

R.C.C. (SOUTHERN) LIMITED  
ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST DECEMBER 1998

P F O BROOM & CO  
CHARTERED CERTIFIED ACCOUNTANTS  
REGISTERED AUDITORS



R.C.C. (SOUTHERN) LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

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## AUDITORS' REPORT TO

R.C.C. (SOUTHERN) LIMITED

FOR THE YEAR ENDED 31ST DECEMBER 1998

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the annexed abbreviated accounts together with the annual accounts of the company for the year ended 31st December 1998 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with sections 246(5) and (6) 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 246 of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 assurances that the accounts are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

**Going concern**

The accounts have been prepared on the going concern basis. As shown in the accounts, the company incurred a net loss for the year of £278,867 and a net cash outflow of £51,320. At 31st December 1998 total liabilities exceeded total assets by £278,550.

**Opinion**

In view of the overwhelming difficulties described above, in our opinion the accounts do not give a true and fair view of the state of affairs of the company at 31st December 1998 and of its loss for the year then ended. In all other respects, in our opinion the accounts have been properly prepared in accordance with the Companies Act 1985.



R.F.O. Broom & Co.  
Chartered Certified Accountants  
Registered Auditors  
Broom House  
39/43 London Road  
Hadleigh Benfleet  
Essex SS7 2QL

13th October 1999

## R.C.C. (SOUTHERN) LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 31ST DECEMBER 1998

|                                                                | Note | 1998<br>£        | 1997<br>£        |
|----------------------------------------------------------------|------|------------------|------------------|
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 2    | 61,076           | 75,420           |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         |      | 87,079           | 277,667          |
| Debtors                                                        |      | 32,325           | 21,102           |
| Cash at bank and in hand                                       |      | 92               | 2,172            |
|                                                                |      | <u>119,496</u>   | <u>300,941</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 3    | <u>(368,673)</u> | <u>(300,286)</u> |
| <b>Net current (liabilities)/assets</b>                        |      | <u>(249,177)</u> | <u>655</u>       |
| <b>Total assets less current liabilities</b>                   |      | <u>(188,101)</u> | <u>76,075</u>    |
| <b>Creditors: amounts falling due after more than one year</b> | 4    | <u>(90,449)</u>  | <u>(75,758)</u>  |
|                                                                |      | <u>(278,550)</u> | <u>317</u>       |
| <b>Capital and reserves</b>                                    |      |                  |                  |
| Called up share capital                                        | 5    | 98               | 98               |
| Profit and loss account                                        |      | <u>(278,648)</u> | <u>219</u>       |
|                                                                |      | <u>(278,550)</u> | <u>317</u>       |

These abbreviated accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

.....  
M.A.Burgess

.....  
N.H.Dowdeswell

Dated: 13th October 1999

## R.C.C. (SOUTHERN) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

**1 Accounting policies****a. Basis of accounting**

The accounts have been prepared on a going concern basis.

As shown in the accounts, the company incurred a net loss for the year of £278,867 and a net cash outflow of £51,320. At 31st December 1998 total liabilities exceeded total assets by £278,550.

The company meets its day to day working capital requirements through an overdraft facility which, in common with all such facilities, is repayable on demand, and a longer term bank loan. The company is operating within its agreed facility and in view of the directors' relationship with the company's bankers, they consider it reasonable to rely on the continuation of the facility for the foreseeable future. This, together with continued support from the company's creditors, leads the directors to believe that it is appropriate to prepare the accounts on a going concern basis.

If the going concern basis were not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets, and long term liabilities as current liabilities.

**b. Turnover**

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities and is stated net of trade discounts and value added tax.

**c. Depreciation of tangible assets**

Depreciation is calculated to write off the cost (less estimated residual value) of fixed assets over their estimated useful lives at the following annual rates:

|                              |                              |
|------------------------------|------------------------------|
| Leasehold land and buildings | over the period of the lease |
| Motor vehicles               | 25% reducing balance         |
| Fixtures and fittings        | 10% straight line            |

**d. Leases and hire purchase contracts**

Assets acquired under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful lives. The interest element of the rental obligations is charged over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged on a straight line basis over the term of the lease.

**e. Stocks**

Stocks are stated at the lower of cost and net realisable value.

**f. Pension - Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## R.C.C. (SOUTHERN) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

## 2 Tangible fixed assets

|                    | Total                |
|--------------------|----------------------|
| Cost               | £                    |
| 1st January 1998   | 106,763              |
| Additions          | 3,807                |
| Disposals          | (15,711)             |
| 31st December 1998 | <u>94,859</u>        |
| Depreciation       |                      |
| 1st January 1998   | 31,343               |
| Charge for year    | 8,712                |
| Disposals          | (6,272)              |
| 31st December 1998 | <u>33,783</u>        |
| Net book amount    |                      |
| 31st December 1998 | <u><u>61,076</u></u> |
| 31st December 1997 | <u><u>75,420</u></u> |

## 3 Creditors: amounts falling due within one year includes:

|                             | 1998                 | 1997                 |
|-----------------------------|----------------------|----------------------|
|                             | £                    | £                    |
| Directors' current accounts | <u><u>38,412</u></u> | <u><u>59,949</u></u> |

## R.C.C. (SOUTHERN) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

4 **Creditors:** amounts falling due  
after more than one year

|             | 1998          | 1997          |
|-------------|---------------|---------------|
|             | £             | £             |
| Bank loans  | 90,199        | 74,508        |
| Other loans | 250           | 1,250         |
|             | <u>90,449</u> | <u>75,758</u> |

**Bank loans:**Total bank loans are repayable over varying  
periods by monthly instalments as follows:-

|                             | 1998          | 1997          |
|-----------------------------|---------------|---------------|
|                             | £             | £             |
| In the next year            | 8,950         | 6,000         |
| In the second to fifth year | 90,199        | 74,508        |
|                             | <u>99,149</u> | <u>80,508</u> |

**Other loans:**Total of other loans payable by  
instalments are as follows:-

|                             | 1998         | 1997         |
|-----------------------------|--------------|--------------|
|                             | £            | £            |
| In the next year            | 1,000        | 1,000        |
| In the second to fifth year | 250          | 1,250        |
|                             | <u>1,250</u> | <u>2,250</u> |

5 **Called up share capital**

|                                | 1998       | 1997       |
|--------------------------------|------------|------------|
|                                | £          | £          |
| <b>Authorised</b>              |            |            |
| Ordinary shares of £1 each     | 100        | 100        |
|                                | <u>100</u> | <u>100</u> |
| <b>Allotted and fully paid</b> |            |            |
| Ordinary shares of £1 each     | 98         | 98         |
|                                | <u>98</u>  | <u>98</u>  |