



BDO Stoy Hayward
Chartered Accountants

SC 47321

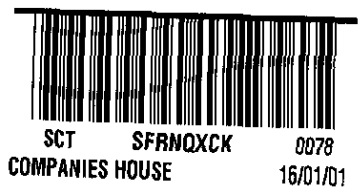
Hampton & Steel Limited

Report and Financial Statements

Year Ended

31 March 2000

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Hampton & Steel Limited

Annual report and financial statements for the year ended 31 March 2000

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Director

A.G.W. Wylie, F.C.I.O.B.

Secretary and registered office

B. Rooney, B.A., C.A., 103a Farmeloan Road, Rutherglen, Glasgow G73 1EE

Company number

47321

Auditors

BDO Stoy Hayward, Ballantine House, 168 West George Street, Glasgow G2 2PT

Bankers

The Royal Bank of Scotland plc, 8-10 Gordon Street, Glasgow G1 3PL

Solicitors

Kerr & Co., 23 Nelson Mandela Place, Glasgow G2 1QB

Hampton & Steel Limited

Report of the director for the year ended 31 March 2000

The director presents his report together with the audited financial statements for the year ended 31 March 2000.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The director does not recommend the payment of a dividend.

Principal activities, trading review and future developments

The company's principal activity is that of flooring contractors.

Director

The director of the company during the year was:

A.G.W. Wylie, F.C.I.O.B.

The director had no beneficial interest in the share capital of the company.

Director's responsibilities

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

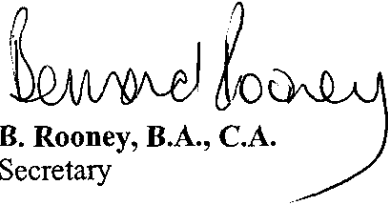
Hampton & Steel Limited

Report of the director for the year ended 31 March 2000 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

The financial statements were approved by the Board on 18 December 2000.



B. Rooney, B.A., C.A.
Secretary

Hampton & Steel Limited**Report of the auditors**

To the shareholders of Hampton & Steel Limited

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on pages 6 to 7.

Respective responsibilities of director and auditors

As described on page 1 the company's director is responsible for the preparation of the 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.

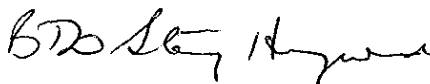
Basis of opinion

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 judgments made by the director 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 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



*Chartered Accountants
and Registered Auditors*

18 December 2000

Hampton & Steel Limited**Profit and loss account for the year ended 31 March 2000**

	Note	2000 £	1999 £
Turnover	2	723,453	678,730
Cost of sales		602,261	545,932
Gross profit		121,192	132,798
Administrative expenses		93,792	81,958
Operating profit	5	27,400	50,840
Interest receivable		-	372
Interest payable and similar charges	6	(1,343)	(2,921)
Profit on ordinary activities before taxation		26,057	48,291
Taxation on profit on ordinary activities	7	5,905	11,186
Retained Profit for the year		20,152	37,105

All amounts relate to continuing activities.

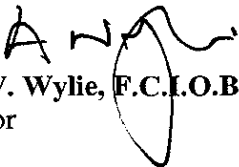
All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 13 form part of these financial statements.

Hampton & Steel Limited**Balance sheet at 31 March 2000**

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	8	26,973	26,161
Current assets			
Stocks	9	1,235	913
Debtors	10	166,138	229,017
Cash at bank and in hand		74,420	7,809
		<u>241,793</u>	<u>237,739</u>
Creditors: amounts falling due within one year	11	125,609	138,236
Net current assets		<u>116,184</u>	<u>99,503</u>
Total assets less current liabilities		<u>143,157</u>	<u>125,664</u>
Creditors: amounts falling due after more than one year	12	6,577	9,049
Provisions for liabilities and charges	13	78	265
Net assets		<u>136,502</u>	<u>116,350</u>
Capital and reserves			
Called up share capital	14	8,000	8,000
Profit and loss account	15	128,502	108,350
Equity shareholders' funds	16	<u>136,502</u>	<u>116,350</u>

The financial statements were approved by the Board on 18 December 2000.


 A.G.W. Wylie, F.C.I.O.B.
 Director

The notes on pages 6 to 13 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the value of work done during the year, stated net of value added tax.

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The annual depreciation rates are as follows:

Plant, fittings and equipment	-	15% straight line
Motor vehicles	-	25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost consists of purchase invoice costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposals.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

1 Accounting policies (*continued*)

Contract valuations

Contracts are accounted for by recording turnover and related costs as contract activity progresses. Turnover represents the value of work carried out to date, determined on a contract basis, in accordance with SSAP 9. Full provision is made for:

- (a) Payments on account received, which are not fully matched by attributable costs;
- (b) Known and anticipated losses on contracts.

