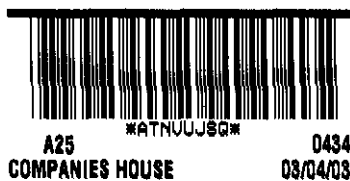


RYEARCH LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

Registered number: 2504664

BISHOP FLEMING
CHARTERED ACCOUNTANTS
PLYMOUTH



RYEARCH LIMITED
FINANCIAL STATEMENTS
for the year ended 30 June 2002

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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RYEARCH LIMITED
COMPANY INFORMATION

30 June 2002

NUMBER	2504664
DIRECTORS	P C Creaven R J A Curtis M W Creaven C A Creaven A N Mitchell T I Petherick
SECRETARY	M W Creaven
REGISTERED OFFICE	Creaven House Huxley Close Newnham Industrial Estate Plympton Plymouth
BANKERS	National Westminster Bank Plc 137 Ridgeway Plympton Plymouth
SOLICITORS	Nash & Co. Beaumont House Beaumont Park Plymouth
AUDITORS	Bishop Fleming Chartered Accountants and Registered Auditors Cobourg House Mayflower Street Plymouth

RYEARCH LIMITED

DIRECTORS' REPORT

30 June 2002

The directors present their report and the financial statements for the year ended 30 June 2002.

Principal activity

The principal activity of the company is that of general construction and civil engineering.

Business review

The company achieved a profit after tax of £255,196 in 2002, a 71% increase on the previous year. The directors are satisfied with the results for the year and the financial position of the company at the year end.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	30 June 2002 Ordinary shares	1 July 2001 Ordinary shares
P C Creaven	33	33
M W Creaven	23	23
R J A Curtis	-	-
A N Mitchell	33	33
T I Petherick	-	-
C A Creaven	10	10

Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

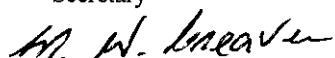
The directors have recommended dividends of £57,000 (2001: £18,000).

Auditors

Bishop Fleming have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

M W Creaven
Secretary



Creaven House
Huxley Close
Newnham Industrial Estate
Plympton
Plymouth

RYEARCH LIMITED**STATEMENT OF 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 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.

On behalf of the board



Director

RYEARCH LIMITED**INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 13, together with the financial statements of the company for the year ended 30 June 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

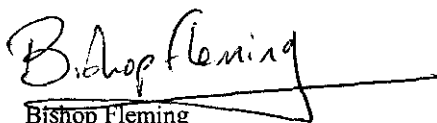
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the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

Basis of audit opinion

We have carried out the procedures we consider 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 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 13 are properly prepared in accordance with that provision.



Bishop Fleming
Chartered Accountants and
Registered Auditors
Cobourg House
Mayflower Street
Plymouth

31 March 2003

RYEARCH LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2002

	Note	2002 £	2001 £
Gross profit		798,427	447,376
Administrative expenses		(477,648)	(268,704)
Operating profit	2	320,779	178,672
Interest receivable		6,166	7,550
Profit on ordinary activities before taxation		326,945	186,222
Taxation	5	(71,749)	(37,157)
Profit on ordinary activities after taxation		255,196	149,065
Dividends	6	(57,000)	(18,000)
Retained profit for the year	13	198,196	131,065

The only recognised gain for the year was the profit for the financial year of £198,196 (2001: £131,065).

Movements in reserves are shown in the notes to the financial statements.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

The results above relate to continuing activities.

