

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1996
FOR
BCM SCAFFOLDING SERVICES LIMITED**



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for the Year Ended 31 July 1996

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COMPANY INFORMATION
for the Year Ended 31 July 1996

DIRECTOR: B Riley

SECRETARY: F Shaw

REGISTERED OFFICE: 69 Southampton Way
London
SE5 7SW

REGISTERED NUMBER: 2478838 (England and Wales)

AUDITORS: Pethybridge Tarn & Co
Registered Auditor
Rooms 405-410, Radnor House
93-97 Regent Street
London W1R 7TD

REPORT OF THE DIRECTOR
for the Year Ended 31 July 1996

The director presents his report with the financial statements of the company for the year ended 31 July 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of providing scaffolding services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS AND TRANSFERS TO RESERVES

No dividends will be distributed for the year ended 31 July 1996. The retained profit transferred to reserves will be £54,643.

DIRECTOR

B Riley was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.7.96	1.8.95
Ordinary £1 shares	30	30

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is required to

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

The auditors, Pethybridge Tarn & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:


- DIRECTOR

Dated: 2/12/96

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
BCM SCAFFOLDING SERVICES LIMITED**

We have audited the financial statements on pages four to eleven which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of director and auditors

As described on page two the company's director is 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 judgments made by the director 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 the company's affairs as at 31 July 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pethybridge Tarn & Co
Registered Auditor
Rooms 405-410, Radnor House
93-97 Regent Street
London W1R 7TD

Pethybridge Tarn & Co

Dated:

3/12/96

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 July 1996

		31.7.96	31.7.95
	Notes	£	£
TURNOVER	2	835,334	603,138
Cost of sales		561,348	394,142
GROSS PROFIT		273,986	208,996
Administrative expenses		185,475	184,451
OPERATING PROFIT	4	88,511	24,545
Interest payable and similar charges	5	15,093	16,859
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		73,418	7,686
Tax on profit on ordinary activities	6	18,775	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		54,643	7,686
Retained profit brought forward		18,026	10,340
RETAINED PROFIT CARRIED FORWARD		£72,669	£18,026

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

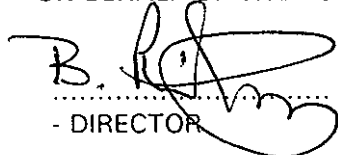
TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

BALANCE SHEET
31 July 1996

		31.7.96		31.7.95	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		193,362		255,319
CURRENT ASSETS:					
Stocks	8	76,880		106,647	
Debtors	9	57,412		27,570	
Cash at bank and in hand		45,098		2	
		<u>179,390</u>		<u>134,219</u>	
CREDITORS: Amounts falling due within one year	10	<u>128,262</u>		<u>180,125</u>	
NET CURRENT ASSETS/(LIABILITIES):			<u>51,128</u>		<u>(45,906)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			244,490		209,413
CREDITORS: Amounts falling due after more than one year	11		<u>171,731</u>		<u>191,297</u>
			<u>£72,759</u>		<u>£18,116</u>
CAPITAL AND RESERVES:					
Called up share capital	14		90		90
Profit & loss account			<u>72,669</u>		<u>18,026</u>
Shareholders' funds	16		<u>£72,759</u>		<u>£18,116</u>

ON BEHALF OF THE BOARD:


- DIRECTOR

Approved by the Board on 2-12-96

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 1996

1. ACCOUNTING POLICIES

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Scaffolding	- 20% on reducing balance
Plant & Machinery	- 25% on reducing balance
Fixtures & Fittings	- 25% on reducing balance
Commercial Vehicles	- 25% on reducing balance

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	31.7.96	31.7.95
	£	£
Wages and salaries	97,158	76,434
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 1996

The average weekly number of employees during the year was as follows:

	31.7.96	31.7.95
General staff	<u>5</u>	<u>5</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.7.96	31.7.95
	£	£
Depreciation - owned assets	42,241	62,632
Depreciation - assets on hire purchase or finance leases	9,157	3,437
Profit on disposal of fixed assets	(19,440)	-
Auditors' remuneration	<u>5,000</u>	<u>4,785</u>
Director's emoluments	<u>21,750</u>	<u>16,800</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.7.96	31.7.95
	£	£
Bank loans, overdrafts and other loans repayable within five years: otherwise than by instalments	14,001	15,954
Finance charges - hire purchase or finance leases	<u>1,092</u>	<u>905</u>
	<u>15,093</u>	<u>16,859</u>

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.7.96	31.7.95
	£	£
Based on the adjusted results of the year:		
UK Corporation Tax	18,206	-
Under provision in previous year	<u>569</u>	<u>-</u>
	<u>18,775</u>	<u>-</u>

UK Corporation Tax has been charged at 24-25% (1995 - 25%).

