

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED**ANNUAL REPORT****YEAR ENDED 30 APRIL 1999**

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED

COMPANY INFORMATION

Directors	Mr G Hanson Mrs D Hanson
Secretary	Mrs D Hanson
Company Number	122471
Registered Office	61 High Street Rothesay Isle of Bute PA20 9AX
Auditors	Pannell Kerr Forster 78 Carlton Place Glasgow G5 9TH
Solicitors	William Skelton 49 High Street Rothesay Isle of Bute PA20 9AU
Bankers	The Royal Bank of Scotland 37 Victoria Road Rothesay Isle of Bute PA20 0AN

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED

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The following pages do not form part of the statutory accounts:

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 APRIL 1999

The directors submit their report and the financial statements for the year ended 30 April 1999.

Principal activity

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

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

	Ordinary £1 shares	
	1999	1998
Mr G Hanson	500	500
Mrs D Hanson	500	500

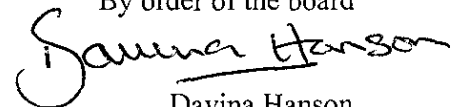
Auditors

Pannell Kerr Forster were appointed as auditors during the year and having indicated their willingness to continue in office a resolution will be put to the Annual General Meeting proposing that they be re-appointed.

Basis of preparation

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



Davina Hanson
Secretary

19/5/00

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED
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 profit or loss of the company 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 company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
GEORGE HANSON (BUILDING CONTRACTORS) LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 6 to 7.

Respective responsibilities of directors and auditors

As described on page 2 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 affairs of the company as at 30 April 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

25 May 2000
Glasgow



PANNELL KERR FORSTER
Registered Auditors

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 1999

	Notes	1999 £	1998 £
TURNOVER	2	1,321,186	1,430,327
Cost of sales		(894,033)	(1,156,542)
GROSS PROFIT		<u>427,153</u>	<u>273,785</u>
Administrative expenses		(162,219)	(154,559)
Other operating income		10,124	8,625
OPERATING PROFIT	3	<u>275,058</u>	<u>127,851</u>
Profit on disposal of fixed assets		16,346	7,694
		<u>291,404</u>	<u>135,545</u>
Interest receivable and similar items		7,728	8,788
Interest payable and similar items		(1,264)	(1,172)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>297,868</u>	<u>143,161</u>
TAXATION		<u>(59,345)</u>	<u>(30,828)</u>
PROFIT FOR THE FINANCIAL YEAR	13	<u><u>238,523</u></u>	<u><u>112,333</u></u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the year other than those included in the profit and loss account.

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED

BALANCE SHEET

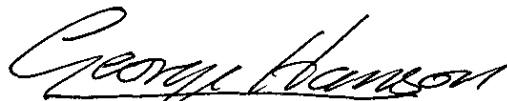
30 APRIL 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible	5	162,240	159,171
CURRENT ASSETS			
Stocks	6	520,810	302,811
Debtors	7	327,141	239,636
Cash at bank and in hand		103,814	206,275
		<u>951,765</u>	<u>748,722</u>
CREDITORS: amounts falling due within one year	8	(172,833)	(200,402)
NET CURRENT ASSETS		<u>778,932</u>	<u>548,320</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>941,172</u>	<u>707,491</u>
CREDITORS: amounts falling due after more than one year	9	-	(4,842)
PROVISIONS FOR LIABILITIES AND CHARGES	11	(2,839)	(2,839)
NET ASSETS		<u><u>938,333</u></u>	<u><u>699,810</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	13	937,333	698,810
SHAREHOLDERS' FUNDS	14	<u><u>938,333</u></u>	<u><u>699,810</u></u>

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

The financial statements were approved by the board on 19/5/00

Signed on behalf of the board of directors


George Hanson Director

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1999

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery, fixtures & fittings	20 % reducing balance or straight line
Motor Vehicles	25 % reducing balance
Leasehold property	Over the term of the lease

(d) Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No. 19 (SSAP 19) and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

(e) Hire purchase contracts and operating leases

Assets acquired under hire purchase contracts are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the contract on a straight line basis.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

(f) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

Long term contracts are valued at net cost less foreseeable losses and payments on account.

(g) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1999

(h) Pensions

The company operates a defined contribution pension scheme and the pension charge in the profit and loss account represents the amounts payable by the company to the fund in respect of the year.

2 TURNOVER

All turnover arose within the United Kingdom.

