Registration Number 1333821

Adstone Construction Limited

Abbreviated Accounts

for the year ended 31 December 2000



Bissell & Brown Limited
Registered Auditor &
Chartered Accountants
Charter House 56 High Street
Sutton Coldfield West Midlands
B72 1UJ

Adstone Construction Limited

Contents

	Page
Directors' Report	1
Auditors' Report	2
Abbreviated Profit and Loss Account	3
Balance Sheet	4
Cash Flow Statement	5
Notes to the Financial Statements	6 - 13

Adstone Construction Limited

Directors' Report
for the year ended 31 December 2000

The directors present their report and the accounts for the year ended 31 December 2000.

Principal Activity and Review of the Business

The principal activity of the company is that of constructional engineers.

Results And Dividends

The results for the year are set out on page 3.

The directors do not recommend payment of a final dividend.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

		Ordinary shares	
		2000	**1999**
R. G. Stevens		2,250	2,250
A. L. Stevens		1,000	1,000
G. C. Phillips		500	500
G. J. Noak		500	500
I. Young		500	500
M. J. Allsopp		250	250
G Howson	Appointed 1 April 2000	-	-

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Bissell & Brown Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 25 September 2001 and signed on its behalf by

Mrs A. L. Stevens
Secretary



Auditors' Report to Adstone Construction Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 13 together with the financial statements of Adstone Construction Limited for the year ended 31 December 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing 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 that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Bissell & Brown Limited
Chartered Accountants and
Registered Auditor

26 September 2001

Charter House
56 High Street
Sutton Coldfield
West Midlands
B72 1UJ

Abbreviated Profit and Loss Account
for the year ended 31 December 2000

	Notes	Continuing operations 2000 £	1999 £
Gross profit		2,046,286	1,528,028
Administrative expenses		(1,158,583)	(923,569)
Operating profit	2	887,703	604,459
Interest receivable and similar income	3	56,095	35,407
Interest payable and similar charges	4	(1,366)	(621)
Profit on ordinary activities before taxation		942,432	639,245
Tax on profit on ordinary activities	7	(286,690)	(261,700)
Retained profit for the year		655,742	377,545
Retained profit brought forward		2,800,360	2,422,815
Retained profit carried forward		3,456,102	2,800,360

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 13 form an integral part of these financial statements.

Adstone Construction Limited

Balance Sheet
as at 31 December 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Tangible assets	8		993,556		1,098,697
Current Assets					
Stocks	9	195,177		115,583	
Debtors	10	2,191,211		1,721,200	
Cash at bank and in hand		1,842,765		1,359,626	
		4,229,153		3,196,409	
Creditors: amounts falling due within one year	11	(1,693,625)		(1,398,964)	
Net Current Assets			2,535,528		1,797,445
Total Assets Less Current Liabilities			3,529,084		2,896,142
Creditors: amounts falling due after more than one year	12		(2,092)		(14,582)
Provisions for Liabilities and Charges	13		(65,890)		(76,200)
Net Assets			3,461,102		2,805,360
Capital and Reserves					
Called up share capital	15		5,000		5,000
Profit and loss account			3,456,102		2,800,360
Equity Shareholders' Funds	16		3,461,102		2,805,360

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies .

The abbreviated accounts were approved by the Board on 25 September 2001 and signed on its behalf by

R. G. Stevens
Director

The notes on pages 6 to 13 form an integral part of these financial statements.

Cash Flow Statement
for the year ended 31 December 2000

	Notes	2000 £	1999 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		887,703	604,459
Depreciation		200,493	206,404
(Increase) in stocks		(79,594)	32,605
(Increase) in debtors		(470,011)	(390,866)
Increase in creditors		175,692	(306,747)
Net cash inflow from operating activities		714,283	145,855
CASH FLOW STATEMENT			
Net cash inflow from operating activities		714,283	145,855
Returns on investments and servicing of finance	17	54,729	34,786
Taxation	17	(185,500)	(85,005)
Capital expenditure	17	(95,352)	(61,346)
		488,160	34,290
Financing	17	(5,021)	(2,999)
Increase in cash in the year		483,139	31,291
Reconciliation of net cash flow to movement in net funds (Note 18)			
Increase in cash in the year		483,139	31,291
Cash outflow from increase in debts and lease financing		5,021	2,999
Change in net funds resulting from cash flows		488,160	34,290
New finance leases and hire purchase contracts		-	(22,602)
Movement in net funds in the year		488,160	11,688
Net funds at 1 January 2000		1,340,023	1,328,335
Net funds at 31 December 2000		1,828,183	1,340,023

Notes to the Abbreviated Financial Statements for the year ended 31 December 2000

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of work carried out during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	2% Straight Line
Plant and machinery	-	20% Straight line
Fixtures, fittings and equipment	-	20% Straight Line
Motor vehicles	-	20% Straight Line

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.6. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.7. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. Operating profit

	2000 £	1999 £
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	203,674	202,694
Auditors' remuneration	6,000	6,000
and after crediting:		
Profit on disposal of tangible fixed assets	3,181	(3,710)

