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KIRBY MACLEAN LIMITED

REPORT AND FINANCIAL STATEMENTS

31st DECEMBER 1989

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**Kirby MacLean Limited****Directors**

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

**Secretary and Registered Office**

P.E. Pordage, BA, FCCA, ACIS  
 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 31st December 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 £23,945 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 31st December 1989.

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

	<u>31.12.89</u>		<u>2.1.89</u>	
	<u>Shares of 25p each</u>		<u>Shares of 25p each</u>	
	<u>Ordinary</u>	<u>Pref. Ord.</u>	<u>Ordinary</u>	<u>Pref. Ord.</u>
R.B. Pillings	10,000	-	10,000	-
G. Liddiard	15,000	-	15,000	-
D.J. O'Grady	10,000	-	10,000	-

Kirby MacLean Limited  
Report of the Directors (continued)

Directors (continued)

Retirement of Directors

In accordance with the Articles of Association, Mr. G. Liddiard and Mr. D. J. O'Grady 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 re-appointment and authorising the directors to fix their remuneration will be submitted to the Annual General Meeting.

By Order of the Board

PETER E. PORDAGE

Secretary



12th April 1990

## Kirby MacLean Limited

Profit and Loss Account  
For the year ended 31st December 1989

	<u>Note</u>	<u>1989</u>	<u>1988</u>
Turnover	1(c)	1,702,675	1,641,199
Cost of sales		<u>1,347,840</u>	<u>1,343,122</u>
Gross Profit		354,835	298,077
Net operating expenses	2	<u>300,241</u>	<u>235,159</u>
Operating Profit	3	54,594	62,918
Interest payable and similar charges	5	<u>13,700</u>	<u>5,774</u>
Profit on ordinary activities before taxation		40,894	57,144
Taxation on profit on ordinary activities	6	<u>16,949</u>	<u>21,594</u>
Retained Profit for the Financial Year	13	<u>£ 23,945</u>	<u>£ 35,550</u>

## Kirby MacLean Limited

## Balance Sheet at 31st December 1989

	<u>Note</u>	<u>31.12.89</u>	<u>1.1.89</u>
Tangible Fixed Assets	7	78,169	61,274
Current Assets			
Stocks	8	13,688	7,815
Debtors	9	430,807	338,043
Cash at bank and in hand		770	31,389
		445,265	377,247
Creditors, amounts falling due within one year	10	330,899	269,857
Net Current Assets		114,366	107,390
Total Assets less Current Liabilities			
		192,535	168,664
Provisions for Liabilities and Charges	11	1,895	1,969
		£ 190,640	£ 166,695
Capital and Reserves			
Called up share capital	12	70,630	70,630
Profit and loss account	13	120,010	96,065
		£ 190,640	£ 166,695

These financial statements were approved by the Board on 12th April 1990

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 10 in accordance with auditing standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31st December 1989 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

12 April 1990

MOORE STEPHENS

Chartered Accountants

## Kithy MacLean Limited

Statement of Source and Application of Funds  
For the year ended 31st December 1989

	<u>1989</u>	<u>1988</u>
Source of Funds		
From Operations		
Profit on ordinary activities before taxation	40,894	57,144
Adjustments for items not involving the movement of funds		
Depreciation	24,661	18,883
Profit for items not involving the movement of funds		
Depreciation	(2,920)	(9,023)
	<u>21,741</u>	<u>9,860</u>
	62,635	67,004
From other sources		
Disposal of tangible fixed assets	5,921	15,915
	<u>68,556</u>	<u>82,919</u>
Application of Funds		
Expenditure on tangible fixed assets	44,557	44,616
Corporation tax paid	42,107	15,250
	<u></u>	<u></u>
Decrease/(Increase) in Net Funds	£ (18,108)	£ 23,053
Represented by Movements in:-		
Stocks	5,873	(115,130)
Debtors	92,838	30,993
Creditors	1,766	30,537
	<u>100,477</u>	<u>(53,600)</u>
Increase/(decrease) in net liquid funds:		
Bank balances and cash	(30,619)	31,296
Bank overdraft	(87,966)	45,357
	<u>£ (18,108)</u>	<u>£ 23,053</u>

## Kirby MacLean Limited

## Notes to the Financial Statements - 31st December 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 is the value of work executed during the year in respect of contracting together with the invoiced value of sales in respect of other activities excluding VAT.

## (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	-	25% on cost
Motor vehicles	-	20% on cost
Office furniture and fixtures	-	20% on cost

## (e) Stocks

Stocks and work in progress are stated at the lower of net realisable value or cost including attributable overheads where appropriate. Long term contracts are stated at cost, net of amounts transferred to cost of sales, after deducting provision for foreseeable losses and payments on account. Where turnover differs from invoiced progress payments the balance is included in debtors or creditors as appropriate.

