

**T.E.W. (CONSTRUCTION)  
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2001



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COMPANIES HOUSE

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27/04/02

Company no 03606747

**T.E.W. (CONSTRUCTION) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 August 2001

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Company registration number: 03606747

Registered office: Chelmer House  
Springfield Road  
Chelmsford  
CM2 6JE

Directors: T E Wright  
A E Wright

Secretary: A E Wright

Bankers: Barclays Bank plc  
PO Box 3735  
2 High Street  
Chelmsford  
Essex

Solicitors: Thomson Badham  
27 Church Street  
Tewkesbury  
Gloucestershire  
GL20 5RH

Connollys  
Chelmer House  
Springfield Road  
Chelmsford  
CM2 6JE

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
The Quadgrange  
Imperial Square  
Cheltenham  
Gloucestershire  
GL50 1PZ

**T.E.W. (CONSTRUCTION) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 31 August 2001

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**T.E.W. (CONSTRUCTION) LIMITED**

**REPORT OF THE DIRECTORS**

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The directors present their report together with financial statements for the year ended 31 August 2001.

**Principal activities**

The company principally operates as Civil Engineers.

**Directors**

The present membership of the Board is set out below.

The interests of the directors and their families in the shares of the company as at 31 August 2001 and 1 September 2000, were as follows:

	Ordinary shares	
	31 August 2001	1 September 2000
T E Wright	50	50
A E Wright	50	50

**Directors' responsibilities for the financial statements**

United Kingdom 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

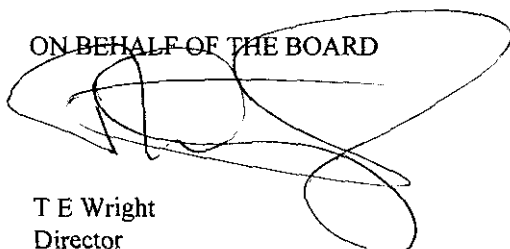
**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

**Small company exemption**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



T E Wright  
Director

Date 17 APRIL 2002

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
T.E.W. (CONSTRUCTION) LIMITED**

We have audited the financial statements on pages 3 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) and under the accounting policies set out on page 3.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 31 August 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton*

**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

CHELTENHAM  
17 April 2002

# **T.E.W. (CONSTRUCTION) LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Customer retentions are recognised as turnover upon receipt.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by the reducing balance method over their useful economic lives. The rates generally applicable are:

Plant and machinery	25%
Motor vehicles	25%
Fixtures and fittings	25%

### **INVESTMENTS**

Listed current asset investments are stated at the lower of cost or market value. Profits or losses arising from disposals of current asset investments are treated as part of the result from ordinary activities.

### **INTANGIBLE FIXED ASSETS**

Purchased goodwill is amortised on a straight-line basis over its estimated useful economic life of 10 years as shown in note 5.

### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

### **DEFERRED TAXATION**

Deferred tax is provided for in full using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**T.E.W. (CONSTRUCTION) LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 August 2001

	Note	2001 £	2000 £
<b>Turnover</b>	1	<b>3,557,105</b>	947,745
Cost of sales		<u>(2,753,368)</u>	<u>(626,546)</u>
Gross profit		<b>803,737</b>	321,199
Administrative expenses		<u>(376,412)</u>	<u>(96,776)</u>
<b>Operating profit</b>		<b>427,325</b>	224,423
Net interest	2	<u>(5,734)</u>	<u>(312)</u>
<b>Profit on ordinary activities before taxation</b>	1	<b>421,591</b>	224,111
Tax on profit on ordinary activities	3	<u>(108,000)</u>	<u>(44,497)</u>
<b>Profit transferred to reserves</b>		<u><b>313,591</b></u>	<u>179,614</u>

**STATEMENT OF RETAINED EARNINGS**

	2001 £	2000 £
At 1 September 2000	<b>290,160</b>	110,546
Retained profit for the year	<u><b>313,591</b></u>	<u>179,614</u>
At 31 August 2001	<u><b>603,751</b></u>	<u>290,160</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

**T.E.W. (CONSTRUCTION) LIMITED**

BALANCE SHEET AT 31 AUGUST 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Intangible assets	5	239,600	-
Tangible assets	6	215,355	54,559
		<u>454,955</u>	<u>54,559</u>
<b>Current assets</b>			
Stocks	7	-	131,232
Debtors	8	528,969	14,774
Investments	9	73,250	100,000
Cash at bank and in hand		291,005	204,181
		<u>893,224</u>	<u>450,187</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(689,030)</u>	<u>(214,486)</u>
<b>Net current assets</b>		<u>204,194</u>	<u>235,701</u>
<b>Total assets less current liabilities</b>		<u>659,149</u>	<u>290,260</u>
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(27,298)</u>	-
<b>Provisions for liabilities and charges</b>	12	<u>(28,000)</u>	-
		<u>603,851</u>	<u>290,260</u>
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Profit and loss account		603,751	290,160
		<u>603,851</u>	<u>290,260</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board of Directors on 17 April 2002

T E Wright

Director

A E Wright

Director

The accompanying accounting policies and notes form an integral part of these financial statements.



