

M G CONSTRUCTION LIMITED  
ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1996

Registered number: SC133847

OSBORNE & COMPANY  
CHARTERED ACCOUNTANTS

Alloa



## M G CONSTRUCTION LIMITED

## AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to  
M G Construction Limited  
pursuant to paragraph 24 of Schedule 8  
to the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 3 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

**Basis of opinion**

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

**Opinion**

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1996, and the abbreviated financial statements on pages 2 to 3 have been properly prepared in accordance with that Schedule.

**Other information**

On 22 May 1997 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 3, 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.

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## M G CONSTRUCTION LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS  
(continued)

Auditors' report to  
M G Construction Limited  
pursuant to paragraph 24 of Schedule 8  
to the Companies Act 1985

**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 error or other irregularity. 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 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'

Osborne & Co

Alloa  
22 May 1997

Osborne & Company  
Registered Auditors  
Chartered Accountants

## M G CONSTRUCTION LIMITED

## ABBREVIATED BALANCE SHEET

at 31 December 1996

	Note	£	1996	£	1995	£
<b>Fixed assets</b>						
Tangible assets	2		144,925		111,976	
<b>Current assets</b>						
Stocks		121,389		86,970		
Debtors	3	35,182		40,258		
Cash at bank and in hand		63,604		22,639		
			220,175		149,867	
Creditors: amounts falling due within one year		(126,429)		(123,439)		
<b>Net current assets</b>			93,746		26,428	
<b>Total assets less current liabilities</b>			238,671		138,404	
Creditors: amounts falling due after more than one year	4		(76,118)		(60,426)	
<b>Provision for liabilities and charges</b>			5,918		2,056	
			168,471		80,034	
<b>Capital and reserves</b>						
Called up share capital	5	1,000		1,000		
Profit and loss account		167,471		79,034		
<b>Total shareholders' funds</b>			168,471		80,034	

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 3 were approved by the board of directors on 22 May 1997.

  
 Thomas J Gibson  
 Director

## M G CONSTRUCTION LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

## 1 Accounting policies

## Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

## Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	20% - Straight-line
Motor vehicles	25% - Straight-line
Office equipment	20% - Straight-line

## Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

## Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

## Pensions

## Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## M G CONSTRUCTION LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

## 2 Fixed assets

		Tangible fixed assets £
Cost or valuation		
1 January 1996		156,149
Additions		74,242
Disposals		(24,333)
31 December 1996		<u>206,058</u>
Depreciation		
1 January 1996		44,174
Charge for year		36,475
Disposals		(19,516)
31 December 1996		<u>61,133</u>
Net book amount		
31 December 1996		<u><u>144,925</u></u>
1 January 1996		<u><u>111,976</u></u>

## 3 Debtors

	1996 £	1995 £
Amounts falling due within one year	<u><u>35,182</u></u>	<u><u>40,258</u></u>

## 4 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Lease and hire purchase contracts payable between two and five years	<u><u>76,118</u></u>	<u><u>60,426</u></u>

## M G CONSTRUCTION LIMITED

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 December 1996

## 5 Called up share capital

	1996		1995	
	Number of	£	Number of	£
	shares		shares	
Authorised				
Equity shares				
Ordinary shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Equity shares				
Ordinary shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>