

Registered Office: Midleton Industrial Estate, Guildford, Surrey.

Directors: L.T. Deeprise, Esq. D. Deeprise, Esq.
 Mrs. B.J. Deeprise. J.E. Blacketer, Esq.
 F.S. Wakefield, Esq. P. Fancourt, Esq.
 M. Poulter, Esq.

REPORT OF THE DIRECTORS

The Directors present their Report & Accounts for the year ended 31st July 1987. The principal activities of the Company during the financial year remained unchanged as Building Contractors and in the opinion of the Directors no division of the turnover is practicable on this one class of business.

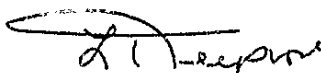
The Profit for the year amounted to £280511 and the Directors recommend that a Dividend be declared in respect of the year, at the rate of 200% actual, and the balance on Profit & Loss Account of £911775 be carried forward.

The Directors have the following interests in the shares of your Company:

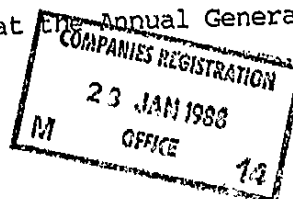
	<u>£1 Ordinary Shares</u>	
	<u>1987</u>	<u>1986</u>
L.T. Deeprise, Esq (including beneficial interests)	7,475	7,475
Mrs B.J. Deeprise. (including beneficial interests)	2,500	2,500
F.S. Wakefield, Esq	25	25

L.T. Deeprise and P. Fancourt retire from the Board of Directors in accordance with the Articles of Association and, being eligible offer themselves for re-election. During the year the Authorised Share Capital was increased to £20000 and a Share Option Scheme was established.

The Auditor Mr R.P. Tomsett, has signified his willingness to continue in office and a resolution re-appointing him will be proposed at the Annual General Meeting.


 L.T. Deeprise.

Chairman.



20th November 1987.

REPORT OF THE AUDITOR TO THE MEMBERS OF L.T.DEEPROSE LTD.

I have Audited the Accounts on pages 1 to 5. My Audit was conducted in accordance with approved auditing standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the Company's system of control is dependent upon the close involvement of the Directors who are major shareholders. Where an independent confirmation of the completeness of the accounting records was therefore not available I have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, in my opinion the financial statements, which have been prepared under the Historical Cost Convention give a true and fair view of the state of the Company's affairs at 31st July 1987 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1985.



AUDITOR



Woodlands,
Normandy,
Surrey.

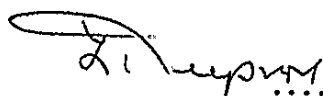
L. T. DEEPROSE LTD.

BALANCE SHEET as at 31st July 1987.

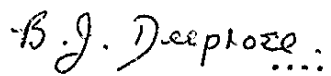
	<u>Note</u>		<u>31st July 1986</u>
		£	£
		<u> </u>	<u> </u>
<u>Fixed Assets</u>	4	1,006,894	948,088
<u>Current Assets</u>			
Stock and Work in Progress		1,474,179	615,662
Debtors	5	444,683	366,800
Cash at Bank and in Hand		43,835	216,361
		<u> </u>	<u> </u>
		1,962,697	1,198,823
		=====	=====
<u>Current Liabilities</u>			
Amounts falling due within one year:	6	837,766	678,061
Directors Current Accounts		18,895	13,895
Hire Purchase Creditors		45,360	27,292
		<u> </u>	<u> </u>
		902,021	719,248
		=====	=====
Net Current Assets		<u>1,060,676</u>	<u>479,575</u>
Total Assets less Current Liabilities		2,067,570	1,427,583
<u>Creditors</u>			
Amounts falling due after more than one year:	7	806,270	330,243
		<u> </u>	<u> </u>
		1,261,300	1,097,340
		=====	=====

Continued.....

	<u>Note</u>	<u>£</u>	<u>£</u>
<u>Capital & Reserves</u>			
Issued and fully paid Share Capital	8	10,000	10,000
Capital Reserves		339,524	339,524
Profit & Loss Account		911,776	747,316
		<u>1,261,300</u>	<u>1,097,340</u>
		=====	=====

 L.T. Deeprose, Esq.
.....

Directors

 Mrs. B.J. Deeprose.
.....

The Account were approved by the Directors on 16th November 1987

L.T.DEEFROSE LTD.TRADING AND PROFIT AND LOSS ACCOUNT for the year ended 31st July 1987.

	<u>Note</u>	<u>31st July 1987.</u>		<u>31st July 1986.</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Contracts and Work Done	2		5,499,149		6,262,760
Purchase of Materials		1,143,798		1,457,828	
Expenditure re. Undeveloped Building Land		905,965		532,860	
Expenditure brought forward		483,883		422,105	
		<u>2,533,646</u>		<u>2,412,793</u>	
Less Expenditure Carried forward		1,006,905		483,883	
		<u>1,526,741</u>		<u>1,928,910</u>	
Wages and Subcontractors		3,038,496		3,417,764	
Plant Hire		75,639		79,533	
Professional Fees and Assistance		139,668	4,780,544	148,520	5,574,727
		<u>718,605</u>		<u>688,033</u>	
<u>Gross Profit for the year</u>					
<u>Add Other Operating Income</u>					
Profit on Sale of Fixed Assets		5,516		-	
Interest Received		10,900		14,188	
Rent Received		1,981		1,922	
Discounts		8,173	26,570	13,529	29,639
		<u>745,175</u>		<u>717,672</u>	
Trading Profit for the year		<u>=====</u>		<u>=====</u>	

L.T. DEEPROSE LTD.TRADING ACCOUNT for the year ended 31st July 1987.

