

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

ACCOUNTS FOR THE YEAR ENDED

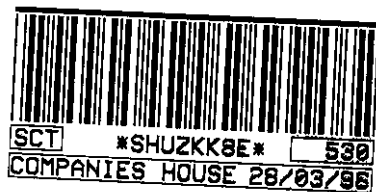
28th MAY 1995

GREAVES WEST & AYRE

CHARTERED ACCOUNTANTS

BERWICK UPON TWEED

Company Number :
SC 34005



JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 28th MAY 1995

Responsibility for the Preparation of the

Financial Statements

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 as at the end of the year and of its profit or loss for the financial year. In preparing the financial statements, the directors are required to select suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, and 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.

Principal Activities and Business Review

The companys principal activities are agricultural, public works and plant hire contracting and agriculture.

The lack of opportunities in public works contracts and the downturn in agricultural drainage works continues to affect the companys profitability.

Profits and Dividends

The loss for the year after taxation amounted to £10733 (1994 profit £23430) and it is recommended this amount be transferred to revenue reserves.

The directors recommend no dividend be paid. (1994 Nil).

Fixed Assets

Changes in the companys fixed assets are shown in note 2 to the accounts.

During the year the company purchased plant and machinery totalling £100443 and motor vehicles totalling £16570.

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

DIRECTORS REPORT CONTINUED

Directors Interests

i) In Shares of the Company

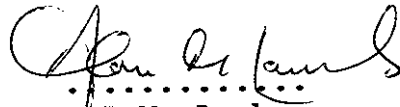
Directors who have served during the year and their interests in shares of the company are:-

	Class of Share	28.5.95	28.5.94
J. Rutherford	A Ordinary	4050	4050
Mrs. J. Rutherford	A Ordinary	1350	1350
R.J. Rutherford	A Ordinary	720	720
	B Ordinary	200	200

Auditors

The auditors Messrs Greaves West and Ayre have expressed their willingness to continue in office and a resolution to re-appoint them will be presented at the Annual General Meeting.

By Order of the Board


A.M. Lamb

DATE... 27th March 1996

Secretary

AUDITORS REPORT TO THE MEMBERS OF
JOHNNY RUTHERFORD CONTRACTORS (HUTTON) LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 28th May 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

DATE.....27th MAY 1996.....


GREAVES WEST & AYRE
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS
BERWICK UPON TWEED

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

BALANCE SHEET AS AT 28th MAY 1995

<u>1994</u>		<u>Notes</u>	
	FIXED ASSETS		
327,184	Tangible assets	2	333,624
3,375	Investments	5	3,540
330,559			337,164
	CURRENT ASSETS		
38,683	Stocks	3	44,844
186,763	Debtors	4	114,389
-	Cash at bank : Deposit account		13,000
225,446			172,233
	Less : CURRENT LIABILITIES		
226,764	Amounts due within one year	6	165,809
(1,318)	NET CURRENT ASSETS		6,424
329,241	TOTAL ASSETS LESS CURRENT LIABILITIES		343,588
25,231	Creditors due in more than one year	7	53,321
30,534	Provision for liabilities and charges	8	27,524
55,765			80,845
273,476	NET ASSETS		262,743
	REPRESENTED BY		
	CAPITAL AND RESERVES		
10,000	Share capital	9	10,000
263,476	Profit and loss account		252,743
273,476			262,743

J. Rutherford

R.J. Rutherford

DATE.....

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28th MAY 1995

1994		Notes	
615,820	Turnover		604,017
464,620	Cost of sales		499,740
151,200	Gross profit		104,277
111,681	Administrative expenses		112,453
39,519	Trading (loss)/profit	10	(8,176)
1,182	Other operating income		738
40,701	Operating (loss)/profit		(7,438)
(5,737)	Interest payable	13	(6,309)
	(Loss)/ profit from ordinary operations before taxation		(13,747)
(11,534)	Taxation	12	3,014
23,430	(Loss)/profit for the year after taxation		(10,733)
240,046	Profit and loss account brought forward		263,476
263,476	Profit and loss account carried forward		252,743

There were no further gains or losses during the period other than those shown above.

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE

YEAR ENDED 28th MAY 1995

1. Accounting Policies

a) Basis of Accounting

The accounts are prepared under the historical cost convention on a going concern basis. The amounts attributed to assets and liabilities are not necessarily the amounts assets would realise on disposal or the maximum sum of liabilities on a winding up.

b) Depreciation

Depreciation is calculated so as to write off the cost of the assets over their estimated useful lives. Depreciation is provided on those buildings which are considered to have a limited working life.

The following rates of depreciation are used:-

Plant and machinery	25% reducing balance
Motor vehicles	25% reducing balance
Office equipment	15% reducing balance
Buildings of a depreciable nature	10% of cost
Leased equipment	20% reducing balance
c) Stock of Materials	

These are valued at the lower of cost and net realisable value.

d) Work in Progress

Short term work in progress is valued at the cost of labour and materials, including appropriate overheads.

e) Turnover

Turnover is stated as the amount exclusive of value added tax invoiced during the year net of credits and discounts, adjusted for work in progress.

f) Hire Purchase Contractors

Hire purchase finance charges are written off evenly over the duration of the contract. The balance shown as outstanding at the year end represents capital payments due.

g) Leased Assets

Assets leased under finance leases are capitalised at their fair value and depreciated over their useful lives.

h) Deferred Taxation

Deferred taxation is provided in full on the excess book value of assets qualifying for capital allowances over their tax written down value. No provision is made for capital gains subject to roll over relief claims. All provisions are made at 25%.

