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COVENTRY SCAFFOLDING CO. (LONDON) LIMITED

FINANCIAL STATEMENTS

for the year ended

31ST MAY 1997



GEO. LITTLE SEBIRE & CO

CHARTERED ACCOUNTANTS

COVENTRY SCAFFOLDING CO. (LONDON) LIMITED

FINANCIAL STATEMENTS

for the year ended 31st May 1997

CONTENTS

	Page
Directors' report	1
Statement of directors' responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes	6 to 12

The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
Schedule to the detailed trading and profit and loss account	Appendix 2

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDDIRECTORS' REPORT

31st May 1997

The directors present their report and the audited financial statements for the year ended 31st May 1997.

Principal activity

The principal activity of the company during the year was the erection and hire of scaffolding.

Business review

The company's balance sheet as detailed on page 5 shows a satisfactory position, shareholders' funds amounting to £898,211.

Loss and dividends

The results for the year are shown in the profit and loss account on page 4.

The directors do not propose payment of an ordinary dividend (1996:£nil).

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

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 May 1997 Ordinary shares	1st June 1996 Ordinary shares
P.M. Hanifan	3,465	3,465
J.J. Hanifan	23,430	16,618
P.T. Hanifan	10,676	10,670
A.C. Charlick	-	-
P.J.C. Hanifan	-	-
P. Hanifan	3,465	3,465

Messrs P.T. Hanifan and P.J.C. Hanifan have an interest in 28,264 shares settled in trust by P.M. Hanifan and P. Hanifan in March 1991.

continued

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDDIRECTORS' REPORT

(continued)

31st May 1997

Close company

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

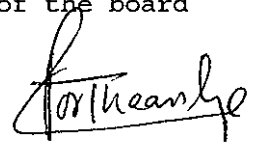
Charitable and political donations

Payments of a charitable nature made during the year amounted to £960.

Auditors

The auditors, Messrs Geo. Little, Sebire & Co. have signified their willingness to continue in office and a resolution to reappoint them will be put to the members at the next Annual General Meeting.

On behalf of the board

T.C. Por
Secretary

Registered office:
471 Southend Lane
Sydenham
London
SE26 5BL

Date: 10th February 1998

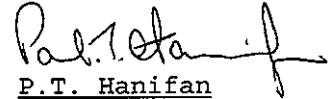
COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we 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.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

On behalf of the board



P.T. Hanifan

Director

Date: 10th February 1998

COVENTRY SCAFFOLDING CO. (LONDON) LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Coventry Scaffolding Company (London) Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out in note 1 to the accounts.

Respective responsibilities of directors and auditors

As described on page 2, 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 May 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'Geo Little', enclosed within a large, loopy, handwritten flourish or underline.

Geo. Little, Sebire & Co.
Chartered Accountants and
Registered Auditors

26-28 Bartholomew Square
London EC1V 3QA.

Date: 10th February 1998

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDPROFIT AND LOSS ACCOUNT

for the year ended 31st May 1997

	Note	1997 £	1996 £
Turnover	2	2,090,360	2,169,394
Cost of sales		(1,215,380)	(1,264,854)
Gross profit		874,980	904,540
Net operating expenses			
Distribution costs		(123,843)	(131,296)
Administrative expenses		(839,153)	(776,435)
Operating loss	3	(88,016)	(3,191)
Interest receivable	5	28,002	20,144
Interest payable	6	(2,577)	(6,900)
(Loss)/profit on ordinary activities before taxation		(62,591)	10,053
Taxation	7	25,142	2,388
Retained (loss)/profit for the year	18	(37,449)	12,441

Other movements in reserves are shown in notes 17 to 18.

There are no recognised gains and losses in 1997 or 1996 other than the (loss)/profit for the year.

The above results are all in respect of continuing operations.

