

**REGISTRAR'S  
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**Registered Number: 2742480**

**EWAN LEWIS (HOLDINGS) LIMITED  
DIRECTORS' REPORT AND UNAUDITED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2005**



# **Ewan Lewis (Holdings) Limited**

## **Directors**

A M Fance  
S P Merriman

## **Secretary and Registered Office**

J H Tilley  
78A Browning Road  
Enfield  
Middlesex  
EN2 0EJ

## **Report of the Directors**

The directors present their report and the unaudited consolidated financial statements for the year ended 31 January 2005.

### **Review of Activities**

The principal activity of the company during the year continued to be that of a holding company. The principal activities of the trading subsidiaries continued to be that of builders. Two of the subsidiaries did not trade during the year.

The results of the company and the group for the year are set out on pages 4 and 5.

### **Consolidation**

Although the group is defined as a small group and thus is exempt from the requirement to prepare group financial statements under S248(1) of the Companies Act 1985, such statements have been prepared in order to present a better understanding of the group's position.

### **Dividend**

The directors do not recommend the payment of a dividend for the year.

### **Directors' Interests**

The interests as defined by the Companies Act 1985 of the directors in the share capital of the company at the beginning of the year and end of the year was:

	<b>31 January 2005</b>	<b>1 February 2004</b>
A M Fance	72,790	72,790
S P Merriman	72,790	72,790

### **Charitable Contributions**

During the year the group made charitable contributions of £50 (2004: £300), for the purpose of helping and benefiting the community.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board

  
J H Tilley  
Secretary

**29 SEP 2005**

### **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 group and of the profit or loss of the company and of the group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Ewan Lewis (Holdings) Limited****Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Ewan Lewis (Holdings) Limited**

In accordance with the engagement letter dated 11 July 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprises the Profit and Loss Account and the Balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purposes. To the fullest extent permitted by law, do not accept or assume responsibility to anyone other than the company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 January 2005 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



MOORE STEPHENS  
Chartered Accountants

57 London Road  
Enfield  
Middlesex, EN2 6SW

30 September 2005

## Ewan Lewis (Holdings) Limited

## Group Profit and Loss Account for the Year Ended 31 January 2005

	Note	2005 £	2004 £
<b>Turnover</b>		1,496,681	1,977,091
Cost of Sales		(1,027,162)	(1,507,697)
<b>Gross Profit</b>		<u>469,519</u>	<u>469,394</u>
Administrative Expenses		<u>(459,452)</u>	<u>(524,303)</u>
<b>Operating Profit/(Loss)</b>	2	10,067	(54,909)
Interest Receivable		19	6
Interest Payable and Similar Charge		<u>(11,078)</u>	<u>(9,920)</u>
<b>Loss on Ordinary Activities Before Taxation</b>		(992)	(64,823)
Taxation	4	<u>-</u>	<u>1,965</u>
<b>Loss on Ordinary Activities After Taxation</b>		(992)	(62,858)
Minority Interests		<u>-</u>	<u>293</u>
<b>Retained Loss for the year</b>		<u><u>(992)</u></u>	<u><u>(62,565)</u></u>

**Ewan Lewis (Holdings) Limited**

**Company Profit and Loss Account for the Year Ended 31 January 2005**

	2005 £	2004 £
<b>Turnover</b>	-	-
Cost of Sales	-	-
<b>Gross Profit</b>	<hr/> -	<hr/> -
Administrative Expenses	-	(336,026)
<b>Loss on Ordinary Activities Before Taxation</b>	-	(336,026)
Taxation	-	-
<b>Loss on Ordinary Activities After Taxation</b>	<hr/> - <hr/>	<hr/> (336,026) <hr/>

## Ewan Lewis (Holdings) Limited

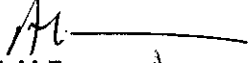
## Group Balance Sheet at 31 January 2005

	Note	2005 £	2004 £
<b>Fixed Assets</b>			
Tangible Assets	7	47,695	74,322
<b>Current Assets</b>			
Stocks	8	8,575	34,466
Debtors	9	342,882	275,134
Cash at Bank and in Hand		500	500
		<u>351,957</u>	<u>310,100</u>
Creditors: Amounts Falling Due Within One Year	10	<u>(570,766)</u>	<u>(551,523)</u>
<b>Net Current Liabilities</b>		<u>(218,809)</u>	<u>(241,423)</u>
<b>Total Assets Less Current Liabilities</b>		<u>(171,114)</u>	<u>(167,101)</u>
Creditors: Amounts Falling Due After More Than One Year	11	-	(3,021)
		<u>(171,114)</u>	<u>(170,122)</u>
<b>Capital and Reserves</b>			
Called Up Share Capital	13	145,580	145,580
Profit and Loss Account		<u>(316,694)</u>	<u>(315,702)</u>
		<u>(171,114)</u>	<u>(170,122)</u>

