

EDWARD STENHOUSE LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1996



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KINGSCOTT, DIX & CO.  
CHARTERED ACCOUNTANTS  
60 KINGS WALK  
GLOUCESTER

EDWARD STENHOUSE LIMITED

GENERAL INFORMATION

DIRECTOR

E.H. Stenhouse

SECRETARY

Mrs. C.J. Stenhouse

REGISTERED OFFICE

Peculiars Farm  
Coleman's Hatch  
Hartfield  
Sussex  
TN7 4ES

BANKERS

Midland Bank PLC  
1 Middle Row  
East Grinstead  
West Sussex  
RH19 3AY

REPORTING ACCOUNTANTS

Kingscott, Dix & Co.  
Chartered Accountants  
60 Kings Walk  
Gloucester  
GL1 1LA

COMPANY NUMBER

2860641  
Incorporated in England

EDWARD STENHOUSE LIMITED

DIRECTOR'S REPORT

The Director has pleasure in presenting the Annual Report and Financial Statements for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of Chartered Surveyors and Rural Energy and Land Management Consultants. There has been no significant change during the year under review.

In the opinion of the Director, the general performance and development of the Company during the period ended 31 December 1996, and its financial position as at that date, were satisfactory, and there have been no important events affecting the Company since that date.

RESULTS AND DIVIDENDS

The Company's loss for the year amounted to £1,167. A Dividend was paid of £3,200 leaving £4,367 to be deducted from Reserves.

DONATIONS

The Company did not make any political or charitable contributions exceeding £200 to any one person or organisation during the year.

DIRECTOR

The Director of the Company and his interests in its Share Capital as at 31 December 1996, and for the whole of the year then ended were:-

E.H. Stenhouse

199 Shares

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the director to prepare financial statements 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:

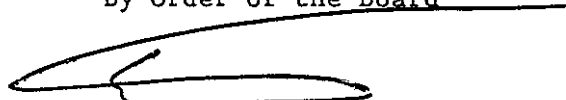
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

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 them 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.

CLOSE COMPANY

The close company provisions of Section 414 Income and Corporation Taxes Act 1988 apply to the Company.

By Order of the Board



E.H. STENHOUSE

Director

# KINGSCOTT, DIX & COMPANY

CHARTERED ACCOUNTANTS  
60 KINGS WALK, GLOUCESTER. GL1 1LA

ACCOUNTANTS' REPORT  
TO THE SHAREHOLDERS OF  
EDWARD STENHOUSE LIMITED

We report on the accounts for the year ended 31 December 1996, set out on pages 4 to 10.

## RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 2 the company's director is responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.


## BASIS OF OPINION

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

## OPINION

In our opinion:

- [a] the accounts are in agreement with the 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 exemption specified in section 249B(1).

  
KINGSCOTT, DIX & CO.  
CHARTERED ACCOUNTANTS  
16 MAY 1997

EDWARD STENHOUSE LIMITED  
 PROFIT AND LOSS ACCOUNT  
 YEAR ENDED 31 DECEMBER 1996

	Note	1996 £	1995 £
WORK DONE	1	117,999	70,727
Cost of Sales		<u>24,297</u>	<u>9,194</u>
GROSS PROFIT		93,702	61,533
Administrative Expenses		<u>92,944</u>	<u>55,615</u>
OPERATING PROFIT		758	5,918
Interest Payable	4	<u>1,925</u>	<u>1,265</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	( 1,167)	4,653
Taxation		<u>-</u>	<u>1,386</u>
		( 1,167)	3,267
DIVIDEND PAID		<u>3,200</u>	<u>3,200</u>
RETAINED (LOSS)/PROFIT FOR THE YEAR		<u>( 4,367)</u>	<u>67</u>
 STATEMENT OF RETAINED EARNINGS			
Retained Profits Brought Forward		5,772	5,705
Retained (Loss)/Profit for the Year		<u>( 4,367)</u>	<u>67</u>
Retained Profits Carried Forward		<u>1,405</u>	<u>5,772</u>

There were no gains or losses other than those included in the profit and loss account above.

