

O'ROURKE CONSTRUCTION & SURFACING LIMITED
DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1998



O'ROURKE CONSTRUCTION & SURFACING LIMITED

COMPANY INFORMATION

Directors

Mr J O'Rourke
Mrs M O'Rourke
Mr B Hunter
Mr K Gorman
Miss T O'Rourke
Mr M Pryor

Secretary

Mrs M O'Rourke

Company Number

1524781

Registered Office

GKP House
Spring Villa Park
Edgware
Middlesex
HA8 7XT

Auditors

Korman Paris
GKP House
Spring Villa Park
Edgware
Middx
HA8 7XT

O'ROURKE CONSTRUCTION & SURFACING LIMITED

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O'ROURKE CONSTRUCTION & SURFACING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1998

The directors present their report together with the audited accounts for the year ended 31st December 1998.

Principal Activities and Review of Business

The company's principal activity continued to be that of general building and contracting.

Results and Dividends

The results for the year are set out in the profit and loss account on page 4.

The directors consider the loss achieved on ordinary activities before taxation to be satisfactory.

The directors consider the state of the company's affairs to be satisfactory.

The directors do not recommend a dividend.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31st December 1998	1st January 1998
Mr J O'Rourke	265	265
Mrs M O'Rourke	245	245
Mr B Hunter	-	-
Mr K Gorman	-	-
Miss T O'Rourke	-	-
Mr M Pryor	-	-

Mr M Pryor was appointed to the board on 3 November 1998.

Political and Charitable Contributions

During the year the company made the following political and charitable contributions:

	£
Other Charitable Contributions	6,295

Year 2000 Compliance

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

O'ROURKE CONSTRUCTION & SURFACING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1998

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

Directors' Responsibilities

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these accounts 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 accounts 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 enable them to ensure that the accounts 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.

This report was approved by the board on 15th April 1999, and signed on its behalf.



Mrs M O'Rourke, Secretary
15th April 1999

AUDITORS' REPORT TO O'ROURKE CONSTRUCTION & SURFACING LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14 together with the accounts of O'Rourke Construction & Surfacing Limited for the year ended 31st December 1998 prepared under Section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

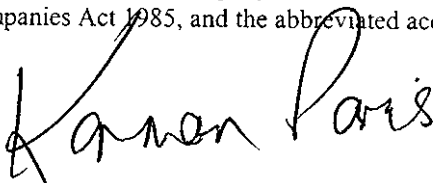
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of Opinion

We have carried out procedures we considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.



Korman Paris
Chartered Accountants and Registered Auditors
GKP House
Spring Villa Park
Edgware
Middx
HA8 7XT
Date: 15th April 1999

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	Notes	1998 £	1997 £
Gross Profit		886,206	777,975
Administrative Expenses		947,595	795,891
Operating Loss	3	61,389	17,916
Interest Receivable		14,500	4,041
Interest Payable and Similar Charges	4	(18,036)	(9,270)
Loss on Ordinary Activities before Taxation		(64,925)	(23,145)
Tax on loss on ordinary activities	6	3,399	236
Loss for the Financial Year		(68,324)	(23,381)
Dividends	7	-	35,000
Retained Loss for the Year	18	(68,324)	(58,381)
Retained Profit Brought Forward		663,544	721,925
Retained Profit Carried Forward		595,219	663,544

All amounts relate to continuing activities.

There were no recognised gains or losses for 1998 or 1997 other than those included in the profit and loss account.

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED BALANCE SHEET

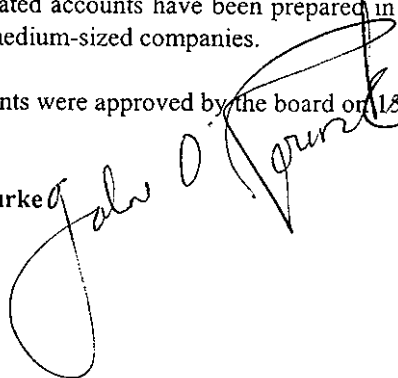
AS AT 31ST DECEMBER 1998

	Notes	£	1998 £	£	1997 £
Fixed Assets					
Tangible assets	8		580,403		698,925
Current Assets					
Stocks	9	608,579		346,193	
Debtors	10	197,153		286,721	
Cash at bank and in hand		362,262		265,585	
		<u>1,167,994</u>		<u>898,499</u>	
Creditors: Amounts Falling Due Within One Year	11	<u>1,088,259</u>		<u>856,155</u>	
Net Current Assets			79,735		42,344
Total Assets Less Current Liabilities			<u>660,138</u>		<u>741,269</u>
Creditors: Amounts Falling Due After More Than One Year	12		33,558		51,387
Provision for Liabilities and Charges					
Deferred taxation	16		30,362		25,338
			<u>596,218</u>		<u>664,544</u>
Capital and Reserves					
Share capital	17		1,000		1,000
Profit and loss account	18		595,219		663,544
Shareholders' Funds	19		<u>596,219</u>		<u>664,544</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These accounts were approved by the board on 18th April 1999 and signed on its behalf.

