
SYME & DUNCAN (CONTRACTS) LIMITED

Financial Statements

31st January 1997

Co No. 1474645



Chartered Accountants

L O N D O N



SYME & DUNCAN (CONTRACTS) LIMITED

Financial Statements

31st January 1997

CONTENTS	PAGE
Report of the Directors	1
Statement of Directors' Responsibilities	2
Auditors' Report to the Shareholders	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 to 12
(The following are not part of the Audited Financial Statements)	
Detailed Profit and Loss Account	13 to 14

SYME & DUNCAN (CONTRACTS) LIMITED

Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31st January 1997.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation amounts to £41,769.

The Directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company during the year under review was the construction and repair of all types of buildings.

The Directors consider the Company has had a reasonable year and anticipate a similiar performance for the current year.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year were as follows:

P R Duncan (Chairman)

R A Duncan

None of the Directors held an interest in the shares of the Company.

The Directors' interests in the share capital of the parent company, Syme & Duncan Limited, are disclosed in that company's financial statements.

AUDITORS

A resolution to re-appoint Cooper Lancaster Brewers as auditors for the ensuing year will be proposed at the Annual General Meeting.

On behalf of the Board

Director
18th July 1997



SYME & DUNCAN (CONTRACTS) LIMITED

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the Company and profit or loss of that year. In preparing those financial statements, the Directors are required to :

- select suitable accounting policies and 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 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.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF SYME & DUNCAN (CONTRACTS) LIMITED

We have audited the financial statements on pages 4 to 12.

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 31st January 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Cooper Lancaster Brewers
Chartered Accountants
Registered Auditors

London

18th July 1997

SYME & DUNCAN (CONTRACTS) LIMITED

Profit and Loss Account for the Year Ended 31st January 1997

Notes	1997 £	1996 £
2 TURNOVER - continuing operations	972,714	841,097
Cost of sales	(836,316)	(703,112)
GROSS PROFIT	136,398	137,985
Administrative expenses	(95,013)	(146,755)
3 OPERATING PROFIT/(LOSS) - continuing operations	41,385	(8,770)
6 Interest receivable and similar income	384	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	41,769	(8,770)
7 Taxation on profit/(loss) on ordinary activities	-	-
15 PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	41,769	(8,770)

Statement of Total Recognised Gains and Losses

The profit/(loss) on ordinary activities, after taxation, as stated above recognises all gains and losses for the year, as defined by the Financial Reporting Standard No. 3.

The notes on pages 6 to 12 form part of these financial statements.

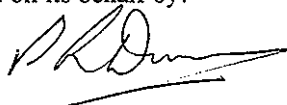
SYME & DUNCAN (CONTRACTS) LIMITED

Balance Sheet as at 31st January 1997

Notes	1997 £	1996 £
FIXED ASSETS		
8 Tangible assets	12,385	16,781
CURRENT ASSETS		
9 Stocks	9,919	27,341
10 Debtors	329,367	408,300
Cash at bank and in hand	584	1,473
	339,870	437,114
11 CREDITORS: Amounts falling due within one year	(123,427)	(266,836)
NET CURRENT ASSETS	216,443	170,278
TOTAL ASSETS LESS CURRENT LIABILITIES	228,828	187,059
12 CREDITORS: Amounts falling due after more than one year	(65,000)	(65,000)
	163,828	122,059
13 PROVISIONS FOR LIABILITIES AND CHARGES	(22,310)	(22,310)
	141,518	99,749
CAPITAL AND RESERVES		
Equity Interests:		
14 Called up share capital	10,000	10,000
15 Profit and loss account	131,518	89,749
16 TOTAL SHAREHOLDERS' FUNDS	141,518	99,749

The financial statements were approved by the board of directors on 18th July 1997, and were signed on its behalf by:-

P R Duncan



Director

The notes on pages 6 to 12 form part of these financial statements.

SYME & DUNCAN (CONTRACTS) LIMITED

Notes to the Financial Statements for the Year Ended 31st January 1997

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cashflow

The financial statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less residual value, of each asset over its expected useful life as follows:

Plant and Machinery	20%-25% of written down value
Motor Vehicles	20% of cost
Office Furniture and Equipment	10% of written down value

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes amounts incurred in bringing each product to its present location and condition. In the case of work in progress, cost comprises the cost of direct materials and labour plus appropriate overhead costs.

Long Term Contracts

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 the 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 incurred to date bear, to total expected costs from 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.

Deferred Taxation

Deferred taxation is provided using the liability method for all timing differences between the results as shown by the financial statements and those computed for taxation purposes, other than those differences which are expected to continue into the foreseeable future.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the terms of the lease.

SYME & DUNCAN (CONTRACTS) LIMITED

Notes to the Financial Statements for the Year Ended 31st January 1997

Pensions

Pension contributions are charged to the profit and loss account as incurred.

2 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, except in respect of long term contracts where turnover represents the sales value of work done in the year, including estimates in respect of amounts not invoiced. Turnover in respect of long term contracts is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract.

The turnover is attributable to the only activity of the Company.

