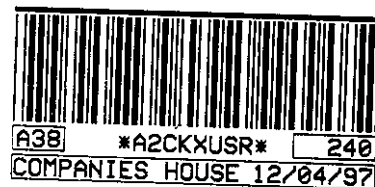


58957.

NORMANTON BRICK COMPANY LIMITED

ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 1996



**NORMANTON BRICK COMPANY LIMITED**

<b>DIRECTORS:</b>	T.E. Kirk (Chairman) G.A. Kirk P.D. Kirk (Managing) J. Kirk
<b>SECRETARY:</b>	R. Munton F.C.C.A.
<b>REGISTERED OFFICE:</b>	Wakefield Road Brick Works NORMANTON West Yorkshire WF6 1BG
<b>BANKERS:</b>	Barclays Bank plc Normanton Branch Wood Street WAKEFIELD WF1 2EA
<b>AUDITORS:</b>	Milne Booth Chartered Accountants & Registered Auditor 6 Park Square LEEDS LS1 2LX
<b>COMPANY NUMBER:</b>	58957

# **NORMANTON BRICK COMPANY LIMITED**

## **ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996**

	<b>Pages</b>
Report of the Directors	1. - 2.
Report of the Auditors	3.
Profit and Loss Account	4.
Balance Sheet	5.
Notes to the Accounts	6. - 11.
The following pages do not form part of the Statutory Accounts:	
<del>Notice of Annual General Meeting</del>	<del>—12.</del>
<del>Trading and Profit and Loss Account</del>	<del>—13. - 14.</del>

# NORMANTON BRICK COMPANY LIMITED

## REPORT OF THE DIRECTORS

The Directors present their Report with the Accounts of the Company for the year ended 31 December 1996.

### PRINCIPAL ACTIVITIES

The principal activity of the Company in the period under review was that of the production and selling of building bricks in Great Britain.

### REVIEW OF BUSINESS

#### Brick Manufacturing

In spite of comments in the press to the contrary, the brick industry is still in recession. A number of brick factories have closed and others are working part-time. However, extra efforts have been made by our staff to maintain production and sales and a slight increase in profit has been achieved.

Complaints about industrial fallout have been received and new requirements by environmental authorities will continue to involve the company in considerable expenditure.

Trade prospects are far from good but perhaps after the forthcoming election we may see an improvement. It cannot come too soon!

#### Dividend and Transfer to Reserves

The Directors recommend that a dividend on the Ordinary shares of £8 per share be paid, making a total for the year of £12 per share. The retained profit of £67,849 has been transferred to Reserves.

### LAND AND INVESTMENT PROPERTIES

It is the opinion of the Board that the value of the land owned by the Company is well in excess of the amount shown on the Balance Sheet. The Directors consider the value of investment properties to be £30,000.

### DIRECTORS

The Directors in office during the period and their beneficial interests in the issued share capital are as follows:-

	Ordinary Shares	Preference Shares
T.E. Kirk	20	45
P.D. Kirk	58	64
G.A. Kirk	64	61
J. Kirk	71	21

All the above Directors served throughout the year.

## **NORMANTON BRICK COMPANY LIMITED**

### **REPORT OF THE DIRECTORS**

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

Mr. T.E. Kirk retires from the board under the age limit, and Mr. G.A. Kirk retires by rotation, both being eligible for re-election.

#### **DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS**

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:

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

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 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.

#### **CLOSE COMPANY**

In the opinion of the Directors the Company is a Close Company within the provisions of the Income and Corporation Taxes Act 1988.

#### **AUDITORS**

The auditors, Milne Booth, Chartered Accountants have indicated their willingness to continue in office. A resolution will be proposed at the Annual General Meeting that Milne Booth be re-appointed as Auditors.

#### **SMALL COMPANIES EXEMPTION**

The Directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985. In the opinion of the Directors the Company qualifies as a small company and is entitled to make use of the special exemptions.

