

Registration Number 1333821

Adstone Construction Limited

Abbreviated Accounts

for the year ended 31 December 2002

**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 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the financial statements	7 - 14

Adstone Construction Limited

Directors' report for the year ended 31 December 2002

The directors present their report and the accounts for the year ended 31 December 2002.

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 4.

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	
	31/12/02	01/01/02
R. G. Stevens	2,250	2,250
A. L. Stevens	1,000	1,000
G. C. Phillips	500	500
I. Young	500	500
M. J. Allsopp	250	250
G Howson	-	-
J A Young	250	250

Charitable and Political Contributions

During the year the company contributed £470 to charities.

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.

Adstone Construction Limited

**Directors' report
for the year ended 31 December 2002**

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 22 September 2003 and signed on its behalf by

Mrs A. L. Stevens
Secretary



**Independent auditors' report to Adstone Construction Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 4 to 14 together with the financial statements of Adstone Construction Limited for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 December 2002, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.

Bissell & Brown Limited

**Bissell & Brown Limited
Chartered Accountants and
Registered Auditor**

7 October 2003

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

Adstone Construction Limited

Abbreviated profit and loss account for the year ended 31 December 2002

		Continuing operations	
		2002	2001
	Notes	£	£
Gross profit		1,252,273	1,901,743
Administrative expenses		(1,257,151)	(1,167,190)
Operating (loss)/profit	2	<u>(4,878)</u>	<u>734,553</u>
Other interest receivable and similar income	3	43,916	58,278
Interest payable and similar charges	4	<u>(263)</u>	<u>(669)</u>
Profit on ordinary activities before taxation		38,775	792,162
Tax on profit on ordinary activities	7	<u>(64,923)</u>	<u>(214,027)</u>
(Loss)/retained profit for the year		<u>(26,148)</u>	<u>578,135</u>
Retained profit brought forward		<u>4,034,237</u>	<u>3,456,102</u>
Retained profit carried forward		<u><u>4,008,089</u></u>	<u><u>4,034,237</u></u>

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

The notes on pages 7 to 14 form an integral part of these financial statements.

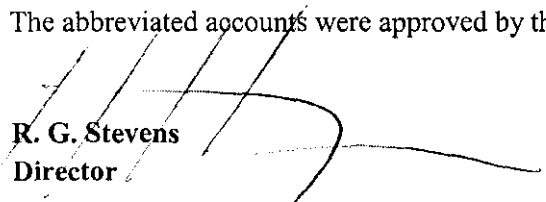
Adstone Construction Limited

**Abbreviated balance sheet
as at 31 December 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		1,951,008		1,322,371
Current assets					
Stocks	9	123,683		123,900	
Debtors	10	1,913,061		2,122,537	
Cash at bank and in hand		1,694,212		2,084,573	
		<u>3,730,956</u>		<u>4,331,010</u>	
Creditors: amounts falling due within one year	11	<u>(1,522,205)</u>		<u>(1,532,397)</u>	
Net current assets			<u>2,208,751</u>		<u>2,798,613</u>
Total assets less current liabilities			4,159,759		4,120,984
Provisions for liabilities and charges	12		<u>(146,670)</u>		<u>(81,747)</u>
Net assets			<u>4,013,089</u>		<u>4,039,237</u>
Capital and reserves					
Called up share capital	14		5,000		5,000
Profit and loss account			4,008,089		4,034,237
Equity shareholders' funds	15		<u>4,013,089</u>		<u>4,039,237</u>

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 22 September 2003 and signed on its behalf by


R. G. Stevens
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Adstone Construction Limited

Cash flow statement for the year ended 31 December 2002

	Notes	2002 £	2001 £
Reconciliation of operating (loss)/profit to net cash inflow from operating activities			
Operating (loss)/profit		(4,878)	734,553
Depreciation		208,893	171,040
Decrease in stocks		217	71,277
Decrease in debtors		195,297	82,853
Increase in creditors		203,196	(65,126)
Net cash inflow from operating activities		<u>602,725</u>	<u>994,597</u>
Cash flow statement			
Net cash inflow from operating activities		602,725	994,597
Returns on investments and servicing of finance	16	43,653	57,609
Taxation	16	(197,117)	(298,053)
Capital expenditure	16	(839,622)	(499,855)
		<u>(390,361)</u>	<u>254,298</u>
Financing	16	-	(12,490)
Decrease in cash in the year		<u>(390,361)</u>	<u>241,808</u>
Reconciliation of net cash flow to movement in net debt (Note 17)			
Decrease in cash in the year		(390,361)	241,808
Cash inflow from increase in debts and lease financing		-	12,490
Change in net debt resulting from cash flows		(390,361)	254,298
Cash outflow from hire purchase repayments		2,092	-
Movement in net debt in the year		<u>(388,269)</u>	<u>254,298</u>
Net funds at 1 January 2002		<u>2,082,481</u>	<u>1,828,183</u>
Net funds at 31 December 2002		<u>1,694,212</u>	<u>2,082,481</u>

Adstone Construction Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

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:

Land and buildings	-	Straight line over fifty years
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

The company adopted Financial Reporting Standard 19 "Deferred Taxation" (FRS 19) during the financial year.

Full provision is made for deferred taxation on all timing differences which have arisen but have not reversed at the balance sheet date.

