

REILLY CONSTRUCTION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 JANUARY 2003

Company Registration Number 02176708 (England and Wales)



REILLY CONSTRUCTION LIMITED

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REILLY CONSTRUCTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2003

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

Principal activities and review of the business

The principal activity of the company continued to be that of building contractors.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 February 2002:

J Reilly
D P Reilly
M Reilly
K M Gearing
B D Matthew
G R Mulholland

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	31 January 2003	1 February 2002
J Reilly	15	15
D P Reilly	15	15
M Reilly	15	15
K M Gearing	15	15
B D Matthew	-	-
G R Mulholland	-	-

Auditors

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

REILLY CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

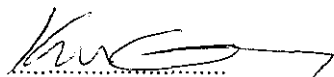
Directors' responsibilities

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.

On behalf of the board



K M Gearing

Director

Dated: 27-11-03

**INDEPENDENT AUDITORS' REPORT
TO REILLY CONSTRUCTION LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of the company for the year ended 31 January 2003 prepared under section 226 of the Companies Act 1985.

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 directors and auditors

The directors are responsible for preparing the 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 audit 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 to be delivered 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 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, and the abbreviated accounts on pages 4 to 17 are properly prepared in accordance with that provision.

Blueprint Audit Limited

**Blueprint Audit Limited
Registered Auditor**

27 November 2003
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Highfield Court
Tollgate
Chandlers Ford
Eastleigh
SO53 3TY

REILLY CONSTRUCTION LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2003

	Notes	2003 £	2002 £
Gross profit		536,603	450,677
Administrative expenses		(508,013)	(435,398)
Operating profit	2	28,590	15,279
Other interest receivable and similar income		4,076	5,712
Interest payable and similar charges	3	(2,361)	(1,276)
Profit on ordinary activities before taxation		30,305	19,715
Tax on profit on ordinary activities	4	(5,475)	(1,414)
Profit on ordinary activities after taxation	13	24,830	18,301

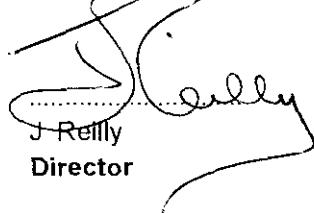
REILLY CONSTRUCTION LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 JANUARY 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5		74,466		60,828
Current assets					
Stocks	6	32,255		18,068	
Debtors	7	1,649,313		1,902,718	
Cash at bank and in hand		1,252		144,236	
		1,682,820		2,065,022	
Creditors: amounts falling due within one year	8	(1,296,501)		(1,688,629)	
Net current assets			386,319		376,393
Total assets less current liabilities			460,785		437,221
Creditors: amounts falling due after more than one year	9		(34,417)		(35,683)
Provisions for liabilities and charges	10		(1,500)		(1,500)
			424,868		400,038
Capital and reserves					
Called up share capital	12		60		60
Profit and loss account	13		424,808		399,978
Shareholders' funds - equity interests	14		424,868		400,038

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

The financial statements were approved by the Board on 27.11.03


J. Reilly
Director

REILLY CONSTRUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2003

	2003		2002	
	£	£	£	£
Net cash outflow from operating activities		(7,690)		(111,139)
Returns on investments and servicing of finance				
Interest received	4,076		5,712	
Interest paid	(2,361)		(1,276)	
Net cash inflow for returns on investments and servicing of finance		1,715		4,436
Taxation		(57,320)		(20,547)
Capital expenditure				
Payments to acquire tangible assets	(2,703)		(6,700)	
Receipts from sales of tangible assets	8,000		10,349	
Net cash inflow for capital expenditure		5,297		3,649
Net cash outflow before management of liquid resources and financing		(57,998)		(123,601)
Financing				
Capital element of hire purchase contracts	(19,083)		(18,290)	
Net cash outflow from financing		(19,083)		(18,290)
Decrease in cash in year		(77,081)		(141,891)