#### **BY ORDER OF THE BOARD:**



**R. Munton**  
Secretary.

**Dated: 28 March 1997**

**AUDITORS REPORT TO THE MEMBERS OF  
NORMANTON BRICK COMPANY LIMITED**

We have audited the financial statements on Pages 4 to 11 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on Page 2 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**

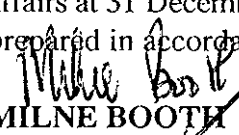
We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and 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 mis-statement, 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 at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

  
**MILNE BOOTH**  
Chartered Accountants  
& Registered Auditor  
6 Park Square  
LEEDS  
LS1 2LX

**Dated: 28 March 1997**

## NORMANTON BRICK COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

	Notes	1996		1995	
		£	£	£	£
<b>TURNOVER</b>			1,591,870		1,563,451
Cost of Sales			<u>1,325,533</u>		<u>1,302,125</u>
<b>GROSS PROFIT</b>			266,337		261,326
Distribution Costs		(67,226)		(71,398)	
Administrative Expenses		<u>(140,551)</u>		<u>(130,403)</u>	
			<u>207,777</u>		<u>201,801</u>
Operating Profit			58,560		59,525
Income from other Fixed Asset					
Investments	2.	6,429		2,868	
Other Income	3.	32,410		13,692	
Exceptional Item	4.	<u>-</u>		<u>23,643</u>	
			<u>38,839</u>		<u>40,203</u>
<b>PROFIT on Ordinary Activities</b>			97,399		99,728
before Taxation	5.				
<b>TAX ON PROFIT on Ordinary</b>					
Activities	8.		<u>23,453</u>		<u>22,482</u>
<b>PROFIT on Ordinary Activities</b>			73,946		77,246
after Taxation					
<b>EQUITY DIVIDENDS</b>	9.		6,000		6,000
<b>NON-EQUITY DIVIDENDS</b>	9.		<u>97</u>		<u>97</u>
<b>RETAINED PROFIT</b>			67,849		71,149
			<u><u>        </u></u>		<u><u>        </u></u>

**STATEMENT OF RETAINED PROFITS**

Retained Profit brought forward	960,041	888,892
Retained Profit for the year	<u>67,849</u>	<u>71,149</u>
Retained Profit carried forward	1,027,890	960,041
	<u><u>        </u></u>	<u><u>        </u></u>

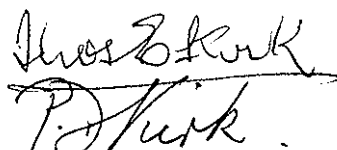
## NORMANTON BRICK COMPANY LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1996

	NOTES	1996		1995	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	11.		396,712		420,967
<b>CURRENT ASSETS</b>					
Stocks	12.	340,273		297,077	
Debtors	13.	149,451		198,051	
Investments	14.	134,306		68,358	
Cash At Bank		<u>275,843</u>		<u>231,148</u>	
		899,873		794,634	
<b>CREDITORS</b>					
Amounts falling due within one year	15.	<u>189,415</u>		<u>179,134</u>	
<b>NET CURRENT ASSETS</b>			<u>710,458</u>		<u>615,500</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,107,170		1,036,467
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	16.		<u>42,610</u>		<u>39,756</u>
			1,064,560		996,711
<b>CAPITAL AND RESERVES</b>					
<b>CALLED UP SHARE CAPITAL</b>	18.		7,520		7,520
<b>REVALUATION RESERVE</b>			29,150		29,150
<b>PROFIT AND LOSS ACCOUNT</b>			<u>1,027,890</u>		<u>960,041</u>
			1,064,560		996,711
<b>ANALYSIS OF SHAREHOLDERS' FUNDS</b>					
Equity Interests			1,062,040		994,191
Non-Equity Interests			<u>2,520</u>		<u>2,520</u>
			1,064,560		996,711

The Directors have taken advantage, in the preparation of the Accounts, of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985.

DIRECTOR: T.E. Kirk  
DIRECTOR: P.D. Kirk



Approved by the Board on 28 March 1997



# **NORMANTON BRICK COMPANY LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996**

### **1. ACCOUNTING POLICIES**

#### **(a) BASIS OF ACCOUNTING**

The Accounts have been prepared under the Historical Cost Convention as modified by the revaluation of certain fixed assets and on the basis that all activities have continued throughout the year.

#### **(b) DEPRECIATION**

Tangible Fixed Assets other than Freehold Land are depreciated on the reducing balance method over their estimated useful lives -

Freehold Buildings	5%
Plant etc.	10% - 25%

#### **(c) STOCKS**

Stocks are valued at the lower of cost, including overhead expenses or market value after making due allowance for slow moving or obsolete items.

