

SIMPSON MCHUGH LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1997

Directors: Keith Charles Simpson
Patrick McHugh

Secretary: Kathleen Anne Simpson

Registered Office: Parkville House, 16 Bridge Street,
Pinner, Middlesex, HA5 3JD

Registered Number 2911571

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SIMPSON MCHUGH LIMITED

REPORT OF THE DIRECTORS - 1997

The Directors present their Report together with the Accounts for the year ended 31st March 1997.

Results and Dividends

The results for the year are set out on page 3 of the Financial Statements. The Directors do not recommend that a dividend be paid.

Principal Activity and Review of the Business

The Company carries on the practise of Architects and Draughtsmen. The directors are satisfied with the results for the year and the state of affairs of the company at the balance sheet date.

Fixed Assets

Changes in Fixed Assets during the year are reflected in the Notes to the Accounts.

Directors

The Directors and their interests in the Issued Capital of the Company were as follows:

	<u>Ordinary Shares</u>	
	31st March 1997	31st March 1996
Keith Charles Simpson	250	250
Patrick McHugh	250	250

Political and Charitable Donations

During the year the company made no political contributions nor charitable donations.

Status

In the opinion of the Directors, the Company is a Close Company within the meaning of Section 414(1) of the Income and Corporation Taxes Act 1988.

No other matters fall to be reported under the Companies Act 1985.

By order of the board

K. A. Simpson

Kathleen Anne Simpson - Secretary

14 February 1998

DIRECTORS' RESPONSIBILITIES FOR PREPARING ACCOUNTS

SIMPSON MCHUGH LIMITED

The directors are obliged under company law to prepare Accounts for each financial year and to present them annually to the Company's members in Annual General Meeting.

The Accounts, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profit for that year, and they must comply with applicable accounting standards.

The directors are also responsible for the adoption of suitable accounting policies, their consistent use in the Accounts, supported where necessary by reasonable and prudent judgements.

The directors confirm that the above requirements have been complied with in the Accounts.

In addition the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the Company and to prevent and detect fraud or any other irregularities.

SIMPSON MCHUGH LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
<u>TURNOVER</u>	2	66,189	47,782
Cost of Sales		60	(3,348)
<u>GROSS PROFIT</u>		66,129	51,130
Administration Expenses		69,245	61,574
		(3,116)	(10,444)
Other Operating Income		71	522
<u>OPERATING LOSS</u>	3	(3,045)	(9,922)
Interest Receivable		18	-
		(3,027)	(9,922)
Interest Payable	5	550	-
<u>LOSS ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		(3,577)	(9,922)
Taxation	6	(484)	-
<u>LOSS ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		(3,093)	(9,922)
<u>LOSS FOR THE FINANCIAL YEAR</u>	11	£(3,093) =====	£(9,922) =====

CONTINUED AND DISCONTINUED OPERATIONS

There were no new nor discontinued operations during either year.

RECOGNISED GAINS AND LOSSES

The Company made no recognised gains nor losses during the year ended 31st March 1997 nor 31st March 1996 other than the loss disclosed in the Profit and Loss Account above.

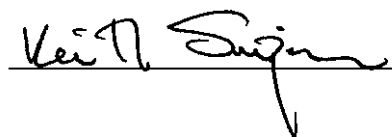
The Notes annexed and referred to above form an integral part of these Financial Statements

SIMPSON MCHUGH LIMITEDBALANCE SHEET - 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	7	2,902	3,121
		<u>2,902</u>	<u>3,121</u>
<u>CURRENT ASSETS</u>			
Stocks		14,900	14,960
Debtors	8	12,678	11,947
Bank Balances and Cash		2	13
		<u>27,580</u>	<u>26,920</u>
<u>CREDITORS</u>			
Amounts falling due within one year	9	40,260	36,726
<u>NET CURRENT LIABILITIES</u>		<u>(12,680)</u>	<u>(9,806)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>(9,778)</u>	<u>(6,685)</u>
<u>NET LIABILITIES</u>		<u>£(9,778)</u> =====	<u>£(6,685)</u> =====
Represented by:			
<u>CAPITAL AND RESERVES</u>			
Share Capital	10	1,000	1,000
Profit and Loss Account	11	(10,778)	(7,685)
<u>SHAREHOLDERS FUNDS</u>		<u>£(9,778)</u> =====	<u>£(6,685)</u> =====

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249 A (1) of the Companies Act 1985 (the Act). Shareholders holding more than 10% or more of the Company's share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 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 loss for the year in accordance with the requirements of Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to the Accounts so far as is applicable to the Company.

