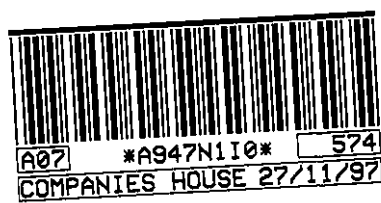


A.A. BEER LIMITEDCOMPANY NO. 00617641ACCOUNTS TO 31ST JANUARY 1997CONTENTSPAGE(S)

Directors' Report	1 - 2
Auditor's Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	6 - 11



## A.A. BEER LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 1997

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires us as 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 we 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

#### **DIRECTORS**

D.A. Beer Esq.  
Mrs. J.C. Beer  
R.J. Love, Esq.

#### **SECRETARY**

D.A. Beer Esq.

#### **REGISTERED OFFICE**

Frome House,  
London Road,  
Stroud,  
Gloucester.      GL5 2AF

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company during the period were the construction and refurbishment of houses, flats and other buildings and included the acquisition and disposal of building sites and other properties.

#### **DIRECTORS**

The present directors are as shown above.

The company's Articles of Association do not require directors to retire by rotation.

A.A. BEER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST JANUARY 1997

**DIRECTORS' INTERESTS**

The interests of the directors in the shares of the company, both at the beginning and end of the year were as follows:

Beneficial Holding:-

At 1st February 1996  
and 31st January 1997

Ordinary

D.A. Beer Esq.	8,699
Mrs. J.C. Beer	1
R.J. Love Esq.	NIL

**CLOSE COMPANY STATUS**

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

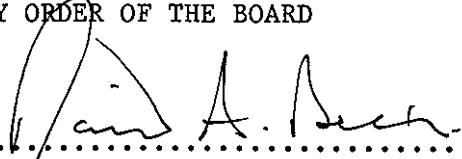
**AUDITORS**

The auditors, Heal & Co., have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

**EXEMPTIONS**

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the directors the company is entitled to those exemptions as a small company.

BY ORDER OF THE BOARD

  
.....  
SECRETARY

24th November 1997  
.....  
DATE

AUDITOR'S REPORT TO THE MEMBERS OF

A.A. BEER LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1 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 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 31st January 1997 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 as applicable to small companies.

Date *24th November 1997.*

Chartered Accountants  
Registered Auditor

*Heal + Co*

64 High Street,  
Bideford, Devon.

A.A. BEER LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JANUARY 1997

	<u>Note</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<b>TURNOVER</b>	2	1,716,411	672,571
Cost of Sales		1,640,654	611,370
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		75,757	61,201
		<hr/>	<hr/>
Distribution Costs		16,544	8,836
Administrative Expenses		56,279	58,703
Other Operating Charges		16,115	18,684
		<hr/>	<hr/>
		88,938	86,223
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	3	(13,181)	(25,022)
Other interest receivable and similar income		618	1,955
Interest payable and similar charges		(2,217)	(10,051)
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(14,780)	(33,118)
Tax on profit on ordinary activities	4	-	1,105
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>		(14,780)	(34,223)
		<hr/>	<hr/>
<b>RETAINED LOSS FOR THE YEAR</b>		(14,780)	(34,223)
Retained profits brought forward		248,160	282,383
		<hr/>	<hr/>
<b>RETAINED PROFITS CARRIED FORWARD</b>		233,380	248,160
		<hr/>	<hr/>

The only recognised loss for the period was the loss for the financial year of £14,780 (1996 loss £34,223).

There were no acquisitions and no discontinued operations in the period.

The annexed notes form part of these financial statements.