RYEARCH LIMITED
ABBREVIATED BALANCE SHEET
at 30 June 2002

		2002		2001	
	Note	£	£	£	£
Fixed assets					
Tangible fixed assets	7		79,178		114,646
Current assets					
Stocks	8	7,053		216,906	
Debtors	9	1,405,160		942,601	
Cash at bank and in hand		500,547		266,862	
		<u>1,912,760</u>		<u>1,426,369</u>	
Creditors: amounts falling due within one year	10	<u>(1,422,752)</u>		<u>(1,167,781)</u>	
Net current assets			<u>490,008</u>		<u>258,588</u>
Total assets less current liabilities			<u>569,186</u>		<u>373,234</u>
Provision for liabilities and charges	11		<u>(3,262)</u>		<u>(5,506)</u>
			<u>565,924</u>		<u>367,728</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		565,824		367,628
Total shareholders' funds	14		<u>565,924</u>		<u>367,728</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under part VII of the Companies Act 1985.

The financial statements on pages 5 to 13 were approved by the board of directors on 25-03-03 and signed on its behalf by:



Director

RYEARCH LIMITED

CASH FLOW STATEMENT

for the year ended 30 June 2002

	Note	£	2002 £	£	2001 £
Net cash inflow from operating activities	17		322,832		107,828
Returns on investments and servicing of finance					
Interest received			6,166		7,550
Taxation					
Corporation tax paid			(33,363)		(16,736)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(4,950)		(105,111)	
Sale of tangible fixed assets		-		10,615	
			(4,950)		(94,496)
Equity dividends paid			(57,000)		(18,000)
Increase/(decrease) in cash	19		233,685		(13,854)

NOTES ON FINANCIAL STATEMENTS

30 June 2002

1 Accounting policies

Basis of accounting

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

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax. Long-term contracts are included in turnover on the basis of the sales value of the work performed during the year by reference to the total sales value and stage of completion of these contracts.

Depreciation

Depreciation of fixed assets is calculated to write down their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and equipment	10 %
Motor vehicles	25 %
Fixtures and fittings	33 %

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Turnover on short term contracts is recognised once the contract is complete. Provisions for estimated losses on contracts are made in the period in which such losses are foreseen. Long-term contract balances included in stocks comprise costs incurred on long term contracts, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account. Amounts recoverable on contracts, being the amount by which recorded turnover is in excess of payments on account, is classified under debtors.

Pension contributions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions to the scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The pension cost charge represents contributions payable by the company to the funds and amounted to £5,594 (2001: £10,241). Contributions totalling £nil (2001: £510) were owing at 30 June 2002.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Provision is made, under 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 arise.

2 Operating profit

	2002 £	2001 £
Operating profit is stated after charging:		
Auditors' remuneration: for audit	3,800	3,800
: for other services	19,987	15,012
Loss on sale of assets	-	331
Lease of motor vehicle	3,550	7,380
	<hr/>	<hr/>
Depreciation of tangible fixed assets (note 7):		
Owned assets	40,418	24,771
	<hr/>	<hr/>

RYEARCH LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2002

3 Directors

	2002 £	2001 £
Directors' emoluments	310,558	190,025

Benefits are accruing for two directors under company pension scheme.

4 Particulars of employees

The average number of staff employed (including directors) by the company during the financial year amounted to:

	2002 No.	2001 No.
Number of construction staff	50	34
Number of administration staff	7	12
	57	46

The aggregate payroll costs of the above were:

	2002 £	2001 £
Wages and salaries	1,230,878	924,216
Social security costs	107,564	82,269
Pension costs	5,594	10,241
	1,344,036	1,016,726

5 Taxation

	2002 £	2001 £
Corporation tax on profit on ordinary activities at 21% (2001: 20%)	74,019	33,389
Deferred taxation at 30% (2001 : 20%)	(2,244)	4,406
	71,775	37,795
Over provision in earlier years	(26)	(638)
	71,749	37,157

6 Dividends

	2002 £	2001 £
Interim ordinary dividend of £210 per share (2001: £180)	21,000	18,000
Final ordinary dividend of £360 per share (2001: £nil)	36,000	-
	57,000	18,000

