

Sprague & Ouseley Limited

Directors' Report and Financial Statements
for the year ended
31st March 2000

Company number 699621
(England and Wales)



Sprague & Ouseley Limited

Directors' Report for the year ended 31st March 2000

The directors present their report and the financial statements for the year ended 31st March 2000.

Principal activities

The company's principal activity continues to be that heating, electrical and domestic engineering. No significant changes were reported in the accounts for the year.

Directors

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	Ordinary shares of £1 each	
	31st March 2000	1st April 1999
M Ouseley	1,000	1,000
J R Ouseley	1,000	1,000
K W M Sprague	<u>2,000</u>	<u>2,000</u>

Charitable and political donations

The company made no charitable or political donations during the year.

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 and 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

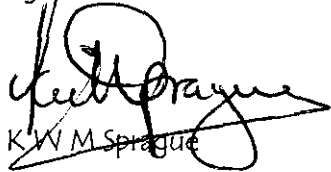
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The company has, by elective resolution, dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies House 1985.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and was approved by the board on 22nd December 2000.

Signed on behalf of the board of directors


K W M Sprague

Sprague & Ouseley Limited
Auditors' Report
to the members of Sprague & Ouseley Limited

We have audited the financial statements on pages 3 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 1 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.

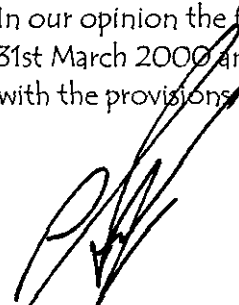
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the continuation of the company's bank overdraft facility. In view of the significance of this uncertainty we consider that this should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2000 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Paul Steele
Chartered Accountants

Registered auditor

18 Newport Street
Tiverton
Devon EX16 6NL

22nd December 2000

Sprague & Ouseley Limited

Profit and Loss Account for the year ended 31st March 2000

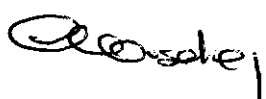
	Notes	2000 £	1999 £
Turnover	2	1,059,214	1,299,801
Cost of sales		769,785	1,063,108
Gross profit		289,429	236,693
Distribution costs		51,347	51,381
Administration costs		233,627	244,563
		284,974	295,944
Operating profit	3	4,455	(59,251)
Interest payable	4	18,025	15,080
		(13,570)	(74,331)
Interest receivable		181	-
Loss on ordinary activities before taxation		(13,389)	(74,331)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		(13,389)	(74,331)
Prior year adjustment		-	(48,054)
Retained loss for the year		(13,389)	(122,385)

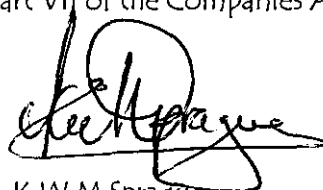
Sprague & Ouseley Limited

Balance Sheet
as at 31st March 2000

	Notes	2000 £	1999 £
Fixed assets			
Intangible assets	6	17,356	19,336
Tangible assets	7	<u>38,553</u>	<u>97,518</u>
		55,909	116,854
Current assets			
Stocks	8	93,177	36,037
Debtors	9	201,934	274,605
Cash at bank and in hand		<u>26,478</u>	<u>-</u>
		321,589	310,642
Creditors: amounts falling due within one year	10	<u>347,000</u>	<u>369,414</u>
Net current liabilities		(25,411)	(58,772)
Total assets less current liabilities		30,498	58,082
Creditors: amounts falling due after more than one year	11	<u>106,869</u>	<u>121,064</u>
		<u>(76,371)</u>	<u>(62,982)</u>
Capital and reserves			
Called up share capital	13	4,000	4,000
Revaluation reserve	14	-	26,150
Profit and loss account	15	<u>(80,371)</u>	<u>(93,132)</u>
Shareholders' funds		<u>(76,371)</u>	<u>(62,982)</u>

Approved by the board of directors on 22nd December 2000 and signed on its behalf. The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.


M Ouseley


K W M Sprague

Sprague & Ouseley Limited

Notes to the financial statements
for the year ended 31st March 2000

1 Accounting policies

- Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and the Financial Reporting Standard for Smaller Entities. They incorporate the results of the principal activity which is described in the director's report and which is continuing.

- Going concern

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The overdraft remains in place and is secured.

The balance sheet shows an insolvent position at 31st March 2000.

The directors have taken drastic action to improve profitability and management accounts to 30th September 2000 which show a reasonable profit. The directors are still confident for the future of the company.

On this basis the directors consider it appropriate to prepare financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

- Turnover

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account 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.

- Goodwill

Acquired goodwill is written off in equal instalments over its estimated useful economic life, which is considered to be 18 years.

- 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 and machinery	10% straight line basis
Fixtures, fittings and equipment	20% straight line basis
Motor vehicles	25% straight line basis

- Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Sprague & Ouseley Limited
Notes to the financial statements cont.
for the year ended 31st March 2000

- **Operating leases**
rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.
- **Stock and work in progress**
Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.
- **Deferred taxation**
Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

2 Turnover

During the year the company earned its entire turnover in the United Kingdom. (1999 - 100%)

3 Operating profit

The operating profit is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets		
- owned by the company	4,360	4,489
- held under finance leases	3,005	7,548
Amortisation of intangible assets	1,980	1,980
Directors' remuneration	90,898	87,885
Auditors' remuneration	<u>3,200</u>	<u>3,200</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (1999 - 3)

4 Interest payable and similar charges

	£	£
Bank loans and overdrafts	16,285	13,178
Finance leases and hire purchase contracts	<u>1,740</u>	<u>1,902</u>
	<u>18,025</u>	<u>15,080</u>

5 Taxation

No provision has been made for corporation tax in these accounts due to losses made in the current year and brought forward from previous years.