A.A. BEER LIMITED

BALANCE SHEET AS AT 31ST JANUARY 1997

	<u>Note</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<b><u>FIXED ASSETS</u></b>			
Tangible Assets	5	32,559	8,224
<b><u>CURRENT ASSETS</u></b>			
Stock & Work in Progress	6	134,190	241,976
Debtors	7	289,790	323,756
Cash at Bank and In Hand		174	151
		<u>424,154</u>	<u>565,883</u>
<b><u>CREDITORS</u></b>			
Amounts falling due within one year	8	214,633	317,247
<b>NET CURRENT ASSETS</b>			
		<u>209,521</u>	<u>248,636</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>242,080</u>	<u>256,860</u>
<b>NET ASSETS</b>			
		<u><u>242,080</u></u>	<u><u>256,860</u></u>
<b><u>CAPITAL AND RESERVES</u></b>			
Called up share capital	9	8,700	8,700
Profit and Loss Account		233,380	248,160
<b>SHAREHOLDERS' FUNDS</b>			
	11	<u><u>242,080</u></u>	<u><u>256,860</u></u>

The Directors have taken advantage of the exemptions conferred by Part I of Schedule 8 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exemptions as a small company.

..... DIRECTOR

The accounts were approved by the Board of Directors on 24th November 1997

The annexed notes form part of these financial statements.

## A.A. BEER LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JANUARY 1997

#### 1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

(a) Basis of preparation of financial statements.

The financial statements have been prepared under the historical cost convention.

The effect of events relating to the year ended 31st January 1997 which occurred before the date of approval of the financial statements by the Board of Directors have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31st January 1997 and of the results for the year ended on that date.

(b) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Plant & Machinery	-	20% per annum straight line basis
Motor Vehicles	-	20% per annum straight line basis
Office Equipment	-	25% per annum straight line basis

(c) Stocks and Work in Progress

Stocks have been valued at the lower of cost and net realisable value. The cost of work in progress includes direct materials and labour plus attributable overheads based on normal level of activity.

(d) Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

(e) Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. Rentals payable under operating leases are charged to the profit and loss account as they accrue.

A.A. BEER LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JANUARY 1997

1. ACCOUNTING POLICIES (continued)

(f) Pension Costs

The company operates pension schemes for the benefit of some of its employees. The contributions are charged to profits as they accrue.

2. TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

3. OPERATING PROFIT

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
This is stated after charging:		
Directors' fees (including Benefits in Kind)	26,808	36,500
	<hr/>	<hr/>
Auditors' remuneration and expenses	2,000	2,000
Depreciation of owned assets	9,590	3,252
Hire of plant and machinery	37,532	29,299
	<hr/> <hr/>	<hr/> <hr/>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Current year:

Corporation Tax at 25%/24%	-	-
Prior year - adjustment to previous provision for Corporation Tax	-	1,105
	<hr/>	<hr/>
	-	1,105
	<hr/> <hr/>	<hr/> <hr/>



**A.A. BEER LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JANUARY 1997**

**5. TANGIBLE FIXED ASSETS**

	<u>Plant &amp; Machinery</u>	<u>Office Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost:				
At 1st February 1996	33,352	10,589	-	43,941
Additions	2,490	4,323	27,112	33,925
	<hr/>			
At 31st January 1997	35,842	14,912	27,112	77,866
	<hr/>			
Depreciation:				
At 1st February 1996	27,170	8,547	-	35,717
Charge for the Year	2,189	1,979	5,422	9,590
	<hr/>			
At 31st January 1997	29,359	10,526	5,422	45,307
	<hr/>			
Net book value:				
At 31st January 1997	6,483	4,386	21,690	32,559
	<hr/>			
At 1st February 1996	6,182	2,042	-	8,224
	<hr/>			

**6. STOCKS AND WORK IN PROGRESS**

	<u>1997</u>	<u>1996</u>
Raw Materials & Consumables	600	600
Work in Progress	220,462	549,670
Sites & Development Property	71,077	70,000
	<hr/>	
	292,139	620,270
Deduct payments on account	(157,949)	(378,294)
	<hr/>	
	134,190	241,976
	<hr/>	

**7. DEBTORS**

Trade Debtors	197,781	79,567
Other Debtors	91,727	243,793
Payments and Accrued Income	282	396
	<hr/>	
	289,790	323,756
	<hr/>	

Included within trade debtors at 31st January 1997 is £166,536 which is considered to be recoverable after more than 1 year but in less than 2 years (1996 - Nil).

Included within other debtors at 31st January 1997 is £14,000 which is considered to be recoverable within two to five years (1996 - £6,000).