# T.E.W. (CONSTRUCTION) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2001

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:	2001 £	2000 £
Auditors' remuneration	6,000	-
Depreciation and amortisation:		
Goodwill	10,400	-
Tangible fixed assets, owned	17,576	5,500
Tangible fixed assets, held under finance leases and hire purchase contracts	20,457	12,686

### 2 NET INTEREST

	2001 £	2000 £
Other interest payable and similar charges	6,423	1,316
Other interest receivable and similar income	(689)	(1,004)

### 3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:	2001 £	2000 £
Corporation tax	100,000	44,497
Deferred taxation	5,300	-

Adjustments in respect of prior periods:		
Deferred tax	2,700	-

### 4 DIRECTORS

No director received any remuneration during the year (2000: nil).

**T.E.W. (CONSTRUCTION) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2001

**5 INTANGIBLE FIXED ASSETS**

	<b>Goodwill £</b>
Cost	
Additions and at 31 August 2001	<u>250,000</u>
Amortisation	
Charge for the Year and at 31 August 2001	<u>10,400</u>
Net book amount at 31 August 2001	<u><u>239,600</u></u>

**6 TANGIBLE FIXED ASSETS**

	<b>Plant and machinery etc £</b>
Cost	
At 1 September 2000	76,777
Additions	<u>198,829</u>
At 31 August 2001	<u>275,606</u>
Depreciation	
At 1 September 2000	22,218
Charged for the year	<u>38,033</u>
At 31 August 2001	<u>60,251</u>
Net book amount at 31 August 2001	<u><u>215,355</u></u>
Net book amount at 31 August 2000	<u><u>54,559</u></u>

The net book value of plant and machinery includes £138,719 (2000: £38,056) in respect of assets held under finance leases and similar hire purchase contracts. The amount of depreciation in respect of such assets amounted to £20,457 for the year.

**T.E.W. (CONSTRUCTION) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2001

**7 STOCKS**

	2001 £	2000 £
Stocks	-	131,232

**8 DEBTORS**

	2001 £	2000 £
Trade debtors	505,045	14,774
Other debtors	23,924	-
	<u>528,969</u>	<u>14,774</u>

**9 CURRENT ASSET INVESTMENTS**

	2001 £	2000 £
Listed investments	<u>73,250</u>	<u>100,000</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Trade creditors	166,823	99,150
Social security and other taxes	320,680	77,144
Other creditors	146,602	1,600
Amounts due under finance leases	54,925	36,592
	<u>689,030</u>	<u>214,486</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2001 £	2000 £
Amounts due under finance leases	<u>27,298</u>	-

**T.E.W. (CONSTRUCTION) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2001

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**12 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £	Other provisions £	Total £
Provided during the year	8,000	20,000	28,000
At 31 August 2001	<u>8,000</u>	<u>20,000</u>	<u>28,000</u>

Other provisions relate to costs which would be incurred on the termination of a contract with a customer.

**13 SHARE CAPITAL**

	2001 £	2000 £
Authorised 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**14 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 August 2001 or 31 August 2000.

**15 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 August 2001 or 31 August 2000.

**16 LEASING COMMITMENTS**

Operating lease payments amounting to £15,084 (2000: £15,084) in respect of land and buildings are due within one year. The leases to which these amounts relate expire between one and five years.

## **T.E.W. (CONSTRUCTION) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2001

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#### **17 TRANSACTIONS WITH RELATED PARTIES**

During the year the following transactions took place between T.E.W. (Construction) Limited and T.E.W. Partnership, a business owned by the directors of T.E.W. (Construction) Limited:

Fixed assets with a net book value of £97,070 and their corresponding finance lease creditors of £48,325 were transferred to T.E.W. (Construction) Ltd at book value together with goodwill amounting to £250,000.

T.E.W. Partnership recharged payroll costs of £160,077 to T.E.W. (Construction) Limited.

Payments of £62,859 were made by T.E.W. (Construction) Limited on behalf of T.E.W. Partnership.

At the year end the company owed £88,511, in total, to T E Wright and A E Wright.

During the year T.E.W. (Construction) Limited made purchases totalling £16,650 from K.V Wright (Plant Hire), a company owned by the wife of T E Wright's brother. At the year end the company owed K V Wright (Plant Hire) £2,886.

#### **18 CONTROLLING RELATED PARTY**

T E Wright and A E Wright are the company's controlling related party by virtue of their equal joint ownership of the share capital of the company.