Mr J O'Rourke
Director



O'ROURKE CONSTRUCTION & SURFACING LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	Notes	1998 £	1997 £
Reconciliation of Operating Loss to Net Cash Inflow from Operating Activities			
Operating loss		(61,389)	(17,916)
Depreciation		106,731	95,805
Loss on sale of fixed assets		37,223	(3,558)
Increase in stocks		(262,386)	23,831
Decrease in debtors		89,568	36,916
Increase in creditors		166,927	161,747
Net Cash Inflow from Operating Activities		76,672	296,825
CASH FLOW STATEMENT			
Net Cash Inflow from Operating Activities		76,672	296,825
Returns on Investments and Servicing of Finance	20	(3,536)	(5,229)
Taxation		(12,421)	(12,613)
Capital Expenditure and Financial Investment	20	(25,432)	(84,688)
Equity Dividends Paid		-	(35,000)
Cash Inflow Before Use of Liquid Resources and Financing		35,283	159,295
Financing	20	61,394	14,757
Increase in Cash		96,677	174,052
Reconciliation of Net Cash Flow to Movement in Net Debt			
Increase in Cash in the Year		96,677	174,052
Cash inflow from increase in net debt and lease financing	21	(61,394)	(14,757)
Decrease in Net Debt	21	35,283	159,295
Net Debt at 1st January 1998		174,044	14,750
Net Funds at 31st December 1998	21	209,327	174,045

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments for freehold property and computer equipment and by reducing balance method for plant and machinery, motor vehicles and office equipment over their expected useful lives. The rates and periods generally applicable are:

Plant and machinery	15%
Motor vehicles	25%
Office and computer equipment	15% and 33%

Work in Progress

Work in progress is stated at the lower of cost and net realisable value. Cost is calculated as , cost of raw materials and labour together with attributable overheads and net realisable value is based on estimated selling price less further costs to completion and disposal.

Deferred Taxation

Deferred tax is provided for under the liability method 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. Unprovided deferred tax is disclosed as a contingent liability.

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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.

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

Retentions

Retention can be held for up to five years and further costs can be incurred before the retention is released. Retentions are accounted for as a sale, only when all costs have been incurred and the retention has been released.

2 Turnover

Turnover is attributable to the principal activity of the company.

The geographical analysis of turnover is as follows:

	1998	1997
	£	£
UK	5,250,799	4,137,769
	<u>5,250,799</u>	<u>4,137,769</u>

3 Operating Loss

The operating loss is arrived at after charging or crediting:

	1998	1997
	£	£
Depreciation of owned assets	106,731	95,805
Hire of equipment	73,141	53,589
Auditors' remuneration	12,016	11,000
	<u>191,888</u>	<u>159,404</u>

4 Interest Payable and Similar Charges

	1998	1997
	£	£
Bank overdrafts and loans	16,561	6,042
Finance leases and hire purchase contracts	1,475	2,547
Interest on overdue tax	-	681
	<u>18,036</u>	<u>9,270</u>

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

5 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	1998	1997
	£	£
Wages and salaries	1,515,585	998,214
Social security costs	150,681	98,286
Other pension costs	-	50,000
	<u>1,666,266</u>	<u>1,146,500</u>

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

	1998	1997
	Number	Number
Administration	13	13
Construction	35	39
	<u>48</u>	<u>52</u>

Directors' emoluments

	1998	1997
	£	£
Emoluments	415,433	279,767
Directors' pension contributions under defined contribution schemes	-	50,000
	<u>415,433</u>	<u>329,767</u>

Retirement benefits were accruing to directors under schemes as follows:-

	1998	1997
	Number	Number
Defined contribution scheme	2	2

The highest paid director received emoluments and benefits as follows:-

	1998	1997
	£	£
Emoluments	232,499	99,999

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

6 Taxation

	1998 £	1997 £
Based on the loss for the year		
UK corporation tax at 21% (1997 21% and 24%)	-	5,040
Deferred tax charge	5,024	(4,804)
Adjustment prior year	(1,625)	-
	<u>3,399</u>	<u>236</u>

7 Dividends

	1998 £	1997 £
Ordinary dividends - paid	-	35,000
	<u>-</u>	<u>35,000</u>

8 Tangible Fixed Assets

	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Fixtures and Fittings	Total
Cost	£	£	£	£	£
At 1st January 1998	315,453	760,680	304,722	34,885	1,415,740
Additions	-	199,607	42,000	-	241,607
Disposals	(270,453)	(31,923)	-	-	(302,376)
At 31st December 1998	<u>45,000</u>	<u>928,364</u>	<u>346,722</u>	<u>34,885</u>	<u>1,354,971</u>
Depreciation					
At 1st January 1998	21,636	487,181	195,524	12,474	716,815
Charge for the year	-	63,892	37,800	5,039	106,731
Disposals	(21,636)	(27,342)	-	-	(48,978)
At 31st December 1998	<u>-</u>	<u>523,731</u>	<u>233,324</u>	<u>17,513</u>	<u>774,568</u>
Net Book Value					
At 31st December 1998	<u>45,000</u>	<u>404,633</u>	<u>113,398</u>	<u>17,372</u>	<u>580,403</u>
<i>At 31st December 1997</i>	<u>293,817</u>	<u>273,499</u>	<u>109,198</u>	<u>22,411</u>	<u>698,925</u>

Included in fixed assets is a motor vehicle held under a finance lease, with a net book value of £19,052 (1996: £25,402).

