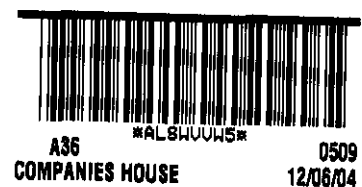


COMPANY REGISTRATION NUMBER 4317066

K&S CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2003



DYKE BRADING
Chartered Certified Accountants
16 Dorcan Business Village
Murdock Road, Dorcan
Swindon
Wiltshire

K&S CONSTRUCTION LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2003

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K&S CONSTRUCTION LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mrs S Morgan
Mr S Morgan

Company secretary

Stuart Morgan

Registered office

7 Maskeleyne Way
Wroughton
Swindon
Wiltshire

Accountants

Dyke Brading
Chartered Certified Accountants
16 Dorcan Business Village
Murdock Road, Dorcan
Swindon
Wiltshire

K&S CONSTRUCTION LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2003

The directors present their report and the unaudited financial statements of the company for the year ended 30 November 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of building contractors.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

| | | At | At |
|--------------|----------------|------------------|-----------------|
| | Class of share | 30 November 2003 | 1 December 2002 |
| Mrs S Morgan | Ordinary | 15 | 15 |
| | Ordinary | | |
| | Family Members | 40 | 40 |
| Mr S Morgan | Ordinary | <u>45</u> | <u>45</u> |

CLOSE COMPANY PROVISIONS

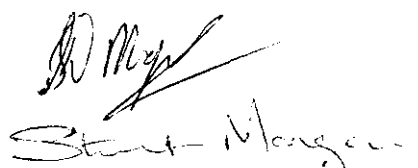
In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

SMALL COMPANY PROVISIONS

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

Registered office:
 7 Maskeleyne Way
 Wroughton
 Swindon
 Wiltshire

Signed by order of the directors



MR S MORGAN
 Company Secretary

Approved by the directors on 10/10/03

K&S CONSTRUCTION LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2003

| | | Year to 30 Nov 03 £ | Period from 5 Nov 01 to 30 Nov 02 £ |
|--|----------|---------------------------|--|
| TURNOVER | | 152,907 | 163,026 |
| Cost of sales | | <u>131,718</u> | <u>141,257</u> |
| GROSS PROFIT | | 21,189 | 21,769 |
| Administrative expenses | | <u>24,504</u> | 26,731 |
| OPERATING LOSS | 2 | (3,315) | (4,962) |
| Interest receivable | | 7 | 1 |
| Interest payable | | <u>(1,065)</u> | <u>(775)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (4,373) | (5,736) |
| Tax on loss on ordinary activities | 4 | — | — |
| LOSS FOR THE FINANCIAL YEAR | | (4,373) | (5,736) |
| Balance brought forward | | <u>(5,736)</u> | — |
| Balance carried forward | | <u>(10,109)</u> | <u>(5,736)</u> |

K&S CONSTRUCTION LIMITED**BALANCE SHEET****30 NOVEMBER 2003**

| | Note | 2003 £ | £ | 2002 £ |
|--|------|---------------|-----------------|-----------------|
| FIXED ASSETS | | | | |
| Tangible assets | 5 | | 5,735 | 8,970 |
| CURRENT ASSETS | | | | |
| Debtors | 6 | 21,823 | | 8,583 |
| Cash at bank | | 58 | | 6,051 |
| | | <u>21,881</u> | | <u>14,634</u> |
| CREDITORS: Amounts falling due within one year | 7 | <u>36,559</u> | | <u>25,577</u> |
| NET CURRENT LIABILITIES | | | <u>(14,678)</u> | <u>(10,943)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>(8,943)</u> | <u>(1,973)</u> |
| CREDITORS: Amounts falling due after more than one year | 8 | | <u>1,066</u> | <u>3,663</u> |
| | | | <u>(10,009)</u> | <u>(5,636)</u> |

The Balance sheet continues on the following page.
The notes on pages 6 to 9 form part of these financial statements.

K&S CONSTRUCTION LIMITED**BALANCE SHEET** *(continued)***30 NOVEMBER 2003**

| | Note | 2003 £ | 2002 £ |
|--------------------------------|------|------------------------|-----------------------|
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 10 | 100 | 100 |
| Profit and loss account | | <u>(10,109)</u> | <u>(5,736)</u> |
| DEFICIENCY | | <u><u>(10,009)</u></u> | <u><u>(5,636)</u></u> |

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.


