

**J P WHELAN & SONS (CONSTRUCTION)
LIMITED**

Report and Financial Statements

31 July 1997

Deloitte & Touche
South East Regional Office
63 High Street
Crawley
West Sussex
RH10 1BQ



**REPORT AND FINANCIAL STATEMENTS 1997**

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DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 1997.

PRINCIPAL ACTIVITY

The principal activity of the company is that of plant hire and related activities.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company has had another difficult year of trading, but has shown an improvement compared to the previous year. The directors anticipate that the difficult trading conditions will continue in the coming year.

RESULTS AND DIVIDENDS

Details of the results for the year are set out in the profit and loss account on page 4.

The directors do not recommend the payment of a dividend for the year.

DIRECTORS

The directors who served throughout the year were as follows:

J P Whelan
Mrs S Whelan
D G Peet
J J Whelan

No director had any interests in the shares of the company or its fellow subsidiary undertakings.

The directors who served the parent company, J P Whelan (Investments) Limited, throughout the year and their interests in the shares of that company were as follows:

	Ordinary shares of £1 each	
	1997	1996
J P Whelan	602	602
Mrs S Whelan	301	301

No other directors had any interests in the shares of the parent company. There are no other shares in issue in the parent company.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

MRS S WHELAN
Secretary



29 May 1998



DIRECTORS' STATEMENT OF 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 as at the end of the financial year 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 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.



Chartered Accountants

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INVESTOR IN PEOPLE

AUDITORS' REPORT TO THE MEMBERS OF

J P WHELAN & SONS (CONSTRUCTION) LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

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 the company's affairs as at 31 July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DELOITTE & TOUCHE

Chartered Accountants and
Registered Auditors

29 May 1998


PROFIT AND LOSS ACCOUNT
Year ended 31 July 1997

	Note	1997	1996
		£	£
TURNOVER - continuing activities	1	386,066	273,733
Change in stocks		7,487	1,273
Raw materials and consumables		105,692	64,229
Other external charges		51,534	43,711
Staff costs	3	114,015	116,762
Depreciation		20,943	22,265
Profit on disposal of fixed assets		(31,602)	(119,864)
Other operating charges		107,955	109,136
		<u>376,024</u>	<u>237,512</u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
- continuing operations	2	10,042	36,221
Tax on profit on ordinary activities	5	-	1,561
PROFIT FOR THE FINANCIAL YEAR		10,042	34,660
RETAINED PROFIT BROUGHT FORWARD		<u>567,528</u>	<u>532,868</u>
RETAINED PROFIT CARRIED FORWARD		<u>£577,570</u>	<u>£567,528</u>

There are no recognised gains or losses and movements in shareholders' funds other than as stated in the profit and loss account above in both the current and prior period.



BALANCE SHEET
31 July 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	6		161,436		170,969
CURRENT ASSETS					
Stocks	7	29,472		36,959	
Debtors	8	1,069,407		1,070,633	
Cash at bank and in hand		142,606		85,157	
			<u>1,241,485</u>	<u>1,192,749</u>	
CREDITORS: amounts falling due within one year	9	<u>825,348</u>		<u>796,187</u>	
NET CURRENT ASSETS			<u>416,137</u>		<u>396,562</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£577,573</u>		<u>£567,531</u>
CAPITAL AND RESERVES					
Called up share capital	10		3		3
Profit and loss account			<u>577,570</u>		<u>567,528</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			<u>£577,573</u>		<u>£567,531</u>

These financial statements were approved by the Board of Directors on 29 May 1998

Signed on behalf of the Board of Directors

J P WHELAN

MRS S WHELAN

**NOTES TO THE ACCOUNTS**
Year ended 31 July 1997**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents the hire and sale of plant and equipment to the construction industry. All trading is carried out within the UK.

Depreciation

No depreciation is provided on freehold land. Freehold buildings are depreciated over 50 years.

Depreciation of plant, equipment and vehicles is calculated to write off their cost by equal annual instalments over their estimated useful lives, which are considered to be between 3 and 5 years.

Stocks

Materials and plant held for resale are valued at the lower of cost and net realisable value.

Pension costs

The company operates a defined contribution pension scheme. The assets of the fund are held in a separate trustee administered fund. The pension cost of £2,605 charged in the profit and loss account represents contributions payable in the year. There were no contributions outstanding at the year end.

