ORCHARD ENTERPRISES (SOUTHERN) LIMITED

FINANCIAL STATEMENTS

31ST JANUARY 1997

Company Registration Number 3010021



ORCHARD ENTERPRISES (SOUTHERN) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST JANUARY 1997

CONTENTS	PAGES
The director's report	1
Accountant's report to the shareholders	2
Profit and loss account	3
Balance sheet	4 to 5
Notes to the financial statements	6 to 8

The following pages do not form part of the financial statements

Detailed profit and loss account	10
Notes to the detailed profit and loss account	11

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST JANUARY 1997

The director presents her report and the unaudited financial statements of the company for the year ended 31st January 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the refurbishment of residential property.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 January 1997	At 1 February 1996
J S Groves	1	1
S J Cullen	1	1

SMALL COMPANY EXEMPTIONS

In preparing her report, the director has taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in her opinion, the company qualifies as a small company.

Registered office:
The Orchard
Temple Lane
East Meon
Hampshire
GU32 1PZ

Signed by

S J Cullen

S J Cullen
Director

Approved by the director on 25/11/1998

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS

YEAR ENDED 31ST JANUARY 1997

I report on the unaudited accounts for the year ended 31st January 1997 set out on pages 3 to 8 .

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE REPORTING ACCOUNTANT

As described on page 5 the director of the company is responsible for the preparation of the accounts, and she considers that the company is exempt from an audit. It is my responsibility to carry out procedures designed to enable me to report my opinion.

BASIS OF OPINION

My work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so my procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report. These procedures provide only the assurance expressed in my opinion.

OPINION

In my opinion:

(a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;

(b) having regard only to, and on the basis of, the information contained in those accounting records:

(i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

(ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemptions specified in section 249B(1).

Froxfield
Hampshire

C A STEPHENS
Chartered Accountant

26.11.1998

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST JANUARY 1997

	Note	Year to 31 Jan 97 £	Period from 16 Jan 95 to 31 Jan 96 £
TURNOVER		175,278	126,751
Cost of sales		166,927	111,470
GROSS PROFIT		8,351	15,281
Administrative expenses		6,669	11,553
OPERATING PROFIT	2	1,682	3,728
Interest receivable		487	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,169	3,728
Tax on profit on ordinary activities	3	524	965
RETAINED PROFIT FOR THE FINANCIAL YEAR		1,645	2,763
Balance brought forward		2,763	-
Balance carried forward		4,408	2,763

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

BALANCE SHEET

31ST JANUARY 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		2,625		-
CURRENT ASSETS					
Stocks		30,725		61,489	
Debtors	5	26,648		-	
Cash at bank and in hand		8,950		2,640	
		66,323		64,129	
CREDITORS: Amounts falling due within one year	6	(64,538)		(61,364)	
NET CURRENT ASSETS			1,785		2,765
TOTAL ASSETS LESS CURRENT LIABILITIES			4,410		2,765

The balance sheet continues on the following page.

The notes on pages 6 to 8 form part of these financial statements.

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

BALANCE SHEET *(continued)*

31ST JANUARY 1997

	Note	1997	1996
		£	£
CAPITAL AND RESERVES			
Called-up equity share capital	8	2	2
Profit and loss account	9	4,408	2,763
SHAREHOLDERS' FUNDS		4,410	2,765

The director is satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The director acknowledges her responsibility for:

(i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

In preparing these accounts, the director has taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in her opinion, the company qualifies as a small company.

These financial statements were approved and signed by the director on 25/11/1998

S J Cullen

S J CULLEN

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JANUARY 1997

1. ACCOUNTING POLICIES

Basis of accounting
The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover
The turnover shown in the profit and loss account represents amounts invoiced during the year.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles - 25% of net book value per annum

Work in progress
Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

2. OPERATING PROFIT

Operating profit is stated after charging:

	Year to 31 Jan 97 £	Period from 16 Jan 95 to 31 Jan 96 £
Director's emoluments	-	8,000
Depreciation	875	-

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 31 Jan 97 £	Period from 16 Jan 95 to 31 Jan 96 £
Corporation tax based on the results for the year at 24% (1996 - 25%)	524	965

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JANUARY 1997

4. TANGIBLE FIXED ASSETS

	Motor Vehicles £
COST	
Additions	3,500
At 31st January 1997	3,500
DEPRECIATION	
Charge for the year	875
At 31st January 1997	875
NET BOOK VALUE	
At 31st January 1997	2,625

5. DEBTORS

	1997 £	1996 £
Trade debtors	26,005	-
Prepayments and accrued income	643	-
	26,648	-

6. CREDITORS: Amounts falling due within one year

	1997 £	£	1996 £	£
Corporation tax	291		965	
Other creditors	705		6,353	
Directors current accounts	63,542		54,046	
		64,538		61,364

7. RELATED PARTY TRANSACTIONS

The company was under the control of the directors throughout the current and previous year.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

ORCHARD ENTERPRISES (SOUTHERN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JANUARY 1997

8. SHARE CAPITAL

Authorised share capital:

	1997 £	1996 £
1,000 Ordinary shares of £1 each	1,000	1,000

Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital brought forward	2	-
Issue of ordinary shares	-	2
	2	2

9. PROFIT AND LOSS ACCOUNT

	Year to 31 Jan 97 £	Period from 16 Jan 95 to 31 Jan 96 £
Balance brought forward	2,763	-
Retained profit for the financial year	1,645	2,763
Balance carried forward	4,408	2,763