

MOORE STEPHENS

338492

KIRBY MACLEAN LIMITED

REPORT AND FINANCIAL STATEMENTS

1st JANUARY 1989

COMPANIES LIMITED
(25 SEP 1989)
M

Kirby MacLean Limited**Directors**

| | |
|--------------------------------------|---------------------------|
| B.J. Adams, FCIQB., MBIM., F.Inst.D. | (Chairman) |
| R.B. Pillings | (Joint Managing Director) |
| R.B. Adcock MCIQB., FCSI | (Joint Managing Director) |
| G. Liddiard, FCA | |
| D.J. O'Grady | |

Secretary and Registered Office

P.W. Young, FCA., FCCA
Pembroke House, 159 Ravenscroft Road, Beckenham, Kent, BR3 4TN

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4P 4BN

Report of the Directors

The directors submit their report and the audited financial statements for the year ended 1st January 1989.

Review of Activities

The company has continued its painting, contracting and decorating business.

Profit and Loss Account

The profit for the year after taxation amounted to £57,909 which is to be added to profits retained in the business.

The directors do not recommend the payment of a dividend for the year.

Directors**Interests in the Group**

Mr. B.J. Adams and Mr. R.B. Adcock are directors of the parent company, R. Mansell Limited, and their interests in the group, as defined by the Companies Act 1985, are set out in the directors' report attached to the financial statements of that company for the year ended 1st January 1989.

The interest of the remaining directors in the share capital of R. Mansell Limited at the beginning and end of the year were as follows:-

| | <u>1.1.89</u> | | <u>4.1.88</u> | |
|---------------|---|-------------------|---|-------------------|
| | <u>Shares of 25p. each</u> <u>Ordinary</u> | <u>Pref. Ord.</u> | <u>Shares of 25p. each</u> <u>Ordinary</u> | <u>Pref. Ord.</u> |
| R.B. Pillings | 10,000 | - | 10,000 | - |
| G. Liddiard | 15,000 | - | 14,400 | - |
| D.J. O'Grady | 10,000 | - | 10,000 | - |

Kirby MacLean Limited

Report of the Directors (Continued)

Board Changes

On 1st January 1989 Mr. R.B. Adcock was appointed to, and Mr. E.D. Lott resigned from, the Board.

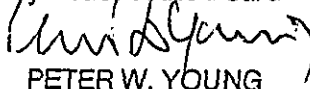
Retirement of Directors

In accordance with the Articles of Association, Mr. B.J. Adams and Mr. R.B. Adcock will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

Auditors

The auditors, Moore Stephens, are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the Annual General Meeting.

By Order of the Board



PETER W. YOUNG

Secretary

Kirby MacLean Limited

Profit and Loss Account
For the year ended 1st January 1989

| | <u>Note</u> | <u>1988</u> | <u>1987</u> |
|--|-------------|-------------|-------------|
| Turnover | 1(c) | 1,629,199 | 1,266,920 |
| Cost of sales | | 1,296,723 | 1,031,880 |
| Gross Profit | | 332,476 | 235,040 |
| Net operating expenses | 2 | 235,159 | 220,147 |
| Operating Profit | 3 | 97,317 | 14,893 |
| Interest payable and similar charges | 5 | 5,774 | 6,448 |
| Profit on Ordinary Activities before Taxation | | 91,543 | 8,445 |
| Taxation on profit on ordinary activities | 6 | 33,634 | 4,711 |
| Retained Profit for the Financial Year | 13 | £ 57,909 | £ 3,734 |

Kirby MacLean Limited

Balance Sheet at 1st January 1989

| | Note | 1.1.88 | 3.1.89 |
|--|------|-----------|-----------|
| Tangible Fixed Assets | 7 | 61,274 | 42,433 |
| Current Assets | | | |
| Stocks | 8 | 139,325 | 83,724 |
| Debtors | 9 | 201,711 | 307,050 |
| Cash at bank and in hand | | 31,389 | 93 |
| | | <hr/> | <hr/> |
| | | 372,425 | 390,867 |
| Creditors, amounts falling due within one year | 10 | 268,169 | 326,682 |
| | | <hr/> | <hr/> |
| Net Current Assets | | 104,256 | 64,185 |
| | | <hr/> | <hr/> |
| Total Assets less Current Liabilities | | 165,530 | 106,618 |
| | | <hr/> | <hr/> |
| Provisions for Liabilities and Charges | 11 | 1,969 | 966 |
| | | <hr/> | <hr/> |
| | | £ 163,561 | £ 105,652 |
| | | <hr/> | <hr/> |
| Capital and Reserves | | | |
| Called up share capital | 12 | 70,630 | 70,630 |
| Profit and loss account | 13 | 92,931 | 35,022 |
| | | <hr/> | <hr/> |
| | | £ 163,561 | £ 105,652 |
| | | <hr/> | <hr/> |

These financial statements were approved by the Board on 13th April 1989

B.J. ADAMS

R.B. ADCOCK

Directors

Report of the Auditors to the Members of
Kirby MacLean Limited

We have audited the financial statements on pages 3 to 9 in accordance with approved auditing standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 1st January 1989 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Act 1985.