For the year ended 31 January 2005 the company was entitled to exemption from audit under s249A(1) of the Companies Act 1985. The members have not required the company to obtain an audit of its accounts for the year under s249B(2). The directors acknowledge their responsibility for ensuring that the company keeps proper accounting records in accordance with s221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provision relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board on 29 SEP 2005

  
A M Fance  
Director

  
S P Merrigan

**Ewan Lewis (Holdings) Limited**  
**Company Balance Sheet at 31 January 2005**

	Note	£	2005 £	£	2004 £
<b>Fixed Assets</b>					
Investments	6		504		504
<b>Current Assets</b>					
Debtors	9	94		94	
Creditors: Amounts Falling Due Within One Year	10	167,670		167,670	
<b>Net Current Liabilities</b>			(167,576)		(167,576)
<b>Total Assets Less Current Liabilities</b>			(167,072)		(167,072)
<b>Capital and Reserves</b>					
Called Up Share Capital	13		145,580		145,580
Profit and Loss Account			(312,652)		(312,652)
			(167,072)		(167,072)

For the year ended 31 January 2005 the company was entitled to exemption from audit under s249A(1) of the Companies Act 1985. The members have not required the company to obtain an audit of its accounts for the year under s249B(2). The directors acknowledge their responsibility for ensuring that the company keeps proper accounting records in accordance with s221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provision relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board on **29 SEP 2005**



A M Fance  
Director

  
S P Merriman  
Director

**Ewan Lewis (Holdings) Limited****Notes to the Financial Statements for the Year Ended 31 January 2005****1 Accounting Policies****Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002).

**Going Concern**

Whilst the group has made a loss on ordinary activities before tax for the year, the company's directors are continuing the process of implementing a strategy to return the group to profitability by increasing revenues and reducing overheads by consolidating the group's operations onto one site and reducing staff costs. The current financial year has seen the group generate operating profits compared to operating losses in the previous year.

As disclosed in note 14, one of the group's subsidiaries, Newby Firmin Limited, is also strenuously contesting the claim by the London Borough of Enfield that it has overcharged for work carried out in previous years and believes that the dispute will be resolved without any further financial loss to the company.

On the basis of this the directors consider it appropriate to prepare the accounts on a going concern basis.

There is however no certainty that the strategy implemented by the directors will be successful or that the claim by the London Borough of Enfield will fail and that therefore the group can continue to trade as a going concern. The financial statements do not include any adjustments that would arise if the group were unable to continue as a going concern.

**Basis of Consolidation**

Although the group is defined as a small group and thus is exempt from the requirement to prepare group financial statements under S248(1) of the Companies Act 1985, such statements have been prepared in order to present a better understanding of the group's position.

The acquisition method has been used as the basis of consolidation and the financial statements include Ewan Lewis (Holdings) Limited and all its subsidiary companies.

**Turnover**

Turnover represents amounts receivable in respect of work completed during the year, net of Value Added Tax.

**Tangible Fixed Assets**

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Leasehold Improvements - over the remainder of the lease

Plant & Machinery - 15-25% reducing balance or 33% on cost

Motor Vehicles - 25% reducing balance

**Ewan Lewis (Holdings) Limited**

**Notes to the Financial Statements for the Year Ended 31 January 2005**

continued

**Operating Leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

**Finance Leases**

Assets held under finance leases are treated as tangible fixed assets, and initially recorded at the present value of the minimum lease payments at the inception of the lease. These assets are depreciated over their useful economic lives.

Obligations under finance leases are included within creditors, net of finance charges allocated to future periods.

**Stocks**

Raw materials and consumables are valued at the lower of cost and net realisable value.

Work in progress is stated at total costs incurred plus 5% overhead absorption less payments on account.

**Deferred Taxation**

Deferred taxation is provided for at anticipated rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods that differ from those in which they are included in the financial statements.

**Pension Costs**

*One of the group's subsidiaries operates a defined contribution pension scheme. Contributions payable to the scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.*

The company also contributes to some of its employees' personal pension schemes.

**2 Operating Profit**

	2005 £	2004 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	16,706	25,713
	<u>          </u>	<u>          </u>

**3 Directors' Emoluments**

	2005 £	2004 £
Remuneration	150,734	121,948
	<u>          </u>	<u>          </u>

## Ewan Lewis (Holdings) Limited

## Notes to the Financial Statements for the Year Ended 31 January 2005

continued

**4 Taxation**

	2005 £	2004 £
Deferred tax	-	(1,965)
	<u>-</u>	<u>(1,965)</u>

**5 Pension Costs**

The pension cost charge for the year amounted to £5,362 (2004: £5,931)

There were no amounts outstanding at 31 January 2005 or 31 January 2004.

