Registered no: 2823706

Donal Hayes & Sons (Building & Civil Engineering) Limited

Abbreviated financial statements for the year ended 30 September 1996

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Donal Hayes & Sons (Building & Civil Engineering) Limited

Report of the auditors to the directors of Donal Hayes & Sons (Building & Civil Engineering) Limited under paragraph 24 of Schedule 8 to the Companies Act 1985

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claims in the directors' statement on page 2 and whether the abbreviated financial statements 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 annual financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements 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 annual financial statements.

Opinion

In our opinion, the company is entitled to the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Other information

We reported as auditors of Donal Hayes & Sons (Building & Civil Engineering) Limited to the members on 29 July 1997 on the company's annual financial statements prepared under Section 226 of the Companies Act 1985 and our report was as follows:

"Report of the auditors to the members of Donal Hayes & Sons (Building & Civil Engineering) Limited

We have audited the financial statements on pages 5 to 18.

Respective responsibilities of directors and auditors

As described on page 3 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 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 financial statements give a true and fair view of the state of the company's affairs at 30 September 1996 and of its profit, total recognised gains and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985."

Coopers & Lybrand

Chartered Accountants and Registered Auditors   Swansea   29 July 1997

Donal Hayes & Sons (Building & Civil Engineering) Limited

Abbreviated balance sheet at 30 September 1996

	Notes	1996 £	1995 £
Fixed assets			
Tangible assets		**76,559**	75,806
Current assets			
Work in progress		**86,920**	69,511
Debtors		**189,216**	199,622
Cash at bank and in hand		**118,472**	122,636
		394,608	391,769
Creditors: amounts falling due within one year		**(254,161)**	(382,524)
Net current assets/(liabilities)		**140,447**	9,245
Creditors: amounts falling due after more than one year	2	**(8,330)**	(18,980)
Net assets		**208,676**	66,071
Capital and reserves			
Called-up share capital	3	**100,100**	100
Profit and loss account		**108,576**	65,971
Equity shareholders' funds		**208,676**	66,071

Advantage has been taken of the exemptions for small companies conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, as it meets the conditions, the company is entitled to benefit from the exemptions as a small company.

D. Hayes

Director
29 July 1997

Donal Hayes & Sons (Building & Civil Engineering) Limited

Notes to the financial statements for the year ended 30 September 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.

Basis of accounting

The financial statements have been prepared on the historical cost basis of accounting.

Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation.

Depreciation

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives on the reducing balance basis at the following rates:

Plant and equipment	40% per annum
Motor vehicles	20% per annum
Office equipment	25% per annum

Stocks and work in progress, excluding long-term contracts

Stocks and work in progress have been valued at the lower of cost and net realisable value.

Long term contracts

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

The amount by which recorded turnover is in excess of payments on account is classified as "amounts recoverable on contracts" and separately disclosed within debtors.

Turnover

Turnover represents the value of construction work done excluding value added tax.

Donal Hayes & Sons (Building & Civil Engineering) Limited

1 Principal accounting policies (continued)

Deferred taxation

The company provides deferred taxation to account for timing differences between the treatment of certain items for financial statements purposes and their treatment for taxation purposes to the extent that it is probable that a liability for taxation will crystallise as a result of the reversal of those timing differences.

Finance leases

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. Depreciation on the relevant assets is charged to the profit and loss account on a straight line basis to write off the assets over their expected useful lives. Lease payments are treated as consisting of capital and interest elements, and the interest charged to the profit and loss account using the straight line method.

Operating leases

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

2 Creditors: amounts falling due after more than one year

	1996	1995
	£	£
Hire purchase instalments falling due after more than one year comprise:		
Between one and two years from balance sheet date	**8,330**	10,224
Between two and five years from balance sheet date	**-**	8,756
	8,330	18,980

3 Called up share capital

	1996	1995
	£	£
Authorised:		
100 (1995: 100) ordinary shares of £1 each	**100**	100
200,000 (1995: Nil) redeemable participating preference shares of £1 each	**200,000**	-
	200,100	100
Allotted, called-up and fully paid:		
100 (1995: 100) ordinary shares of £1 each	**100**	100
100.000 (1995: Nil) redeemable participating preference shares of £1 each	**100,000**	-
	100,100	100

Each of the redeemable participating preference shares confers a right to receive out of the profits of the company available for distribution, a fixed cumulative dividend of 6 pence per share per year on the amount for the time being paid up or credited as paid up thereon, payable on 31 January in each year which shall accrue and be paid in priority to the payment of dividends on all other classes of shares in the company, but which shall begin to accrue and cumulate only on the ninetieth day after the date of issue of those shares on a pro-rata basis.

Each of the redeemable participating preference shares also confers a right to a participating dividend per share equal to 5% of the profit after tax divided by the number of shares issued in the class. The dividend will be paid 30 days after the date on which the auditors sign their report on the accounts and will only be paid on shares which are in issue on the date of the audit report, and which have been in issue for a period of at least 12 months ending on that date.

The redeemable participating preference shares carry no votes at any general meeting of the company.

On any winding-up of the company each of the redeemable participating preference shares shall confer a right to receive the sum of £1 per share as a return of capital on those shares together with any accrued but unpaid dividends on those shares out of the assets of the company in preference to the rights of holders of all other classes of shares in the company, but the holders of the redeemable participating preference shares shall have no other rights to participate in any distribution of the assets of the company.