

DIRECT BUILD LIMITED

COMPANY INFORMATION

DIRECTORS

T J Steadman

SECRETARY

C Steadman

REGISTERED OFFICE

11 Fullwood Drive
Golcar
Huddersfield
HD7 4JH

COMPANY NUMBER

3242022 - England & Wales

AUDITORS

Randal & Co
Chartered Accountants
Ashley House
415 Halifax Road
Brighouse HD6 2PD



DIRECT BUILD LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st AUGUST 1999

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DIRECT BUILD LIMITED

DIRECTOR'S REPORT

THE DIRECTOR PRESENTS HIS REPORT AND THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1999

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Principal activity of the Company continues to be that of Building Contractors

RESULTS AND DIVIDENDS

The loss for the year after tax and extraordinary items amounts to £7295. It is recommended that this amount be dealt with as follows:-

| | |
|-----------------------------|-------------|
| Interim and Final Dividends | - |
| Transfer from Reserves | 7295 |
| | <hr/> |
| | 7295 |
| | <hr/> <hr/> |

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 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.

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in notes 8 to the financial statements.

YEAR 2000

The directors do not anticipate any significant problems or costs associated with the year 2000.

DIRECTORS' INTERESTS IN SHARES

The Directors who held office at 31st August 1999 had the following interests in the share capital of the Company:

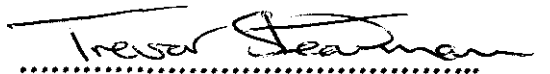
| | 31 st August 1999 | 31 st August 1998 |
|-----------------------------|------------------------------|------------------------------|
| Ordinary Shares of £1 each. | | |
| T J Steadman | 250 | 250 |

AUDITORS

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the reappointment of Messrs Randal & Co as auditors to the Company will be put to the annual general meeting.

The director's report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

BY ORDER OF THE BOARD



T J Steadman

DIRECTOR

11 Fulwood Drive
Golcar
Huddersfield
HD7 4JH

28th June 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF

DIRECT BUILD LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities 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 31st August 1999 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Randal & Co

**Chartered Accountants and
Registered Auditors**

Ashley House
415 Halifax Road
Brighouse HD6 2PD

28th June 2000

DIRECT BUILD LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 1999

| | Notes | 1999 £ | 1998 £ |
|---|-------|-------------------|--------------------|
| Turnover | 4 | 793422 | 393414 |
| Cost of Sales | | (739512) | (355711) |
| GROSS PROFIT | | <u>53910</u> | <u>37703</u> |
| Administrative costs | | (61188) | (26639) |
| OPERATING LOSS | | <u>(7278)</u> | <u>11064</u> |
| Other Income | 2 | 638 | - |
| | | <u>6640</u> | <u>11064</u> |
| Interest payable | 3 | (658) | (181) |
| LOSS ON ORINARY ACTIVITIES BEFORE TAXATION | 4 | <u>(7298)</u> | <u>10883</u> |
| Taxation | 5 | 3 | (1760) |
| LOSS FOR YEAR | | <u>(7295)</u> | <u>9123</u> |
| Dividends | 6 | - | - |
| LOSS FOR YEAR | | <u>(7295)</u> | <u>9123</u> |
| RETAINED PROFIT AT 31 ST AUGUST 1998 | | 7413 | (1710) |
| RETAINED PROFIT AT 31ST AUGUST 1999 | | <u><u>118</u></u> | <u><u>7413</u></u> |

There are no recognised gains and losses for 1999 and 1998 other than those included in the profit and loss account.

