



Company No: 1155041

TOMLINSON & WHITE (CONTRACTS) LIMITED

FOR THE YEAR ENDED 31ST DECEMBER 1998

<u>PAGE</u>	<u>CONTENTS</u>
1 & 2	DIRECTORS' REPORT
3	AUDITOR'S REPORT
4	STATUTORY PROFIT AND LOSS ACCOUNT
5	STATUTORY BALANCE SHEET
6 - 9	NOTES

The following page does not form part of the statutory accounts:

10	DETAILED PROFIT AND LOSS ACCOUNT
----	----------------------------------

DR R K ASHTON
CHARTERED ACCOUNTANT
14 WOODSIDE CLOSE
AMERSHAM
BUCKS HP6 5EG

TOMLINSON & WHITE (CONTRACTS) LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and financial statements for the year ended 31 December 1998.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the directors to prepare the financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

REVIEW OF THE BUSINESS

The company's main source of income is derived from public works contracting and plant hire and this remained unchanged throughout the year.

The year end position was satisfactory and the directors expect that the present level of activity will be maintained in the coming year.

RESULTS

The detailed results for the year are set out on page 4 and the related notes. No dividends were paid in the year. (1997 - nil)

TOMLINSON & WHITE (CONTRACTS) LIMITED

DIRECTORS' REPORT continued

DIRECTORS

The directors and their interests, including their families, in the shares of the company were as follows:

£1 Ordinary Shares

	<u>1997</u>	<u>1998</u>
R D & Mrs J Brailsford	8,000	8,000
K R Hibbard	1,000	1,000
R D Hayes	1,000	1,000

K R Hibbard retires by rotation and being eligible offers himself for re-election.

According to the register of Directors' interests, no rights to subscribe for shares or debentures of the company was granted to any of the directors or their immediate families, or exercised by them, during the financial year.

FIXED ASSETS

A detailed disclosure note is set out on page 8, note 6.


AUDITOR

The company's Auditor, Dr R K Ashton FCA, having expressed his agreement, will be re-appointed under Section 385 Companies Act 1985.

EVENTS SINCE THE END OF THE YEAR

There have been no significant events which have affected the company since the end of the year.

Signed on behalf of the
Board of Directors


R D Brailsford Esq

5/6/99
Date

AUDITOR'S REPORT TO THE SHAREHOLDERS OF

TOMLINSON & WHITE (CONTRACTS) LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the 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.

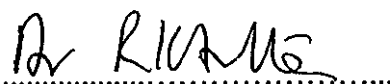
BASIS OF OPINION

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.

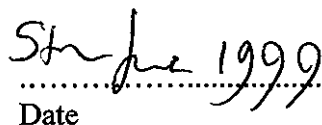
We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 accounts give a true and fair view of the state of the company's affairs at 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Dr R K Ashton
Registered Auditor
Chartered Accountant
14 Woodside Close
Amersham
Bucks HP6 5EG



Date

TOMLINSON & WHITE (CONTRACTS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER 1998

	<u>NOTES</u>	<u>1997</u> <u>£</u>	<u>1998</u> <u>£</u>
TURNOVER	1	470,324	517,066
Cost of sales		<u>358,438</u>	<u>401,818</u>
GROSS PROFIT		111,886	115,248
Administration costs		<u>98,422</u>	<u>100,625</u>
OPERATING PROFIT	3	13,464	14,623
Interest payable	4	<u>6,897</u>	<u>6,837</u>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAX</u>		6,567	7,786
<u>TAXATION ON PROFIT ON</u> <u>ORDINARY ACTIVITIES</u>	5	<u>-</u>	<u>705</u>
<u>RETAINED PROFIT TRANSFERRED</u> <u>TO RESERVES</u>	11	<u>6,567</u>	<u>7,081</u>

The accompanying notes and statement of accounting policies form part of this statement. All applicable accounting policies have been followed.

There were no recognised gains or losses for either the year ended 31st December 1998 or the year ended 31st December 1997 other than those reported in the profit and loss account.

There were no activities discontinued or commenced during either year ended 31st December 1998 or 31st December 1997.