#### **(d) DEFERRED TAXATION**

Provision is made for Deferred Tax in respect of all material timing differences using the liability method at the rate of tax ruling at the year end, except to the extent that in the opinion of the Directors there is a reasonable probability that the liability will not arise in the near future.

#### **(e) TURNOVER**

The turnover and profit is principally attributable to the one main activity of the Company.

#### **(f) PENSION CONTRIBUTIONS**

The Company operates defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charged represents contributions payable by the company to the funds during the year.

#### **(g) CASH FLOW STATEMENT**

The Company qualifies as a small company under the Companies Act 1985. The Directors have elected to take advantage of the exemption under FRS 1 not to prepare a cash flow statement.

### **2. INCOME FROM INVESTMENT PROPERTIES**

	1996	1995
	£	£
Rents	<u>6,429</u>	<u>2,868</u>

## NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 1996

3.	<b>OTHER INCOME</b>	<b>1996</b>	<b>1995</b>
		£	£
	Bank Interest Received	11,802	12,280
	Interest and Dividends from Investments	10,474	4,519
	(Loss)/Profit on Disposal of Investments	<u>10,134</u>	<u>(3,107)</u>
		32,410	13,692
		<u>=====</u>	<u>=====</u>
4.	<b>EXCEPTIONAL ITEM</b>		
	Profit on Sale of Cottage	-	8,926
	Transfer from Revaluation Reserve - realised gain	<u>-</u>	<u>14,717</u>
		-	23,643
		<u>=====</u>	<u>=====</u>
5.	<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
	After Charging -		
	Directors' Emoluments	87,721	79,757
	Directors' Pension Contributions	<u>15,658</u>	<u>12,012</u>
		103,379	91,769
	Bank Interest Payable	6	37
	Auditors' Remuneration	3,400	3,300
	Depreciation of Tangible Fixed Assets	52,544	51,602
	Profit on Disposal of Tangible Fixed Assets	<u>( 948)</u>	<u>(2,307)</u>
6.	<b>DIRECTORS' EMOLUMENTS</b>		
	Salaries and Benefits	60,034	56,683
	Pensions	7,842	7,633
	Fees	<u>19,845</u>	<u>15,441</u>
		87,721	79,757
		<u>=====</u>	<u>=====</u>
	Included in the above emoluments were:-		
	Chairman	7,842	7,633
	Highest Paid Director	<u>38,637</u>	<u>33,419</u>
		<u>=====</u>	<u>=====</u>
	Other Directors in the scale -	<u>Number</u>	<u>Number</u>
	£ 5,000 - £10,000	1	1
	£30,000 - £35,000	1	1
	(Excluding Pension Contributions)		

# NORMANTON BRICK COMPANY LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1996

### 7. STAFF COSTS (INCLUDING DIRECTORS)

	1996	1995
	£	£
Wages, Salaries and Fees	635,429	595,052
Social Security Contributions	58,033	57,543
Pension Contributions	<u>20,341</u>	<u>16,530</u>
	713,803	669,125
	<u>          </u>	<u>          </u>

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation Tax on Profit for the year at 24.25%	19,931	16,108
Tax Credits on Dividends Received	1,490	893
Deferred Taxation	2,354	5,584
Over provided in previous years	<u>( 322)</u>	<u>( 103)</u>
	23,453	22,482
	<u>          </u>	<u>          </u>

### 9. DIVIDENDS

Preference	97	97
Interim Ordinary at £4 (1995 £4)	2,000	2,000
Proposed final Ordinary at £8 (1995 £8)	<u>4,000</u>	<u>4,000</u>
	6,097	6,097
	<u>          </u>	<u>          </u>

### 10. DIRECTORS' TRANSACTIONS WITH THE COMPANY

Messrs. P.D. Kirk and G.A. Kirk are Directors of Snydale Brickworks Limited, a Company which carries out haulage and repair work for Normanton Brick Company Limited. The total value of that work in the year was £106,985 (1995 - £112,062).