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3. Interest receivable and similar income

	2000 £	1999 £
Bank interest	56,095	35,407

4. Interest payable and similar charges

	2000 £	1999 £
On bank loans and overdrafts	91	148
Hire purchase interest	614	358
On overdue tax	661	115
	1,366	621

5. Employees

Number of employees

The average monthly numbers of employees (including the directors) during the year were:

	2000	1999
Production	41	38
Office and Management	8	8
	49	46

Employment costs

	2000 £	1999 £
Wages and salaries	1,421,449	1,249,793
Social security costs	173,639	143,383
Other pension costs	43,352	49,658
	1,638,440	1,442,834

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5.1. Directors' emoluments

	2000	1999
	£	£
Remuneration and other emoluments	510,788	402,454
Pension contributions	40,795	47,101
	551,583	449,555

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	6	6

Higest Paid Director	£	£
Amounts included above:		
Emoluments and other benefits	173,369	127,082

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £43,352 (1999 - £49,658).

7. Taxation

	2000	1999
	£	£
UK current year taxation		
UK Corporation Tax at 30% (1999 - 30%)	297,000	185,500
Transfer from deferred taxation	(10,310)	76,200
	286,690	261,700

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8. Tangible fixed assets

	Long leasehold property	Plant and machinery	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2000	540,973	796,088	99,445	437,825	1,874,331
Additions	-	-	15,112	101,059	116,171
Disposals	-	-	-	(80,234)	(80,234)
At 31 December 2000	540,973	796,088	114,557	458,650	1,910,268
Depreciation					
At 1 January 2000	10,823	475,334	85,708	203,769	775,634
On disposals	-	-	-	(62,596)	(62,596)
Charge for the year	10,819	105,364	5,593	81,898	203,674
At 31 December 2000	21,642	580,698	91,301	223,071	916,712
Net book values					
At 31 December 2000	519,331	215,390	23,256	235,579	993,556
At 31 December 1999	530,150	320,754	13,737	234,056	1,098,697

Included above are assets held under finance leases or hire purchase contracts as follows:

	2000		1999	
Asset description	**Net book value**	**Depreciation charge**	**Net book value**	**Depreciation charge**
	£	£	£	£
Motor vehicles	21,665	6,351	28,016	3,737

9. Stocks

	2000	1999
	£	£
Raw materials and consumables	100,277	115,583
Work in progress	94,900	-
	195,177	115,583

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10. Debtors

	2000 £	1999 £
Trade debtors	2,159,947	1,688,990
Other debtors	2,960	2,500
Prepayments and accrued income	28,304	29,710
	2,191,211	1,721,200

11. Creditors: amounts falling due within one year

	2000 £	1999 £
Net obligations under finance leases and hire purchase contracts	12,490	5,021
Trade creditors	673,238	699,939
Corporation tax	297,000	185,500
Other taxes and social security costs	362,086	227,214
Directors' accounts	230,550	173,953
Other creditors	6,949	15,938
Accruals and deferred income	111,312	91,399
	1,693,625	1,398,964

12. Creditors: amounts falling due after more than one year

	2000 £	1999 £
Net obligations under finance leases and hire purchase contracts	2,092	14,582

Net obligations under finance leases and hire purchase contracts

Repayable within one year	12,490	5,021
Repayable between one and five years	2,092	14,582
	14,582	19,603

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13 Provisions for liabilities and charges

	Deferred Taxation (Note 14) £	Total £
At 1 January 2000	76,200	76,200
Movements in the year	(10,310)	(10,310)
At 31 December 2000	65,890	65,890

14. Deferred Taxation

Deferred tax is analysed over the following timing differences:

	Provided	
	2000 £	1999 £
Accelerated capital allowances	65,890	76,200

Movements on the provision for deferred taxation are:

	2000 £	1999 £
At 1 January 2000	76,200	-
Transferred to profit and loss account	(10,310)	76,200
At 31 December 2000	65,890	76,200

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15. Share capital

	2000 £	1999 £
Authorised equity		
5,000 Ordinary shares of £1 each	5,000	5,000
Allotted, called up and fully paid equity		
5,000 Ordinary shares of £1 each	5,000	5,000

16. Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the year	655,742	377,545
Opening shareholders' funds	2,805,360	2,427,815
	3,461,102	2,805,360

17. Gross Cash Flows

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	56,095	35,407
Interest paid	(1,366)	(621)
	54,729	34,786
Taxation		
Corporation tax paid	(185,500)	(85,005)
Capital expenditure		
Payments to acquire tangible assets	(116,171)	(72,496)
Receipts from sales of tangible assets	20,819	11,150
	(95,352)	(61,346)
Financing		
Capital element of finance leases and hire purchase contracts	(5,021)	(2,999)

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18. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,359,626	483,139	1,842,765
Finance leases and hire purchase contracts	(19,603)	5,021	(14,582)
Net funds	1,340,023	488,160	1,828,183