TOMLINSON & WHITE (CONTRACTS) LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1998

	<u>NOTES</u>	<u>1997</u> <u>£</u>	<u>1998</u> <u>£</u>
<u>FIXED ASSETS</u>			
<u>TANGIBLE ASSETS</u>	6	<u>75,340</u>	<u>58,709</u>
<u>CURRENT ASSETS</u>			
Stocks	7	22,862	17,306
Debtors	8	117,379	75,006
Cash at bank and in hand		<u>2,973</u>	<u>4,460</u>
		<u>143,214</u>	<u>96,772</u>
<u>CREDITORS:</u> amounts falling due within one year	9	<u>156,246</u>	<u>86,092</u>
<u>NET CURRENT (LIABILITIES)/ASSETS</u>		<u>(13,032)</u>	<u>10,680</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>62,308</u>	<u>69,389</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	10	10,000	10,000
Profit and Loss Account	11	<u>52,308</u>	<u>59,389</u>
		<u>62,308</u>	<u>69,389</u>

Signed and approved on behalf of the board on the date below.


 R D Brailsford Esq

5/6/99
 Date

The accompanying notes and statements of accounting policies form part of this statement. All applicable accounting policies have been followed.

TOMLINSON & WHITE (CONTRACTS) LIMITED
NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1998

1 ACCOUNTING POLICIES

(a) Accounting Convention

The accounts are prepared under the historical cost convention.

(b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its estimated useful life after accounting for the respective asset's estimated residual value. The following rates are used:

Motor vehicles	13.84% & 22.50%
Plant and equipment	15.37% & 15.17%

(c) Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value as follows:

- (i) Cost incurred in bringing each product to its present location and condition:
- (ii) Raw materials - purchases cost based on a first-in, first-out basis.
- (iii) Work in progress - the cost of direct material and labour plus attributable overheads.
- (iv) Net realisable value is based on estimated selling price less any additional costs expected to be incurred in completing and disposing of the final product.

(d) Turnover

Turnover represents the invoiced amount of goods and services provided stated net of value added tax.

(e) Finance lease and hire purchase contracts

Assets acquired under finance lease and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their respective useful lives. The interest element of rental obligations is charged to the Profit and Loss Account over the period of the agreement using the reducing balance method.

TOMLINSON & WHITE (CONTRACTS) LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1998 (continued)

(f) **Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

(g) **Cash flow statement**

As permitted by the Financial Reporting Standard 1 the company has not prepared a cash flow statement on the grounds that it qualifies as a small company.

(h) **Deferred taxation**

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise in the future.

(i) **Pension Scheme**

The company operates a deferred contribution scheme for its employees. There are no outstanding commitments at the year end in respect of this cost. Contributions to the scheme are independently administered by recognised insurance companies. The provisions of SSAP 24 are applied where applicable.

2	<u>STAFF COSTS</u>	<u>1997</u>	<u>1998</u>
		<u>£</u>	<u>£</u>
	Pension	8,216	6,353
	Wages and salaries	91,786	109,780
	Social security costs	<u>7,889</u>	<u>13,929</u>
		<u>107,891</u>	<u>130,062</u>

3 **OPERATING PROFIT**

This is stated after charging:

Directors' remuneration		
Salaries	19,500	20,295
Employers NI	<u>2,777</u>	<u>5,367</u>
	<u>22,277</u>	<u>25,662</u>

TOMLINSON & WHITE (CONTRACTS) LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1998 (continued)

The market value of benefits in kind which have been provided to the Directors has been estimated at £12,500 (1997 £12,000). In addition a director received fees for supplying accounting services independently of his role as a director. The amount involved was £8,324 (1997 £9,164). In addition one of the director's owns the freehold property from which the company operates. The rent paid to the director was £3,152 (1997 £3,179)

	<u>1997</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Audit fee	<u>2,000</u>	<u>2,200</u>
Hire of equipment and leasing	<u>42,797</u>	<u>62,420</u>
Depreciation	<u>17,421</u>	<u>22,374</u>

The hire of equipment and leasing relates to the hire of plant. The hire charge is in respect of operating leases, the rental of which is renegotiated each time a piece of plant is hired.

4	<u>INTEREST PAYABLE</u>	<u>1997</u>	<u>1998</u>
		<u>£</u>	<u>£</u>
	Interest on loans repayable wholly within five years		
	Bank loans and overdrafts	4,337	4,171
	Finance and Hire Purchase contracts	<u>2,560</u>	<u>2,666</u>
		<u>6,897</u>	<u>6,837</u>

5 TAXATION

The taxation charge is made up as follows:

Current year United Kingdom Corporation

Tax at 24/21% based on the results for

the year (1997 - 24/21%)

- 671

Under-provision for the year ended

31st December 1997

- 34

- 705

TOMLINSON & WHITE (CONTRACTS) LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1998 (continued)

