

C J LYNCH & SONS (MINEHEAD) LTD
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

Butterworth Jones & Co.
Chartered Accountants
Registered Auditor
3 Hammet Street
Taunton
Somerset
TA1 1RZ



C J LYNCH & SONS (MINEHEAD) LTD

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FOR THE YEAR ENDED 31 MARCH 2001**

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C J LYNCH & SONS (MINEHEAD) LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2001

DIRECTORS:	C J Lynch (Junior) Mrs T D Lynch
SECRETARY:	Mrs T D Lynch
REGISTERED OFFICE:	Breenagh Works, Mart Road, Minehead, Somerset. TA24 5BJ
REGISTERED NUMBER:	1440391 (England and Wales)
AUDITORS:	Butterworth Jones & Co. Chartered Accountants Registered Auditor 3 Hammet Street Taunton Somerset TA1 1RZ
SOLICITORS:	Bowmans, 29a The Avenue, Minehead, Somerset. TA24 5AL

C J LYNCH & SONS (MINEHEAD) LTD

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report with the financial statements of the company for the year ended 31 March 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Building Construction, Civil Engineering, Road Haulage and Skip Hire.

DIVIDENDS

No interim dividends were paid during the year ended 31 March 2001.

The directors recommend final dividends per share as follows:

Ordinary £1 shares	NIL
'B' £1 shares	12.77

The total distribution of dividends for the year ended 31 March 2001 will be £6,000.

DIRECTORS

The directors during the year under review were:

C J Lynch (Junior)
Mrs T D Lynch

The beneficial interests of the directors holding office on 31 March 2001 in the issued share capital of the company were as follows:

	31/3/01	1/4/00
Ordinary £1 shares		
C J Lynch (Junior)	1,880	1,880
Mrs T D Lynch	-	470
'B' £1 shares		
C J Lynch (Junior)	-	-
Mrs T D Lynch	470	-

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 then 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

The auditors, Butterworth Jones & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

C J LYNCH & SONS (MINEHEAD) LTD

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2001**

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

ON BEHALF OF THE BOARD:



.....
Mrs T D Lynch - SECRETARY

Dated: 3 October 2001

C J LYNCH & SONS (MINEHEAD) LTD

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
C J LYNCH & SONS (MINEHEAD) LTD**

We have audited the financial statements of C J Lynch & Sons (Minehead) Ltd for the year ended 31 March 2001 on pages five to twelve. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

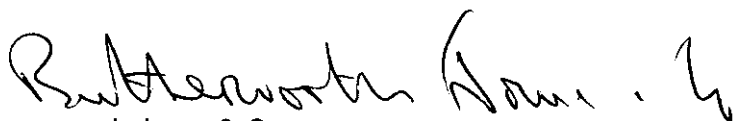
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Butterworth Jones & Co.
Chartered Accountants
Registered Auditor
3 Hammet Street
Taunton
Somerset
TA1 1RZ

Dated: 3 October 2001

C J LYNCH & SONS (MINEHEAD) LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2001**

		<u>31/3/01</u>	<u>31/3/00</u>
	Notes	£	£
TURNOVER		1,202,177	1,123,108
Cost of sales		792,263	749,633
GROSS PROFIT		409,914	373,475
Administrative expenses		334,164	314,800
OPERATING PROFIT	3	75,750	58,675
Interest receivable and similar income		-	1,865
		75,750	60,540
Interest payable and similar charges	4	9,288	9,403
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		66,462	51,137
Tax on profit on ordinary activities	5	5,444	2,570
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		61,018	48,567
Dividends	6	6,000	-
		55,018	48,567
Retained profit brought forward		512,929	464,362
RETAINED PROFIT CARRIED FORWARD		<u>£567,947</u>	<u>£512,929</u>

The notes form part of these financial statements


C J LYNCH & SONS (MINEHEAD) LTD


**BALANCE SHEET
31 MARCH 2001**

		<u>31/3/01</u>		<u>31/3/00</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		561,308		438,236
CURRENT ASSETS:					
Stocks	8	47,991		134,419	
Debtors	9	170,799		142,820	
Cash at bank and in hand		30,258		46,188	
		<u>249,048</u>		<u>323,427</u>	
CREDITORS: Amounts falling due within one year	10	<u>150,446</u>		<u>144,881</u>	
NET CURRENT ASSETS:			<u>98,602</u>		<u>178,546</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			659,910		616,782
CREDITORS: Amounts falling due after more than one year	11		(77,613)		(89,503)
PROVISIONS FOR LIABILITIES AND CHARGES:	13		<u>(12,000)</u>		<u>(12,000)</u>
			<u>£570,297</u>		<u>£515,279</u>
CAPITAL AND RESERVES:					
Called up share capital	14		2,350		2,350
Profit and loss account			<u>567,947</u>		<u>512,929</u>
SHAREHOLDERS' FUNDS:			<u>£570,297</u>		<u>£515,279</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:


.....
C J Lynch (Junior) - DIRECTOR


.....
Mrs T D Lynch - DIRECTOR

Approved by the Board on 3 October 2001

The notes form part of these financial statements

C J LYNCH & SONS (MINEHEAD) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- Straight line over 50 years
Plant, Vans and Machinery	- 20% on reducing balance
Fix. Fittings and Office Equip	- 20% on reducing balance
Motor Cars	- 20% on reducing balance

Depreciation on freehold property is calculated so as to charge to the profit and loss account an amount representing the difference between cost and the director's assessment of the estimated realisable value at the end of the properties useful economic life. The charge is made on a straight line basis over the useful economic life of the property to the company, which the director considers to be fifty years.

