

E. SALISBURY (BUILDERS MERCHANTS) LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 January 1996

(Abbreviated in accordance with the provisions of the Companies Act 1985)

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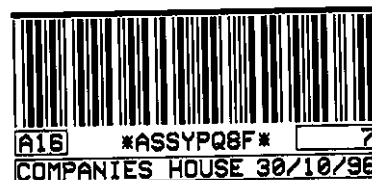
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AUDITORS' REPORT TO
E. SALISBURY (BUILDERS MERCHANTS) LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the financial statements of E. Salisbury (Builders Merchants) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 January 1996.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under Sections 246, 247 and 249 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 January 1996 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

Other Information

On 1 October 1996, we reported, as auditors of E. Salisbury (Builders Merchants) Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 January 1996 and our audit report was as follows :-

"We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 & 8.

AUDITORS' REPORT - Continued

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.

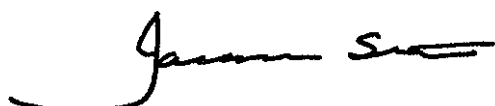
Basis of Opinion

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 mis-statement, 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 affairs of the Company at 31 January 1996 and of its Loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Jackson Stephen & Co.
Chartered Accountants.
Registered Auditor

Broseley House,
116 Bradshawgate,
LEIGH,
Lancs. WN7 4NT.

Date 29th October 1996

E. SALISBURY (BUILDERS MERCHANTS) LIMITED

ABBREVIATED BALANCE SHEET

31 January 1996

	Note	1996	1995
FIXED ASSETS			
Tangible assets	2	471085	509020
Investments		<u>137359</u>	<u>111807</u>
		608444	620827
CURRENT ASSETS			
Stocks		208573	239438
Debtors	3	215076	239601
Cash at bank and in hand		<u>543</u>	<u>470</u>
		424192	479509
CREDITORS: Amounts falling due within one year			
	4	<u>584948</u>	<u>651286</u>
NET CURRENT ASSETS/(LIABILITIES)		(160756)	(171777)
Total assets less current liabilities		447688	449050
CREDITORS: Amounts falling due after more than one year			
	4	(225000)	(211275)
		222688	237775
PROVISION FOR LIABILITIES AND CHARGES		(7000)	(7000)
NET ASSETS		£ 215688	£ 230775
CAPITAL AND RESERVES			
Called up share capital	5	50000	50000
Profit and loss account		<u>165688</u>	<u>180775</u>
		£ 215688	£ 230775

Advantage has been taken of the exemptions for small sized companies conferred by Parts I and IIIA of Schedule 8 to the Companies Act 1985 on the grounds that, in the Directors' opinion, the company is entitled to benefit from those exemptions as a small sized company.

E. Salisbury

Director - E.S. Salisbury

21/10/96

Date

NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS

For the year ended 31 January 1996

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

a) Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention and include the results of the activities described in the Directors' Report, all of which are continuing.

b) Turnover

Turnover represents the invoiced value of goods supplied excluding value added tax and trade discounts.

c) Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets less their estimated residual values, over the expected useful economic lives of the assets as follows :-

Freehold and long-leasehold premises	2% per annum straight line basis
Plant and machinery	20% per annum reducing balance basis
Motor vehicles	25% per annum reducing balance basis
Site buildings	10% per annum reducing balance basis
Computers	20% per annum straight line basis

d) Investments

Investments are stated at cost or written down value where there is a deemed permanent diminution in value.

e) Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Provision is made where necessary for obsolete, slow-moving and defective stocks.

f) Deferred Taxation

Deferred taxation is accounted for in respect of all material timing differences to the extent that it is probable that a liability will become payable in the foreseeable future.

g) Pension Costs

The Company operates a defined contribution pension scheme. The pension charge represents the amounts payable by the Company to the fund in respect of the year. The assets of the scheme are held separately from those of the Company in an independently administered fund.

E. SALISBURY (BUILDERS MERCHANTS) LIMITED

NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS - Continued

For the year ended 31 January 1996

2.	TANGIBLE FIXED ASSETS	<u>£</u>
	Cost at 1 February 1995	787409
	Additions in year	12133
	Disposals	(8042)
	Cost at 31 January 1996	<u>791500</u>
	Depreciation at 1 February 1995	278389
	Charge in year	44950
	Deleted on disposal	(2924)
	Depreciation at 31 January 1996	<u>320415</u>
	Net Book Value:	
	At 31 January 1996	£ <u>471085</u>
	At 1 February 1995	£ <u>509020</u>

3. DEBTORS

All debtors fall due within one year.

4.	CREDITORS	<u>1996</u>	<u>1995</u>
	Creditors due after more than five years	£ 225000	£ 67275
		<u> </u>	<u> </u>

Included in creditors is £563885 (1995: £591672) which is secured.

5.	CALLED UP SHARE CAPITAL	<u>1996</u>	<u>1995</u>
	Authorised		
	100000 Ordinary Shares of £1 each	£ 100000	£ 50000
	Allotted, called up and fully paid		
	50000 Ordinary Shares of £1 each	£ 50000	£ 50000
		<u> </u>	<u> </u>

On 20 February 1996 a further 40405 Ordinary Shares of £1 each were allotted to the existing shareholders.

E. SALISBURY (BUILDERS MERCHANTS) LIMITED

NOTES ON THE ABBREVIATED FINANCIAL STATEMENTS - Continued
For the year ended 31 January 1996

6. CONTINGENT LIABILITIES

There is a composite guarantee between this company and its subsidiary whereby each company guarantees the total bank borrowings of the other. The maximum amount involved at 31 January 1996, so far as concerns the parent company was £168202 (1995: £188105).