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

9	Stocks	1998	1997
		£	£
	Work in progress	608,579	346,193
		<u>608,579</u>	<u>346,193</u>
10	Debtors	1998	1997
		£	£
	Trade debtors	178,120	262,766
	Other debtors	6,963	14,650
	Prepayments and accrued income	12,070	9,305
		<u>197,153</u>	<u>286,721</u>
11	Creditors: Amounts Falling Due Within One Year	1998	1997
		£	£
	Pension loan (Note 14)	108,936	28,609
	Obligations under hire purchase and finance lease contracts (Note 13)	10,441	11,545
	Trade creditors	750,979	602,726
	Corporation tax	643	14,689
	Other taxes and social security	105,966	108,363
	Other creditors	26,433	-
	Directors' loan accounts	679	199
	Accruals and deferred income	84,182	90,024
		<u>1,088,259</u>	<u>856,155</u>
12	Creditors: Amounts Falling Due After One Year	1998	1997
		£	£
	Bank loan (Note 14)	33,558	40,946
	Obligations under hire purchase and finance lease contracts (Note 13)	-	10,441
		<u>33,558</u>	<u>51,387</u>
13	Obligations Under Hire Purchase and Finance Leases	1998	1997
		£	£
	Obligations under finance leases and hire purchase contracts are analysed:		
	Current obligations	10,441	11,545
	Obligations due between one and five years	-	10,441
		<u>10,441</u>	<u>21,986</u>

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

14	Loans	1998 £	1997 £
	Amounts repayable:		
	In one year or less, or on demand	108,936	28,609
	Between one and two years	33,558	40,946
		<u>142,494</u>	<u>69,555</u>

15 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of two of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £- (1997 £50,000).

16 Deferred Taxation

The movements in deferred taxation during the current and previous years are as follows:

	1998 £	1997 £
At 1st January 1998	25,338	30,142
Movement in the year	5,024	(4,804)
At 31st December 1998	<u>30,362</u>	<u>25,338</u>
	Amount Provided	
	1998 £	1997 £
Timing differences	30,362	25,338
	<u>30,362</u>	<u>25,338</u>

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

17	Share Capital	1998	1997
		£	£
	Authorised		
	Equity Shares		
	10,000 Ordinary shares of £1.00 each	10,000	10,000
		<u>10,000</u>	<u>10,000</u>
	Allotted		
	Equity Shares		
	1,000 Allotted, called up and fully paid ordinary shares of £1.00 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
18	Reserves		
			Profit and Loss Account
			£
	At 1st January 1997		721,925
	Loss for the year		(58,381)
			<u>663,544</u>
	At 1st January 1998		663,544
	Loss for the year		(68,324)
			<u>595,219</u>
19	Reconciliation of Shareholders' Funds	1998	1997
		£	£
	Loss for the financial year	(68,324)	(23,381)
	Dividends	-	(35,000)
		<u>(68,324)</u>	<u>(58,381)</u>
	Decrease in the shareholders' funds		
	Opening shareholders' funds	664,544	722,925
		<u>664,544</u>	<u>722,925</u>
	Closing shareholders' funds	596,219	664,544
		<u>596,219</u>	<u>664,544</u>

O'ROURKE CONSTRUCTION & SURFACING LIMITED

ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

20 Gross Cash Flows

	1998 £	1997 £
Returns on Investments and Servicing of Finance		
Interest received	14,500	4,041
Interest paid	(16,561)	(6,723)
Interest element of finance lease rentals payment	(1,475)	(2,547)
Net cash outflow for returns on investments and servicing of finance	(3,536)	(5,229)
Capital Expenditure and Financial Investment		
Payments to acquire tangible fixed assets	(241,607)	(97,688)
Proceeds from the sale of fixed assets	216,175	13,000
Net cash outflow from investing activities	(25,432)	(84,688)
Financing		
Increase in other loans due within 1 year	80,327	28,609
Decrease/Increase in other loans due in more than 1 Year	(7,388)	40,946
Capital element of finance lease rentals payments	(11,545)	(10,473)
Net cash inflow for financing	61,394	14,757

21 Analysis of Changes in Net Debt

	1997 £	Cash flows £	1998 £
Cash at bank and in hand	265,585	96,677	362,262
Debt due within 1 year	(28,609)	(80,327)	(108,936)
Debt due after 1 year	(40,946)	7,388	(33,558)
Finance leases	(21,986)	11,545	(10,441)
	(91,541)	(61,394)	(152,935)
	174,044	35,283	209,327

22 Contingent Liabilities

The company's bank holds a counter indemnity for £110,000 in respect of a contract bond in favour of London Borough of Bromley, which is due to be released on the 31 March 1999.