

HADZOR DAVIES RESIDENTIAL LIMITED

FINANCIAL STATEMENTS

30TH NOVEMBER 1997

Registered number: 2656984

MICHAEL RUDD & CO

CHARTERED ACCOUNTANTS

Sutton Coldfield



HADZOR DAVIES RESIDENTIAL LIMITED

FINANCIAL STATEMENTS

for the year ended 30th November 1997

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7-11

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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HADZOR DAVIES RESIDENTIAL LIMITED

COMPANY INFORMATION

30th November 1997

INCORPORATED	England and Wales
NUMBER	2656984
DIRECTORS	Mr T F Davies Mr Q A S Davies
SECRETARY	Mr Q A S Davies
REGISTERED OFFICE	7/9 Summer Hill, Birmingham. B1 3RA
BANKERS	National Westminster Bank PLC. Colmore Row. Birmingham.
AUDITORS	Michael Rudd & Co Chartered Accountants 324A Lichfield Road Four Oaks Sutton Coldfield B74 2UW

HADZOR DAVIES RESIDENTIAL LIMITED

DIRECTORS' REPORT

30th November 1997

The directors present their report and the audited financial statements for the year ended 30th November 1997.

Principal activity

The principal activity of the company continues to be that of builders and property developers.

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

	30th November 1997 Ordinary shares	1st December 1996 Ordinary shares
Mr T F Davies	85	85
Mr Q A S Davies	15	15

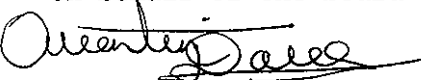
Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Michael Rudd & 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


Mr Q A S Davies
Secretary

7/9 Summer Hill,
Birmingham.
B1 3RA

11th February 1998

HADZOR DAVIES RESIDENTIAL LIMITED

STATEMENT 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 reasonable and prudent judgements and estimates;
- 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;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

11th February 1998

On behalf of the board



Mr T F Davies
Director

HADZOR DAVIES RESIDENTIAL LIMITED**AUDITORS' REPORT**

Auditors' report to the members of

Hadzor Davies Residential 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 30th November 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Michael Rudd & Co

Sutton Coldfield
11th February 1998

Michael Rudd & Co
Registered Auditor
Chartered Accountants

HADZOR DAVIES RESIDENTIAL LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30th November 1997

	Note	1997 £	1996 £
Turnover		708,785	644,895
Cost of sales		(521,370)	(455,526)
Gross profit		187,415	189,369
Net operating expenses			
Administrative expenses		(109,490)	(106,158)
Other operating income		321	562
Operating profit	2	78,246	83,773
Interest payable	4	(15,926)	(23,306)
Profit on ordinary activities before taxation		62,320	60,467
Taxation	5	(14,643)	(10,413)
Profit on ordinary activities after taxation		47,677	50,054
Dividends	6	(10,000)	(10,000)
Retained profit for the year	14	37,677	40,054

Movements in reserves are shown in note 14.

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

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

HADZOR DAVIES RESIDENTIAL LIMITED

BALANCE SHEET

at 30th November 1997

	Note	1997		1996	
		£	£	£	£
Fixed assets					
Tangible assets	7		303		8,309
Current assets					
Stocks	8	367,285		219,341	
Debtors	9	31,313		85,436	
Cash at bank and in hand		135,502		18,245	
		534,100		323,022	
Creditors: amounts falling due within one year	10	(477,494)		(309,763)	
Net current assets			56,606		13,259
Total assets less current liabilities			56,909		21,568
Creditors: amounts falling due after more than one year	11		-		(2,336)
			56,909		19,232
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		56,809		19,132
Total shareholders' funds	12		56,909		19,232

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 11th February 1998 and signed on its behalf by:


 Mr T F Davies
 Director

HADZOR DAVIES RESIDENTIAL LIMITED

NOTES ON FINANCIAL STATEMENTS

30th November 1997

1 Accounting policies**Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and 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:

Motor vehicles	25% straight line basis
Fixtures and fittings	20% straight line basis

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

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.

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.

