation	-	625
Other debtors	69,748	69,459
	<u>73,853</u>	<u>127,381</u>

7. CREDITORS: Amounts falling due within one year

	1998 £	1997 £
Bank loans and overdrafts	-	407
Trade creditors	18,261	34,190
Advance Corporation Tax	430	625
Corporation tax	-	4,538
Other taxation and social security	10,148	19,377
Other creditors	18,809	32,632
	<u>47,648</u>	<u>91,769</u>

The company's bankers hold a legal charge dated 9th December 1994 over the freehold property.

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

	1998 £	1997 £
Bank loans and overdrafts	-	407

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

	1998 £	1997 £
Other creditors	<u>3,544</u>	<u>12,428</u>

WHITLEY (BUILDERS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 1998

9. COMMITMENTS UNDER OPERATING LEASES

At 30th September 1998 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	1998 £	1997 £
Operating leases which expire: Within 2 to 5 years	-	830

10. CONTINGENCIES

The company has provided an unlimited guarantee in respect of secured borrowings of an associate company.

11. RELATED PARTY TRANSACTIONS

The company was under the control of Mr D Whitley throughout the current and previous year. Mr D Whitley is the managing director and majority shareholder.

Included in Other debtors is an amount of £68,863 (1997 £68,168) due from Whitley Developments Limited, an associated company. The sales during the year amounted to £nil (1997 £685). The transactions were in the normal course of business.

12. SHARE CAPITAL**Authorised share capital:**

	1998 £	1997 £
2,000 ordinary shares of £1 each	2,000	2,000

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	1,500	1,500

13. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
Balance brought forward	112,320	99,931
Retained (loss)/profit for the financial year	(6,667)	12,390
Balance carried forward	105,653	112,321