The notes on pages 6 to 9 form part of these accounts

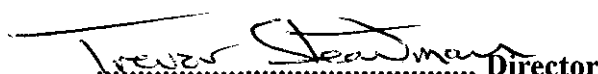
DIRECT BUILD LIMITED

BALANCE SHEET AS AT 31ST AUGUST 1999

| | Notes | 1999 £ | 1998 £ |
|--|-------|-----------|-----------|
| FIXED ASSETS | | | |
| Tangible assets | 7 | 17114 | 7496 |
| | | ----- | ----- |
| CURRENT ASSETS | | | |
| Stocks | 8 | 50182 | 84815 |
| Debtors | 9 | 68634 | 25504 |
| Cash at Bank and in Hand | | 1919 | 16259 |
| | | ----- | ----- |
| | | 120735 | 126578 |
| LESS CURRENT LIABILITIES | | | |
| Creditors: amounts falling due within one year | 10 | (133929) | (122404) |
| | | ----- | ----- |
| NET CURRENT ASSETS | | (13194) | 4174 |
| | | ----- | ----- |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 3920 | 11670 |
| | | ----- | ----- |
| Creditors due after more than one year | 10 | (3302) | (3757) |
| | | ----- | ----- |
| NET ASSETS | | 618 | 7913 |
| | | ===== | ===== |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | 500 | 500 |
| Profit and loss account | | 118 | 7413 |
| | | ----- | ----- |
| SHAREHOLDER'S FUNDS – ALL EQUITY | 12 | 618 | 7913 |
| | | ===== | ===== |

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to Small Companies and with the Financial Reporting Standard for Smaller Entities.

**Approved by the board on 28th June 2000
and signed on its behalf**


..... Director

T J Steadman

The notes on pages 6 to 9 form part of these accounts

DIRECT BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1999

1. Accounting Policies

1.1 Basis of preparation of accounts

The accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing. The company has taken advantage of the exemptions in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-------------------|-----|------------------------|
| Plant & Equipment | 25% | reducing balance basis |
| Motor Vehicles | 25% | reducing balance basis |

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of change on the net obligations outstanding in each period.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock.

1.7 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

DIRECT BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1999

| | 1999 £ | 1998 £ |
|---|------------|------------|
| 2. OTHER INCOME | | |
| Bank Deposit Interest | 638 | - |
| | <u>638</u> | <u>-</u> |
| 3. INTEREST PAYABLE | | |
| On bank loans overdrafts and other loans: | | |
| Repayable within 5 years, not by instalments | 9 | - |
| Repayable within 5 years by instalments | - | - |
| Repayable wholly or partly in more than 5 years | - | - |
| | <u>9</u> | <u>-</u> |
| On finance leases and hire purchase contracts | 649 | 181 |
| | <u>658</u> | <u>181</u> |

4. TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 1999 | | 1998 | |
|----------------------------|---------------|------------------------------|---------------|--------------------------------|
| | Turnover £ | Loss before Taxation £ | Turnover £ | Profit Before Taxation £ |
| CLASS OF BUSINESS | | | | |
| Building Contractors | 793422 | (7298) | 393414 | 10883 |
| | <u>793422</u> | <u>(7298)</u> | <u>393414</u> | <u>10883</u> |
| GEOGRAPHICAL MARKET | | | | |
| United Kingdom | 793422 | | 393414 | |
| | <u>793422</u> | | <u>393414</u> | |

| | 1999 £ | 1998 £ |
|---|--------------|--------------|
| Loss on ordinary activities before taxation is stated after charging: | | |
| Description of, and amounts written off, fixed assets | | |
| Owned by the Company | 1957 | 1336 |
| Held under Finance Leases | 3747 | 1163 |
| Auditors Remuneration and expenses | 650 | 400 |
| Directors' emoluments | 22074 | 8802 |
| | <u>28428</u> | <u>11703</u> |