### 11. TANGIBLE FIXED ASSETS

	Investment Properties	Freehold Land & Buildings	Kilns & Plant	Total
	£	£	£	£
<b>COST/VALUATION</b>				
As at 1 January 1996	30,530	97,731	658,440	786,701
Additions	-	-	32,491	32,491
Disposals	<u>-</u>	<u>-</u>	<u>(35,791)</u>	<u>(35,791)</u>
As at 31 December 1996	30,530	97,731	655,140	783,401
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 DECEMBER 1996

	Investment Properties £	Freehold Land & Buildings £	Kilns & Plant £	TOTAL £
<b>DEPRECIATION</b>				
As at 1 January 1996	530	13,937	351,267	365,734
Charge for the year	-	518	52,026	52,544
Released	-	-	(31,589)	(31,589)
As at 31 December 1996	530	14,455	371,704	386,689
<b>NET BOOK VALUE</b>				
As at 31 December 1996	<u>30,000</u>	<u>83,276</u>	<u>283,436</u>	<u>396,712</u>
As at 1 January 1996	<u>30,000</u>	<u>83,794</u>	<u>307,173</u>	<u>420,967</u>

On 31 December 1996 the Company's investment properties were valued by the Directors based on an open market value, at £30,000. The historical costs of these properties was £1,380.

## 12. STOCKS

	1996 £	1995 £
Raw Materials	36,539	35,307
Work In Progress	39,564	28,460
Finished Bricks and Bricks for resale	<u>264,170</u>	<u>233,310</u>
	340,273	297,077

## 13. DEBTORS

Trade Debtors	119,553	189,691
Other Debtors	22,228	592
Prepayments	<u>7,670</u>	<u>7,768</u>
	149,451	198,051

## 14. INVESTMENTS

Quoted Investments at Cost	133,906	67,958
Unsecured Loan Stock	<u>400</u>	<u>400</u>
	134,306	68,358

Market Value 31 December 1996 £181,967 (1995 - £115,819).

## NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED  
31 DECEMBER 1996

<b>15. CREDITORS: Amounts falling due within One Year</b>	<b>1996</b>	<b>1995</b>
Trade Creditors	57,835	86,747
Corporation Tax	18,500	15,000
Other Taxes and Social Security Costs	29,355	33,020
Proposed Dividend	4,000	4,000
Accruals	<u>79,725</u>	<u>40,367</u>
	189,415	179,134
	<u><u>          </u></u>	<u><u>          </u></u>
<b>16. PROVISION FOR LIABILITIES AND CHARGES</b>		
<b>DEFERRED TAX</b>		
Balance Brought Forward	21,256	5,502
Profit and Loss Account	2,354	5,584
Losses now recovered	<u>-</u>	<u>10,170</u>
	23,610	21,256
Less Advance Corporation Tax available	<u>(1,000)</u>	<u>(1,000)</u>
	22,610	20,256
	<u><u>          </u></u>	<u><u>          </u></u>
Represented by:		
Accelerated Capital Allowances	22,775	20,776
Other timing differences	<u>835</u>	<u>480</u>
	23,610	21,256
	<u><u>          </u></u>	<u><u>          </u></u>
<b>INSURANCE PROVISION</b>		
Balance Brought Forward	19,500	20,000
Provided/(Released) in the year	<u>500</u>	<u>(500)</u>
	20,000	19,500
	<u><u>          </u></u>	<u><u>          </u></u>
	42,610	39,756
	<u><u>          </u></u>	<u><u>          </u></u>

No deferred tax has been provided in respect of the surplus arising on the revaluation of investment properties.

## NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED  
31 DECEMBER 1996

## 17. PENSION CONTRIBUTIONS

The company operates defined contribution pension schemes. The assets of the Schemes are held separately from those of the company in independently administered funds. The pension cost charged represents contributions payable by the company to the funds and amounted to £20,341 (1995 - £16,530).

## 18. CALLED UP SHARE CAPITAL

There was no change in the year

	Authorised	Allotted and Fully Paid
	£	£
500 Ordinary Shares of £10 each	5,000	5,000
500 5.5% Cumulative Preference Shares of £10 each	<u>5,000</u>	<u>2,520</u>
	10,000	7,520
	<u>          </u>	<u>          </u>

## 19. STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1996	1995
	£	£
Profit attributable to Ordinary Shareholders	<u>67,849</u>	<u>71,149</u>
Total recognised gains for the year	<u>67,849</u>	<u>71,149</u>

## 21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the financial year	73,946	77,246
Dividends	(6,097)	(6,097)
Revaluation Reserve	<u>-</u>	<u>(14,717)</u>
Net addition to Shareholders funds	67,849	56,432
Opening Shareholders funds	<u>996,711</u>	<u>940,279</u>
Closing Shareholders funds	<u>1,064,560</u>	<u>996,711</u>