The notes on pages 6 to 10 form part of these accounts.

EDWARD STENHOUSE LIMITED  
BALANCE SHEET  
AS AT 31 DECEMBER 1996

		1996		1995	
	Note	£	£	£	£
TANGIBLE FIXED ASSETS	6		15,871		6,948
CURRENT ASSETS					
Work in Progress	7	18,228		16,135	
Debtors	8	26,310		17,793	
Cash at Bank and in Hand	8a	21,257		15,875	
			65,795		49,803
CREDITORS: Amounts falling due within one year	9	76,036		50,879	
NET CURRENT ASSETS/ (LIABILITIES)			10,241		( 1,076)
TOTAL ASSETS LESS CURRENT LIABILITIES			5,630		5,872
CREDITORS: Amounts falling due after more than one year	9		4,125		-
NET ASSETS			1,505		5,872
CAPITAL AND RESERVES					
Called Up Share Capital	11		100		100
Reserves			1,405		5,772
SHAREHOLDERS' FUNDS (All Equity Interests)	12		1,505		5,872

The Directors consider that the Company is entitled to exemption from the requirement to have an audit for the year ended 31 December 1996 under the provisions of Section 249A(1) of the Companies Act 1985. No notice has been deposited under S249B(2) of the Act in relation to the accounts for the financial year. We acknowledge our responsibilities as Directors for:

- [i] Ensuring that the Company keep accounting records and which comply with S.221 Companies Act 1985; and
- [ii] Preparing accounts which give a true and fair view of the state of affairs of the Company at 31 December 1996 and of its profit for the financial year in accordance with the requirements of S.266 Companies Act 1985, and which otherwise comply with the requirements of that Act relating to the accounts so far as applicable to the Company.

  
E.H. STENHOUSE  
.....APPROVED

2 MAY 1997  
.....DATE

The notes on pages 6 to 10 form part of these accounts.

[1] ACCOUNTING POLICIES

[a] BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention modified to incorporate the revaluation of certain assets and include the results of the activities described in the director's report, all of which are continuing.

The financial statements have been prepared on a going concern basis which assumes the continued support of the Company's Director to provide adequate working capital facilities to enable the Company to trade to recovery.

[b] TURNOVER

Turnover represents the amounts derived from the provision of services to the customers which fall within the Company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

[c] TANGIBLE FIXED ASSETS

Tangible Fixed Assets are depreciated so as to amortise their cost over their estimated useful lives as follows:-

Motor Vehicles	- 25% on cost
Office Furniture and Equipment	- 20% and 33.3% on cost

[d] STOCKS AND WORK IN PROGRESS

Stocks and Work in Progress are stated at the lower of cost and net realisable value, after making allowances for obsolete and slow moving items.

[e] DEFERRED TAXATION

Deferred Taxation is provided to take account of timing differences arising between the treatment of certain items for taxation purposes and their treatment for accounting purposes, insofar as it is considered likely that any liability will crystallise.

[f] HIRE PURCHASE

Tangible fixed assets acquired under hire purchase contracts are capitalised at the cost value.

[g] CASH FLOW STATEMENT

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 has not prepared a cash flow statement for the year.

## EDWARD STENHOUSE LIMITED

## NOTES TO THE ACCOUNTS

31 DECEMBER 1996

[2]	OPERATING (LOSS)/PROFIT	1996	1995
	Operating profit is stated after charging:-	£	£
	Staff Costs [Note 3]	52,109	30,947
	Depreciation	<u>9,782</u>	<u>3,929</u>
[3]	STAFF COSTS AND EMPLOYEE INFORMATION	1996	1995
		No.	No.
[a]	The average number of persons employed during the year was	<u>4</u>	<u>3</u>
[b]	Staff costs comprise:-	£	£
	Wages and Salaries	47,788	27,982
	Social Security Costs	<u>4,321</u>	<u>2,965</u>
		<u>52,109</u>	<u>30,947</u>
[c]	The above includes Director's Remuneration	<u>17,000</u>	<u>7,850</u>
[4]	INTEREST PAYABLE	1996	1995
	Wholly repayable within five years:-	£	£
	Interest on Bank Overdraft	1,592	828
	Interest Under Hire Purchase Contracts repayable within five years by instalments	<u>333</u>	<u>437</u>
		<u>1,925</u>	<u>1,265</u>



