

Company Registration No. 1435810 (England and Wales)

F. J. CHALCROFT (CONSTRUCTION) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2003



F. J. CHALCROFT (CONSTRUCTION) LIMITED

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F. J. CHALCROFT (CONSTRUCTION) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities and review of the business

The principal activity of the company continued to be that of building contractors and civil engineers.

The directors consider the results for the year to be satisfactory.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £120,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 April 2002:

| | |
|---------------|-------------------------------|
| F J Chalcroft | |
| S A England | |
| M A Reeve | |
| S Wilson | (Appointed 19 November 2002) |
| D Reeve | (Appointed 17 September 2002) |
| P Morley | (Appointed 19 November 2002) |
| J E Reeve | (Resigned 30 September 2002) |

Directors' interests

The directors' interests in the shares of the company were as stated below:

| | Ordinary shares of £1 each | |
|---------------|----------------------------|--------------|
| | 31 March 2003 | 1 April 2002 |
| F J Chalcroft | 50 | 50 |
| S A England | - | - |
| M A Reeve | 15 | - |
| S Wilson | - | - |
| D Reeve | 10 | - |
| P Morley | - | - |

Auditors

On 1 November 2002, Rabjohns, the Company's auditor, transferred its entire business to Rabjohns LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Rabjohns as extending to Rabjohns LLP with effect from 1 November 2002. Rabjohns LLP have expressed their willingness to continue in office and Rabjohns LLP are therefore deemed to be reappointed in accordance with section 385 of the Companies Act 1985 by virtue of a resolution passed by the members at the Annual General Meeting.

F. J. CHALCROFT (CONSTRUCTION) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

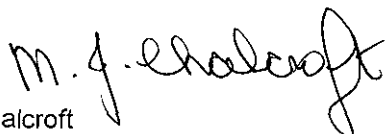
Directors' responsibilities

Company law requires the 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, 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 keeping 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.

By order of the board



M J Chalcroft

Secretary

12 September 2003

F. J. CHALCROFT (CONSTRUCTION) LIMITED

INDEPENDENT AUDITORS' REPORT TO F. J. CHALCROFT (CONSTRUCTION) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 March 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.



Rabjohns LLP

Registered Auditor

12 September 2003

1-4 College Yard
Worcester
WR1 2LB

F. J. CHALCROFT (CONSTRUCTION) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

| | Notes | 2003 £ | 2002 £ |
|---|-------|-------------|-------------|
| Gross profit | | 1,885,565 | 1,839,065 |
| Administrative expenses | | (1,580,874) | (1,284,448) |
| Operating profit | 2 | 304,691 | 554,617 |
| Other interest receivable and similar income | | 7,911 | 6,655 |
| Interest payable and similar charges | 3 | - | (4,300) |
| Profit on ordinary activities before taxation | | 312,602 | 556,972 |
| Tax on profit on ordinary activities | 4 | (79,459) | (158,146) |
| Profit on ordinary activities after taxation | | 233,143 | 398,826 |
| Dividends | 5 | (120,000) | (100,000) |
| Retained profit for the year | 14 | 113,143 | 298,826 |

F. J. CHALCROFT (CONSTRUCTION) LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2003

| | Notes | 2003 £ | £ | 2002 £ | £ |
|---|-------|------------------|------------------|------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 6 | 470,518 | | 449,418 | |
| Investments | 7 | 2 | | 2 | |
| | | <u>470,520</u> | | <u>449,420</u> | |
| Current assets | | | | | |
| Stocks | 8 | 527,938 | 672,825 | | |
| Debtors | 9 | 3,619,879 | 3,027,790 | | |
| Cash at bank and in hand | | 474,104 | 283,328 | | |
| | | <u>4,621,921</u> | <u>3,983,943</u> | | |
| Creditors: amounts falling due within one year | 10 | (3,669,812) | (3,123,877) | | |
| Net current assets | | <u>952,109</u> | | <u>860,066</u> | |
| Total assets less current liabilities | | <u>1,422,629</u> | | <u>1,309,486</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 13 | 100 | | 100 | |
| Other reserves | 14 | 180,000 | | 180,000 | |
| Profit and loss account | 14 | 1,242,529 | | 1,129,386 | |
| Shareholders' funds | 15 | <u>1,422,629</u> | | <u>1,309,486</u> | |