An analysis of turnover by geographical market is given below:

	1997 £	1996 £
United Kingdom	972,714	841,097

3 OPERATING PROFIT

This is stated after charging/(crediting):

Depreciation of tangible fixed assets	5,752	6,031
(Profit)/Loss on disposal of fixed assets	(7,911)	1,569
Auditors' remuneration	2,500	2,500
Operating lease rentals - plant & machinery	1,608	1,608
Retirement Costs	-	43,000

4 STAFF COSTS

Wages and salaries	198,754	191,372
Social security costs	18,326	17,449
Other pension costs	5,921	4,412
	223,001	213,233

The average monthly number of persons employed by the Company during the year was as follows:

Office management	3	3
Manufacturing	10	11
Number :	13	14

SYME & DUNCAN (CONTRACTS) LIMITED

Notes to the Financial Statements for the Year Ended 31st January 1997

	1997 £	1996 £
5 DIRECTORS' REMUNERATION		
Directors' emoluments (including pensions)	44,114	43,341
Compensation for loss of office	-	30,000
	<u>44,114</u>	<u>73,341</u>
 The emoluments, excluding pension contributions, of the individual Directors was as follows:		
Chairman	42,880	42,058
 The other Directors' emoluments fell within the following range:		
£0 - £5,000	1	1
£30,001 - £35,000	-	1
	<u>1</u>	<u>2</u>
6 INTEREST RECEIVABLE AND SIMILAR INCOME		
Other interest	384	-
	<u>384</u>	<u>-</u>

7 TAXATION ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

As a result of tax losses incurred in previous years, there is no charge for taxation.

SYME & DUNCAN (CONTRACTS) LIMITED

Notes to the Financial Statements for the Year Ended 31st January 1997

8 TANGIBLE FIXED ASSETS

	Plant & Machinery £	Office Furniture & Equipment £	Motor Vehicles £	Total £
Cost:				
1st February 1996	65,936	12,009	32,589	110,534
Additions	-	1,390	-	1,390
Disposals	(11,306)	-	(12,292)	(23,598)
31st January 1997	54,630	13,399	20,297	88,326
Depreciation:				
1st February 1996	60,561	8,725	24,467	93,753
Charge for the year	1,225	468	4,059	5,752
Disposals	(11,274)	-	(12,290)	(23,564)
31st January 1997	50,512	9,193	16,236	75,941
Net book value:				
31st January 1997	4,118	4,206	4,061	12,385
1st February 1996	5,375	3,284	8,122	16,781

9 STOCKS

	1997 £	1996 £
Raw materials and consumables	500	500
Long-term contract balances	9,419	26,841
	9,919	27,341

10 DEBTORS

Amounts falling due within one year:

Trade debtors	69,410	197,220
Amounts owed by group undertakings	9,261	9,261
Other debtors	562	6,780
Prepayments and accrued income	100,308	75,067
	179,541	288,328
Due after one year:		
Amounts owed by group undertakings	149,826	119,972
	329,367	408,300

SYME & DUNCAN (CONTRACTS) LIMITED

Notes to the Financial Statements for the Year Ended 31st January 1997

	1997 £	1996 £
11 CREDITORS: Amounts falling due within one year		
Bank loans and overdrafts	25,234	20,898
Payments received on account	8,113	152,675
Trade creditors	39,920	41,743
Other taxes and social security	26,070	33,157
Other creditors	-	150
Accruals and deferred income	24,090	18,213
	123,427	266,836

The Company's bank has a legal charge over certain of the group's properties.

12 CREDITORS: Amounts falling due after more than one year		
Amounts owed to group undertakings	65,000	65,000

Represents a loan from the parent company on an interest free basis.

13 PROVISIONS FOR LIABILITIES AND CHARGES		
Other provisions	22,310	22,310
Other provisions		
At 1st February 1996	22,310	22,310
At 31st January 1997	22,310	22,310

Other provisions represent a reserve for latent defects in workmanship discovered after the issue of final certificates. In the opinion of the Directors, the reserve is required following decisions in High Court cases which have materially increased the time limits up to which builders may be held liable for defects.

14 SHARE CAPITAL		
Equity Interests:		
Authorised		
10,000 Ordinary Shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
10,000 Ordinary Shares of £1 each	10,000	10,000

SYME & DUNCAN (CONTRACTS) LIMITED

Notes to the Financial Statements for the Year Ended 31st January 1997

	1997 £	1996 £
15 PROFIT AND LOSS ACCOUNT		
At 1st February 1996	89,749	98,519
Retained profit/(loss) for the financial year	41,769	(8,770)
At 31st January 1997	131,518	89,749
16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit/(loss) for the financial year	41,769	(8,770)
Opening shareholders' funds	99,749	108,519
Closing shareholders' funds	141,518	99,749
17 COMMITMENTS UNDER OPERATING LEASES		
At 31st January 1997 the Company had annual commitments under non-cancellable operating leases as set out below:		
Plant and Machinery		
Operating leases which expire:		
Within 1 year	402	-
Within 2 to 5 years	-	1,608
	402	1,608

18 PENSIONS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £5,921 (1996 - £4,412).

19 ULTIMATE PARENT COMPANY

The Company is a subsidiary undertaking of Syme & Duncan Limited.

Group financial statements for Syme & Duncan Limited are available from 22A Blakeney Road, Beckenham, Kent, BR3 1HQ.

SYME & DUNCAN (CONTRACTS) LIMITED

Notes to the Financial Statements for the Year Ended 31st January 1997

	1997 £	1996 £
--	-----------	-----------

20 RELATED PARTY TRANSACTIONS

In accordance with the exemption stated in Financial Reporting Standard No.8 no details are shown of related party transactions with the company's ultimate parent company.