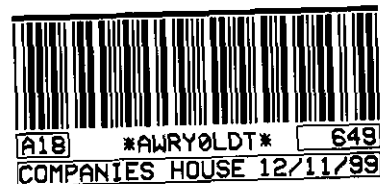


F J CHALCROFT (CONSTRUCTION) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

Registered number : 1435810



F J CHALCROFT (CONSTRUCTION) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999

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F J CHALCROFT (CONSTRUCTION) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 1999

The directors present the report of the Board and the audited financial statements of the company for the year ended 31 March 1999.

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:-

- 1) select suitable accounting policies and then apply them consistently.
- 2) make judgements and estimates that are reasonable and prudent.
- 3) 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 to 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.

Year 2000

The company is working to address the computer problems generally referred to as "Year 2000". A review is being made of all existing hardware and software, and guarantees are also being sought that all new equipment purchased is "Year 2000 compliant".

Principal activities

The principal activity of the company is that of building contractors and civil engineers.

Business review

The directors consider the results for the year to be satisfactory.

F J CHALCROFT (CONSTRUCTION) LIMITED
DIRECTORS' REPORT (CONT.)
FOR THE YEAR ENDED 31 MARCH 1999

Results and dividends

	1999	1998
	£	£
Profit after tax for the year	658,873	55,571
Interim dividends	380,000	-
Preference dividends	120,420	-
Transfer to reserves	158,453	55,571

Fixed assets

Acquisition and disposal of fixed assets during the year are shown in the notes to the accounts.

Directors

The directors who served during the year are shown below.

F J Chalcroft
J E Reeve

In accordance with the Articles of Association, F J Chalcroft retires by rotation and offers himself for re-election.

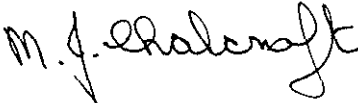
The directors' beneficial interests in the issued ordinary share capital were as follows:

	1999	1998
	No.	No.
J E Reeve	50	50
F J Chalcroft	50	50
F J Chalcroft	96,000	96,000

Auditors

The auditors, Rabjohns, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board and signed by order of the Board.


Signed
Mrs M J Chalcroft
Company secretary

Date: 13 October 1999

**F J CHALCROFT (CONSTRUCTION) LIMITED
AUDITORS' REPORT
TO F J CHALCROFT (CONSTRUCTION) LIMITED
FOR THE YEAR ENDED 31 MARCH 1999**

We have examined the abbreviated accounts set out on pages 5 to 16 together with the financial statements of the company for the year ended 31 March 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with those provisions.

1,2,3 & 4 College Yard
Worcester
WR1 2LB
14 October 1999



Rabjohns
Registered Auditor

F J CHALCROFT (CONSTRUCTION) LIMITED
 ABBREVIATED PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
Gross profit		1,427,679	616,787
Administrative expenses		511,708	556,099
Operating profit	2		
Continuing operations		915,971	60,688
Interest receivable and similar income	4	28,839	12,279
Profit on ordinary activities before taxation		944,810	72,967
Tax on ordinary activities	5	285,937	17,396
Profit on ordinary activities after taxation		658,873	55,571
Profit for the financial year		658,873	55,571
Dividends	6	500,420	-
Retained profit for the financial year		158,453	55,571

The notes on pages 9 to 16 form part of these accounts

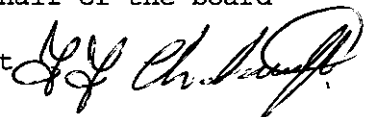
F J CHALCROFT (CONSTRUCTION) LIMITED
ABBREVIATED BALANCE SHEET
AT 31 MARCH 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	7	306,554	348,505
Current assets			
Debtors	8	2,100,200	1,491,601
Cash at bank and in hand		448,799	6,888
		2,548,999	1,498,489
Creditors: Amounts falling due within one year	9	2,162,274	1,318,787
Net current assets		386,725	179,702
Total assets less current liabilities		693,279	528,207
Provisions for liabilities and charges	10	6,619	-
		686,660	528,207
Capital and reserves			
Called up share capital	11	180,100	180,100
Revaluation reserve	12	56,552	105,318
Profit and loss account	12	450,008	242,789
		686,660	528,207
Shareholders funds represent amounts:			
Attributable to equity shareholders		506,660	348,207
Attributable to non-equity shareholders		180,000	180,000
		686,660	528,207