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 12 September 2003



F J Chalcroft
Director

F. J. CHALCROFT (CONSTRUCTION) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

| | 2003 | | 2002 | |
|--|-----------|-----------|-----------|-----------|
| | £ | £ | £ | £ |
| Net cash inflow from operating activities | | 532,755 | | 686,190 |
| Returns on investments and servicing of finance | | | | |
| Interest received | 7,911 | | 6,655 | |
| Interest paid | - | | (4,219) | |
| | | | | |
| Net cash inflow for returns on investments and servicing of finance | | 7,911 | | 2,436 |
| Taxation | | (158,146) | | (81,309) |
| Capital expenditure | | | | |
| Payments to acquire tangible assets | (146,879) | | (221,299) | |
| Receipts from sales of tangible assets | 14,958 | | 53,450 | |
| | | | | |
| Net cash outflow for capital expenditure | | (131,921) | | (167,849) |
| Equity dividends paid | | (120,000) | | (100,000) |
| | | | | |
| Net cash inflow before management of liquid resources and financing | | 130,599 | | 339,468 |
| Financing | | | | |
| Purchase of own shares | - | | (180,000) | |
| Capital element of hire purchase contracts | - | | (34,140) | |
| | | | | |
| Net cash outflow from financing | | - | | (214,140) |
| | | | | |
| Increase in cash in the year | | 130,599 | | 125,328 |

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

| 1 | Reconciliation of operating profit to net cash inflow from operating activities | 2003 | | 2002 | |
|---|---|----------------|----------------|------------------------|----------------|
| | | £ | | £ | |
| | Operating profit | 304,691 | | 554,617 | |
| | Depreciation of tangible assets | 110,573 | | 116,662 | |
| | Loss/(profit) on disposal of tangible assets | 248 | | (7,505) | |
| | Decrease in stocks | 144,887 | | 716,972 | |
| | Increase in debtors | (590,311) | | (1,617,964) | |
| | Increase in creditors within one year | 562,667 | | 923,408 | |
| | Net cash inflow from operating activities | 532,755 | | 686,190 | |
| 2 | Analysis of net funds | 1 April 2002 | Cash flow | Other non-cash changes | 31 March 2003 |
| | | £ | £ | £ | £ |
| | Net cash: | | | | |
| | Cash at bank and in hand | 283,328 | 190,776 | - | 474,104 |
| | Bank overdrafts | (76,124) | (60,177) | - | (136,301) |
| | | <u>207,204</u> | <u>130,599</u> | <u>-</u> | <u>337,803</u> |
| | Debt: | | | | |
| | | <u>207,204</u> | <u>130,599</u> | <u>-</u> | <u>337,803</u> |
| 3 | Reconciliation of net cash flow to movement in net funds | 2003 | | 2002 | |
| | | £ | | £ | |
| | Increase in cash in the year | 130,599 | | 125,328 | |
| | Cash (inflow)/outflow from (increase)/decrease in debt | - | | 34,140 | |
| | Movement in net funds in the year | 130,599 | | 159,468 | |
| | Opening net funds | 207,204 | | 47,736 | |
| | Closing net funds | 337,803 | | 207,204 | |

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Construction - see 1.8 below

Development - Turnover represents the amounts receivable from the sale of properties during the year. Properties are treated as sold and profits are taken when contracts are exchanged and the building work is physically complete.

Other - Turnover in respect of other activities represents the invoiced value of sales.