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

2. Fixed Assets

	Buildings	Office Equipment	Plant and Machinery
<u>Cost</u>			
Brought forward	17147	18331	1105138
Additions	-	-	100443
Disposals	-	-	(85350)
	17147	18331	1120231
<u>Depreciation</u>			
Brought forward	15627	14725	868565
Charge for year	320	540	64270
(On disposals)	-	-	(74687)
	15947	15265	858148
<u>Net Book Value 1995</u>	1200	3066	262083
<u>Net Book Value 1994</u>	1520	3606	236571

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

2. Fixed Assets Continued

	Motor Vehicles	Leased Equipment	Total
Cost			
Brought forward	237728	10000	1388344
Additions	16570	-	117013
Disposals	(23999)	-	(109349)
	230299	10000	1396008
Depreciation			
Brought forward	153314	8926	1061157
Charge for year	21996	215	87341
(On disposals)	(11427)	-	(86114)
	163883	9141	1062384
Net Book Value 1995	66416	859	333624
Net Book Value 1994	84413	1074	327184

Included in plant and machinery are hire purchase assets with a N.B.V. of £84987 as at 28th May 1995. This is after charging depreciation of £6969 for the year. There are also hire purchase assets included in motor vehicles with a N.B.V. of £33827 as at 28th May 1995. This is after charging depreciation of £9054 for the year.

	1995	1994
3. Stocks		
Work in progress	36444	30183
Sundry stocks	8400	8500
	44844	38683

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	1995	1994
4. Debtors		
Trade debtors	109256	168083
Other debtors	697	14094
Prepayments	4436	4586
	<u>114389</u>	<u>186763</u>

5. Investments : All Unquoted

i) West Cumberland Farmers Trading Society Limited	303	292
ii) Farmway Limited	3237	3083
	<u>3540</u>	<u>3375</u>

The directors consider the value of (i) and (ii) to be not less than book value.

6. Creditors Due Within One Year

Trade creditors	55729	80011
Taxation and social security costs	20939	31851
Accruals	6959	7249
Other creditors	9482	9482
Hire purchase creditors	39244	31175
Directors current accounts	4509	919
Bank overdraft	28947	66077
	<u>165809</u>	<u>226764</u>

The bank overdraft is secured by a bond and floating charge.

7. Creditors Due After One Year

Hire purchase creditors	<u>53321</u>	<u>25231</u>
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Hire purchase creditors are repayable within 5 years.

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1995</u>	<u>1994</u>
8. Provision for Liabilities		
<u>a) Deferred Taxation</u>		
Brought forward	30534	22237
Transfer for current year	(3010)	8297
Provision at 28th May	<u>27524</u>	<u>30534</u>
9. Called Up Share Capital		
<u>Authorised, Issued and Fully Paid</u>		
9000 A Ordinary shares of £1 each	9000	9000
1000 B Ordinary shares of £1 each	1000	1000
	<u>10000</u>	<u>10000</u>
10. Trading Profit/(Loss) is Arrived at After Charging		
Depreciation	90954	84806
Surplus on disposal of fixed assets	(22504)	(20241)
Auditors remuneration	4000	3800
Staff Costs:		
Wages and salaries	168066	144850
Social security costs	12659	12617
Other pension costs	10667	14985
	<u>191392</u>	<u>172452</u>
Including those relating to directors:		
Fees and emoluments	28894	28911
Pension contributions	3013	6235
Social security costs	2182	2432
	<u>34089</u>	<u>37578</u>
The average number of employees during the year was made up as follows:		
Office and administration (including directors)	4	4
H.G.V. drivers	1	1
Operators/labourers	8	9
	<u>13</u>	<u>14</u>

JOHNNY RUTHERFORD CONTRACTORS

(HUTTON) LIMITED

NOTES FORMING PART OF THE ACCOUNTS CONTINUED

	<u>1995</u>	<u>1994</u>
11. <u>Other Operating Income</u>		
Trade and other investment income	<u>445</u>	<u>1182</u>
12. <u>Taxation</u>		
Corporation tax	-	527
Deferred taxation transfer	(3010)	8297
Previous years adjustment	(4)	2710
	<u>(3014)</u>	<u>11534</u>
13. <u>Interest Payable</u>		
On loans and overdrafts repayable within 5 years:		
On short term overdraft	2238	1677
On hire purchase loans	4071	4060
	<u>6309</u>	<u>5737</u>
14. <u>Capital Commitments</u>		
Authorised and contracted for	Nil	Nil
Authorised but not contracted for	Nil	Nil

15. Contingencies

There were no contingent liabilities of which the directors were aware at 28th May 1995 other than those covered by the company's insurance arrangements.

16. Close Company Status

The company is a close company within the meaning of the Income and Corporation Taxes Act 1970.