Stocks

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

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. STAFF COSTS

	31/3/01	31/3/00
	£	£
Wages and salaries	372,499	295,931
Social security costs	34,186	26,317
Other pension costs	3,172	3,172
	<u>409,857</u>	<u>325,420</u>

C J LYNCH & SONS (MINEHEAD) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	31/3/01	31/3/00
Construction	20	20
Office and Management	4	4
	<u>24</u>	<u>24</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31/3/01	31/3/00
	£	£
Depreciation - owned assets	57,793	41,837
Depreciation - assets on hire purchase contracts	12,262	12,554
Profit on disposal of fixed assets	(22,882)	(3,965)
Auditors' remuneration	4,500	4,500
	<u>46,525</u>	<u>42,146</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	31/3/01	31/3/00
	£	£
Bank interest	7,903	7,856
	<u>7,903</u>	<u>7,856</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31/3/01	31/3/00
	£	£
UK corporation tax	5,497	3,800
Overprovision in prior years	(53)	(1,230)
	<u>5,444</u>	<u>2,570</u>

UK corporation tax has been charged at 20% (2000 - 20%).

6. DIVIDENDS

	31/3/01	31/3/00
	£	£
470 'B' shares of £1 each		
Dividend paid	6,000	-
	<u>6,000</u>	<u>-</u>

C J LYNCH & SONS (MINEHEAD) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

7. TANGIBLE FIXED ASSETS

	Freehold property	Plant, Vans and Machinery	Fix. Fittings and Office Equip	Motor Cars	Totals
	£	£	£	£	£
COST:					
At 1 April 2000	144,610	561,108	12,171	16,499	734,388
Additions	76,335	149,366	-	-	225,701
Disposals	(14,514)	(56,495)	-	-	(71,009)
At 31 March 2001	206,431	653,979	12,171	16,499	889,080
DEPRECIATION:					
At 1 April 2000	-	288,126	7,424	602	296,152
Charge for year	10	65,917	949	3,179	70,055
Eliminated on disposals	-	(38,435)	-	-	(38,435)
At 31 March 2001	10	315,608	8,373	3,781	327,772
NET BOOK VALUE:					
At 31 March 2001	206,421	338,371	3,798	12,718	561,308
At 31 March 2000	144,610	272,982	4,747	15,897	438,236

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant, Vans and Machinery
	£
COST:	
At 1 April 2000	53,700
Additions	20,700
Transferred to ownership	(21,000)
At 31 March 2001	53,400
DEPRECIATION:	
At 1 April 2000	11,736
Charge for year	12,262
Transferred to ownership	(7,737)
At 31 March 2001	16,261
NET BOOK VALUE:	
At 31 March 2001	37,139
At 31 March 2000	41,964

C J LYNCH & SONS (MINEHEAD) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

8. STOCKS

	31/3/01	31/3/00
	£	£
Work in progress	7,547	17,640
Property held for development	40,444	116,779
	<hr/> 47,991 <hr/>	<hr/> 134,419 <hr/>

Plot 7 transferred from property held for development to fixed assets reflects the cost of land which the Company's trading premises now occupy.

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31/3/01	31/3/00
	£	£
Trade debtors	156,062	126,502
Loan to employees	7,150	9,350
Prepayments and accrued income	3,987	2,068
Other debtors	2,450	4,900
Directors' current accounts	1,150	-
	<hr/> 170,799 <hr/>	<hr/> 142,820 <hr/>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31/3/01	31/3/00
	£	£
Bank loans and overdrafts	10,000	10,000
Hire purchase contracts	16,016	13,208
Trade creditors	78,448	74,170
Directors' current accounts	-	83
V.A.T.	11,698	20,475
Social security and other taxes	12,695	11,427
Taxation	5,497	3,800
Other creditors	16,092	11,718
	<hr/> 150,446 <hr/>	<hr/> 144,881 <hr/>

C J LYNCH & SONS (MINEHEAD) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31/3/01	31/3/00
	£	£
Bank loans	73,688	81,336
Hire purchase contracts	3,925	8,167
	<u>77,613</u>	<u>89,503</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans	<u>33,688</u>	<u>41,336</u>

The bank loan is for a fixed term of ten years expiring in January 2009, with interest at 3% above the bank base rate. It is repayable by monthly instalments and the interest rate will be reviewed on 30 November 2001. The loan is secured on part of the freehold land and buildings of the company.

12. SECURED DEBTS

The following secured debts are included within creditors:

	31/3/01	31/3/00
	£	£
Bank loans	<u>83,688</u>	<u>91,336</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	31/3/01	31/3/00
	£	£
Deferred taxation	<u>12,000</u>	<u>12,000</u>

The amount for which no provision has been made in respect of deferred taxation, is as follows:

	31/3/01	31/3/00
	£	£
Accelerated capital allowances	<u>19,533</u>	<u>16,725</u>

C J LYNCH & SONS (MINEHEAD) LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001**

14. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	31/3/01	31/3/00
Number:	Class:		£	£
4,000	Ordinary	£1	4,000	5,000
(31/3/00 - 5,000)				
1,000	'B'	£1	1,000	-
			<u>5,000</u>	<u>5,000</u>

Allotted, issued and fully paid:		Nominal value:	31/3/01	31/3/00
Number:	Class:		£	£
1,880	Ordinary	£1	1,880	2,350
(31/3/00 - 2,350)				
470	'B'	£1	470	-
			<u>2,350</u>	<u>2,350</u>

On the 6 October 2000, 470 of the 2,350 Ordinary shares were denominated as 'B' Ordinary shares of £1 each.

15. TRANSACTIONS WITH DIRECTORS

The following loan to a director subsisted during the year ended 31 March 2001:

C J Lynch (Junior)	£
Balance outstanding at start of year	-
Balance outstanding at end of year	1,150
Maximum balance outstanding during year	<u>1,150</u>

No interest has been charged on this amount.

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the company is Mr CJ Lynch.