Value added tax is excluded from turnover.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|--------------------------------|-------------------------------|
| Freehold land and buildings | 2% straight line basis |
| Plant and machinery | 20% straight line basis |
| Fixtures, fittings & equipment | 33% straight line basis |
| Motor vehicles | 25% - 33% straight line basis |

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

(continued)

1.8 Long term contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the year end by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.10 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit

| | 2003 | 2002 |
|--|-----------|---------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 110,573 | 116,662 |
| Loss on disposal of tangible assets | 248 | - |
| Operating lease rentals | | |
| - Plant and machinery | 1,228,949 | 960,186 |
| - Other assets | 86,597 | 29,571 |
| Auditors' remuneration | 10,000 | 9,479 |
| and after crediting: | | |
| Profit on disposal of tangible assets | - | (7,505) |

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

| | | | |
|----------|---|----------------|----------------|
| 3 | Interest payable | 2003 | 2002 |
| | | £ | £ |
| | Hire purchase interest | - | 4,219 |
| | On overdue tax | - | 81 |
| | | <u>-</u> | <u>4,300</u> |
| | | <u>-</u> | <u>4,300</u> |
| 4 | Taxation | 2003 | 2002 |
| | | £ | £ |
| | Domestic current year tax | | |
| | U.K. corporation tax | 81,237 | 158,146 |
| | | <u>81,237</u> | <u>158,146</u> |
| | Current tax charge | <u>81,237</u> | <u>158,146</u> |
| | Deferred tax | | |
| | Deferred tax charge/credit current year | (4,138) | - |
| | Deferred tax adjust re previous year | 2,360 | - |
| | | <u>(1,778)</u> | <u>-</u> |
| | Total tax charge | <u>79,459</u> | <u>158,146</u> |
| | Factors affecting the tax charge for the year | | |
| | Profit on ordinary activities before taxation | 312,602 | 556,972 |
| | | <u>312,602</u> | <u>556,972</u> |
| | Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.72% (2002 : 26.27%) | 67,897 | 146,317 |
| | | <u>67,897</u> | <u>146,317</u> |
| | Effects of: | | |
| | Non deductible expenses | 9,188 | 12,662 |
| | Depreciation add back | 24,018 | 30,647 |
| | Capital allowances | (19,866) | (31,480) |
| | | <u>13,340</u> | <u>11,829</u> |
| | Current tax charge | <u>81,237</u> | <u>158,146</u> |

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

5

Dividends

2003

2002

£

£

Ordinary interim paid 28 November 2002

120,000

50,000

Ordinary final paid

-

50,000

120,000

100,000

6

Tangible fixed assets

Freehold
land and
buildings

Plant and
machinery

Fixtures,
fittings &
equipment

Motor
vehicles

Total

£

£

£

£

£

Cost

At 1 April 2002

235,385

4,000

84,651

319,580

643,616

Additions

37,941

6,270

27,917

74,751

146,879

Disposals

-

-

-

(46,079)

(46,079)

At 31 March 2003

273,326

10,270

112,568

348,252

744,416

Depreciation

At 1 April 2002

8,683

1,600

40,837

143,078

194,198

On disposals

-

-

-

(30,873)

(30,873)

Charge for the year

5,562

1,006

30,133

73,872

110,573

At 31 March 2003

14,245

2,606

70,970

186,077

273,898

Net book value

At 31 March 2003

259,081

7,664

41,598

162,175

470,518

At 31 March 2002

226,702

2,400

43,814

176,502

449,418

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

7 Fixed asset investments

| | Shares in subsidiary undertakings £ |
|------------------------------------|--|
| Cost | |
| At 1 April 2002 & at 31 March 2003 | <u>2</u> |

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

| Company | Country of registration or incorporation | Class | Shares held % |
|--------------------------------|--|----------|---------------|
| Subsidiary undertakings | | | |
| Crystal Rose Limited | England | Ordinary | 100 |

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

| | Capital and reserves 2003 £ | Profit for the year 2003 £ |
|----------------------|-----------------------------------|----------------------------------|
| Crystal Rose Limited | <u>2</u> | <u>-</u> |

Crystal Rose Limited has not traded during the year and is a dormant company.