3 OPERATING PROFIT

The operating profit is stated after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets:		
- owned by the company	22,233	22,033
- held under hire purchase contracts	3,502	6,545
Audit fees	5,046	4,800
Operating lease rentals:		
- plant & machinery	1,005	1,341
- other	6,489	8,068
Pension cost	<u>15,480</u>	<u>15,480</u>

4 DIRECTORS' EMOLUMENTS AND BENEFITS

	1999 £	1998 £
Aggregate of directors' emoluments and other benefits as defined in paragraph 1 of Schedule 6 to the Companies Act 1985	<u>54,006</u>	<u>52,172</u>

The numbers of directors who were members of company pension schemes were:

	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1999

5 TANGIBLE FIXED ASSETS

	Land & buildings £	Plant & machinery fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 May 1998	79,784	102,056	82,965	264,805
Additions	44,769	16,314	-	61,083
Disposals	(32,279)	-	-	(32,279)
At 30 April 1999	92,274	118,370	82,965	293,609
Depreciation				
At 1 May 1998	10,793	61,776	33,065	105,634
Charge for year	1,876	11,384	12,475	25,735
At 30 April 1999	12,669	73,160	45,540	131,369
Net book amount				
At 30 April 1999	79,605	45,210	37,425	162,240
At 30 April 1998	68,991	40,280	49,900	159,171

The net book amount of land and buildings includes £71,165 (1998 - £58,675) in respect of investment properties. The directors are of the opinion that the carrying value of these assets equates to the open market value.

The net book amounts of assets held under hire purchase contracts included above were:

	1999 £	1998 £
Motor vehicles	10,504	14,006

6 STOCKS

	1999 £	1998 £
Raw materials	4,650	3,800
Work in progress	516,160	317,614
Payments on account	-	(18,603)
	520,810	302,811

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1999

7 DEBTORS

	1999	1998
	£	£
Trade debtors	221,089	112,323
Amounts due from related undertakings	80,545	80,545
Other debtors	23,155	27,730
Prepayments	2,352	2,605
Amounts recoverable on long term contracts	-	16,433
	<u>327,141</u>	<u>239,636</u>

Included in amounts due from related undertakings are amounts of £80,545 (1998 - £80,545) falling due after more than one year from the balance sheet date.

8 CREDITORS:

Amounts falling due within one year

	1999	1998
	£	£
Trade creditors	57,143	75,176
Corporation tax	59,345	29,493
Other tax and social security	7,026	17,752
Net obligations under hire purchase contracts (note 10)	4,842	5,810
Other creditors	12,688	7,552
Accruals and deferred income	31,789	25,219
Fees in advance	-	39,400
	<u>172,833</u>	<u>200,402</u>

9 CREDITORS:

Amounts falling due after more than one year

	1999	1998
	£	£
Net obligations under hire purchase contracts (note 10)	-	4,842

10 HIRE PURCHASE

	1999	1998
	£	£
Within one year	4,842	5,810
Between one and five years	-	4,842
	<u>4,842</u>	<u>10,652</u>

Hire purchase creditors are secured on the assets concerned.

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1999

11 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax	£
At 1 May 1998 and at 30 April 1999	2,839

Deferred tax is analysed as follows:

	Provided		Not provided	
	1999	1998	1999	1998
	£	£	£	£
Capital allowances	2,839	2,839	-	-

12 SHARE CAPITAL

	Authorised	Allotted, called up and fully paid	
	£	No.	£
At 1 May 1998 and 30 April 1999			
Ordinary shares of £1 each	1,000	1,000	1,000

13 RESERVES

Profit and loss account	£
At 1 May 1998	698,810
Profit for the year	238,523
At 30 April 1999	937,333

14 SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Shareholders' funds at 1 May 1998	699,810	587,477
Profit for the year	238,523	112,333
Shareholders' funds at 30 April 1999	938,333	699,810

GEORGE HANSON (BUILDING CONTRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 1999

15 OTHER COMMITMENTS

At 30 April 1999 the company had annual commitments under operating leases as follows:

	Land and buildings		Other	
	1999	1998	1999	1998
	£	£	£	£
Expiry date:				
Within 1 year	1,000	1,000	-	1,340
Between 1 and 5 years	6,752	-	-	-
In more than 5 years	-	6,752	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

16 TRANSACTIONS WITH RELATED PARTIES

Included within debtors is a loan of **£1,339** (1998 - £9,467) to George Hanson a director. The maximum amount outstanding during the year was **£9,467**.

During the year the company engaged in the following transactions with the undernoted entities in which George Hanson has an interest. Davina Hanson also has an interest in the limited company

	R.Paterson & Son	Apex Timber & Joinery Services Ltd.
Sales	£9,277	£3,208
Materials/Subcontractors/Overheads	£47,792	£76,416

Included in debtors are sums due to the company amounting to £21,048 by R Paterson & Son, including non trading balances amounting to £10,222, and £80,784 by Apex Timber & Joinery Services Limited, including non trading balances totalling £239.

Included in trade creditors are sums due by the company to R Paterson & Son and Apex Timber & Joinery Services Limited amounting to £20,734 and £11,294 respectively.

17 PENSION COSTS

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund.

18 CONTROLLING PARTIES

The company is controlled by the directors, George and Davina Hanson.