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 1996

7. TANGIBLE FIXED ASSETS

	Scaffold- ing	Plant & Machinery	Fixtures & Fittin- gs
	£	£	£
COST:			
At 1 August 1995	275,000	78,418	17,623
Additions	-	5,000	-
Disposals	(54,000)	-	-
At 31 July 1996	221,000	83,418	17,623
DEPRECIATION:			
At 1 August 1995	99,000	25,948	10,690
Charge for year	28,440	11,495	1,734
Eliminated on disposals	(19,440)	-	-
At 31 July 1996	108,000	37,443	12,424
NET BOOK VALUE:			
At 31 July 1996	113,000	45,975	5,199
At 31 July 1995	176,000	52,470	6,933

	Motor vehicles	Commerci- al Vehicles	Totals
	£	£	£
COST:			
At 1 August 1995	35,482	14,400	420,923
Additions	19,000	-	24,000
Disposals	-	-	(54,000)
At 31 July 1996	54,482	14,400	390,923
DEPRECIATION:			
At 1 August 1995	21,851	8,114	165,603
Charge for year	8,157	1,572	51,398
Eliminated on disposals	-	-	(19,440)
At 31 July 1996	30,008	9,686	197,561
NET BOOK VALUE:			
At 31 July 1996	24,474	4,714	193,362
At 31 July 1995	13,630	6,286	255,319

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 1996

Fixed assets, included in the above, which are held under hire purchase or finance leases are as follows:

	Plant & Machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 August 1995	-	28,180	28,180
Additions	5,000	19,000	24,000
	<u>5,000</u>	<u>47,180</u>	<u>52,180</u>
At 31 July 1996			
DEPRECIATION:			
At 1 August 1995	-	14,433	14,433
Charge for year	1,000	8,157	9,157
	<u>1,000</u>	<u>22,590</u>	<u>23,590</u>
At 31 July 1996			
NET BOOK VALUE:			
At 31 July 1996	4,000	24,590	28,590
	<u>4,000</u>	<u>24,590</u>	<u>28,590</u>
At 31 July 1995	-	13,746	13,746
	<u>-</u>	<u>13,746</u>	<u>13,746</u>
 8. STOCKS			
		31.7.96	31.7.95
		£	£
Work in progress		76,880	106,647
		<u>76,880</u>	<u>106,647</u>
 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
		31.7.96	31.7.95
		£	£
Trade debtors		46,341	21,215
Other debtors		-	3,834
Prepayments & accrued income		11,071	2,521
		<u>57,412</u>	<u>27,570</u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 1996

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.96 £	31.7.95 £
Bank loans and overdrafts (see note 12)	-	92,845
Trade creditors	48,156	23,031
Hire purchase	8,854	3,168
Other creditors	12,749	12,749
V.A.T.	24,871	6,178
Social security & other taxes	7,526	5,496
Taxation	18,206	-
Accrued expenses	7,900	36,658
	<u>128,262</u>	<u>180,125</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.96 £	31.7.95 £
Loans (see note 12)	169,453	191,297
Hire purchase	2,278	-
	<u>171,731</u>	<u>191,297</u>

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.7.96 £	31.7.95 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>92,845</u>
Amounts falling due between two and five years:		
Loans	<u>169,453</u>	<u>191,297</u>

The bank loan is repayable on demand and subject to full clearance by means of monthly payments by the year 2000.

13. SECURED DEBTS

Bank loans and overdrafts are secured by a mortgage debenture incorporating a fixed and floating charge over all the assets of the company.

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 1996

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.7.96	31.7.95
		£	£	£
100,000	Ordinary	£1	100,000	100,000

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.7.96	31.7.95
		£	£	£
90	Ordinary	£1	90	90

15. OTHER RESERVES

	31.7.96	31.7.95
	£	£
Brought forward	-	19,898
Change in year	-	(19,898)
	<u>-</u>	<u>-</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.7.96	31.7.95
	£	£
Profit for the financial year	54,643	7,686
Amount trf'd from revaluation reserve	-	(19,898)
NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS	<u>54,643</u>	<u>(12,212)</u>
Opening shareholders' funds	18,116	30,328
CLOSING SHAREHOLDERS' FUNDS	<u>72,759</u>	<u>18,116</u>
Equity interests	<u>72,759</u>	<u>18,116</u>