DIRECT BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1999

| | 1999 | 1998 | |
|--|----------------------------------|---------------------------|--------------|
| | £ | £ | |
| 5. TAXATION | | | |
| UK Corporation Tax: | | | |
| Current at 20% and 21% (1998 21%) | - | 1760 | |
| Deferred | - | - | |
| | <hr/> | <hr/> | |
| Based on the profit for the year | - | 1760 | |
| Adjustment in respect of previous year | 3 | - | |
| | <hr/> | <hr/> | |
| | 3 | 1760 | |
| | <hr/> <hr/> | <hr/> <hr/> | |
| 6. DIVIDENDS | - | - | |
| | <hr/> <hr/> | <hr/> <hr/> | |
| 7. TANGIBLE ASSETS | | | |
| | Plant & Equipment | Motor Vehicles | Total |
| | £ | £ | £ |
| Cost or Valuation | | | |
| At 1 st September 1998 | 3366 | 7645 | 11011 |
| Additions | 2466 | 14600 | 17066 |
| Disposals | (100) | (2995) | (3095) |
| | <hr/> | <hr/> | <hr/> |
| At 31 st August 1999 | 5732 | 19250 | 24982 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 st September 1998 | 1045 | 2470 | 3515 |
| Charge for Year | 1182 | 4522 | 5704 |
| Eliminated on Disposals | (44) | (1307) | (1351) |
| | <hr/> | <hr/> | <hr/> |
| At 31 st August 1999 | 2183 | 5685 | 7868 |
| | <hr/> | <hr/> | <hr/> |
| Net Book Value | | | |
| At 31 st August 1999 | 3549 | 13565 | 17114 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 st August 1998 | 2321 | 5175 | 7496 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| 8. STOCKS | 1999 | 1998 | |
| | £ | £ | |
| Raw Materials | 3995 | 2029 | |
| Work in Progress | 46187 | 82786 | |
| | <hr/> | <hr/> | |
| | 50182 | 84815 | |
| | <hr/> <hr/> | <hr/> <hr/> | |

DIRECT BUILD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1999

| | | | |
|---|----------------------|-----------------------|---------------------|
| 9. DEBTORS | | 1999 | 1998 |
| | | £ | £ |
| Due within one year: | | | |
| Trade Debtors | | 68400 | 23528 |
| Other Debtors | | - | 1721 |
| Prepayments and accrued income | | 234 | 255 |
| | | <u>68634</u> | <u>25504</u> |
| Due in more than one year: | | | |
| Other Debtors | | - | - |
| | | <u>68634</u> | <u>25504</u> |
| | | <u><u>68634</u></u> | <u><u>25504</u></u> |
| 10. CREDITORS | | | |
| | Due within | Due after more | |
| | one year | than one year | |
| | 1999 | 1998 | 1999 |
| | 1998 | 1999 | 1998 |
| | £ | £ | £ |
| Bank Loans and Overdrafts | 2512 | - | - |
| Trade Creditors | 104074 | 99879 | - |
| Hire Purchase and Finance Lease Creditors | 2759 | - | 3302 |
| Taxation and Social Security Payable | 8187 | 3719 | - |
| Corporation Tax | - | 1759 | - |
| Other Creditors | 14577 | 14577 | - |
| Accruals & Deferred Income | 1820 | 2470 | - |
| | <u>133929</u> | <u>122404</u> | <u>3302</u> |
| | <u><u>133929</u></u> | <u><u>122404</u></u> | <u><u>3302</u></u> |
| | | | <u><u>3757</u></u> |
| 11. SHARE CAPITAL | | 1999 | 1998 |
| | | £ | £ |
| Authorised | | | |
| Ordinary Shares of £1 each | | 1000 | 1000 |
| | | <u>1000</u> | <u>1000</u> |
| Allotted, issued and fully paid | | | |
| Ordinary Shares of £1 each | | 500 | 500 |
| | | <u>500</u> | <u>500</u> |
| 12. MOVEMENTS ON SHAREHOLDERS' FUNDS | | | |
| Loss for the Year | | (7295) | 9123 |
| Less: Dividends | | - | - |
| | | <u>(7295)</u> | <u>9123</u> |
| Opening shareholders funds | | 7913 | (1210) |
| | | <u>7913</u> | <u>(1210)</u> |
| Closing shareholders funds | | 618 | 7913 |
| | | <u>618</u> | <u>7913</u> |