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

Signed on behalf of the board

F J Chalcroft
Director



13 October 1999

The notes on pages 9 to 16 form part of these accounts

F J CHALCROFT (CONSTRUCTION) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
Net cash inflow from operating activities	14a	1,111,120	(328,234)
Returns on investments and servicing of finance			
Interest received		28,839	12,279
		<u>28,839</u>	<u>12,279</u>
Taxation			
UK Corporation tax		76,183	63,287
		<u>(76,183)</u>	<u>(63,287)</u>
Capital expenditure			
Purchase of tangible fixed assets		(108,562)	(107,683)
Sale of tangible fixed assets		126,497	33,416
		<u>17,935</u>	<u>(74,267)</u>
		<u>1,081,711</u>	<u>(453,509)</u>
Dividends paid		<u>(500,420)</u>	<u>(50,000)</u>
		581,291	(503,509)
Financing			
Loan advances/(repayments)		341	(1,353)
		<u>341</u>	<u>(1,353)</u>
Increase/(decrease) in the cash in the year		<u><u>581,632</u></u>	<u><u>(504,862)</u></u>
Reconciliation of net cash flow to movement in net funds/(debt)			
Increase/(decrease) in cash in the year		<u>581,632</u>	<u>(504,862)</u>
Movement in net funds/(debt)		581,632	(504,862)
Net debt at 1 April 1998		(132,833)	372,029
Net funds/(debt) at 31 March 1999		<u><u>448,799</u></u>	<u><u>(132,833)</u></u>

The notes on pages 9 to 16 form part of these accounts

F J CHALCROFT (CONSTRUCTION) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 1999

	1999 £	1998 £
Profit for the financial year	658,873	55,571
Total recognised gains and losses for the year	<u>658,873</u>	<u>55,571</u>

Note of historical cost profits and losses

	1999 £	1998 £
Reported profit on ordinary activities before taxation	944,810	72,967
Realisation of property revaluation gains of previous years	<u>48,766</u>	<u>-</u>
Historical cost profit on ordinary activities before taxation	<u>993,576</u>	<u>72,967</u>
Historical cost profit for the year retained	<u>207,219</u>	<u>55,571</u>

F J CHALCROFT (CONSTRUCTION) LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 MARCH 1999

	1999 £	1998 £
Profit for the financial year	658,873	55,571
Dividends	<u>500,420</u>	<u>-</u>
Net addition to/(reduction in) shareholders' funds	158,453	55,571
Opening shareholders' funds	<u>528,207</u>	<u>472,636</u>
Closing shareholders' funds	<u>686,660</u>	<u>528,207</u>

The notes on pages 9 to 16 form part of these accounts

F J CHALCROFT (CONSTRUCTION) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999

1. Accounting policies

1a. Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of some assets, and are in accordance with accounting standards.

1b. Tangible fixed assets

Fixed assets are shown at historical cost. Fixed assets are shown at historical cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life on a straight line basis.

Plant	20%
Motor vehicles	20%
Computer equipment	33%

1c. Contract work

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the year end by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1d. Deferred taxation

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

1e. Pension costs

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an administered fund. The pension costs are charged to the profit and loss account as they are incurred.

F J CHALCROFT (CONSTRUCTION) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 MARCH 1999

1. Accounting policies (cont.)

1f. Foreign currency

Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date; other assets are translated at the rate of exchange as at the date of the transaction. Profits and losses on translation and conversion are included as part of the results from ordinary activities for the year.

1g. Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

1h. Revaluation reserve

Surpluses or deficits arising on the revaluation of individual fixed assets other than investment properties are credited or debited to a non-distributable reserve known as the revaluation reserve.

Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the profit and loss account.

2. Operating profit

	1999 £	1998 £
Profit on ordinary activities is stated after charging:		
Operating leases:-		
Plant hire	776,538	388,442
Auditors' remuneration:-		
Audit services	7,220	7,290
Non-audit services	9,543	8,564
Depreciation and amortisation:-		
Tangible assets	51,399	38,916
Staff costs (note 3)	<u>221,549</u>	<u>254,622</u>

F J CHALCROFT (CONSTRUCTION) LIMITED
 NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONT.)
 FOR THE YEAR ENDED 31 MARCH 1999

3. Directors and employees

Particulars of employees (including directors) are shown below:

Employee costs during the year amounted to:	1999	1998
	£	£
Wages and salaries	193,715	224,898
Social security costs	18,552	20,461
Other pension costs	9,282	9,263
	<u>221,549</u>	<u>254,622</u>

The average monthly numbers of employees during the year were as follows:

	1999	1998
	No.	No.
Administration	8	6
Production	61	42
	<u>69</u>	<u>48</u>

Details of directors' emoluments are:

	1999	1998
	£	£
Directors' emoluments including benefits	<u>80,740</u>	<u>122,297</u>

4. Interest receivable and similar income

	1999	1998
	£	£
Other interest receivable	301	-
Bank interest receivable	28,538	12,279
	<u>28,839</u>	<u>12,279</u>

F J CHALCROFT (CONSTRUCTION) LIMITED
 NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONT.)
 FOR THE YEAR ENDED 31 MARCH 1999

5. Tax on profit on ordinary activities

	1999	1998
	£	£
Corporation tax payable at 31% (1998 - 21%)	283,101	17,396
Deferred taxation	6,619	-
	<hr/>	<hr/>
	289,720	17,396
Adjustment of current taxation in respect of prior years	(3,783)	-
	<hr/>	<hr/>
	285,937	17,396
	<hr/>	<hr/>

The company is a close company under the terms of the Income and Corporation Taxes Act 1988.