RYEARCH LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2002

7 Tangible fixed assets

	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £
Cost				
1 July 2001	150,121	1,897	19,621	171,639
Additions	1,965	-	2,985	4,950
30 June 2002	152,086	1,897	22,606	176,589
Depreciation				
1 July 2001	41,110	1,076	14,807	56,993
Charge for the year	34,668	190	5,560	40,418
30 June 2002	75,778	1,266	20,367	97,411
Net book amount				
30 June 2002	76,308	631	2,239	79,178
1 July 2001	109,011	821	4,814	114,646

8 Stocks

	2002 £	2001 £
Work in progress	799,373	432,042
Applicable payments on account	(792,320)	(215,136)
	7,053	216,906

9 Debtors

	2002 £	2001 £
Amounts falling due within one year		
Trade debtors	613,758	302,317
Amounts recoverable on contracts	725,466	533,849
Other debtors	65,936	106,435
	1,405,160	942,601

10 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	865,234	888,096
Corporation tax	74,019	33,389
Other taxation and social security	38,500	60,050
Other creditors	444,999	186,246
	1,422,752	1,167,781

RYEARCH LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2002

11 Provision for liabilities and charges

	Deferred tax £
Excess of capital allowances over depreciation	
1 July 2001	5,506
Profit and loss account	(2,244)
	<hr/>
30 June 2002	3,262
	<hr/>

12 Called up share capital

	2002		2001	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<hr/>	<hr/>	<hr/>	<hr/>
Allotted, called up and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>

13 Profit and loss account

	2002 £
1 July 2001	367,628
Retained profit for the year	198,196
	<hr/>
30 June 2002	565,824
	<hr/>

14 Reconciliation of movement in shareholders' funds

	2002 £	2001 £
Profit for the year	198,196	131,065
Opening shareholders' funds	367,728	236,663
	<hr/>	<hr/>
Closing shareholders' funds	565,924	367,728
	<hr/>	<hr/>

RYEARCH LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2002

15 Guarantees and other financial commitments

Financial commitments under non – cancellable operating leases will result in the following payments falling due in the year to 30 June 2003.

	2002		2001	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiring within one year	-	3,254	9,395	-
Expiring between two and five years	-	-	-	3,550
Expiring over 5 years	16,977	-	-	-
	<u>16,977</u>	<u>-</u>	<u>-</u>	<u>-</u>

The commitment under land and buildings relates to the company's trading premises which is rented from related parties as disclosed in note 16.

16 Directors and related parties

There is no one controlling party of the company.

During the year the company occupied office accommodation jointly owned by P C Creaven (director) and P A Creaven (husband of M W Creaven – director). The rental charge made to the company during the year was £15,174 (2001: £9,395).

Included in other debtors are the following balances owed by the directors at 30 June 2002:

	£
Mr R Curtis (director)	18,500
Mr P C Creaven (director) & Mr P A Creaven (husband of M W Creaven – director)	<u>28,200</u>

These are the maximum balances owed during the year.

17 Notes to the cash flow statement

Reconciliation of operating profit to operating cash flows

	2002 £	2001 £
Operating profit	320,779	178,672
Depreciation charges	40,418	24,771
Loss on sale of tangible fixed assets	-	331
Decrease in stocks	209,853	35,847
(Increase) in debtors	(462,559)	(310,401)
Increase in creditors	214,341	178,608
Net cash inflow from operating activities	<u>322,832</u>	<u>107,828</u>

18 Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	<u>266,862</u>	<u>233,685</u>	<u>500,547</u>

RYEARCH LIMITED

NOTES ON FINANCIAL STATEMENTS

30 June 2002

19 Notes to the cash flow statement continued

Reconciliation of net cash flow to movement in net debt

	2002 £	2001 £
Increase/(decrease) in cash in the year	233,685	(13,854)
Change in net debt resulting from cash flows	233,685	(13,854)
Net debt at 1 July 2001	266,862	280,716
Net debt at 30 June 2002	<u>500,547</u>	<u>266,862</u>