A.A. BEER LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JANUARY 1997

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
Trade Creditors	123,149	192,209
Director's loan	2,540	2,433
Bank Overdraft	71,264	103,212
Social Security and Other Taxes	14,980	17,668
Accruals and Deferred Income	2,700	1,725
	<u>214,633</u>	<u>317,247</u>

The bank overdraft is secured.

The company meets its day to day working capital requirements through an overdraft facility which, in common with all such facilities, is repayable on demand. The company's bankers have renewed the overdraft facility and the company is operating within its agreed facility and the directors expect it to be able to continue doing so for at least one year from the date on which they approved the financial statements. In view of their relationship with the company's bankers, the directors consider it reasonable to rely on the continuation of the overdraft facility.

9. SHARE CAPITAL

The authorised, allotted, called up and fully paid share capital of the company at the beginning and end of the year is as follows:-

	<u>Authorised</u>	<u>Allotted, Called Up &amp; Fully Paid</u>
	<u>£</u>	<u>£</u>
<u>At 1.2.96 and 31.1.97</u>		
10,000 Ordinary Shares of £1 each	10,000	8,700
	<u>10,000</u>	<u>8,700</u>

10. PENSION COSTS

The company operates contributory pension schemes. They are defined contribution schemes and contributions are charged in the profit and loss account as they accrue. The charge for the year was 1997 £380 (1996 - Nil).

A.A. BEER LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JANUARY 1997

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
Loss for the financial year	(14,780)	(34,223)
	<hr/>	<hr/>
Net reduction in shareholders' funds	(14,780)	(34,223)
Opening shareholders' funds	256,860	291,083
	<hr/>	<hr/>
Closing shareholders' funds	242,080	256,860
	<hr/> <hr/>	<hr/> <hr/>

12. CAPITAL COMMITMENTS

At 31st January 1997 there were no capital commitments (1996 - £7,362 relating to the purchase of a vehicle).

13. RELATED PARTY TRANSACTIONS AND BALANCES

Harwood Development Co. Ltd.

Mr. D.A. Beer who is a director of A.A. Beer Ltd. is also a shareholder and director of Harwood Development Co. Ltd.

- (a) During the year sundry administrative charges incurred by A.A. Beer Ltd. on behalf of Harwood Development Co. Ltd. were recharged to Harwood Development Co. Ltd. at the same value as the cost incurred by A.A. Beer Ltd. The total charged in the year ended 31st January 1997 was £599. In addition, there was a management charge from A.A. Beer Ltd. to Harwood Development Co. Ltd. of £500 in the year ended 31st January 1997.
- (b) As at 31st January 1997 the balance due to A.A. Beer Ltd. totalled £1,104.

Mr. D.A. Beer

During the year Mr. Beer who is a director and shareholder of A.A. Beer Ltd. sold a motor vehicle to A.A. Beer Ltd. at a value of £19,750. This was considered to be the open market value of the vehicle.

A.A. BEER LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JANUARY 1997

13. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

AAB Construction Ltd.

Mr. D.A. Beer & Mrs. J.C. Beer are directors and shareholders of A.A. Beer Ltd. and also directors and shareholders of AAB Construction Ltd.

- (a) As at 31st January 1996 there was a loan outstanding as advanced to AAB Construction Ltd. of £218,888 which was included within the debtors of A.A. Beer Ltd. During the year repayments totalling £168,458 were made by AAB Construction Ltd. No interest was charged on the loan outstanding. As at 31st January the balance outstanding totalled £50,430.
- (b) The property occupied by A.A. Beer Ltd. is owned by AAB Construction Ltd. but no charge has been made for the use of these premises in the year ended 31st January 1997.

Mr. R.J. Love

Mr. R.J. Love is a director of A.A. Beer Ltd. During the year household insurance of £416 was paid by the company on behalf of Mr. Love. This was subsequently assessed as a Benefit in Kind to Mr. Love.

14. CONTROL RELATIONSHIP

The company was controlled and managed throughout the current and prior years by its directors as listed below:-

D.A. Beer Esq.  
Mrs. J.C. Beer  
R.J. Love Esq.