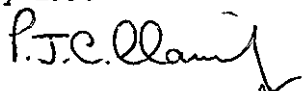
COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDBALANCE SHEET

at 31st May 1997

		1997		1996	
	Note	£	£	£	£
Fixed assets					
Tangible assets	8		309,411		331,252
Investments	10		8,311		7,620
			<hr/>		<hr/>
			317,722		338,872
Current assets					
Stocks	11	290,400		261,855	
Debtors	12	308,141		324,150	
Cash at bank and in hand		568,860		569,011	
		<hr/>		<hr/>	
		1,167,401		1,155,016	
Creditors: amounts falling due within one year	13	(584,412)		(550,728)	
		<hr/>		<hr/>	
Net current assets			582,989		604,288
			<hr/>		<hr/>
Total assets less current liabilities			900,711		943,160
Creditors: amounts falling due after more than one year	14		(2,500)		(7,500)
			<hr/>		<hr/>
			898,211		935,660
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	16		69,306		69,306
Share premium account	17		9,459		9,459
Profit and loss account	18		819,446		856,895
			<hr/>		<hr/>
Shareholders funds	19		898,211		935,660
			<hr/>		<hr/>

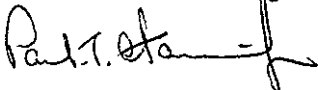
The financial statements on pages 4 to 12 were approved by the board of directors on 10th February 1998

P.J.C. Hanifan



Director

P.T. Hanifan



Director

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDNOTES ON FINANCIAL STATEMENTS

31st May 1997

1 Accounting policies**Basis of accounting**

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

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:

Freehold land	is not depreciated
Freehold buildings	2.5%)
Boat and machinery	25%)
Scaffolding plant	15%) Per annum on cost
Motor vehicles	20%-25%)
Office fixtures and fittings	15% Reducing balance

Boards, ropes and tarpaulins

Boards, ropes and tarpaulins are written off in the year of acquisition.

Leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are included under tangible fixed assets and depreciated in accordance with the company's accounting policy for that class of asset. Interest is charged so as to give a periodic charge on the capital element outstanding and the capital elements of future payments are included within creditors.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Cash flow statement

The company is exempt from the requirement to produce a cash flow statement on the grounds that it is a small company.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDNOTES ON FINANCIAL STATEMENTS

31st May 1997

3	Operating (loss)/profit	1997 £	1996 £
	Operating (loss)/profit is stated after crediting:		
	Profit on sale of assets	3,998	5,661
	and after charging:		
	Auditors' remuneration	7,500	7,500
	Operating leases		
	Hire of plant and machinery	84,953	81,125
	Depreciation owned assets	100,732	101,390
	Depreciation leased and H.P. assets	6,759	17,469
4	Directors and employees	1997 £	1996 £
	Staff costs including directors' emoluments		
	Wages and salaries	883,811	579,993
	Pension costs	59,940	66,610
		943,751	646,603
		Number	Number
	Average number employed including executive directors		
	Office and management	14	14
	Scaffolding	21	12
		35	26
	Directors	£	£
	Directors' emoluments		
	Other emoluments	301,080	279,378
		301,080	279,378
	Emoluments excluding pension scheme contributions		
	Highest paid director	59,027	59,104
5	Other income	1997 £	1996 £
	Bank interest receivable	28,002	20,144

COVENTRY SCAFFOLDING CO. (LONDON) LIMITED

NOTES ON FINANCIAL STATEMENTS

31st May 1997

6 Interest payable

	1997	1996
	£	£
Bank interest	844	1,876
Overdue corporation tax interest	-	2,711
Hire purchase interest	1,733	2,313
	<u>2,577</u>	<u>6,900</u>

7 Taxation

	1997	1996
	£	£
Corporation tax on loss on ordinary activities at 24% & 21% (1996:25% & 24%)	2,034	-
Over provision in earlier years	(27,176)	(2,388)
	<u>(25,142)</u>	<u>(2,388)</u>

8 Tangible fixed assets

	Motor Vehicles	Scaffolding Plant	Office Equipment Furniture & Fittings	Land and Buildings	Boat and Machinery	Total
Cost	£	£	£	£	£	£
1st June 1996	385,105	2,403,539	131,858	58,556	13,932	2,992,990
Additions	69,379	3,944	12,329	-	-	85,652
Disposals	(63,516)	(1,372,626)	-	-	(13,932)	(1,450,074)
31st May 1997	<u>390,968</u>	<u>1,034,857</u>	<u>144,187</u>	<u>58,556</u>	<u>-</u>	<u>1,628,568</u>
Depreciation						
1st June 1996	315,984	2,253,314	68,892	9,616	13,932	2,661,738
Charge for year	48,238	46,994	11,295	964	-	107,491
Disposals	(63,514)	(1,372,626)	-	-	(13,932)	(1,450,072)
31st May 1997	<u>300,708</u>	<u>927,682</u>	<u>80,187</u>	<u>10,580</u>	<u>-</u>	<u>1,319,157</u>
Net book value						
31st May 1997	<u>90,260</u>	<u>107,175</u>	<u>64,000</u>	<u>47,976</u>	<u>-</u>	<u>309,411</u>
31st May 1996	<u>69,121</u>	<u>150,225</u>	<u>62,966</u>	<u>48,940</u>	<u>-</u>	<u>331,252</u>

Included in the above are the following assets held under finance leases and hire purchase contracts.