6 TANGIBLE ASSETS

		<u>OWNED</u>		<u>LEASED</u>	
	<u>Total</u>	<u>Motor</u>	<u>Plant &</u>	<u>Motor</u>	<u>Plant &</u>
	<u>£</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Equipment</u>
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>					
1.1.98	187,397	27,296	94,797	7,321	57,983
Additions	7,493	-	743	6,750	-
Disposals	(38,310)	(3,795)	(34,515)	-	-
<u>31.12.98</u>	<u>156,580</u>	<u>23,501</u>	<u>61,025</u>	<u>14,071</u>	<u>57,983</u>
<u>Depreciation</u>					
1.1.98	112,057	7,266	62,895	6,706	35,190
For the year	22,374	6,093	9,797	1,195	5,289
On disposals	(36,560)	(3,795)	(32,795)	-	-
<u>31.12.98</u>	<u>97,871</u>	<u>9,564</u>	<u>39,927</u>	<u>7,901</u>	<u>40,479</u>
<u>Net book value</u>					
<u>At 31.12.97</u>	<u>75,340</u>	<u>20,030</u>	<u>31,902</u>	<u>615</u>	<u>22,793</u>
<u>At 31.12.98</u>	<u>58,709</u>	<u>13,937</u>	<u>21,098</u>	<u>6,170</u>	<u>17,504</u>

7 STOCK

	<u>1997</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Stock	966	100
Work in progress	<u>21,896</u>	<u>17,206</u>
	<u>22,862</u>	<u>17,306</u>

8 DEBTORS

Trade Debtors	105,304	62,372
Prepayments and accrued income	<u>12,075</u>	<u>12,634</u>
	<u>117,379</u>	<u>75,006</u>

TOMLINSON & WHITE (CONTRACTS) LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1998 (continued)

9 CREDITORS: due in one year

	<u>1997</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Corporation Tax due 01.10.99	-	671
Bank overdraft	45,055	-
Trade creditors	57,032	45,289
Taxation and Social Security	17,807	12,808
Hire purchase and leasing obligations	14,012	2,777
Accruals and deferred income	<u>22,340</u>	<u>24,547</u>
	<u>156,246</u>	<u>86,092</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company. The security was registered on the 31st October 1996.

10 CALLED UP SHARE CAPITAL

Authorised:

Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
----------------------------	---------------	---------------

Issued and fully paid:

Ordinary share of £1 each	<u>10,000</u>	<u>10,000</u>
---------------------------	---------------	---------------

11 MOVEMENT ON RESERVES

Reserves at 31.12.96/97	55,741	62,308
Retained Profit	<u>6,567</u>	<u>7,081</u>
<u>Reserves at 31.12.97/98</u>	<u>62,308</u>	<u>69,389</u>

12 COMMITMENTS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

At 31st December 1998 the company had obligations under Finance Lease and Hire Purchase Contracts as set out below:

Within one year	16,473	3,033
In the second to fifth year	-	-
	<u>16,473</u>	<u>3,033</u>
<u>Less: Finance charges</u>	<u>2,461</u>	<u>256</u>
	<u>14,012</u>	<u>2,777</u>

TOMLINSON & WHITE (CONTRACTS) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	<u>1997</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Sales	<u>470,324</u>	<u>517,066</u>
<u>COST OF SALES</u>		
Materials	147,389	175,846
Direct Wages and National Insurance	74,636	95,333
Plant repairs and running expenses	21,787	25,661
Plant hire	42,797	62,420
Depreciation	13,248	15,086
Subcontractors	49,318	18,289
Tipping fees	<u>9,263</u>	<u>9,183</u>
	<u>358,438</u>	<u>401,818</u>
<u>GROSS PROFIT</u>	<u>111,886</u>	<u>115,248</u>
<u>LESS: OVERHEAD EXPENSES</u>		
Rent and rates	4,978	4,949
Light and heat	488	752
Security costs	612	143
Pension scheme contributions	8,216	6,353
Directors remuneration	22,277	25,662
Salaries	2,762	2,714
Travel and subsistence	20,715	22,269
Sundry expenses	3,026	3,422
Audit and accountancy	11,164	10,524
Bank interest and charges	5,441	5,319
Lease purchase interest	2,560	2,666
Legal and professional	115	85
Telephone and telex	3,368	3,370
Printing, postage and stationery	2,859	2,171
Insurance	9,803	9,775
Bad Debts	1,758	-
Depreciation & loss on disposal	<u>5,177</u>	<u>7,288</u>
	<u>105,319</u>	<u>107,462</u>
<u>NET PROFIT FOR THE YEAR</u>	<u>6,567</u>	<u>7,786</u>