Deferred tax

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise. At 31 July 1997 the company has deferred tax assets in respect of which no provision has been made in the accounts.

2. OPERATING PROFIT

	1997 £	1996 £
Operating profit is arrived at after charging:		
Depreciation	£20,943	£22,265
Auditors' remuneration		
Audit fees	£3,450	£3,450
Other services	£1,000	£1,000
Hire of plant	£17,324	£19,258
Contribution towards overheads of fellow subsidiary undertaking	£40,000	£40,000
and after crediting:		
Profit on sale of fixed assets	£31,602	£119,864

NOTES TO THE ACCOUNTS
Year ended 31 July 1997

3. EMPLOYEES (INCLUDING DIRECTORS)

	1997 No.	1996 No.
Average number of persons employed		
Plant hire	2	2
Management and administration	6	6
	<u>8</u>	<u>8</u>
	£	£
Staff costs during the year		
Wages and salaries	101,123	103,745
Social security costs	10,287	10,495
Other pension costs	2,605	2,522
	<u>£114,015</u>	<u>£116,762</u>

4. DIRECTORS AND RELATED PARTY TRANSACTIONS

	1997 £	1996 £
Directors' emoluments		
Management remuneration	£43,307	£43,144
	<u></u>	<u></u>
	No.	No.
Number of directors who are members of a defined contribution pension scheme	1	1
	<u></u>	<u></u>
	£	£
Contributions paid into a defined contribution pension scheme	£2,605	£2,522
	<u></u>	<u></u>

At 31 July 1997 the company had advanced sums totalling £56,000 (1996 - £56,000) to Shannon Investments Limited. During the year the company received income of £880 in respect of plant hire transactions with Whelan & Grant (Contractors) Limited. All transactions were on an arms length basis.

J P Whelan Esq has a beneficial interest in each of the above companies.

The company has taken advantage of the exemption in FRS8 extended to subsidiary undertakings 90% or more of whose voting rights are controlled within a group, where the consolidated financial statements of the group are publicly available. Accordingly no disclosure has been made of transactions with entities that are part of the group.


NOTES TO THE ACCOUNTS
Year ended 31 July 1997
5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Taxation comprises:		
United Kingdom Corporation Tax at 24% (1996 - 25%)	£-	£1,561

No tax charge arises on the profits for the year because of losses surrendered from other group companies.

6. TANGIBLE FIXED ASSETS

	Freehold property £	Plant equipment and vehicles £	Total £
Cost			
At 1 August 1996	168,875	989,476	1,158,351
Additions	-	11,529	11,529
Disposals	-	(54,178)	(54,178)
At 31 July 1997	168,875	946,827	1,115,702
Depreciation			
At 1 August 1996	15,105	972,277	987,382
Charge for the year	1,675	19,268	20,943
Disposals	-	(54,059)	(54,059)
At 31 July 1997	16,780	937,486	954,266
Net book value			
At 31 July 1997	£152,095	£9,341	£161,436
At At 31 July 1996	£153,770	£17,199	£170,969

7. STOCKS

	1997 £	1996 £
Materials and plant held for resale	£29,472	£36,959


NOTES TO THE ACCOUNTS
Year ended 31 July 1997
8. DEBTORS

	1997 £	1996 £
Trade debtors	99,654	57,467
Amounts owed by fellow subsidiary undertakings	885,670	936,587
Other debtors	56,510	56,521
Prepayments and accrued income	27,573	20,058
	<u>£1,069,407</u>	<u>£1,070,633</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN
ONE YEAR**

	1997 £	1996 £
Trade creditors	38,561	13,592
Amounts owed to parent company	756,273	756,273
Corporation tax	1,561	1,561
Other taxation and social security	9,526	7,335
Accruals and deferred income	19,427	17,426
	<u>£825,348</u>	<u>£796,187</u>

10. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
200,000 ordinary shares of £1 each	£200,000	£200,000
Allotted and fully paid		
3 ordinary shares of £1 each	£3	£3

11. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling entity is J P Whelan (Investments) Limited, a company incorporated in England. Copies of the group financial statements of J P Whelan (Investments) Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.