8 Stocks and work in progress

| | 2003 £ | 2002 £ |
|-------------------------------|----------------|----------------|
| Raw materials and consumables | 46,395 | 35,628 |
| Work in progress | 88,363 | 637,197 |
| Development land | 393,180 | - |
| | <u>527,938</u> | <u>672,825</u> |

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

| 9 Debtors | 2003 £ | 2002 £ |
|--|------------------|------------------|
| Trade debtors | 2,090,401 | 2,070,818 |
| Amounts recoverable on long term contracts | 1,440,687 | 905,678 |
| Prepayments and accrued income | 87,013 | 51,294 |
| Deferred tax asset (see note 11) | 1,778 | - |
| | <u>3,619,879</u> | <u>3,027,790</u> |

Amounts falling due after more than one year and included in debtors above are:

| | 2003 £ | 2002 £ |
|--------------------|--------------|-----------|
| Deferred tax asset | <u>1,778</u> | <u>-</u> |

| 10 Creditors: amounts falling due within one year | 2003 £ | 2002 £ |
|---|------------------|------------------|
| Bank loans and overdrafts | 136,301 | 76,124 |
| Trade creditors | 3,122,758 | 2,582,314 |
| Corporation tax | 81,237 | 158,146 |
| Other taxes and social security costs | 229,088 | 213,188 |
| Directors' current accounts | 562 | 469 |
| Other creditors | 25,116 | 23,591 |
| Accruals and deferred income | 74,750 | 70,045 |
| | <u>3,669,812</u> | <u>3,123,877</u> |

The bank overdraft is secured by a charge over the company's freehold property dated 6 June 2000 and a debenture dated 20 February 2002.

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

11 Provisions for liabilities and charges

The deferred tax asset (included in Debtors, note 9) is made up as follows:

| | 2003 £ | |
|--------------------------------|-------------------|-------------------|
| Profit and loss account | (1,778) | |
| | <u> </u> | |
| | 2003 £ | 2002 £ |
| Accelerated capital allowances | (1,778) | - |
| | <u> </u> | <u> </u> |

12 Pension costs

Defined contribution

| | 2003 £ | 2002 £ |
|---|-------------------|-------------------|
| Contributions payable by the company for the year | 3,099 | 10,246 |
| | <u> </u> | <u> </u> |

13 Share capital

Authorised

| | 2003 £ | 2002 £ |
|--|-------------------|-------------------|
| 180,075 Ordinary shares of £ 1 each | 180,075 | 180,100 |
| 25 Preferred ordinary shares of £ 1 each | 25 | - |
| | <u> </u> | <u> </u> |
| | 180,100 | 180,100 |
| | <u> </u> | <u> </u> |

Allotted, called up and fully paid

| 75 Ordinary shares of £ 1 each | 75 | 100 |
|--|-------------------|-------------------|
| 25 Preferred ordinary shares of £ 1 each | 25 | - |
| | <u> </u> | <u> </u> |
| | 100 | 100 |
| | <u> </u> | <u> </u> |

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

14 Statement of movements on reserves

| | Other reserves (see below) £ | Profit and loss account £ |
|------------------------------|---------------------------------------|------------------------------------|
| Balance at 1 April 2002 | 180,000 | 1,129,386 |
| Retained profit for the year | - | 113,143 |
| Balance at 31 March 2003 | 180,000 | 1,242,529 |

Other reserves

Capital redemption reserve

Balance at 1 April 2002 & at 31 March 2003

180,000

15 Reconciliation of movements in shareholders' funds

| | 2003 £ | 2002 £ |
|-------------------------------------|-----------|-----------|
| Profit for the financial year | 233,143 | 398,826 |
| Dividends | (120,000) | (100,000) |
| | 113,143 | 298,826 |
| Purchase of own shares | - | (180,000) |
| Net addition to shareholders' funds | 113,143 | 118,826 |
| Opening shareholders' funds | 1,309,486 | 1,190,660 |
| Closing shareholders' funds | 1,422,629 | 1,309,486 |

16 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|----------------------------|--------------------|--------|--------|--------|
| | 2003 | 2002 | 2003 | 2002 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Between two and five years | 12,000 | 12,000 | 91,407 | 63,371 |

F. J. CHALCROFT (CONSTRUCTION) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

| 17 Directors' emoluments | 2003 £ | 2002 £ |
|---|-----------|-----------|
| Emoluments for qualifying services | 305,129 | 209,903 |
| Emoluments disclosed above include the following amounts paid to the highest paid director: | | |
| Emoluments for qualifying services | 82,664 | 68,323 |