REILLY CONSTRUCTION LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2003

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2003	2002
			£	£
	Operating profit		28,590	15,279
	Depreciation of tangible assets		19,789	20,331
	Loss on disposal of tangible assets		5,830	5,471
	Increase in stocks		(14,187)	(11,988)
	Decrease/(increase) in debtors		253,405	(119,598)
	Decrease in creditors within one year		(285,737)	(20,634)
	Net cash inflow/(outflow) from operating activities		(7,690)	(111,139)

2	Analysis of net (debt)/funds	1 February 2002	Cash flow	Other non-cash changes	31 January 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	144,236	(142,984)	-	1,252
	Bank overdrafts	(87,129)	65,903	-	(21,226)
		57,107	(77,081)	-	(19,974)
	Debt:				
	Finance leases	(4,161)	19,083	(44,554)	(29,632)
	Net funds/(debt)	52,946	(57,998)	(44,554)	(49,606)

3	Reconciliation of net cash flow to movement in net (debt)/funds	2003	2002
		£	£
	Decrease in cash in the year	(77,081)	(141,891)
	Cash outflow from decrease in debt and lease financing	19,083	18,290
	Change in net debt resulting from cash flows	(57,998)	(123,601)
	New finance lease	(44,554)	-
	Movement in net (debt)/funds in the year	(102,552)	(123,601)
	Opening net funds	52,946	176,547
	Closing net (debt)/funds	(49,606)	52,946

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover and profits

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

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.4 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:

Plant and machinery	15% - 50% straight line/reducing balance
Fixtures, fittings & equipment	15% - 25% straight line/reducing balance
Motor vehicles	25% reducing balance

1.5 Leasing and hire purchase commitments

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals payable under operating leases are charged against income as incurred.

1.6 Stock

Stock is valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS17.

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

1 Accounting policies

(continued)

1.9 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no liability would have been recognised as the conditions for recognition would not have been satisfied.

1.10 Employee benefits

The company has established a trust for the benefit of employees, former employees and certain of their dependants. The company determines payments to the trust on the basis of employees' services to the business in a particular period. Funds of this trust are held on behalf of those employees by independent trustees and managed at their discretion. The company neither has nor seeks to exercise any control over the trustees' decision in applying funds to benefit employees. Contributions payable by the company to the trust are charged to the profit and loss account in the period to which they relate.

2 Operating profit

2003

2002

£

£

Operating profit is stated after charging:

Depreciation of tangible assets

19,789

20,331

Loss on disposal of tangible assets

5,830

5,471

Operating lease rentals

- Plant and machinery

212,136

246,403

- Other assets

8,316

8,316

Auditors' remuneration

1,500

1,500

3 Interest payable

2003

2002

£

£

On bank loans and overdrafts

801

75

Hire purchase interest

1,560

1,201

2,361

1,276

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2003

4	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	5,475	5,400
	Adjustment for prior years	-	(1,435)
	Current tax charge	5,475	3,965
	Deferred tax		
	Deferred tax charge	-	(2,551)
		5,475	1,414
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	30,305	19,715
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 20.00 %)	9,092	3,943
	Effects of:		
	Non deductible expenses	21	98
	Depreciation add back	5,937	4,066
	Capital allowances	(8,671)	(3,826)
	Adjustments to previous periods	-	(1,435)
	Other tax adjustments	(904)	1,119
		(3,617)	22
	Current tax charge	5,475	3,965

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 February 2002	4,139	6,022	117,786	127,947
Additions	-	-	47,257	47,257
Disposals	-	-	(29,872)	(29,872)
At 31 January 2003	4,139	6,022	135,171	145,332
Depreciation				
At 1 February 2002	3,654	3,786	59,679	67,119
On disposals	-	-	(16,042)	(16,042)
Charge for the year	74	736	18,979	19,789
At 31 January 2003	3,728	4,522	62,616	70,866
Net book value				
At 31 January 2003	411	1,500	72,555	74,466
At 31 January 2002	485	2,236	58,107	60,828

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

	Motor vehicles £
Net book values	
At 31 January 2003	39,349
At 31 January 2002	25,293
Depreciation charge for the year	
31 January 2003	7,908
31 January 2002	8,014