Adstone Construction Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

2. Operating (loss)/profit	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation and other amounts written off tangible assets	223,582	171,518
Auditors' remuneration	6,000	6,000
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	14,689	478
	<u> </u>	<u> </u>
 3. Interest receivable and similar income	 2002	 2001
	£	£
Bank interest	43,793	58,181
Other interest	123	97
	<u> </u>	<u> </u>
	43,916	58,278
	<u> </u>	<u> </u>
 4. Interest payable and similar charges	 2002	 2001
	£	£
On bank loans and overdrafts	1	11
Hire purchase interest	256	614
On overdue tax	6	44
	<u> </u>	<u> </u>
	263	669
	<u> </u>	<u> </u>

Adstone Construction Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

5. Employees

Number of employees

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

	2002	2001
Production	44	44
Office and Management	8	8
	<u>52</u>	<u>52</u>

Employment costs

	2002 £	2001 £
Wages and salaries	1,724,180	1,645,223
Social security costs	185,925	189,728
Other pension costs	32,182	46,554
	<u>1,942,287</u>	<u>1,881,505</u>

5.1. Directors' emoluments

	2002 £	2001 £
Remuneration and other emoluments	622,767	547,048
Pension contributions	32,182	43,818
	<u>654,949</u>	<u>590,866</u>

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

Number	Number
<u>7</u>	<u>7</u>

Highest paid director

Amounts included above:

Emoluments and other benefits

£	£
<u>187,658</u>	<u>181,533</u>

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 £32,182 (2001 - £46,554).

Adstone Construction Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

7. Tax on profit on ordinary activities

Analysis of charge in period	2002 £	2001 £
Current tax		
UK corporation tax	-	211,296
Prior period adjustments	-	(13,126)
Total current tax charge	-	198,170
Deferred tax		
Timing differences, origination and reversal	64,923	15,857
Total deferred tax	64,923	15,857
Tax on profit on ordinary activities	64,923	214,027

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before taxation	38,775	792,162
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2001 : 30%)	11,633	237,649
Effects of:		
Expenses not deductible for tax purposes	3,926	3,100
Capital allowances for period in excess of depreciation	(15,559)	(11,091)
Adjustments to tax charge in respect of previous periods	-	(13,126)
Marginal relief	-	(18,362)
Current tax charge for period	-	198,170

Adstone Construction Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

8. Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2002	793,920	969,088	116,962	468,006	2,347,976
Additions	140,127	532,996	48,008	160,450	881,581
Disposals	-	-	(22,332)	(149,500)	(171,832)
At 31 December 2002	934,047	1,502,084	142,638	478,956	3,057,725
Depreciation					
At 1 January 2002	37,534	649,227	98,500	240,344	1,025,605
On disposals	-	-	(22,332)	(120,138)	(142,470)
Charge for the year	15,879	120,503	10,368	76,832	223,582
At 31 December 2002	53,413	769,730	86,536	197,038	1,106,717
Net book values					
At 31 December 2002	880,634	732,354	56,102	281,918	1,951,008
At 31 December 2001	756,386	319,861	18,462	227,662	1,322,371

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

Asset description	2002		2001	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	-	-	7,847	3,363

9. Stocks	2002 £	2001 £
Raw materials and consumables	79,983	33,000
Work in progress	43,700	90,900
	123,683	123,900

Adstone Construction Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

10. Debtors	2002 £	2001 £
Trade debtors	1,872,258	2,069,440
Other debtors	-	14,279
Prepayments and accrued income	40,803	38,818
	<u>1,913,061</u>	<u>2,122,537</u>

11. Creditors: amounts falling due within one year	2002 £	2001 £
Net obligations under finance leases and hire purchase contracts	-	2,092
Trade creditors	655,204	592,230
Corporation tax	-	211,296
Other taxes and social security costs	325,348	340,718
Directors' accounts	286,076	186,741
Other creditors	1,297	12,287
Accruals and deferred income	254,280	187,033
	<u>1,522,205</u>	<u>1,532,397</u>

12 Provisions for liabilities and charges

	Deferred taxation (Note 13) £	Total £
At 1 January 2002	81,747	81,747
Movements in the year	64,923	64,923
At 31 December 2002	<u>146,670</u>	<u>146,670</u>

Adstone Construction Limited

**Notes to the abbreviated financial statements
for the year ended 31 December 2002**

..... continued

13. Provision for deferred taxation

	2002	2001
	£	£
Accelerated capital allowances	<u>146,670</u>	<u>81,747</u>
Provision at 1 January 2002	81,747	
Deferred tax charge in profit and loss account	<u>64,923</u>	
Provision at 31 December 2002	<u><u>146,670</u></u>	

14. Share capital

	2002	2001
	£	£
Authorised equity		
5,000 Ordinary shares of 1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid equity		
5,000 Ordinary shares of 1 each	<u>5,000</u>	<u>5,000</u>

15. Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
(Loss)/profit for the year	(26,148)	578,135
Opening shareholders' funds	<u>4,039,237</u>	<u>3,461,102</u>
Closing shareholders' funds	<u><u>4,013,089</u></u>	<u><u>4,039,237</u></u>

Adstone Construction Limited

Notes to the abbreviated financial statements for the year ended 31 December 2002

..... continued

16. Gross cash flows

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	43,916	58,278
Interest paid	(263)	(669)
	<u>43,653</u>	<u>57,609</u>
Taxation		
Corporation tax paid	(211,296)	(298,053)
Corporation tax repaid	14,179	-
	<u>(197,117)</u>	<u>(298,053)</u>
Capital expenditure		
Payments to acquire tangible assets	(883,673)	(519,105)
Receipts from sales of tangible assets	44,051	19,250
	<u>(839,622)</u>	<u>(499,855)</u>
Financing		
Capital element of finance leases and hire purchase contracts	-	(12,490)

17. Analysis of changes in net debt

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	2,084,573	(390,361)		1,694,212
Finance leases and hire purchase contracts	(2,092)	-	2,092	-
Net debt	<u>2,082,481</u>	<u>(390,361)</u>	<u>2,092</u>	<u>1,694,212</u>