## EDWARD STENHOUSE LIMITED

## NOTES TO THE ACCOUNTS

31 DECEMBER 1996

[5]	TAXATION	1996		1995
	The charge for taxation comprises:	£		£
	Corporation Tax	-		1,386
		<u>          </u>		<u>          </u>
[6]	TANGIBLE FIXED ASSETS			
		Total	Motor Vehicles	Office Furniture and Equipment
	COST	£	£	£
	As at 1 January 1996	14,744	8,630	6,114
	Additions	20,305	12,995	7,310
	Disposals	( 8,630)	( 8,630)	-
	As at 31 December 1996	<u>26,419</u>	<u>12,995</u>	<u>13,424</u>
	DEPRECIATION			
	As at 1 January 1996	7,796	4,314	3,482
	Charge for the Year	7,066	3,249	3,817
	Eliminated on Disposals	( 4,314)	( 4,314)	-
	As at 31 December 1996	<u>10,548</u>	<u>3,249</u>	<u>7,299</u>
	NET BOOK VALUE			
	As at 31 December 1996	<u>15,871</u>	<u>9,746</u>	<u>6,125</u>
	As at 31 December 1995	<u>6,948</u>	<u>4,316</u>	<u>2,632</u>

Included in the above are the following amounts attributable to assets subject to hire purchase agreement at 31 December 1996.

COST	12,995	12,995	-
DEPRECIATION	3,249	3,249	-
NET BOOK VALUE	<u>9,746</u>	<u>9,746</u>	<u>-</u>

EDWARD STENHOUSE LIMITED  
 NOTES TO THE ACCOUNTS  
 31 DECEMBER 1996

[7]	WORK IN PROGRESS	1996	1995
		£	£
	Work in Progress	<u>18,228</u>	<u>16,135</u>

[8]	DEBTORS	1996	1995
	Amounts falling due within one year:-	£	£
	Trade Debtors	23,647	14,893
	Prepayments	2,663	2,900
		<u>26,310</u>	<u>17,793</u>

[8a] Cash at Bank includes the sum of £21,256 designated clients account.

[9]	CREDITORS: Amounts falling due within one year:-	1996	1995
		£	£
	Bank Overdraft	18,741	16,495
	Trade Creditors	1,603	618
	Taxation and Social Security	7,244	2,391
	Director's Current Account	13,125	9,994
	Hire Purchase	4,500	2,145
	Other Creditors and Accruals	9,655	2,190
	Taxation	-	1,386
	Due to Clients	21,168	15,660
		<u>76,036</u>	<u>50,879</u>

CREDITORS: Amounts falling due after more than one year:-

	Obligations Under Hire Purchase Contracts	<u>4,125</u>	<u>-</u>
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EDWARD STENHOUSE LIMITED  
 NOTES TO THE ACCOUNTS  
 31 DECEMBER 1996

[10]	DEFERRED TAXATION	1996	1995
		£	£
	Deferred Taxation	<u>NIL</u>	<u>NIL</u>
[11]	SHARE CAPITAL	1996	1995
		£	£
	Authorised:		
	1,000,000 Ordinary Shares		
	Divided into 2,000,000		
	Ordinary Shares of 50p each	<u>2,000,000</u>	<u>2,000,000</u>
	Issued and Fully Paid:		
	200 Ordinary Shares of 50p each	<u>100</u>	<u>100</u>
[12]	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1996	1995
		£	£
	As at 1 January 1996	5,872	5,805
	(Loss)/Profit for the Year	<u>( 4,367)</u>	<u>67</u>
	Shareholders' Funds at 31 December 1996	<u>1,505</u>	<u>5,872</u>
[13]	CAPITAL COMMITMENTS	1996	1995
		£	£
	Authorised and Contracted	<u>NONE</u>	<u>NONE</u>
	Authorised not Contracted	<u>NONE</u>	<u>NONE</u>