HADZOR DAVIES RESIDENTIAL LIMITED

NOTES ON FINANCIAL STATEMENTS

30th November 1997

2 Operating profit

	1997 £	1996 £
Operating profit is stated after crediting		
Interest receivable	321	562
and after charging		
Auditors' remuneration	2,500	5,350
Operating leases		
Hire of plant and machinery	13,264	6,208
Loss on sale of assets	-	39
Depreciation of tangible fixed assets (note 7)		
owned assets	8,406	8,473

3 Directors

	1997 £	1996 £
Directors' emoluments	36,063	54,937

4 Interest payable

	1997 £	1996 £
Interest payable	15,926	23,306

5 Taxation

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 21.3% (1996 24.3%)	14,380	10,037
Under provision in earlier years	263	376
	14,643	10,413

6 Dividends

	1997 £	1996 £
Final dividends	10,000	10,000

HADZOR DAVIES RESIDENTIAL LIMITED

NOTES ON FINANCIAL STATEMENTS

30th November 1997

7 Tangible fixed assets

Cost	Motor Vehicles £	Fixtures and Fittings £	Total £
1st December 1996	35,067	3,177	38,244
Additions	400	-	400
30th November 1997	<u>35,467</u>	<u>3,177</u>	<u>38,644</u>
Depreciation			
1st December 1996	26,763	3,172	29,935
Charge for year	8,402	4	8,406
30th November 1997	<u>35,165</u>	<u>3,176</u>	<u>38,341</u>
Net book amount			
30th November 1997	<u>302</u>	<u>1</u>	<u>303</u>
1st December 1996	<u>8,304</u>	<u>5</u>	<u>8,309</u>

8 Stocks

	1997 £	1996 £
Stocks	<u>367,285</u>	<u>219,341</u>

9 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	25,868	79,304
Other debtors	5,445	6,132
	<u>31,313</u>	<u>85,436</u>

HADZOR DAVIES RESIDENTIAL LIMITED

NOTES ON FINANCIAL STATEMENTS

30th November 1997

10 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts	246,156	110,124
Trade creditors	43,201	20,845
Amounts owed to group undertakings and undertakings in which the company has a participating interest	150,976	150,976
Corporation tax	16,880	7,537
Other taxation and social security	2,270	4,415
Other creditors	18,011	15,866
	<u>477,494</u>	<u>309,763</u>

11 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Bank loans	-	2,336
	<u>-</u>	<u>2,336</u>

12 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial year	47,677	50,054
Dividends	(10,000)	(10,000)
	<u>37,677</u>	<u>40,054</u>
Opening shareholders' funds	19,232	(20,822)
Closing shareholders' funds	<u>56,909</u>	<u>19,232</u>

HADZOR DAVIES RESIDENTIAL LIMITED

NOTES ON FINANCIAL STATEMENTS

30th November 1997

13 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	100	100	100	100
Allotted called up and fully paid				
Ordinary shares of £1 each	100	100	100	100

14 Profit and loss account

	1997 £
1st December 1996	19,132
Retained profit for the year	37,677
30th November 1997	56,809

HADZOR DAVIES RESIDENTIAL LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 30th November 1997

	1997		1996	
	£	£	£	£
Turnover				
Sales		706,502		642,495
Other sales		2,283		2,400
		<u>708,785</u>		<u>644,895</u>
Cost of sales				
Opening raw material stock	3,573		-	
Opening work in progress	215,768		305,717	
Purchases	414,757		232,678	
Subcontract labour	186,327		97,188	
Professional and agency fees	16,673		11,326	
Planning and registration fees	38,293		21,750	
Hire of plant and machinery	13,264		6,208	
Closing raw material stock	(7,137)		(3,573)	
Closing work in progress	(360,148)		(215,768)	
		<u>521,370</u>		<u>455,526</u>
Gross profit		187,415		189,369
Other operating income				
Bank deposit interest	321		524	
Other interest received	-		38	
		<u>321</u>		<u>562</u>
		187,736		189,931
Less overheads				
Salaries and wages	19,932		7,205	
PAYE and national insurance	8,132		6,466	
Motor expenses	6,024		5,418	
Telephone charges	1,932		1,542	
Printing postage and stationery	2,198		2,666	
Sundry expenses	904		1,111	
Directors' remuneration	35,291		50,664	
Directors' pension costs	772		4,273	
Heating and lighting	203		287	
Repairs and renewals	282		476	
Insurances	4,869		5,727	
Rent and rates	-		1,009	
Bank charges	9,403		3,534	
C.I.T.B. Levy	471		493	
Bank interest	15,926		23,306	
Legal and professional fees	2,171		1,425	
Auditors' remuneration	2,500		5,350	
Accountants' fees	6,000		-	
Depreciation motor vehicles	8,402		8,445	
Depreciation fixtures and fittings	4		28	
Loss on sale of fixed assets	-		39	
		<u>125,416</u>		<u>129,464</u>
Net profit for the year		<u>62,320</u>		<u>60,467</u>