Approved on behalf of the Board - 14 February 1998



Keith Charles Simpson

) DIRECTOR

SIMPSON MCHUGH LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997**1. ACCOUNTING POLICIES****(a) Accounting Convention**

The Financial Statements have been prepared using the historical cost convention.

(b) Tangible Fixed Assets

Provision for Depreciation is made upon Tangible Fixed Assets at rates estimated to write off the cost of each asset linearly, over the term of it's useful life: The rates adopted are as follows:

Motor Vehicles	- 20% per annum
Furniture & Equipment	- 15% per annum

(c) Work in Progress

Work is valued at on the basis of actual cost of labour and the corresponding proportion of overheads. The method adopted is consistent with that applied in previous years.

2. TURNOVER

Turnover was comprised of the Invoices for Fees Receivable rendered during the year exclusive of Value Added Tax.

3. OPERATING LOSS

	<u>1997</u>	<u>1996</u>
	£	£
Is stated after charging:		
Directors' Remuneration (see below)	30,640	28,683
Depreciation	1,122	987
	=====	=====

SIMPSON MCHUGH LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997 (CONTINUED)

	<u>1997</u>	<u>1996</u>
3. OPERATING LOSS (CONTINUED) (Continued)		
Directors' Remuneration		
(a) Director's Emoluments were paid for services as Directors.		
(b) No further disclosure is required as the total emoluments did not exceed the statutory disclosure threshold of £200,000.		
	£	£
Remuneration and other Emoluments (including pension contributions)	30,640	28,683
	<u>£30,640</u>	<u>£28,683</u>
	=====	=====
4. STAFF COSTS (INCLUDING DIRECTORS)		
	£	£
Wages and salaries	37,014	34,717
Social Security Costs	4,236	3,753
Other Pension Costs	1,990	1,766
	<u>£43,240</u>	<u>£40,236</u>
	=====	=====
5. INTEREST PAYABLE		
This comprises:		
Amounts payable upon advances repayable:		
In less than five years	550	-
	<u>£ 550</u>	<u>£ -</u>
	=====	=====
6. TAXATION		
	£	£
Provision for Corporation Tax on Ordinary Activities, after allowing for permanently disallowable items.	-	-
	<u>-</u>	<u>-</u>
Taxation Over/(Under) Provided in previous years	(484)	-
	<u>£(484)</u>	<u>£ -</u>
	=====	=====

SIMPSON MCHUGH LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997 (CONTINUED)

7. TANGIBLE FIXED ASSETS

	<u>Vehicles</u>	<u>Furniture and Equipment</u>	<u>Total</u>
	£	£	£
Cost or Valuation			
at 1st April 1996	4,450	645	5,095
Additions	-	903	903
at 31st March 1997	<u>4,450</u>	<u>1,548</u>	<u>5,998</u>
Depreciation			
at 1st April 1996	1,780	194	1,974
Provided During the Year	890	232	1,122
at 31st March 1997	<u>2,670</u>	<u>426</u>	<u>3,096</u>
Net Book Value			
at 31st March 1997	£ 1,780 =====	£ 1,122 =====	£ 2,902 =====
Net Book Value			
at 31st March 1996	£ 2,670 =====	£ 451 =====	£ 3,121 =====

8. DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Trade Debtors	12,129	10,417
Prepayments	549	1,530
	<u>£12,678</u>	<u>£11,947</u>
	=====	=====

9. CREDITORS

Amounts falling due within one year

	£	£
Bank Loans and Overdrafts	2,382	10,030
Trade Creditors	5,224	4,393
Other Taxes and Social Security	7,613	2,487
Other Creditors	19,753	17,761
Accrued Expenses	5,288	2,055
	<u>£40,260</u>	<u>£36,726</u>
	=====	=====

SIMPSON MCHUGH LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST MARCH 1997 (CONTINUED)

	<u>1997</u>	<u>1996</u>
10. SHARE CAPITAL	£	£
The Nominal Capital is comprised of 1,000 Ordinary Shares of £1 each	£1,000 =====	£1,000 =====
The Issued Capital is comprised of 1,000 Ordinary Shares of £1 each	£1,000 =====	£1,000 =====
11. PROFIT AND LOSS ACCOUNT	£	£
Retained (Loss)/Profit brought forward	(7,685)	2,237
Loss for the Year	(3,093)	(9,922)
Retained Loss carried forward	£(10,778) =====	£(7,685) =====

12. COMMITMENTS UNDER OPERATING LEASES

Operating Leases as Set Out Below:

	<u>1997</u>		<u>1996</u>	
	Land and Buildings	Other	Land and Buildings	Other
Operating Leases Which Expire:				
Within One Year	4,000	-	4,000	-
in the Second To Fifth Years	4,000	-	4,000	-
in Over Five Years	-	-	-	-