

THE HAM HILL STONE SUPPLY COMPANY LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1998

Registered number: 3196031

ROTHMAN PANTALL & CO

CHARTERED ACCOUNTANTS

Winchester



THE HAM HILL STONE SUPPLY COMPANY LIMITED

FINANCIAL STATEMENTS

for the Year ended 31st December 1998

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THE HAM HILL STONE SUPPLY COMPANY LIMITED

COMPANY INFORMATION

31st December 1998

INCORPORATED	in England on 8th May 1996
NUMBER	3196031
DIRECTORS	R.M.H Lawrence S.J.R Harvey
SECRETARY	R.M.H Lawrence
REGISTERED OFFICE	Avebury House 6 St Peter Street Winchester Hampshire., SO23 8BN
BANKERS	National Westminster Bank Plc 105 High Street Winchester Hampshire SO23 9AW
ACCOUNTANTS	Rothman Pantall & Co Chartered Accountants Avebury House 6 St Peter Street Winchester Hants SO23 8BN

THE HAM HILL STONE SUPPLY COMPANY LIMITED

DIRECTORS' REPORT

31st December 1998

The directors present their report and the financial statements for the Year ended 31st December 1998.

Principal activity

The principal activity of the company is that of stone processing.

Directors

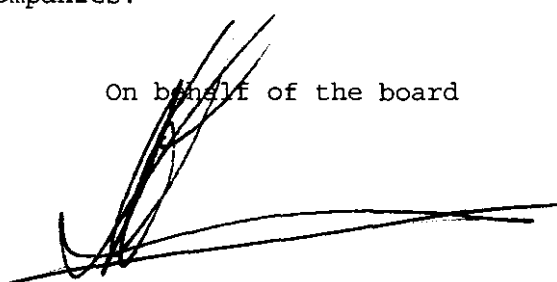
The directors of the company during the Year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st December 1998 Ordinary shares	1st January 1998 Ordinary shares
R.M.H Lawrence	-	1
S.J.R Harvey	1	1

Small company exemptions

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

On behalf of the board



R.M.H Lawrence
Secretary

Avebury House
6 St Peter Street
Winchester
Hampshire., SO23 8BN

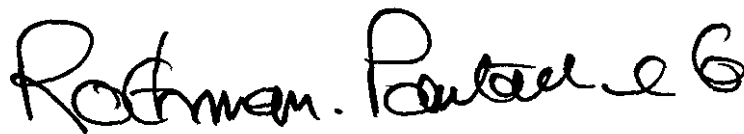
29th October 1999

THE HAM HILL STONE SUPPLY COMPANY LIMITED

ACCOUNTANTS' REPORT

Accountants' report to the directors
on the unaudited financial statements of
The Ham Hill Stone Supply company Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the Year ended 31st December 1998, set out on pages 4 to 11, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

A handwritten signature in black ink, reading "Rothman. Pantall & Co". The signature is written in a cursive, flowing style. Below the signature, there is a horizontal line.

Rothman Pantall & Co
Chartered Accountants
Avebury House
6 St Peter Street
Winchester
Hampshire
SO23 8BN

29th October 1999

THE HAM HILL STONE SUPPLY COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the Year ended 31st December 1998

	Note	1998 £	1997 £
Turnover	2	136,740	139,158
Cost of sales		(84,386)	(105,459)
Gross profit		52,354	33,699
Net operating expenses			
Administrative expenses		(43,121)	(34,409)
Operating profit/(loss)	3	9,233	(710)
Interest payable	4	(3,066)	(1,976)
Profit/(loss) on ordinary activities before taxation		6,167	(2,686)
Taxation	5	(2,741)	-
Profit/(loss) on ordinary activities after taxation		3,426	(2,686)
retained for the Year	16		

Movements in reserves are shown in note 16.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1998 or 1997 other than the profit/(loss) for the Year.

THE HAM HILL STONE SUPPLY COMPANY LIMITED

BALANCE SHEET

at 31st December 1998

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Intangible assets	6		5,106		-
Tangible assets	7		54,249		27,567
			<u>59,355</u>		<u>27,567</u>
Current assets					
Stocks	8	9,450		50,399	
Debtors	9	26,441		6,828	
Cash at bank and in hand		250		250	
		<u>36,141</u>		<u>57,477</u>	
Creditors: amounts falling due within one year	10	(87,932)		(86,321)	
Net current liabilities			<u>(51,791)</u>		<u>(28,844)</u>
Total assets less current liabilities			7,564		(1,277)
Creditors: amounts falling due after more than one year	11		(18,034)		(15,360)
Provision for liabilities and charges	12		(2,741)		-
			<u>(13,211)</u>		<u>(16,637)</u>
Capital and reserves					
Called up share capital	15		2		2
Profit and loss account	16		(13,213)		(16,639)
Total shareholders' funds	14		<u>(13,211)</u>		<u>(16,637)</u>

continued

THE HAM HILL STONE SUPPLY COMPANY LIMITED

BALANCE SHEET
(continued)

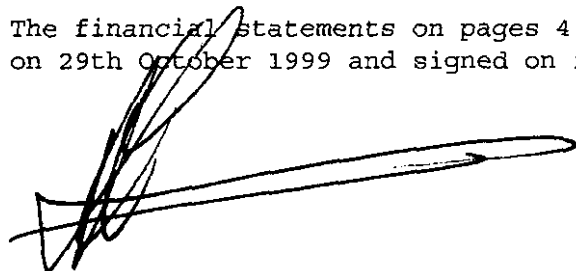
at 31st December 1998

The directors consider that for the Year ended 31st December 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial Year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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 in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 11 were approved by the board of directors on 29th October 1999 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R.M.H. Lawrence', written over a horizontal line.

