

58957

NORMANTON BRICK COMPANY LIMITED

ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 1998



NORMANTON BRICK COMPANY LIMITED

DIRECTORS: G.A. Kirk (Chairman)
P.D. Kirk (Managing)
J. Kirk

SECRETARY: R. Munton F.C.C.A.

REGISTERED OFFICE: Greenfield Road
Altofts
NORMANTON
West Yorkshire
WF6 2JD

BANKERS: Barclays Bank plc
Normanton Branch
Wood Street
WAKEFIELD
WF1 2EA

Yorkshire Bank plc
6-10 Northgate
WAKEFIELD
West Yorkshire
WF1 1TA

AUDITORS: Milne Booth
Chartered Accountants
& Registered Auditor
6 Park Square
LEEDS
LS1 2LX

COMPANY NUMBER: 58957

NORMANTON BRICK COMPANY LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

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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 1998.

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

The year 1998 started on a sad note with the closure of the Wakefield Road factory, brightened with a satisfactory transfer to Altofts and ended well with good results for the second half of the year. Competition from other brick makers is still very keen but results so far have been satisfactory.

The environmental people have now turned their attention to the Altofts factory and some stringent targets environmentally have to be met.

Plans for the sale of the Wakefield Road site, for building land, are going ahead. There are many complications and it is likely to take a long time to come to fruition.

Negotiations are in progress regarding the sale of the assets of the Altofts brick factory.

DIVIDEND AND TRANSFER TO RESERVES

The Directors recommend that a dividend on the Ordinary shares of £18 per share be paid, making a total for the year of £24 per share. The retained profit of £44,254 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 | |
|-------------|-----------------|------|-------------------|------|
| | 1998 | 1997 | 1998 | 1997 |
| T.E. Kirk | 20 | 20 | 45 | 45 |
| P.D. Kirk | 48 | 58 | 64 | 64 |
| G.A. Kirk | 64 | 64 | 61 | 61 |
| J. Kirk | 80 | 71 | 21 | 21 |
| C.P.D. Kirk | 21 | 21 | - | - |

T.E.Kirk served as a director from 1 January to 6 July 1998. C.P.D. Kirk served as a director from 29 July 1998 to 21 January 1999 when his one month's notice of resignation took effect.

NORMANTON BRICK COMPANY LIMITED

REPORT OF THE DIRECTORS

APPOINTMENT AND RETIREMENT OF DIRECTORS

Mr G A Kirk retires by rotation and being eligible seeks 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 PROVISIONS

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

BY ORDER OF THE BOARD:



R. Munton
Secretary

Dated: 2 August 1999

**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

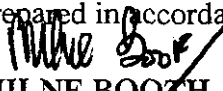
We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1998 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: 3 August 1999

NORMANTON BRICK COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998

| | Notes | 1998 | | 1997 | |
|--|-------|----------------|-------------------|-----------------|-------------------|
| | | £ | £ | £ | £ |
| TURNOVER | | | 1,570,916 | | 1,560,530 |
| Cost of Sales | | | <u>1,308,575</u> | | <u>1,376,338</u> |
| GROSS PROFIT | | | 262,341 | | 184,192 |
| Distribution Costs | | 74,589 | | (70,221) | |
| Administrative Expenses | | <u>154,840</u> | | <u>(99,525)</u> | |
| | | | <u>229,429</u> | | <u>169,746</u> |
| Operating Profit | | | 32,912 | | 14,446 |
| Income from other Fixed Asset Investments | 2. | 3,279 | | 6,136 | |
| Other Income | 3. | <u>35,128</u> | | <u>23,990</u> | |
| | | | <u>38,407</u> | | <u>30,126</u> |
| PROFIT on Ordinary Activities before Taxation | 4. | | 71,319 | | 44,572 |
| TAX ON PROFIT on Ordinary Activities | 6. | | <u>14,968</u> | | <u>7,330</u> |
| PROFIT on Ordinary Activities after Taxation | | | 56,351 | | 37,242 |
| EQUITY DIVIDENDS | 7. | | 12,000 | | 6,000 |
| NON-EQUITY DIVIDENDS | 7. | | <u>97</u> | | <u>97</u> |
| | | | 44,254 | | 31,145 |
| RETAINED PROFIT | | | | | |
| Brought forward | | | <u>1,059,035</u> | | <u>1,027,890</u> |
| RETAINED PROFIT | | | 1,103,289 | | 1,059,035 |
| Carried forward | | | <u> </u> | | <u> </u> |