6. Dividends

	1999	1998
	£	£
Non equity shares		
Preference dividends paid	120,420	-
Equity shares		
Ordinary shares:		
Interim dividends	380,000	-
	<hr/>	<hr/>

F J CHALCROFT (CONSTRUCTION) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 MARCH 1999

7. Tangible fixed assets

	Investment properties £	Motor Plant and vehicles machinery £	
Cost or valuation			
At 1 April 1998	220,801	155,591	113,564
Additions	-	104,834	-
Disposals	(78,366)	(43,397)	(88,969)
At 31 March 1999	142,435	217,028	24,595
Depreciation			
At 1 April 1998	-	41,788	108,853
Disposals	-	(23,111)	(88,774)
For the year	-	44,483	2,070
At 31 March 1999	-	63,160	22,149
Net book value			
At 31 March 1999	142,435	153,868	2,446
At 31 March 1998	220,801	113,803	4,711

	Fixtures and equipment £	Total £
Cost or valuation		
At 1 April 1998	21,411	511,367
Additions	3,728	108,562
Disposals	(800)	(211,532)
At 31 March 1999	24,339	408,397
Depreciation		
At 1 April 1998	12,221	162,862
Disposals	(533)	(112,418)
For the year	4,846	51,399
At 31 March 1999	16,534	101,843
Net book value		
At 31 March 1999	7,805	306,554
At 31 March 1998	9,190	348,505
Investment Properties		

Investment properties are included in the financial statements at 31 March 1999 at an open market value, in the opinion of the directors, of £142,435.

F J CHALCROFT (CONSTRUCTION) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 MARCH 1999

8. Debtors	1999	1998
	£	£
Trade debtors	1,472,549	757,390
Amounts recoverable on contracts	559,131	714,030
Other debtors	36,133	-
Prepayments and accrued income	32,387	20,181
	<u>2,100,200</u>	<u>1,491,601</u>

9. Creditors: amounts falling due within one year	1999	1998
	£	£
Bank overdraft	-	139,721
Trade creditors	1,857,717	1,062,397
Other creditors	18,528	16,172
Corporation tax	157,996	4,896
ACT payable	50,035	-
Other taxes and social security	53,902	39,114
Amounts due to directors	382	41
Accruals	23,714	56,446
	<u>2,162,274</u>	<u>1,318,787</u>

The bank overdraft is secured by a debenture dated 29 May 1984 and a charge over the investment properties dated 25 October 1996.

10. Provisions for liabilities and charges	1999	1998
	£	£
Deferred taxation	6,619	-
	<u>6,619</u>	<u>-</u>
Movement on deferred taxation		
	1999	1998
	£	£
Unprovided liability	Nil	Nil
	<u>Nil</u>	<u>Nil</u>
Provided liability:		
Charged to the profit and loss account	6,619	-
	<u>6,619</u>	<u>-</u>

The calculation of the provision and the unprovided liability are based upon a corporation tax rate of 31% (1998 - 21%).

F J CHALCROFT (CONSTRUCTION) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 MARCH 1999

12. Called Up Share Capital	1999	1998
	£	£
Authorised:		
180,000 preference shares of £1 each	180,000	180,000
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, issued and fully paid:		
180,000 preference shares of £1 each	180,000	180,000
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
	180,100	180,100
	<hr/>	<hr/>

Preference shares of £1 each

The rights of the preference shareholders include entitlement to receive a dividend in priority to the other remaining classes of shares.

Except in restricted circumstances, the shares do not carry an entitlement to vote at a general meeting.

12. Reserves	Revaluat	Profit
	-ion	and loss
	reserve	account
	£	£
At 1 April 1998	105,318	242,789
Profit for the year		158,453
Transfer of realised profits	(48,766)	48,766
	<hr/>	<hr/>
At 31 March 1999	56,552	450,008
	<hr/>	<hr/>

13. Transactions with directors

Safequay Enterprises Limited is an associated company which is controlled by two of the directors of F J Chalcroft (Construction) Limited. During the year F J Chalcroft (Construction) Limited incurred costs of £1,560 relating to the completion of an agreement between the two companies.

F J CHALCROFT (CONSTRUCTION) LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONT.)
FOR THE YEAR ENDED 31 MARCH 1999

14. Cash flow statement

14a. Reconciliation of operating profit to net cash flow from operating activities

	1999	1998
	£	£
Operating profit	915,971	60,688
Depreciation	51,399	38,916
(Loss)/Profit on sale of tangible fixed assets	(27,383)	6,076
Increase in debtors	(608,599)	(294,838)
Increase/(Decrease) in creditors	779,731	(970,492)
Net cash inflow from operating activities	<u>1,111,119</u>	<u>(328,234)</u>

14b. Reconciliation of operating profit to net cash flow from operating activities

	1999	1998
	£	£
Operating profit	915,971	60,688
Depreciation	51,399	38,916
(Loss)/Profit on sale of tangible fixed assets	(27,383)	6,076
(Increase)/Decrease in debtors	(763,498)	388,253
Increase/(Decrease) in creditors	780,073	(971,900)
Net cash inflow/(outflow) from operating activities	<u>956,562</u>	<u>(477,967)</u>