St. Paul's House,
London, EC4P 4BN

13th April 1989

MOORE STEPHENS

Chartered Accountants

Kirby MacLean Limited

Statement of Source and Application of Funds
For the year ended 1st January 1989

| | <u>1988</u> | <u>1987</u> |
|---|-----------------|------------------|
| Source of Funds | | |
| From operations | | |
| Profit on ordinary activities before taxation | 91,543 | 8,445 |
| Adjustments for items not involving the movement of funds | | |
| Depreciation | 18,883 | 16,438 |
| Profit on disposal of tangible fixed assets | (9,023) | (1,345) |
| | <u>9,860</u> | <u>15,093</u> |
| | 101,403 | 23,538 |
| From other sources | | |
| Disposal of tangible fixed assets | 15,915 | 3,750 |
| | <u>117,318</u> | <u>27,288</u> |
| Application of Funds | | |
| Expenditure on tangible fixed assets | 44,616 | 28,114 |
| Corporation tax paid | 15,250 | 656 |
| | <u></u> | <u></u> |
| Increase/(Decrease) in Net Funds | <u>£ 57,452</u> | <u>£ (1,482)</u> |
| Represented by Movements in:- | | |
| Stocks | 55,601 | 50,252 |
| Debtors | (105,339) | 18,567 |
| Creditors | 30,537 | (143,795) |
| | <u>(19,201)</u> | <u>(74,976)</u> |
| Increase/(decrease) in net liquid funds: | | |
| Bank balances and cash | 31,296 | (107) |
| Bank overdraft | 45,357 | 73,601 |
| | <u>£ 57,452</u> | <u>£ (1,482)</u> |

Kirby MacLean Limited

Notes to the Financial Statements - 1st January 1989

1. Principal Accounting Policies

(a) Basis of accounting

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

(b) Accounting date

For management control purposes the year is divided into three four-month periods, which end on the Sunday before the first Wednesday in the following month, and the annual financial statements are drawn to coincide.

(c) Turnover

Turnover for the year is the total of invoices issued less credit notes.

(d) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation calculated to write off the cost over the estimated useful life using the following rates.

| | | |
|-------------------------------|---|---------------------------|
| Plant and equipment | - | 20% on written down value |
| Motor vehicles | - | 25% on cost |
| Office furniture and fixtures | - | 25% on cost |

(e) Stocks

Stocks and work in progress are stated at the lower of cost or net realisable value. In the case of contract work in progress cost includes attributable overheads less provision for foreseeable losses.

(f) Deferred taxation

Provision for deferred taxation is made except where it can be shown that the taxation deferred will not be payable in the foreseeable future.

2. Net Operating Expenses

| | <u>1988</u> | <u>1987</u> |
|-------------------------------------|------------------|------------------|
| Administrative expenses | 255,120 | 225,053 |
| <u>Less: Other operating income</u> | <u>19,961</u> | <u>4,906</u> |
| | <u>£ 235,159</u> | <u>£ 220,147</u> |

3. Operating Profit

| | <u>1988</u> | <u>1987</u> |
|---|-----------------|-----------------|
| Operating profit is stated after charging:- | £ | £ |
| Depreciation of tangible fixed assets | 18,883 | 16,438 |
| Directors' emoluments (note 4) | 57,486 | 48,619 |
| Auditors' remuneration | 5,400 | 5,100 |
| Hire of plant and machinery | 1,628 | 1,557 |
| | <u>£ 83,397</u> | <u>£ 71,714</u> |

Kirby MacLean Limited

Notes to the Financial Statements - 1st January 1989 (Continued)

4. Directors and Employees

| | <u>1988</u> | <u>1987</u> |
|---|-------------|-------------|
| Staff costs during the year were as follows:- | | |
| Wages and salaries | 347,463 | 353,507 |
| Social security costs | £1,674 | 31,347 |
| Other pension costs | 15,320 | 8,112 |
| | <hr/> | <hr/> |
| | £ 394,457 | £ 392,966 |
| | <hr/> | <hr/> |

The average weekly number of persons employed by the company during the year was 21 (1987 - 33).