The notes form part of these financial statements

NORMANTON BRICK COMPANY LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1998

| | NOTES | 1998 | | 1997 | |
|--|-------|----------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible Assets | 9. | | 323,014 | | 357,298 |
| CURRENT ASSETS | | | | | |
| Stocks | 10. | 179,709 | | 330,181 | |
| Debtors | 11. | 194,450 | | 217,278 | |
| Investments | 12. | 114,654 | | 133,849 | |
| Cash At Bank | | <u>561,980</u> | | <u>278,860</u> | |
| | | 1,050,793 | | 960,168 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13. | <u>191,504</u> | | <u>180,701</u> | |
| NET CURRENT ASSETS | | | <u>859,289</u> | | <u>779,467</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,182,303 | | 1,136,765 |
| PROVISION FOR LIABILITIES AND CHARGES | 14. | | <u>42,344</u> | | <u>41,060</u> |
| | | | 1,139,959 | | 1,095,705 |
| CAPITAL AND RESERVES | | | | | |
| CALLED UP SHARE CAPITAL | 16. | | 7,520 | | 7,520 |
| REVALUATION RESERVE | | | 29,150 | | 29,150 |
| PROFIT AND LOSS ACCOUNT | | | <u>1,103,289</u> | | <u>1,059,035</u> |
| | | | 1,139,959 | | 1,095,705 |
| ANALYSIS OF SHAREHOLDERS' FUNDS | | | | | |
| Equity Interests | | | 1,137,439 | | 1,093,185 |
| Non-Equity Interests | | | <u>2,520</u> | | <u>2,520</u> |
| | | | 1,139,959 | | 1,095,705 |

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 1999).

DIRECTOR: P.D. Kirk



Approved by the Board on 2 August 1999

The notes form part of these financial statements

NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

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 in accordance with the *Financial Reporting Standard for smaller entities* (effective March 1999).

(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.

2. INCOME FROM INVESTMENT PROPERTIES

| | 1998 | 1997 |
|-------|--------------|--------------|
| | £ | £ |
| Rents | <u>3,279</u> | <u>6,136</u> |

NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 1998

| | | | |
|----|--|-------------------|-------------------|
| 3. | OTHER INCOME | 1998 | 1997 |
| | | £ | £ |
| | Bank Interest Received | 24,427 | 13,872 |
| | Interest and Dividends from Investments | 10,115 | 10,864 |
| | Profit/(Loss) on Disposal of Investments | <u>586</u> | <u>(746)</u> |
| | | 35,128 | 23,990 |
| | | <u> </u> | <u> </u> |

4. **PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION**

After Charging -

| | | |
|---------------------------------|--------------|--------------|
| Directors Emoluments | 60,150 | 41,253 |
| Directors Pension Contributions | <u>2,403</u> | <u>6,067</u> |

| | | |
|--|------------|--------------|
| | 62,553 | 47,320 |
| Auditors' Remuneration | 3,500 | 3,400 |
| Depreciation of Tangible Fixed Assets | 36,844 | 43,447 |
| Loss/(Profit) on Disposal of Tangible Fixed Assets | <u>260</u> | <u>(67)</u> |

The number of directors to whom retirement benefits were accruing was as follows:

| | | |
|------------------------|----------|----------|
| Money Purchase Schemes | <u>1</u> | <u>1</u> |
|------------------------|----------|----------|

5. **DIRECTORS' EMOLUMENTS**

| | | |
|-----------------------|-------------------|-------------------|
| Salaries and Benefits | 40,713 | 24,367 |
| Pensions | 4,369 | 8,086 |
| Fees | <u>15,068</u> | <u>8,800</u> |
| | 60,150 | 41,253 |
| | <u> </u> | <u> </u> |

Included in the above emoluments were:-

| | | |
|-----------------------|---------------|---------------|
| Chairman | 6,488 | 8,086 |
| Highest Paid Director | <u>32,977</u> | <u>25,646</u> |

NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

| | | |
|--|---------------|----------------|
| 6. TAX ON PROFIT ON ORDINARY ACTIVITIES | 1998 | 1997 |
| UK Corporation Tax has been charged at 21% (1997:21.75%) | | |
| Corporation Tax on Profit for the year | 13,856 | 7,962 |
| Tax Credits on Dividends Received | 828 | 918 |
| Deferred Taxation | 284 | 1,400 |
| Deferred Taxation - Credit for change of tax rate | <u>-</u> | <u>(2,950)</u> |
| | 14,968 | 7,330 |
| | ===== | ===== |

| | | |
|--|---------------|--------------|
| 7. DIVIDENDS | | |
| Preference | 97 | 97 |
| Interim Ordinary at £6 (1997 £4) | 3,000 | 2,000 |
| Proposed final Ordinary at £18 (1997 £8) | <u>9,000</u> | <u>4,000</u> |
| | 12,097 | 6,097 |
| | ===== | ===== |

- 8. 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 £119,096 (1997 - £101,926).

