

**DEVON CONTRACTORS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MAY 2000**  
**COMPANY NUMBER: 533232**



# **DEVON CONTRACTORS LIMITED**

## **COMPANY INFORMATION**

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**Directors**

Mr P. J. Hilson  
Mr I. T. Buckland  
Mr G. D. Murrin

**Secretary**

Mr S. O. Bennington

**Company number**

533232

**Registered office**

Devon House,  
Clyst Works, Clyst Road,  
Topsham,  
Exeter.  
EX3 0DB

**Auditors**

Thomas Westcott & Gillard  
Queens House  
New Street  
Honiton  
Devon  
EX14 1BJ

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# DEVON CONTRACTORS LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MAY 2000

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The directors present their report and the audited financial statements for the company for the year ended 31st May 2000.

### Principal activities and review of business

The company's principal activity continued to be that of building contracting, civil engineering contracting, property development and residential development.

### Dividends

The directors do not recommend a dividend.

### Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st May 2000	At 1st June 1999
Mr P. J. Hilson	Ordinary £1 shares	-	-
Mr I. T. Buckland	Ordinary £1 shares	-	-
Mr G. D. Murrin	Ordinary £1 shares	-	-

### Statement of directors' responsibilities

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 for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and 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.

By order of the Board



Mr S. O. Bennington, Secretary

Date: 3.1.01

# AUDITORS' REPORT TO THE SHAREHOLDERS OF DEVON CONTRACTORS LIMITED

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We have audited the financial statements on pages 3 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

## Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

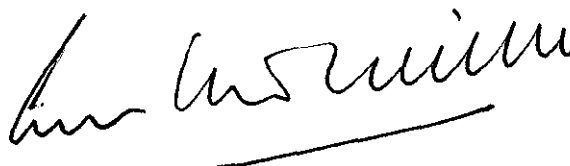
## Basis of opinion

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 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 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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 31st May 2000 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Thomas Westcott & Gillard  
Chartered Accountants and Registered Auditors  
Queens House  
New Street  
Honiton  
Devon  
EX14 1BJ

Date: 3rd January 2001

**DEVON CONTRACTORS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MAY 2000**

	Notes	2000 £	1999 £
<b>Turnover</b>	2	5,046,510	9,655,919
Cost of sales		(4,697,919)	(8,945,969)
<b>Gross profit</b>		348,591	709,949
Administrative expenses		(322,022)	(241,952)
Other operating income		39,250	-
<b>Operating profit</b>	3	65,819	467,996
Interest receivable	5	28,898	82,852
Interest payable and similar charges	4	(149)	(145)
<b>Profit on ordinary activities before taxation</b>		94,568	550,703
Tax on profit on ordinary activities	6	(797)	(157,216)
<b>Profit for the financial year</b>		93,771	393,486
Dividends	7	-	(275,000)
<b>Retained profit for the year</b>		93,771	118,486
<b>Retained profit brought forward</b>		134,254	15,767
<b>Retained profit carried forward</b>		228,025	134,254

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

# DEVON CONTRACTORS LIMITED

## BALANCE SHEET

AS AT 31ST MAY 2000

	Notes	£	2000 £	£	1999 £
<b>Fixed assets</b>					
Tangible assets	9		100,134		90,511
Investments	10		-		2
			<u>100,134</u>		<u>90,513</u>
<b>Current assets</b>					
Stocks	11	823,149		463,278	
Debtors	12	787,139		272,145	
Cash at bank and in hand		534		865,804	
			<u>1,610,822</u>	<u>1,601,228</u>	
<b>Creditors: amounts falling due within one year</b>	13	(1,182,931)		(1,257,488)	
<b>Net current assets</b>			<u>427,891</u>		<u>343,740</u>
<b>Total assets less current liabilities</b>			<u>528,025</u>		<u>434,253</u>
<b>Capital and reserves</b>					
Share capital	14		300,000		300,000
Profit and loss account			<u>228,025</u>		<u>134,254</u>
<b>Shareholders' funds</b>	20		<u>528,025</u>		<u>434,254</u>

These financial statements were approved by the board on 3 January 2001 and signed on its behalf by:

Mr P. J. Hilson  
Director



# DEVON CONTRACTORS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MAY 2000

	Notes	2000 £	1999 £
<b>Reconciliation of operating profit to net cash flow from operating activities</b>			
Operating profit		65,819	467,996
Depreciation		72,711	90,220
Profit on sale of fixed assets		(4,753)	(1,916)
Increase/Decrease in stocks		(359,871)	340,407
Increase/Decrease in debtors		(514,993)	21,859
Decrease in creditors		(34,728)	(156,957)
<b>Net cash outflow/inflow from operating activities</b>		<b>(775,815)</b>	<b>761,609</b>