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

6	Stocks	2003 £	2002 £
	Long term contract balances:		
	- Net cost less foreseeable losses	30,255	16,068
	Finished goods and goods for resale	2,000	2,000
		<u>32,255</u>	<u>18,068</u>
7	Debtors	2003 £	2002 £
	Trade debtors	948,520	1,274,025
	Amounts recoverable on long term contracts	137,130	120,303
	Other debtors	563,663	508,390
		<u>1,649,313</u>	<u>1,902,718</u>
8	Creditors: amounts falling due within one year	2003 £	2002 £
	Bank loans and overdrafts	21,226	87,129
	Payments received on account	145,827	-
	Net obligations under hire purchase contracts	14,749	4,161
	Trade creditors	566,252	506,885
	Corporation tax	9,161	61,006
	Other taxes and social security costs	195,934	129,108
	Directors' current accounts	-	77
	Other creditors	1,117	52,948
	Accruals and deferred income	342,235	847,315
		<u>1,296,501</u>	<u>1,688,629</u>

The bank overdraft is secured.

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

9	Creditors: amounts falling due after more than one year	2003 £	2002 £
	Other creditors	19,534	35,683
	Net obligations under hire purchase contracts	14,883	-
		<u>34,417</u>	<u>35,683</u>
	Net obligations under hire purchase contracts		
	Repayable within one year	16,594	4,595
	Repayable between one and five years	16,179	-
		<u>32,773</u>	<u>4,595</u>
	Finance charges and interest allocated to future accounting periods	(3,141)	(434)
		<u>29,632</u>	<u>4,161</u>
	Included in liabilities falling due within one year	(14,749)	(4,161)
		<u>14,883</u>	<u>-</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

Included in Other creditors falling due after more than one year are subcontractor retentions totalling £19,534 (2002 - £35,683).

10 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 February 2002 & at 31 January 2003	<u>1,500</u>
The deferred tax liability is made up as follows:	
	2003 £
Accelerated capital allowances	<u>1,500</u>
	<u>1,500</u>

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

11 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

	2003 £	2002 £
Contributions payable by the company for the year	3,178	3,426

12 Share capital

	2003 £	2002 £
Authorised		
100 Ordinary Shares of £ 1 each	100	100
Allotted, called up and fully paid		
60 Ordinary Shares of £ 1 each	60	60

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2002	399,978
Retained profit for the year	24,830
Balance at 31 January 2003	424,808

14 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	24,830	18,301
Opening shareholders' funds	400,038	381,737
Closing shareholders' funds	424,868	400,038

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

15 Financial commitments

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

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
Within one year	8,316	8,316

16 Directors' emoluments

	2003	2002
	£	£
Emoluments for qualifying services	118,680	111,453
Company pension contributions to money purchase schemes	3,178	3,426
	121,858	114,879

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2).

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2003

17 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum in year
	2003	2002	
	£	£	£
K M Gearing	1,134	-	1,134

J Reilly, M Reilly and D P Reilly were directors and shareholders of each of the following companies during the year and several transactions existed with these companies. These transactions and the balances at the Balance Sheet date were as follows.

	Sales	Purchases	Year end Balance
	£	£	£
John Reilly (Civil Engineering) Limited	-	-	(338,416) Creditor
Brockwood Estates Limited	874,537	-	787,716 Debtor
Reilly Holdings Limited	428,347	-	54,990 Debtor
Brockwood Estates (Sussex) Limited	-	-	247,338 Debtor
Country Homes (Rudgewick) Limited	-	-	(1,117) Creditor

During the year, Reilly Construction Limited levied £226,640 management charges to Brockwood Estates Limited, and paid management charges of £36,000 to John Reilly (Civil Engineering) Limited and £10,000 to Brockwood Estates (Sussex) Limited.

All transactions were carried out at arm's length and on commercial terms.

Also during the year, the company supplied goods and services to K M Gearing totalling £4,641.

REILLY CONSTRUCTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Direct	7	7
Administration	4	5
Directors	6	6
	<u>17</u>	<u>18</u>

Employment costs

	£	£
Wages and salaries	325,617	342,579
Social security costs	30,934	32,863
Other pension costs	3,178	3,426
	<u>359,729</u>	<u>378,868</u>