The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) 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 have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 10/6/04 and are signed on their behalf by:

.....
MRS S MORGAN


.....
MR S MORGAN

K&S CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2003

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).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

| | | |
|-------------------|---|-------------------|
| Plant & Machinery | - | 33% Straight Line |
| Motor Vehicles | - | 25% Straight Line |
| Office Equipment | - | 33% Straight Line |

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

2. OPERATING LOSS

Operating loss is stated after charging:

| | Year to 30 Nov 03 | Period from 5 Nov 01 to 30 Nov 02 |
|--|----------------------|---|
| | £ | £ |
| Directors' emoluments | 8,400 | 8,390 |
| Depreciation of owned fixed assets | 670 | 647 |
| Depreciation of assets held under hire purchase agreements | <u>2,565</u> | <u>1,670</u> |

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

| | Year to 30 Nov 03 | Period from 5 Nov 01 to 30 Nov 02 |
|----------------------|----------------------|---|
| | £ | £ |
| Aggregate emoluments | <u>8,400</u> | <u>8,390</u> |

K&S CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2003

4. TAX ON LOSS ON ORDINARY ACTIVITIES

There is no corporation tax liability.

5. TANGIBLE FIXED ASSETS

| | Brought forward 1 Dec 02 £ | | Carried forward 30 Nov 03 £ |
|-----------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| COST | | | |
| Plant & Machinery | 4,000 | | 4,000 |
| Motor Vehicles | 6,080 | | 6,080 |
| Equipment | 1,207 | | 1,207 |
| | <u>11,287</u> | | <u>11,287</u> |
| | | | |
| | Brought forward 1 Dec 02 £ | Charges £ | Carried forward 30 Nov 03 £ |
| DEPRECIATION | | | |
| Plant & Machinery | (1,041) | (1,318) | (2,359) |
| Motor Vehicles | (886) | (1,520) | (2,406) |
| Equipment | (390) | (397) | (787) |
| | <u>(2,317)</u> | <u>(3,235)</u> | <u>(5,552)</u> |
| | | | |
| | | Brought forward 1 Dec 02 £ | Carried forward 30 Nov 03 £ |
| NET BOOK VALUE | | | |
| Plant & Machinery | | 2,959 | 1,641 |
| Motor Vehicles | | 5,194 | 3,674 |
| Equipment | | 817 | 420 |
| | | <u>8,970</u> | <u>5,735</u> |

Hire purchase agreements

Included within the net book value of £5,735 is £5,012 (2002 - £7,577) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £2,565 (2002 - £1,670).

6. DEBTORS

| | 2003 £ | 2002 £ |
|---------------|---------------|--------------|
| Trade debtors | <u>21,823</u> | <u>8,583</u> |

K&S CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2003

7. CREDITORS: Amounts falling due within one year

| | 2003 | 2002 |
|---|---------------|---------------|
| | £ | £ |
| Bank loans and overdrafts | 9,438 | 718 |
| Trade creditors | 5,249 | 6,071 |
| Other creditors including taxation and social security: | | |
| PAYE and social security | 1,210 | 3,548 |
| VAT | 8,028 | 7,832 |
| Hire purchase agreements | 2,597 | 2,597 |
| Directors current accounts | 5,899 | 899 |
| Other creditors | 1,887 | 1,672 |
| Accruals and deferred income | 2,251 | 2,240 |
| | <u>21,872</u> | <u>18,788</u> |
| | <u>36,559</u> | <u>25,577</u> |

The following liabilities disclosed under creditors falling due within one year are secured by the company:

| | 2003 | 2002 |
|---------------------------|---------------|--------------|
| | £ | £ |
| Bank loans and overdrafts | 9,438 | 718 |
| Hire purchase agreements | 2,597 | 2,597 |
| | <u>12,035</u> | <u>3,315</u> |

8. CREDITORS: Amounts falling due after more than one year

| | 2003 | 2002 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Hire purchase agreements | <u>1,066</u> | <u>3,663</u> |

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

| | 2003 | 2002 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Hire purchase agreements | <u>1,066</u> | <u>3,663</u> |

K&S CONSTRUCTION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2003

9. RELATED PARTY TRANSACTIONS**Control:-**

The company was under the control of Mrs S Morgan, a director and members of her close family throughout the period. Mrs Morgan is personally interested in 15% of the company's share capital.

In addition, her spouse controls a further 40% of the company's issued share capital.

Transactions:-

Creditors: Amounts falling due within one year include the following:

Loan: K Morgan £1,672 (2002 £1,672)

Directors Loan S Morgan £5,899 (2002 £899)

The Directors have provided a guarantee for the Bank Overdraft

10. SHARE CAPITAL**Authorised share capital:**

| | 2003 | 2002 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid:

| | 2003 | | 2002 |
|----------------------------|------------|------------|------------|
| | No | £ | No |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> |