## CASH FLOW STATEMENT

<b>Net cash outflow/inflow from operating activities</b>		<b>(775,815)</b>	<b>761,609</b>
<b>Returns on investments and servicing of finance</b>	18	<b>28,749</b>	<b>82,707</b>
<b>Taxation</b>		<b>(797)</b>	<b>(157,216)</b>
<b>Capital expenditure and financial investment</b>	18	<b>(77,579)</b>	<b>(31,989)</b>
<b>Equity dividends paid</b>		<b>(50,000)</b>	<b>(225,000)</b>
<b>Decrease/Increase in cash</b>		<b>(875,442)</b>	<b>430,110</b>
<b>Reconciliation of net cash flow to movement in net cash</b>			
<b>Decrease/Increase in cash in the year</b>		<b>(875,442)</b>	<b>430,110</b>
<b>Increase in Net Cash</b>	19	<b>(875,442)</b>	<b>430,110</b>
<b>Net cash at 1st June 1999</b>		<b>865,804</b>	<b>435,694</b>
<b>Net debt/funds at 31st May 2000</b>	19	<b>(9,637)</b>	<b>865,804</b>

# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

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### 1 Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Consolidation

The financial statements contain information about Devon Contractors Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

#### Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets over their expected useful lives. The rates and periods generally applicable are:

Plant, Machinery and Workshop Fittings	Straight line basis over 2 to 5 years depending on the type of asset or 50%/40% first year and straight line for the next four years.
Motor vehicles	30% in the first year, then on a straight line basis over 3 years.
Office Fixtures and Fittings	Straight line basis up to 5 years.

#### Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### Long term contracts

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long term contracts are included in the work in progress to the extent that they cannot be matched with contract work accounted for as turnover. Long term contract balances included in work in progress are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

#### Stocks

Raw Materials have been valued at the lower of cost and net realisable value.

Work in Progress has been valued at a cost less losses and payments on account.



# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

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### Deferred taxation

In accordance with Statement of Standard Accounting Practice No.15, deferred taxation is not provided for in respect of timing differences which, on reasonable evidence, are not expected to reverse in the foreseeable future.

### Operating Leases

Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

## 2 Turnover

Turnover is the total amount receivable by the company for goods supplied, less returns, and services provided, excluding VAT and trade discounts.

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

## 3 Operating profit

The operating profit is arrived at after charging or crediting:

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	72,711	90,220
Profit on disposal of fixed assets	(4,753)	(1,916)
Operating leases:	1,517	1,683
-plant and equipment	1,517	1,683
Auditors' remuneration	3,000	3,000

Two directors are members of a money purchase pension scheme (1998: Two).

## 4 Interest payable and similar charges

	2000	1999
	£	£
Interest payable on bank loans and overdrafts	149	145

## 5 Interest receivable

	2000	1999
	£	£
Bank interest receivable	28,898	82,852

## 6 Taxation

	2000	1999
	£	£
Based on the profit for the year:		
UK corporation tax	-	157,612
Unprovided last year	797	(395)
	797	157,216

# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

<b>7</b>	<b>Dividends</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Equity dividends		
	Ordinary dividends - paid	-	225,000
	Ordinary dividends - proposed	-	50,000
	Total equity dividends	-	275,000

### 8 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Wages and salaries	814,910	827,148
Social security costs	2,898	2,188
	<b>817,808</b>	<b>829,336</b>

The average monthly number of employees, including directors, during the year was as follows:

	<b>2000</b>	<b>1999</b>
	<b>Number</b>	<b>Number</b>
Average number of employees	41	41

#### Directors' emoluments

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	-	83,783

# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

### 9 Tangible fixed assets

	Plant, Machinery and Workshop Fittings	Motor Vehicles	Office Fixtures and Fittings	Total
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1st June 1999	139,989	220,882	10,881	371,752
Additions	9,480	78,815	5,907	94,202
Disposals	-	(71,531)	-	(71,531)
<b>At 31st May 2000</b>	<b>149,469</b>	<b>228,166</b>	<b>16,788</b>	<b>394,423</b>
<b>Depreciation</b>				
At 1st June 1999	120,427	152,969	7,845	281,241
Charge for the year	16,527	52,695	3,489	72,711
Disposals	-	(59,663)	-	(59,663)
<b>At 31st May 2000</b>	<b>136,954</b>	<b>146,001</b>	<b>11,334</b>	<b>294,289</b>
<b>Net book value</b>				
<b>At 31st May 2000</b>	<b>12,515</b>	<b>82,165</b>	<b>5,454</b>	<b>100,134</b>
At 31st May 1999	19,562	67,913	3,036	90,511

### 10 Fixed asset investments

	Shares in group undertakings	Total
<b>Cost</b>	<b>£</b>	<b>£</b>
At 1st June 1999	2	2
Disposals	(2)	(2)
<b>At 31st May 2000</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>		
<b>At 31st May 2000</b>	<b>-</b>	<b>-</b>
At 31st May 1999	2	2

# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

11	<b>Stocks</b>	<b>2000</b>	<b>1999</b>
		£	£
	Stocks	500	500
	Work in progress	822,649	462,778
		<u>823,149</u>	<u>463,278</u>
12	<b>Debtors</b>	<b>2000</b>	<b>1999</b>
		£	£
	Trade debtors	342,856	166,694
	Amounts owed by associated undertakings	418,780	87,427
	Other debtors	15,503	8,024
	Directors' loan accounts (Note 16)	10,000	10,000
		<u>787,139</u>	<u>272,145</u>
13	<b>Creditors: amounts falling due within one year</b>	<b>2000</b>	<b>1999</b>
		£	£
	Bank loans and overdrafts	10,171	-
	Payments received on account	95,437	10,860
	Trade creditors	1,036,901	997,041
	Other creditors	9,670	14,770
	Other taxes and social security	30,752	184,817
	Proposed dividend	-	50,000
		<u>1,182,931</u>	<u>1,257,488</u>
The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.			
14	<b>Share capital</b>	<b>2000</b>	<b>1999</b>
		£	£
	<b>Authorised</b>		
	<b>Equity shares</b>		
	300,000 Ordinary shares of £1.00 each	<u>300,000</u>	<u>300,000</u>
	<b>Allotted</b>		
	<b>Equity shares</b>		
	300,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>300,000</u>	<u>300,000</u>

# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

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### 15 Operating lease commitments

At 31st May 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	2000	1999
	£	£
Operating leases which expire:		
Between two and five years	1,517	1,683
After five years	13,992	13,992
	<u>15,509</u>	<u>15,675</u>

### 16 Transactions with directors

During the year the company provided interest free loans of £5,000 (1999: £5,000) each to S. C. Hilson (employee and wife of P. J. Hilson) and C. M. Buckland (employee and wife of I. T. Buckland).

During the year there were outstanding amounts on directors and related party loans as follows:-

Beginning of the year (also maximum):	P. J. Hilson	£nil	(1999: £12,263)
	I. T. Buckland	£nil	(1999: £12,263)
	S. C. Hilson	£5,000	(1999: £5,000)
	C. M. Buckland	£5,000	(1999: £5,000)
End of year:	P. J. Hilson	£nil	(1999: £nil)
	I. T. Buckland	£nil	(1999: £nil)
	S. C. Hilson	£5,000	(1999: £5,000)
	C. M. Buckland	£5,000	(1999: £5,000)

# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

### 17 Related parties

During the year the company entered into transactions with both H. Greenaway and Sons Limited, a wholly owned subsidiary of Clyst Holdings Limited, and Clyst Holdings Limited, its parent company. The transactions were as follows:-

H. Greenaway and Sons Limited	Sales (in the normal course of business)	£54,928 (1999:£35,321)
	Sales of fixed assets	£ 2,680 (1999:£11,045)
	Purchases (in the normal course of business)	£70,029 (1999:£308,230)
	Purchases of fixed assets	£638 (1999:£nil)
	Management charges received	£39,250 (1999:£nil)
Clyst Holdings Limited	Management Charges paid	£116,395 (1999:£16,083)
	Sales (in the normal course of business)	£500,000 (1999 £nil)

The balances at the year end were as follows:-

H. Greenaway and Sons Limited	£234,943 dr (1999:£47,057 dr)
Clyst Holdings Limited	£195,436 dr (1999:£28,656 cr)

These balances are interest free.

During the year the company sold a vehicle to Mr S. O. Bennington, the company secretary and employee, for £1,300. This was considered to be the market value for the vehicle. Also during the year the company provided an interest free loan of £5,000 (1999: £5,000) to Mr S. O. Bennington. This was the maximum amount and was outstanding at the year end.

18	Gross cash flows	2000 £	1999 £
	Returns on investments and servicing of finance		
	Interest received	28,898	82,852
	Interest paid	(149)	(145)
		<u>28,749</u>	<u>82,707</u>
	Capital expenditure and financial investment		
	Payments to acquire tangible fixed assets	(94,202)	(62,318)
	Proceeds from the sale of tangible fixed assets	16,621	30,329
	Proceeds from the sale of investment	2	-
		<u>(77,579)</u>	<u>(31,989)</u>
	Issue of Bonus Shares	-	-

# DEVON CONTRACTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

### 19 Analysis of changes in net cash

	1999	Cash flows	2000
	£	£	£
Cash at bank and in hand	865,804	(865,270)	534
Overdrafts	-	(10,171)	(10,171)
	865,804	(875,441)	(9,637)

### 20 Reconciliation of movement in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	93,771	393,486
Dividends	-	(275,000)
Increase in the shareholders' funds	93,771	118,486
Opening shareholders' funds	434,254	315,767
Closing shareholders' funds	528,025	434,254

### 21 Contingent liabilities

At the year end the company's bankers have given bonds to certain of the company's customers to guarantee completion of the projects undertaken. The amount of these bonds varied throughout the year and at the year end was £162,422 (1999: £165,658).

### 22 Ultimate Control

The company is a wholly owned subsidiary of Clyst Holdings Limited, a company incorporated in the United Kingdom. Clyst Holdings Limited is jointly owned by the following:-

P. J. Hilson	46.7%
I. T. Buckland	46.7%
G. D. Murrin	6.6%