Net book value	13,517	-	-	-	-	13,517
Depreciation for year	6,759	-	-	-	-	6,759

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDNOTES ON FINANCIAL STATEMENTS

31st May 1997

9 Land and buildings

	1997	1996
	£	£
Freehold	<u>47,976</u>	<u>48,940</u>

10 Fixed asset investments

	Investments other than loans £
Cost	
1st June 1996	73,700
Additions	4,024
Disposals	(65,000)
31st May 1997	<u>12,724</u>
Amounts written off	
1st June 1996	66,080
Provision in year	3,333
Disposals	(65,000)
31st May 1997	<u>4,413</u>
Net book amount	
31st May 1997	<u>8,311</u>
1st June 1996	<u>7,620</u>

The company owns 100% of the issued ordinary share capital of Thames Scaffolding Limited, an unlisted company incorporated in England, which did not trade during the year. The aggregate amount of that company's share capital and reserves at 31st May 1997 was £109,241 (1996 - £109,241).

11 Stocks

	1997	1996
	£	£
Work in progress	<u>290,400</u>	<u>261,855</u>
	<u>290,400</u>	<u>261,855</u>

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDNOTES ON FINANCIAL STATEMENTS

31st May 1997

12 Debtors

	1997	1996
	£	£
Amounts falling due within one year		
Trade debtors	80,359	119,424
Amounts owed by group undertakings	187,155	187,155
Other debtors	23,307	3,397
Prepayments and accrued income	17,320	14,174
	<u>308,141</u>	<u>324,150</u>

13 Creditors: amounts falling due within one year

	1997	1996
	£	£
Trade creditors	72,372	89,634
Amounts owed to group undertakings	109,055	109,055
Corporation tax	-	17,918
Other taxation and social security	128,393	130,632
Other creditors	151,961	99,326
Accruals and deferred income	117,631	92,417
Obligations under finance leases and hire purchase contracts - note 14	5,000	11,746
	<u>584,412</u>	<u>550,728</u>

14 Creditors: amounts falling due after more than one year

	1997	1996
	£	£
Obligations under finance leases	<u>2,500</u>	<u>7,500</u>

Obligations under finance leases and hire purchase contracts are repayable over varying periods by monthly instalments as follows:

H.P. instalments due next year	5,000	11,746
H.P. amounts due within 2 - 5 years	2,500	7,500
	<u>7,500</u>	<u>19,246</u>

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDNOTES ON FINANCIAL STATEMENTS

31st May 1997

15 Pension costs

The company has a fully funded defined benefit pension scheme for its present directors and employees. Premiums paid to this scheme amounted to:

	<u>1997</u>	<u>1996</u>
Present directors	52,045	61,356
Employees	7,895	5,254
	<u>59,940</u>	<u>66,610</u>

16 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary share capital	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Allotted called up and fully paid				
Ordinary share capital	<u>69,306</u>	<u>69,306</u>	<u>69,306</u>	<u>69,306</u>

17 Share premium account

	£
1st June 1996 and 31st May 1997	<u>9,459</u>

18 Profit and loss account

	1997 £
1st June 1996	856,895
Retained loss for the year	<u>(37,449)</u>
31st May 1997	<u>819,446</u>

COVENTRY SCAFFOLDING CO. (LONDON) LIMITEDNOTES ON FINANCIAL STATEMENTS

31st May 1997

19 Reconciliation of movements in shareholders' funds

	1997	1996
	£	£
(Loss)/profit for the financial year representing a Net (subtraction from)/addition to shareholders' funds	(37,449)	12,441
Opening shareholders' funds	935,660	923,219
Closing shareholders' funds	898,211	935,660