## (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>1989</u>	<u>1988</u>
Administrative expenses	304,931	255,120
<u>Less: Other operating income</u>	<u>4,690</u>	<u>19,961</u>
	<u>£ 300,241</u>	<u>£ 235,159</u>

## Kirby MacLean Limited

## Notes to the Financial Statements - 31st December 1989 (continued)

## 9 Operating Profit

19891988

Operating profit is stated after charging:-

Depreciation of tangible fixed assets	24,661	18,883
Directors' emoluments (note 4)	59,511	57,486
Auditors' remuneration	5,100	5,400
Hire of plant and machinery	168	1,628

## 4. Directors and Employees

Staff costs during the year were as follows:-

Wages and salaries	383,405	347,463
Social Security costs	31,269	31,674
Other pension costs	12,767	15,320
	<u>£ 427,441</u>	<u>£ 394,457</u>

The average weekly number of persons employed by the company during the year was 23 (1988 - 21).

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

Emoluments, including pension contributions and profit related bonuses	<u>£ 60,335</u>	<u>£ 57,486</u>
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Directors' emoluments, excluding pension contributions, include the following:-

The Chairman	<u>£ Nil</u>	<u>£ Nil</u>
The highest paid director	<u>£ 27,415</u>	<u>£ 25,335</u>

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
£25,001 - £30,000	2	1

## Kirby MacLean Limited

## Notes to the Financial Statements - 31st December 1989 (Continued)

## 5. Interest Payable

On bank overdrafts and other loans:-

	<u>1989</u>	<u>1988</u>
Repayable within 5 years, not by instalments	£ 13,700	£ 5,774

## 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% 1988 : 35%)

Deferred taxation	17,050	21,110
Prior year adjustment	(74)	1,003
	(27)	(519)
	£ 16,949	£ 21,594

## 7. Tangible Fixed Assets

	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>Office Furniture and Fixtures</u>	<u>Total</u>
<b>Cost</b>				
At 1st January 1989	4,462	73,724	24,371	102,557
Additions	3,667	37,539	3,351	44,557
Disposals	(125)	(11,770)	-	(11,895)
At 31st December 1989	8,004	99,493	27,722	135,219
<b>Depreciation</b>				
At 1st January 1989	3,266	22,318	15,699	41,283
Charge for the year	510	19,322	4,829	24,661
On disposals	(126)	(8,768)	-	(8,894)
At 31st December 1989	3,650	32,872	20,528	57,050
<b>Written down value</b>				
At 31st December 1989	£ 4,354	£ 66,621	£ 7,194	£ 78,169
At 1st January 1989	£ 1,196	£ 51,406	£ 8,672	£ 61,274

## Kirby Maclean Limited

## Notes to the Financial Statements 31st December 1989 (continued)

## 8. Stocks

	<u>1989</u>	<u>1988</u>
Long term contracts	274,731	83,936
<u>Less: Payments on account</u>	<u>274,731</u>	<u>83,936</u>
Loose tools and materials	13,688	7,815
	<u>£ 13,688</u>	<u>£ 7,815</u>

## 9. Debtors

	<u>1989</u>	<u>1988</u>
All amounts falling due within one year		
Trade debtors	278,146	176,713
Amounts recoverable on contracts	100,799	136,332
Owed by group companies	38,587	18,933
Other debtors	11,275	5,500
Prepayments and accrued income		565
	<u>£ 430,807</u>	<u>£ 338,043</u>

## 10. Creditors - Amounts falling due within one year

Bank loans and overdrafts	87,966	-
Trade creditors	96,151	129,214
Corporation tax	18,738	43,896
Other taxation and social security payable	79,228	54,215
Other creditors	24,643	34,953
Accruals and deferred income	24,173	7,579
	<u>£ 330,899</u>	<u>£ 269,857</u>

## 11. Provisions for Liabilities and Charges

Deferred taxation		
Accelerated capital allowances		
Provision at 1st January 1989	1,969	966
Transfer from/(to) profit and loss account	(74)	1,003
	<u>£ 1,895</u>	<u>£ 1,969</u>

## Kirby MacLean Limited

## Notes to the Financial Statements - 31st December 1989 (continued)

12.	Called Up Share Capital	<u>1989</u>	<u>1988</u>
	Ordinary shares of £1 each		
	Authorised	£ 100,000	£ 100,000
		<u>          </u>	<u>          </u>
	Allotted, called up and fully paid	£ 70,630	70,630
		<u>          </u>	<u>          </u>
13.	Reserves	<u>Profit and</u>	
		<u>Loss Account</u>	
	At 1st January 1989		
	As previously reported	92,931	
	Prior year adjustment	3,134	
		<u>          </u>	
	As restated	96,065	
	Retained profit for the year	23,945	
		<u>          </u>	
	At 31st December 1989	£ 120,010	
		<u>          </u>	

The prior year adjustment represents the effect of a change in the accounting policy for long term contracts. As a result of the introduction of SSAP9 (Revised), contracts with a shorter duration than one year may be accounted for as long term and as such turnover and attributable profit are recorded within the profit and loss account. This has the effect of reducing profit after taxation for the corresponding period by £22,359. The cumulative effect of recognising profit on the revised basis amounted to £3,134 after taxation at 35% which is the increase in opening reserves.

## 14. Ultimate Holding Company

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