R.M.H Lawrence
Director

THE HAM HILL STONE SUPPLY COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax.

Intangible fixed assets

Goodwill represents the difference between the fair value of the consideration paid on acquisition of a business and the fair value of its separable net assets at the date of acquisition.

Tangible fixed assets

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

Plant and machinery	20% on cost
Fixtures and fittings	20% on cost

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

THE HAM HILL STONE SUPPLY COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1997 nil).

3 Operating profit/(loss)

	1998 £	1997 £
Operating profit/(loss) is stated after charging:		
Operating leases:		
Hire of plant and machinery	683	3,464
Hire of assets other than plant & machinery	542	2,498
Rent	6,000	6,000
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 7):		
Owned assets	6,343	8,552
	<u> </u>	<u> </u>

4 Interest payable

	1998 £	1997 £
Bank interest	789	381
Hire purchase interest	2,277	1,595
	<u> </u>	<u> </u>
	3,066	1,976
	<u> </u>	<u> </u>

5 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 21%	-	-
Deferred taxation	2,741	-
	<u> </u>	<u> </u>
	2,741	-
	<u> </u>	<u> </u>

THE HAM HILL STONE SUPPLY COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

6 Intangible fixed assets

	Goodwill £
Cost	
Additions	5,106
31st December 1998	<u>5,106</u>
Net book amount	
31st December 1998	<u><u>5,106</u></u>

7 Tangible fixed assets

	Plant and Machinery £	Office Equipment £	Leasehold Property Improvements £	Total £
Cost				
1st January 1998	42,145	616	-	42,761
Additions	30,610	-	2,415	33,025
31st December 1998	<u>72,755</u>	<u>616</u>	<u>2,415</u>	<u>75,786</u>
Depreciation				
1st January 1998	15,009	185	-	15,194
Charge for the Year	6,220	123	-	6,343
31st December 1998	<u>21,229</u>	<u>308</u>	<u>-</u>	<u>21,537</u>
Net book amount				
31st December 1998	<u><u>51,526</u></u>	<u><u>308</u></u>	<u><u>2,415</u></u>	<u><u>54,249</u></u>
1st January 1998	<u><u>27,136</u></u>	<u><u>431</u></u>	<u><u>-</u></u>	<u><u>27,567</u></u>

The net book amount of fixed assets includes £39,873 (1997 £19,230) in respect of assets held under finance leases and hire purchase contracts, cumulative depreciation on these assets is £16,847 (1997 £12,820) and charge for the year £4,027 (1997 £6,410).

8 Stocks

	1998 £	1997 £
Stocks	2,000	-
Work in progress	7,450	50,399
	<u>9,450</u>	<u>50,399</u>

THE HAM HILL STONE SUPPLY COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

9 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	26,140	6,657
Other debtors	301	171
	<u>26,441</u>	<u>6,828</u>

10 Creditors: amounts falling due within one year

	1998 £	1997 £
Bank overdrafts	27,119	5,585
Trade creditors	4,117	51,293
Obligations under finance leases and hire purchase contracts - note 11	17,005	5,760
Other taxation and social security	11,478	2,435
Directors current account	10,094	17,398
Other creditors	18,119	3,850
	<u>87,932</u>	<u>86,321</u>

11 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Other liabilities		
Obligations under finance leases and hire purchase contracts	18,034	15,360
	<u>18,034</u>	<u>15,360</u>

Obligations under finance leases
and hire purchase contracts

Amounts included above are repayable
over varying periods by monthly
instalments as follows:

In the next year	17,005	5,760
In the second to fifth years	18,034	15,360
	<u>35,039</u>	<u>21,120</u>
Secured creditors included in notes 10 & 11	<u>62,158</u>	<u>26,705</u>

THE HAM HILL STONE SUPPLY COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

12 Provision for liabilities and charges

	Deferred tax £
1st January 1998	-
Profit and loss account	2,741
	<hr/>
31st December 1998	2,741
	<hr/>

13 Deferred taxation

	1998		1997	
	Amount unprovided £	Amount provided £	Amount unprovided £	Amount provided £
Corporation tax deferred by Capital allowances in excess of depreciation	-	2,741	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,741	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Deferred taxation is based on a corporation tax rate of 21%

14 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit/(loss) for the financial Year	3,426	(2,686)
Opening shareholders' funds	(16,637)	(13,951)
	<hr/>	<hr/>
Closing shareholders' funds	(13,211)	(16,637)
	<hr/>	<hr/>

15 Called up share capital

	1998		1997	
	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	2	2	2	2
	<hr/>	<hr/>	<hr/>	<hr/>

THE HAM HILL STONE SUPPLY COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

16 Profit and loss account

	1998 £
1st January 1998	(16,639)
Retained profit for the Year	3,426
	<hr/>
31st December 1998	(13,213)
	<hr/> <hr/>

17 Ultimate controlling party

Until 1st June 1998 the ultimate controlling party of the company was R.M.H Lawrence a director and shareholder of the company. On that date Mr Lawrence transferred his ordinary share in the company to The Ham Hill Stone Company Limited, who as a result are now the ultimate controlling party.

18 Related parties

During the year the company purchased Ham Hill Block to the value of £50 (1997 £56,926) from the director S.J.R Harvey. Mr Harvey is the owner of 50% of the issued share capital of the company.