	<u>Note</u>	<u>31st July 1987.</u>	<u>31st July 1986.</u>
Trading Profit for the year		745,175	717,672
Less Rent & Rates		14,925	15,001
Insurance		22,859	18,769
Light & Heat		3,521	3,344
Telephone		11,542	10,778
Printing, Postage and Stationery		10,827	15,182
Advertising		3,105	4,631
Motor Running Expenses		43,444	63,449
Sundry Expenses		15,770	12,374
Repairs & Renewals		4,188	9,971
Hire Purchase Interest		5,884	7,039
Bank Charges		7,232	3,107
Bank Interest		25,576	98,686
Auditors Remuneration		4,300	3,900
Directors Remuneration 3		215,220	165,712
		<hr/>	<hr/>
		388,393	431,943
Losses on Sale of Fixed Assets		---	2,686
Depreciation 4		76,270	62,973
		<hr/>	<hr/>
Net Profit for year before taxation		280,512	220,070
Less Corporation Tax		96,552	83,486
		<hr/>	<hr/>
		183,960	136,584
Less Proposed Dividend		20,000	15,000
		<hr/>	<hr/>
		163,960	121,584
Add Balance Brought Forward		747,816	626,232
		<hr/>	<hr/>
		911,776	747,816
		<hr/>	<hr/>

L.T.DEEPROSE LTD.

STATEMENT OF SOURCE AND APPLICATIONS OF FUNDS for the year ended 31st July 1987

	£	£
	<u> </u>	<u> </u>
<u>Sources of Funds</u>		
Net Profit for the year		163,960
<u>Add items not involving movement of funds.</u>		
Depreciation		76,270
		<u> </u>
		240,230
		<u> </u>
		<u> </u>
<u>Application of Funds</u>		
Purchase of Fixed Assets		135,156
Increase in Current Assets.	763,874	
Less Increase Current Liabilities	658,800	105,074
	<u> </u>	<u> </u>
		240,230
		<u> </u>
		<u> </u>

1. Accounting Policies

Accounting Conventions

The Accounts have been prepared under the Historical Cost Convention.

Depreciation

Depreciation is provided on all tangible fixed assets on the reducing balance method as shown below:

Motor Vehicles	- 25% per annum.
Fixtures & Fittings	- 10% per annum.
Plant & Equipment	- 15% per annum.

Stock & Work in Progress

Stock and Work in Progress are stated at the lower of cost and net realisable value as follows:

Stock	- purchase cost on a first in, first out basis.
Work in Progress	- cost of direct materials and labour plus attributable overheads.

2. Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax) and, in the case of long term contracts, the value of the work done during the year.

3. <u>Directors Remuneration</u>	<u>1987</u>	<u>1986</u>
	<u>Number of Directors</u>	
£ 1 - £ 5,000	-	1
£ 5,000- £10,000	1	-
£10,001- £15,000	-	1
£15,001- £20,000	2	3
£20,001- £25,000	2	-
£30,001- £35,000	-	1
£35,001- £40,000	-	-
£40,000- £45,000	1	-
£65,001- £70,000	-	1
£90,000- £95,000	1	-

<u>4. Fixed Assets</u>		<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>Equipment</u>	<u>Leasehold Premises</u>	<u>Freehold Property</u>	<u>Total</u>
Cost at 31st July 1986		280,117	52,647	184,223	452,000	169,500	1,138,487
Additions		134,968	13,766	24,956			173,690
		<u>415,085</u>	<u>66,413</u>	<u>209,179</u>	<u>452,000</u>	<u>169,500</u>	<u>1,312,177</u>
Sales at Cost		78,489					78,489
		<u>336,596</u>	<u>66,413</u>	<u>209,179</u>	<u>452,000</u>	<u>169,500</u>	<u>1,233,688</u>
Depreciation at 1/8/1986		97,843	13,482	79,154			190,479
Provided for the year		51,473	5,294	19,503			76,270
Provided on Assets Sold		39,955					39,955
		<u>109,361</u>	<u>18,776</u>	<u>98,657</u>	<u>-</u>	<u>-</u>	<u>226,794</u>
Net Book Value at 30/7/86		182,274	39,165	105,069	452,000	169,500	948,008
Net Book Value at 30/7/87		227,235	47,637	110,522	452,000	169,500	1,006,894
		<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

5.	<u>31st July 1987</u>	<u>31st July 1986</u>
Stock in Hand at beginning of period.	21,914	19,475
Stock in Hand at end of period.	23,033	21,914
Work in Progress at beginning of period	109,865	616,863
Work in Progress at end of period.	444,241	109,865
<u>Debtors</u>		
Trade Debtors	427,260	312,254
Other Debtors	5,709	24,144
Payments in Advance	11,714	30,402
	<hr/>	<hr/>
	444,683	366,780
	=====	=====
6. <u>Creditors:</u> Amounts payable within one year.		
Trade Creditors	544,283	540,695
Other Creditors	12,250	4,885
Taxes etc	132,305	22,265
Periodical Payments Accrued	4,300	7,504
Directors Remuneration	124,628	87,712
Dividend Payable	20,000	15,000
	<hr/>	<hr/>
	837,766	678,061
	=====	=====

<u>7. Creditors</u> Amounts falling due after more than one year.	<u>31st July 1987</u>	<u>31st July 1986</u>
Hire Purchase Creditors	22,957	1,792
Bank Overdraft	296,155	-
Corporation Tax	96,771	83,452
Loan Accounts.		
National Westminster Bank plc	390,387	245,000
	<hr/>	<hr/>
	806,270	330,244
	=====	=====

8. Share Capital

Authorised

Ordinary Shares of £1 each.	20000	10000
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Issued

Ordinary Shares of £1 each fully paid.	10000	10000
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