**6 Investments – Company**

	Shares in group undertakings £
<b>Cost:</b>	
At 1 February 2004	115,549
At 31 January 2005	<u>115,549</u>
<b>Amounts provided:</b>	
At 1 February 2004	115,045
At 31 January 2005	<u>115,045</u>
<b>Net book value</b>	
At 31 January 2005	<u>504</u>
At 1 February 2004	<u>504</u>

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of Company	Description of Shares Held	Proportion of Nominal Value of Shares Held	Nature of Business
Ewan Lewis (Southgate) Ltd	Ordinary shares	100%	Building contractors
Newby Firmin Ltd	Ordinary shares	100%	Building contractors
Newby Bros. (Builders) Ltd	Ordinary shares	100%	Non-trading
Crouchman & Perry (Electrical) Ltd	Ordinary shares	100%	Non-trading

## Notes to the Financial Statements for the Year Ended 31 January 2005

continued

**7 Tangible Fixed Assets**

Group	Leasehold Improvements £	Plant and Machinery £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 February 2004	19,031	95,726	188,996	303,753
Additions	-	200	-	200
Disposals	-	(30,637)	(28,649)	(59,286)
At 31 January 2005	<u>19,031</u>	<u>65,289</u>	<u>160,347</u>	<u>244,667</u>
<b>Depreciation</b>				
At 1 February 2004	10,019	74,030	145,382	229,431
Depreciation for the year	1,350	5,409	9,947	16,706
Disposals	-	(24,737)	(24,428)	(49,165)
At 31 January 2005	<u>11,369</u>	<u>54,702</u>	<u>130,901</u>	<u>196,972</u>
<b>Net Book Value</b>				
At 31 January 2005	<u>7,662</u>	<u>10,587</u>	<u>29,446</u>	<u>47,695</u>
At 1 February 2004	<u>9,012</u>	<u>21,696</u>	<u>43,614</u>	<u>74,322</u>

Included within fixed assets are items with a cost of £16,345 (2004: £26,995) which relate to assets held under finance leases. The net book value of these assets was £8,361 (2004: £20,009). These assets were depreciated by £2,787 (2004: £3,491) during the year.

**8. Stocks**

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Stocks	11,378	269,128	-	-
Less: Payments on Account	(2,803)	(234,662)	-	-
	<u>8,575</u>	<u>34,466</u>	<u>-</u>	<u>-</u>

**9 Debtors**

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
Trade Debtors	314,405	236,789	-	-
Other Debtors	28,477	38,345	94	94
	<u>342,882</u>	<u>275,134</u>	<u>94</u>	<u>94</u>

## Ewan Lewis (Holdings) Limited

## Notes to the Financial Statements for the Year Ended 31 January 2005

continued

**10 Creditors: Amounts Falling Due Within One Year**

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank Loans and Overdrafts	210,039	213,406	-	-
Finance Lease Creditors	2,846	7,147	-	-
Trade Creditors	125,290	104,770	-	-
Amount Due to Subsidiary Undertakings	-	-	167,670	167,670
Payments on Account	-	33,655	-	-
Other Creditors	232,591	192,545	-	-
	<u>570,766</u>	<u>551,523</u>	<u>167,670</u>	<u>167,670</u>

The bank overdraft of £210,039 (2004: £213,406) is secured by way of a fixed and floating charge over the assets of the group.

**11 Creditors: Amounts Falling Due After More Than One Year**

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Finance Lease Creditors	<u>-</u>	<u>3,021</u>	<u>-</u>	<u>-</u>

**12 Share Capital**

	Group and Company	
	2005	2004
	£	£
Authorised 500,000 Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, Called Up and Fully Paid 145,580 Ordinary Shares of £1 each	<u>145,580</u>	<u>145,580</u>

**13 Reserves**

	Profit and Loss Account	
	Group	Company
	£	£
At 1 February 2004	(315,702)	(312,652)
Movement in the year	<u>(992)</u>	<u>-</u>
At 31 January 2005	<u>(316,694)</u>	<u>(312,652)</u>

*continued***14 Contingent Liabilities****Group**

One of the group's subsidiaries, Newby Firmin Limited, is currently in dispute with the London Borough of Enfield over the value of work carried out for the Council in previous years. Whilst the company believe they are owed £120,000 by the Council in respect of the work carried out, an amount which has now been fully provided against, the Council claim that they have been overcharged by £396,000. Newby Firmin Limited are however strenuously contesting the claim and its directors are of the opinion that it will fail. Accordingly the directors do not believe that a provision for any liability is required in these financial statements.

**Company**

The company has given a cross guarantee and debenture securing the bank borrowings of its subsidiary undertakings Ewan Lewis (Southgate) Limited, Newby Firmin Limited and Crouchman & Perry (Electrical) Limited. At 31 January 2005 their total borrowings amounted to £210,039 (2004: £213,406).

**15 Operating Lease Commitments**

The group's commitments under operating leases for the next year are for leases expiring:

	£
Over five years	15,000

**16 Related Parties**

During the year, the group paid rent of £15,000 (2004: £15,500) to the Ewan Lewis (Southgate) Limited Directors Retirement Benefit Scheme, a pension fund for the benefit of the directors of the group. There were no amounts outstanding at 31 January 2005 or 31 January 2004.

As at 31 January 2005, the group owed Newbold Investments Limited, a company in which A M Fance and S P Merriman, directors, have a material interest, interest free loans amounting to £124,500 (2004: £80,000).