

**ELLIOTTS HIGH PERFORMANCE ROOFING
LIMITED**

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2003



ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

COMPANY INFORMATION

Directors G E N Mason Elliott TD
S G Mason Elliott
T James
D J Platt FCA

Secretary D J Platt FCA

Company number 2079607

Registered office Millbank Wharf
Millbank Street
Northam
Southampton
SO14 5AG

Auditors HLB AV Audit Plc
Charter Court
Third Avenue
Southampton
Hampshire
SO15 0AP

ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

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ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activities

The company trades as a specialist roofing contractor.

Directors' interests

The directors who served the company during the year were:

G E N Mason Elliott
S G Mason Elliott
T James
D J Platt

None of the directors had an interest in the issued share capital of the company.

The interests of Mr G E N Mason Elliott, Mr S G Mason Elliott and Mr D J Platt in the share capital of Elliott Brothers (Builders Merchants) Limited, the ultimate holding company, are shown in the financial statements of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that HLB AV Audit Plc be reappointed as auditors of the company will be put to the Annual General Meeting.

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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



S G Mason Elliott
Director
10 May 2004

ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

We have audited the financial statements of Elliotts High Performance Roofing Limited on pages 2 to 8 for the year ended 31 December 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

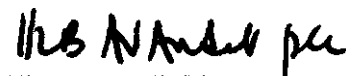
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

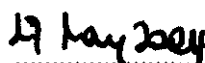
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HLB AV Audit Plc
Registered Auditor



Charter Court
Third Avenue
Southampton
Hampshire
SO15 0AP

ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover		2,398,736	1,866,247
Cost of sales		(1,822,909)	(1,351,606)
Gross profit		<u>575,827</u>	<u>514,641</u>
Administrative expenses		(469,044)	(368,497)
Operating profit	2	<u>106,783</u>	<u>146,144</u>
Other interest receivable and similar income		<u>11,406</u>	<u>7,550</u>
Profit on ordinary activities before taxation		118,189	153,694
Tax on profit on ordinary activities	3	(29,902)	(36,461)
Profit on ordinary activities after taxation	10	<u><u>88,287</u></u>	<u><u>117,233</u></u>

ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	4		69,891		45,268
Current assets					
Stocks	5	163,323		185,182	
Debtors	6	377,433		524,344	
Cash at bank and in hand		435,215		184,430	
		<u>975,971</u>		<u>893,956</u>	
Creditors: amounts falling due within one year	7	<u>(478,400)</u>		<u>(460,049)</u>	
Net current assets			<u>497,571</u>		<u>433,907</u>
Total assets less current liabilities			<u>567,462</u>		<u>479,175</u>
Capital and reserves					
Called up share capital	9		9,600		9,600
Profit and loss account	10		557,862		469,575
Shareholders' funds			<u>567,462</u>		<u>479,175</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 10 May 2004



S G Mason Elliott
Director

ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the life of the lease - Expires October 2017
Plant and equipment	20%
Office equipment	20% - 33.33%
Motor vehicles	

1.4 Stock and work in progress

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

1.5 Cash Flow Statement

The company is a subsidiary undertaking of Elliott Brothers Limited and has therefore taken advantage of the exemption under FRS 1 not to prepare a cash flow statement.

2 Operating profit	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation of tangible assets	13,378	6,791
- for audit work	2,170	2,100
- for non-audit work	430	-
Directors' emoluments	82,011	73,690

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2002- 1).

3 Taxation	2003 £	2002 £
Domestic current year tax		
U.K. corporation tax	28,500	38,100
Adjustment for prior years	1,402	(1,639)
Current tax charge	29,902	36,461

ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2003	28,909	69,224	98,133
Additions	-	38,001	38,001
Disposals	-	(14,437)	(14,437)
	<u>28,909</u>	<u>92,788</u>	<u>121,697</u>
At 31 December 2003	28,909	92,788	121,697
Depreciation			
At 1 January 2003	402	52,463	52,865
On disposals	-	(14,437)	(14,437)
Charge for the year	1,927	11,451	13,378
	<u>2,329</u>	<u>49,477</u>	<u>51,806</u>
At 31 December 2003	2,329	49,477	51,806
Net book value			
At 31 December 2003	<u>26,580</u>	<u>43,311</u>	<u>69,891</u>
At 31 December 2002	<u>28,507</u>	<u>16,761</u>	<u>45,268</u>

5 Stocks and work in progress

	2003 £	2002 £
Stocks	256,275	514,170
Payments on account	(92,952)	(328,988)
	<u>163,323</u>	<u>185,182</u>

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

6 Debtors

	2003 £	2002 £
Trade debtors	357,392	515,043
Other debtors	20,041	9,301
	<u>377,433</u>	<u>524,344</u>

ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

7 Creditors: amounts falling due within one year	2003	2002
	£	£
Trade creditors	95,951	147,662
Amounts owed to group undertakings and undertakings in which the company has a participating interest	247,321	202,089
Taxation and social security	38,712	43,032
Other creditors	96,416	67,266
	<u>478,400</u>	<u>460,049</u>

8 Pension costs

The company is part of the Elliott Brothers Group money purchase pension scheme. All monies paid by both employer and employees are put into pension funds for the benefit of employees. All contributions due for the year were paid to the group employer during the year. These amounted to £10,701 (2002 - £9,654).

9 Share capital	2003	2002
	£	£
Authorised		
100,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
9,600 Ordinary Shares of £1 each	<u>9,600</u>	<u>9,600</u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2003	469,575
Retained profit for the year	<u>88,287</u>
Balance at 31 December 2003	<u>557,862</u>

11 Contingent liabilities

The company has given an unlimited guarantee to its bankers(supported by a fixed and floating charge) in respect of overdraft and loan facilities available to other group companies. The maximum amount outstanding at 31 December 2003 was £1,861,835 (2002 - £1,236,276).

ELLIOTTS HIGH PERFORMANCE ROOFING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

12 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Between two and five years	20,494	10,918
In over five years	24,250	24,250
	<u>44,744</u>	<u>35,168</u>

13 Capital commitments

2003 £	2002 £
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At 31 December 2003 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	-	10,000
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14 Control

The ultimate holding company is Elliott Brothers (Builders Merchants) Limited, a company registered in England and Wales.

Elliott Brothers (Builders Merchants) Limited prepares group financial statements and copies can be obtained from the registered office.