Sprague & Ouseley Limited
Notes to the financial statements cont.
for the year ended 31st March 2000

6 Intangible fixed assets

Goodwill

Cost

As at 1st April 1999 and 31st March 2000

35,639

Amortisation

As at 1st April 1999

16,303

Charge for the year

1,980

As at 31st March 2000

18,283

Net Book Value

As at 31st March 2000

17,356

As at 31st March 1999

19,336

7 Tangible fixed assets

	Land and buildings £	Plant and Machinery etc. £	Total £
Cost			
As at 1 st April 1999	62,000	84,135	146,135
Additions	-	10,400	10,400
Disposals	(62,000)	-	(62,000)
As at 31 st March 2000	<u>-</u>	<u>94,535</u>	<u>94,535</u>
Depreciation			
As at 1 st April 1999	-	48,617	48,617
Charge for the year	-	7,365	7,365
Released on disposal	-	-	-
As at 31 st March 2000	<u>-</u>	<u>55,982</u>	<u>55,982</u>
Net book value			
As at 31 st March 2000	<u>-</u>	<u>38,553</u>	<u>38,553</u>
As at 31 st March 1999	<u>62,000</u>	<u>35,518</u>	<u>97,518</u>

Included in plant and machinery above are assets held under finance leases or hire purchase contracts amounting to £18,199.

8 Stock and work in progress

	2000 £	1999 £
Raw materials and consumables	16,437	16,240
Long term contract balances	13,712	-
Work in progress	63,028	19,797
	<u>93,177</u>	<u>36,037</u>

Sprague & Ouseley Limited
Notes to the financial statements cont.
for the year ended 31st March 2000

9 Debtors

	2000	1999
	£	£
Trade debtors	185,708	246,697
Other debtors	9,600	19,223
Prepayments and accrued income	6,626	8,685
	<u>201,934</u>	<u>274,605</u>

Included in debtors are interest free loans of £7,850 (1999 - £6,875) to M Ouseley and £1,750 (1999 - £nil) to J R Ouseley, directors. The maximum amounts outstanding during the year were £7,850 and £1,750 respectively.

10 Creditors: amounts falling due within one year

	£	£
Bank loans and overdrafts (secured)	150,044	156,457
Net obligations under finance leases and hire purchase contracts (secured)	7,374	12,345
Trade creditors	98,341	98,861
Corporation tax	-	-
Other taxation and social security costs	49,126	71,313
Other creditors accruals and deferred income	42,115	30,438
	<u>347,000</u>	<u>369,414</u>

11 Creditors: amounts falling due after more than one year

	£	£
Bank loans (secured)	63,683	66,339
Net obligations under finance leases and hire purchase contracts (secured)	5,803	2,004
Other creditors	37,383	52,721
	<u>106,869</u>	<u>121,064</u>

The bank overdraft and loan are secured by a debenture on banks form, dated 3rd February 1992, and a first legal charge over the freehold deeds of land at Tudor Street, Exeter.

The Finance leases and hire purchase contracts are secured against the assets to which they relate.

Analysis of loans

	£	£
Amounts wholly repayable after five years not by instalments	<u>-</u>	<u>-</u>
	£	£
Amounts repayable by instalments: After five years	<u>115,476</u>	<u>115,460</u>

Sprague & Ouseley Limited
Notes to the financial statements cont.
for the year ended 31st March 2000

12 Deferred taxation

	Provided for		Unprovided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	1,748	(1,048)	-	-
Tax losses available	(23,564)	(24,865)	-	-
	<u>(21,816)</u>	<u>(25,913)</u>	<u>-</u>	<u>-</u>

13 Share capital

	2000	1999
	£	£
Ordinary shares of £1 each		
Authorised	<u>5,000</u>	<u>5,000</u>
Allotted called up and fully paid	<u>4,000</u>	<u>4,000</u>

The company is controlled by K W M Sprague, the majority shareholder.

14 Revaluation reserve

	£	£
Balance at 1st April 1999	26,150	26,150
Released to revenue reserves on sale of property	(26,150)	-
Balance at 31st March 2000	<u>-</u>	<u>26,150</u>

15 Profit and loss account

	£	£
Balance at 1st April 1999	(93,132)	29,253
Prior year adjustment	-	(48,054)
	<u>(93,132)</u>	<u>(18,801)</u>
Loss for the year	(13,389)	(74,331)
	<u>(106,521)</u>	<u>(93,132)</u>
Released from revaluation reserve on sale of property	26,150	-
Balance at 31st March 2000	<u>(80,371)</u>	<u>(93,132)</u>

16 Capital commitments

At the year end the company had capital commitments as follows.

	£	£
Contracted for but not provided in these accounts	<u>-</u>	<u>-</u>
Authorised by the directors but not contracted for	<u>-</u>	<u>-</u>

Sprague & Ouseley Limited
Notes to the financial statements cont.
for the year ended 31st March 2000

17 Other commitments

a) Operating leases

At 31st March 2000 the company had annual commitments under non-cancellable operating leases as follows:

	£	£
Expiry date:		
Within one year	6,000	-
Between two and five years	-	-
In more than five years	-	-

b) Pension commitments

The company has a defined contribution pension scheme. The pension cost charge represents contributions payable to the scheme an amounted to £20,110. Contributions totalling £1,269 were payable to the scheme at the year end and are included in creditors.

18 Transactions with directors

During the year the directors purchased the company's freehold property on 2nd November 1999. The property was transferred at its book value, which was revalued by Chestertons on 29th March 1998. The directors do not believe that the property significantly increased in value between these dates.

Certain life assurance policies of the directors have been offered as security for the bank loan and overdraft.