These provisions are separately disclosed in current liabilities.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Employees

Staff costs (including directors) consist of:

	2000 £	1999 £
Wages and salaries	187,929	175,106
Social security costs	15,319	13,928
Other pension costs	1,569	1,426
	204,817	190,460

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

	2000 Number	1999 Number
Administration	3	3
Production	10	10
	13	13

4 Director

No director received any emoluments during this or the prior year.

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

5 Operating profit

This is arrived at after charging/(crediting):

	2000 £	1999 £
Depreciation of tangible fixed assets		
- owned by the company	1,600	5,672
- held under hire purchase contracts	10,458	9,121
Auditors' remuneration	2,110	2,205
Profit on sale of fixed assets	(800)	(578)
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2000 £	1999 £
On hire purchase contracts	1,343	2,921
	<u> </u>	<u> </u>

7 Taxation

	2000 £	1999 £
<i>Current year</i>		
UK corporation tax	5,714	11,807
Transfer from deferred taxation	(187)	(621)
	<u> </u>	<u> </u>
	5,527	11,186
<i>Prior years</i>		
UK corporation tax	378	-
	<u> </u>	<u> </u>
	5,905	11,186
	<u> </u>	<u> </u>

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

8 Tangible assets

	Plant, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 April 1999	7,690	56,225	63,915
Additions	-	12,870	12,870
Disposals	(7,690)	(19,750)	(27,440)
At 31 March 2000	-	49,345	49,345
Depreciation			
At 1 April 1999	7,437	30,317	37,754
Provided for the year	253	11,805	12,058
Disposals	(7,690)	(19,750)	(27,440)
At 31 March 2000	-	22,372	22,372
Net Book Value			
At 31 March 2000	-	26,973	26,973
At 31 March 1999	253	25,908	26,161

Included above are assets held under hire purchase contracts with net book values as follows:

	2000 £	1999 £
Motor vehicles	26,973	24,561

9 Stocks

	2000 £	1999 £
Raw materials and consumables	1,235	913

Hampton & Steel Limited**Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)****10 Debtors**

	2000 £	1999 £
Trade debtors	99,424	66,321
Amounts due from group undertakings	51,352	108,564
Other debtors	2,532	1,607
Amounts recoverable on contracts	12,830	52,525
	<u>166,138</u>	<u>229,017</u>

All amounts shown under debtors fall due for payment within one year.

11 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	82,904	85,784
Taxation and social security	6,590	10,825
Corporation tax	5,714	11,807
Net obligations under hire purchase contracts	12,739	11,091
Accruals and deferred income	17,662	18,729
	<u>125,609</u>	<u>138,236</u>

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2000 (*Continued*)

12 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Net obligations under hire purchase contracts	6,577	9,049
Included within the above are amounts falling due as follows:		
In 1 - 2 years:		
Hire purchase obligations	3,893	9,049
In 2 - 5 years:		
Hire purchase obligations	2,684	-
	6,577	9,049

The hire purchase obligations are secured on the assets being purchased.

13 Provisions for liabilities and charges

Deferred Taxation

The amount of deferred taxation provided is as follows:

	2000 £	1999 £
Accelerated capital allowances	78	265

There is no deferred taxation unprovided.

Deferred taxation movements:

	£
Balance at 1 April 1999	265
Transfer from profit and loss account	(187)
Balance at 31 March 2000	78

	2000 £	1999 £
Total provisions for liabilities and charges	78	265

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2000 (Continued)

14 Called up share capital

	Authorised		Allotted, called up and fully paid	
	2000	1999	2000	1999
	£	£	£	£
Ordinary shares of £1 each	8,000	8,000	8,000	8,000

15 Reserves

	£
<i>Profit and loss account</i>	
At 1 April 1999	108,350
Retained profit for the year	20,152
At 31 March 2000	128,502

16 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit for the year	20,152	37,105
Opening shareholders' funds	116,350	79,245
Closing shareholders' funds	136,502	116,350

17 Contingent liabilities

The company has guaranteed the bank borrowings of the D. Campbell (Holdings) Limited group of companies with The Royal Bank of Scotland plc. The amount outstanding in other group undertakings at 31 March 2000 was £1,781,838.

18 Pensions

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. The pension cost charge represents contributions payable by the company to the fund.

19 Cash flow statement

In line with Financial Reporting Standard 1, the company is exempt from the requirement to publish a cash flow statement. A consolidated statement is dealt with in the financial statements of the ultimate parent company.

Hampton & Steel Limited

Notes forming part of the financial statements for the year ended 31 March 2000 *(Continued)*

20 Ultimate parent company

The directors regard D. Campbell (Holdings) Limited, a company controlled by A.G.W. Wylie, as the company's ultimate parent company.

The only company within the D Campbell (Holdings) Limited group for which group financial statements are drawn up and of which the company is a member is D. Campbell (Holdings) Limited.