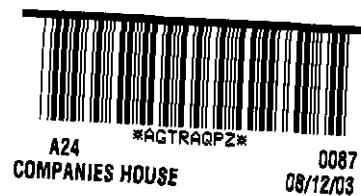

J. R. BAUGHAN LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2003



J. R. BAUGHAN LIMITED

COMPANY INFORMATION

DIRECTOR	J R Baughan
SECRETARY	Mrs P Baughan
COMPANY NUMBER	2953919
REGISTERED OFFICE	Fairacre Ballinger Great Missenden Bucks HP16 9LJ
ACCOUNTANTS	C.E. Hill & Co. (UK) Ltd Chartered Accountants Fairacre Ballinger Great Missenden Bucks HP16 9LJ

J. R. BAUGHAN LIMITED

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J. R. BAUGHAN LIMITED

DIRECTOR'S REPORT For the year ended 31 July 2003

The director presents his report and the financial statements for the year ended 31 July 2003.

PRINCIPAL ACTIVITIES

The company's principle activity continues to be that of building and construction.

DIRECTOR

The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary shares of £1 each	
	<u>31/7/03</u>	<u>1/8/02</u>
J R Baughan	1	1

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

This report was approved by the board on 4 December 2003 and signed on its behalf.



Mrs P Baughan
Secretary

J. R. BAUGHAN LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 July 2003

	Note	2003 £	2002 £
TURNOVER	1	455,862	439,965
Cost of sales		<u>(255,571)</u>	<u>(272,282)</u>
GROSS PROFIT		200,291	167,683
Administrative expenses		<u>(35,848)</u>	<u>(81,505)</u>
OPERATING PROFIT	2	164,443	86,178
Interest receivable		1,980	282
Interest payable		<u>(42)</u>	<u>(15)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		166,381	86,445
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	(33,149)	(17,881)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		133,232	68,564
DIVIDENDS		(41,400)	(6,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	10	£ 91,832	£ 62,564

The notes on pages 5 to 8 form part of these financial statements.

J. R. BAUGHAN LIMITED

BALANCE SHEET
As at 31 July 2003

	Note	2003	2002
		£	£
FIXED ASSETS			
Tangible fixed assets	5	55,155	50,983
CURRENT ASSETS			
Stocks		126,896	111,808
Debtors	6	42,553	3,067
Cash at bank		94,706	128,058
		<u>264,155</u>	<u>242,933</u>
CREDITORS: amounts falling due within one year	7	<u>(126,931)</u>	<u>(195,991)</u>
NET CURRENT ASSETS		<u>137,224</u>	<u>46,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>192,379</u>	<u>97,925</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	8	(5,248)	(2,626)
NET ASSETS		<u>£ 187,131</u>	<u>£ 95,299</u>
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and loss account	10	187,129	95,297
SHAREHOLDERS' FUNDS		<u>£ 187,131</u>	<u>£ 95,299</u>

J. R. BAUGHAN LIMITED

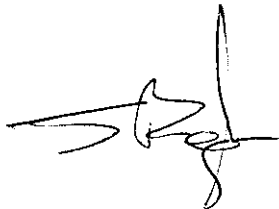
**BALANCE SHEET
As at 31 July 2003**

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 July 2003 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 4 December 2003 and signed on its behalf.

J R Baughan
Director

A handwritten signature in black ink, appearing to be 'J R Baughan', written over a horizontal line.

The notes on pages 5 to 8 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2003

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	4%	straight line
Plant and equipment	-	25%	straight line
Motor vehicles	-	25%	straight line
Office equipment	-	33.3%	straight line

1.4 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks by the director.

1.5 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2003 £	2002 £
Depreciation of tangible fixed assets:		
- owned by the company	11,036	7,196
	<u>11,036</u>	<u>7,196</u>

3. DIRECTOR'S REMUNERATION

	2003 £	2002 £
Aggregate emoluments	£ 9,733	£ 8,650
	<u>9,733</u>	<u>8,650</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2003

4. TAXATION

	2003 £	2002 £
Analysis of tax charge in year		
Current tax (see note below)		
UK corporation tax charge on profits of the year	30,527	15,255
Deferred tax		
Origination and reversal of timing differences	2,622	2,626
Total deferred tax (see note 8)	2,622	2,626
Tax on profit on ordinary activities	£ 33,149	£ 17,881

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK.

There were no factors that may affect future tax charges.

5. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2002	7,800	45,666	14,000	2,072	69,538
Additions	-	38,660	-	1,210	39,870
Disposals	-	(27,166)	-	(1,103)	(28,269)
At 31 July 2003	7,800	57,160	14,000	2,179	81,139
Depreciation					
At 1 August 2002	719	13,722	2,083	2,031	18,555
Charge for the year	308	7,273	3,250	205	11,036
On disposals	-	(2,514)	-	(1,093)	(3,607)
At 31 July 2003	1,027	18,481	5,333	1,143	25,984
Net book value					
At 31 July 2003	£ 6,773	£ 38,679	£ 8,667	£ 1,036	£ 55,155
At 31 July 2002	£ 7,081	£ 31,944	£ 11,917	£ 41	£ 50,983

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2003

6. DEBTORS

	2003 £	2002 £
Due within one year		
Trade debtors	29,960	-
Other debtors	12,593	3,067
	<u>£ 42,553</u>	<u>£ 3,067</u>

7. CREDITORS:
Amounts falling due within one year

	2003 £	2002 £
Payments received on account	-	15,000
Trade creditors	39,690	68,181
Corporation tax	30,527	14,842
Social security and other taxes	2,790	2,795
Other creditors	53,924	95,173
	<u>£ 126,931</u>	<u>£ 195,991</u>

8. DEFERRED TAXATION

	2003 £	2002 £
At 1 August 2002	2,626	-
Charge for the year	2,622	2,626
	<u>£ 5,248</u>	<u>£ 2,626</u>

The deferred tax provision is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	5,248	2,626
	<u>£ 5,248</u>	<u>£ 2,626</u>

J. R. BAUGHAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2003

9. SHARE CAPITAL

	2003 £	2002 £
Authorised		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	£ 2	£ 2

10. RESERVES

Profit and loss account	£
At 1 August 2002	95,297
Profit retained for the year	91,832
	<hr/>
At 31 July 2003	£ 187,129