At 31 December 1998 there was an amount due to Snydale Brickworks Limited of £7,971.72 (1997 - £9,470.11).

| | | | | |
|---------------------------------|------------------------------|--------------------------------------|--------------------------|-----------------|
| 9. TANGIBLE FIXED ASSETS | Investment Properties | Freehold Land & Buildings | Kilns & Plant | Total |
| COST/VALUATION | £ | £ | £ | £ |
| As at 1 January 1998 | 30,530 | 97,731 | 647,665 | 775,926 |
| Additions | - | 3,817 | 5,342 | 9,159 |
| Disposals | <u>-</u> | <u>-</u> | <u>(89,944)</u> | <u>(89,944)</u> |
| As at 31 December 1998 | 30,530 | 101,548 | 563,063 | 695,141 |
| | ===== | ===== | ===== | ===== |

NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE
YEAR ENDED 31 DECEMBER 1998

| | Investment Properties £ | Freehold Land & Buildings £ | Kilns & Plant £ | TOTAL £ |
|------------------------|-------------------------------|--------------------------------------|-----------------------|----------------|
| DEPRECIATION | | | | |
| As at 1 January 1998 | 530 | 14,947 | 403,151 | 418,628 |
| Charge for the year | - | 657 | 36,186 | 36,843 |
| Released | - | - | (83,344) | (83,344) |
| As at 31 December 1998 | 530 | 15,604 | 355,993 | 372,127 |
| NET BOOK VALUE | | | | |
| As at 31 December 1998 | <u>30,000</u> | <u>85,944</u> | <u>207,070</u> | <u>323,014</u> |
| As at 1 January 1998 | <u>30,000</u> | <u>82,784</u> | <u>244,514</u> | <u>357,298</u> |

On 31 December 1998 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.

10. STOCKS

| | 1998 £ | 1997 £ |
|---------------------------------------|----------------|----------------|
| Raw Materials | 15,935 | 29,571 |
| Work In Progress | 5,800 | 28,130 |
| Finished Bricks and Bricks for resale | <u>157,974</u> | <u>272,480</u> |
| | 179,709 | 330,181 |

11. DEBTORS

| | | |
|---------------|---------------|--------------|
| Trade Debtors | 172,654 | 205,686 |
| Other Debtors | 6,957 | 7,524 |
| Prepayments | <u>14,839</u> | <u>4,068</u> |
| | 194,450 | 217,278 |

12. INVESTMENTS

| | | |
|----------------------------|------------|------------|
| Quoted Investments at Cost | 114,254 | 133,449 |
| Unsecured Loan Stock | <u>400</u> | <u>400</u> |
| | 114,654 | 133,849 |

Market Value 31 December 1998 £218,828 (1997 - £215,535).

NORMANTON BRICK COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31 DECEMBER 1998

| | | | |
|-----|---|---------------|----------------|
| 13. | CREDITORS: Amounts falling due within One Year | 1998 | 1997 |
| | Trade Creditors | 59,262 | 94,421 |
| | Corporation Tax | 12,030 | 23,151 |
| | Other Taxes and Social Security Costs | 25,232 | 35,556 |
| | Proposed Dividend | 9,000 | 4,000 |
| | Accruals | <u>85,980</u> | <u>23,573</u> |
| | | 191,504 | 180,701 |
| 14. | PROVISION FOR LIABILITIES AND CHARGES | | |
| | DEFERRED TAX | | |
| | Balance Brought Forward | 21,060 | 23,610 |
| | Profit and Loss Account | <u>284</u> | <u>(1,550)</u> |
| | | 21,344 | 22,060 |
| | Advance Corporation Tax adjustment | <u>1,000</u> | <u>(1,000)</u> |
| | | 22,344 | 21,060 |
| | Represented by: | | |
| | Accelerated Capital Allowances | 21,646 | 21,328 |
| | Other timing differences | <u>698</u> | <u>732</u> |
| | | 22,344 | 22,060 |
| | INSURANCE PROVISION | | |
| | Balance Brought Forward | <u>20,000</u> | <u>20,000</u> |

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

15. **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 £7,310 (1997 - £11,558).

16. **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 |
| | | |