Staff costs include the following emoluments in respect of directors of the company:-

| | | |
|--|---------------|---------------|
| Emoluments, including pension contributions and profit related bonuses | £ 57,486 | £ 48,619 |
| | <hr/> | <hr/> |
| Directors' emoluments, excluding pension contributions, include the follows:- | | |
| The chairman | £ Nil | £ Nil |
| | <hr/> | <hr/> |
| The highest paid director | £ 25,335 | £ 22,968 |
| | <hr/> | <hr/> |
| The following table shows the number of directors whose emoluments were in the ranges: | | |
| | <u>Number</u> | <u>Number</u> |
| £0 - £5,000 | 3 | 3 |
| £20,001 - £25,000 | 1 | 2 |
| £25,001 - £30,000 | 1 | - |
| | <hr/> | <hr/> |

5. Interest Payable

| | | |
|--|-------------|-------------|
| On bank overdrafts and other loans:- | <u>1988</u> | <u>1987</u> |
| Repayable within 5 years, not by instalments | £ 5,774 | £ 6,448 |
| | <hr/> | <hr/> |

6. Taxation on Ordinary Activities

| | | |
|---|----------|---------|
| United Kingdom corporation tax based on the profits for the year as adjusted for taxation purposes at a rate of 35% | 33,150 | 5,800 |
| Deferred taxation | 1,003 | (1,273) |
| Prior year adjustment | (519) | 184 |
| | <hr/> | <hr/> |
| | £ 33,634 | £ 4,711 |
| | <hr/> | <hr/> |

Kirby MacLean Limited

Notes to the Financial Statements - 1st January 1989 (Continued)

7. Tangible Fixed Assets

| | | <u>Plant and Equipment</u> | <u>Motor Vehicles</u> | <u>Office Furniture and Fixtures</u> | <u>Total</u> |
|---------------------|---|------------------------------------|---------------------------|--|--------------|
| Cost | | | | | |
| At 4th January 1988 | | 3,026 | 67,561 | 19,867 | 90,454 |
| Additions | | 1,436 | 37,376 | 5,804 | 44,616 |
| Disposals | | - | (31,213) | (1,300) | (32,513) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| At 1st January 1989 | £ | 4,462 | £ 73,724 | £ 24,371 | £ 102,557 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | | |
| At 4th January 1988 | | 3,026 | 31,476 | 13,519 | 48,021 |
| Charge for the year | | 240 | 15,163 | 3,480 | 18,883 |
| On disposals | | - | (24,321) | (1,300) | (25,621) |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| At 1st January 1989 | £ | 3,266 | £ 22,318 | £ 15,699 | £ 41,283 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Written down value | | | | | |
| At 1st January 1989 | £ | 1,196 | £ 51,406 | £ 8,672 | £ 61,274 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| At 3rd January 1988 | £ | - | £ 36,085 | £ 6,348 | £ 42,433 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |

8. Stocks

| | <u>1988</u> | <u>1987</u> |
|---------------------------|-------------|-------------|
| Stocks comprise:- | | |
| Work in progress | 215,446 | 767,150 |
| Less: Payments on account | 83,936 | 687,308 |
| | <hr/> | <hr/> |
| | 131,510 | 79,842 |
| Loose tools and materials | 7,815 | 3,882 |
| | <hr/> | <hr/> |
| | £ 139,325 | £ 83,724 |
| | <hr/> | <hr/> |

9. Debtors

All amounts falling due within one year

| | | |
|--------------------------------|-----------|-----------|
| Trade debtors | 176,713 | 191,656 |
| Owed by group companies | 18,933 | 110,920 |
| Other debtors | 5,500 | 4,214 |
| Prepayments and accrued income | 565 | 260 |
| | <hr/> | <hr/> |
| | £ 201,711 | £ 307,050 |
| | <hr/> | <hr/> |

Kirby MacLean Limited

Notes to the Financial Statements - 1st January 1989 (Continued)

10. Creditors - Amounts falling due within one year

| | <u>1988</u> | <u>1987</u> |
|--|-------------|-------------|
| Bank loans and overdrafts | - | 45,357 |
| Trade creditors | 129,214 | 137,900 |
| Corporation tax | 42,208 | 24,827 |
| Other taxation and social security payable | 54,215 | 65,806 |
| Other creditors | 34,953 | 37,546 |
| Accruals and deferred income | 7,579 | 14,259 |
| Owed to group companies | - | 987 |
| | <hr/> | <hr/> |
| | £ 268,169 | £ 326,682 |
| | <hr/> | <hr/> |

11. Provisions for Liabilities and Charges

| | | |
|--|---------|---------|
| Deferred taxation | | |
| Accelerated capital allowances | | |
| Provision at 4th January 1988 | 966 | 2,239 |
| Transfer from/(to) profit and loss account | 1,003 | (1,273) |
| | <hr/> | <hr/> |
| Provision at 1st January 1989 | £ 1,969 | £ 966 |
| | <hr/> | <hr/> |

12. Called Up Share Capital

Ordinary shares of £1 each

| | | |
|------------------------------------|-----------|-----------|
| Authorised | £ 100,000 | £ 100,000 |
| | <hr/> | <hr/> |
| Allotted, called up and fully paid | £ 70,630 | £ 70,630 |
| | <hr/> | <hr/> |

13. Reserves

| | |
|------------------------------|------------------------------------|
| | <u>Profit and Loss Account</u> |
| At 4th January 1988 | 35,022 |
| Retained profit for the year | 57,909 |
| | <hr/> |
| At 1st January 1989 | £ 92,931 |
| | <hr/> |

14. Ultimate Holding Company

The company is a wholly-owned subsidiary of R. Mansell Limited, which is incorporated in Great Britain.