

GEORGE KILLOUGHERY LIMITED
1994 REPORT AND FINANCIAL STATEMENTS

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Company Registration No. 849646



GEORGE KILLOUGHERY LIMITED
REPORT OF THE DIRECTOR

The director presents her report together with the financial statements for the year ended 31 December 1994.

Business Review

The principal activities of the company are those of groundwork, plant hire and contracting.

The company has succeeded in increasing turnover in spite of intense competition in this sector, which trend the director believes will continue. The director considers the state of the company's affairs to be satisfactory.

Results and Dividends

The trading results of the company are set out on page 4. The director recommends the payment of a dividend of £50,000 for the year (1993:£Nil).

Director and her Interest

The director who served during the year together with her interests in the shares of the company was as follows:

		1994	1993
M T Killoughery	Ordinary shares of £1 each	<u>3000</u>	<u>1000</u>

Fixed Assets

The effect of changes during the year is shown in note 7 to the financial statements.

Close Company

In the opinion of the director the company is a close company within the terms of the Income and Corporation Taxes Act 1988.

Auditors

A resolution in accordance with Section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually was passed on 6 June 1995 and accordingly Messrs Gepsons shall be deemed re-appointed as auditors.

By order of the Board

11 December 1995

Joe Killoughery
J Killoughery - Secretary

**GEORGE KILLOUGHERY LIMITED
STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable the director to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible to safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
GEORGE KILLOUGHERY LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of director and auditors

As described on page 2 the company's director is 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 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 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 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 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

11 December 1995

Gepsons

Gepsons
Registered Auditor
Wembley

GEORGE KILLOUGHERY LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 1994

	Note	1994	1993
TURNOVER - continuing operations	1b	4770922	3485382
Cost of sales		3905715	2842119
		<hr/>	<hr/>
GROSS PROFIT		865207	643263
Administrative expenses		321925	195666
		<hr/>	<hr/>
OPERATING PROFIT - continuing operations	2	543282	447597
Interest payable and similar charges	3	(19460)	(59557)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		523822	388040
Taxation	5	(115000)	(59500)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR		408822	328540
Dividends	6	(50000)	-
		<hr/>	<hr/>
RETAINED PROFIT FOR THE YEAR		<u>£358822</u>	<u>£328540</u>

There are no recognised gains or losses other than those included in the profit and loss account.

GEORGE KILLOUGHERY LIMITED
BALANCE SHEET AT 31 DECEMBER 1994

		1994	1993
	Note		
FIXED ASSETS			
Tangible assets	7	2195256	1754657
CURRENT ASSETS			
Stocks	8	419760	427591
Debtors	9	923225	669654
Cash at bank and in hand		71122	41221
		1414107	1138466
CREDITORS: Amounts due within one year	10	(1863754)	(1461361)
NET CURRENT LIABILITIES			
		(449647)	(322895)
		1745609	1431762
CREDITORS: Amounts due after more than one year	11	(341030)	(386005)
		<u>£1404579</u>	<u>£1045757</u>
CAPITAL AND RESERVES			
Called up share capital	14	10000	10000
Profit and loss account	15	1394579	1035757
		<u>£1404579</u>	<u>£1045757</u>

M. Killoughery
M Killoughery - Director

GEORGE KILLOUGHERY LIMITED
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 1994

	1994	1993
Net cash inflow from operating activities	750268	941893
Returns on investments and servicing of finance		
Interest paid	(19460)	(59557)
Taxation	730808	882336
Corporation tax paid	(51000)	-
Investing activities		
Purchase of tangible fixed assets	(1011711)	(1077413)
Disposal of tangible fixed assets	302749	440900
	(708962)	(636513)
Net cash inflow before financing	(29154)	245823
FINANCING:		
New hire purchase creditors	658470	295100
Capital element of hire purchase payments	(330723)	(141499)
Loan payments	(260800)	(364627)
	66947	(211026)
Increase (decrease) in cash and cash equivalents	£37793	£34797

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 1994

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

a) Basis of Accounting:

The accounts have been prepared under the historical cost convention.

b) Turnover

Turnover represents work done invoiced during the year and is shown net of value added tax.

c) Depreciation:

Fixed assets have been depreciated so as to write off the costs of the assets over their estimated useful lives as follows:

Motor vehicles	-	25% per annum
Plant and equipment	-	12.5% per annum
Fixtures and fittings	-	25% per annum

No provision is made for depreciation on freehold land.

d) Stock and work in progress:

Stock and work in progress has been valued at the lower of cost and net realisable value.

e) Leased assets

The cost of assets held under finance leases is included in the balance sheet under fixed assets and is depreciated accordingly. Future instalments under such leases, net of finance charges are included within creditors. Rentals payable are apportioned between the finance element charged to the profit and loss account and capital repayments which reduce outstanding obligations for future instalments.

The cost of operating leases is taken to the profit and loss account as incurred.

e) Deferred taxation

It is not considered necessary to provide for deferred taxation as all originating differences are expected with reasonable probability to continue for the foreseeable future.

f) Pension

The company makes contributions on behalf of the director to a separate defined contribution scheme. Pension costs charged against profits represent the amount payable to the scheme in respect of the year.

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 1994

2. OPERATING PROFIT

Operating profit is stated after charging (crediting):

	1994	1993
	£	£
Auditors' remuneration	7500	5000
Director's remuneration	25000	23750
Director's pension	4200	-
Depreciation of owned fixed assets	111908	130897
Depreciation of fixed assets held under hire purchase	167998	87684
Exceptional item - insurance claim settlement	-	(68606)
	<u> </u>	<u> </u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1994	1993
On loans and overdrafts wholly repayable within 5 years	£19460	£59557
	<u> </u>	<u> </u>

4. STAFF COSTS

The average number of persons, excluding the director, employed by the company during the year was 25 (1993:18). The aggregate payroll costs of these persons were as follows:

	1994	1993
Wages and salaries	335255	198383
Social security costs	34723	18847
	<u>£369978</u>	<u>£217230</u>

5. TAXATION

	1994	1993
UK Corporation tax at 25%	<u>£115000</u>	<u>£59500</u>

In accordance with company policy no provision has been made for deferred taxation. The full potential liability in respect of accelerated capital allowances is £223154 (1993 : £203720).

6. DIVIDENDS

	1994	1993
Proposed	<u>£50000</u>	<u>£ -</u>

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 1994

7. FIXED ASSETS	Freehold property	Motor vehicles	Plant and equipment	Fixtures & fittings	Total
Cost					
At 1 January 1994	270134	83661	2292689	5210	2651694
Additions	-	18615	992464	632	1011711
Disposals	-	(62675)	(419147)	-	(481822)
At 31 December 1994	<u>270134</u>	<u>39601</u>	<u>2866006</u>	<u>5842</u>	<u>3181583</u>
At 1 January 1994	-	50121	842338	4578	897037
Disposals	-	(43477)	(147139)	-	(190616)
Charge for the year	-	8239	271351	316	279906
At 31 December 1994	<u>-</u>	<u>14883</u>	<u>966550</u>	<u>4894</u>	<u>986327</u>
Net book value at					
31 December 1994	<u>£270134</u>	<u>£24718</u>	<u>£1899456</u>	<u>£ 948</u>	<u>£2195256</u>
31 December 1993	<u>£270134</u>	<u>£33540</u>	<u>£1450351</u>	<u>£ 632</u>	<u>£1754657</u>

The net book value of tangible fixed assets includes £1184845 (1993:£613785) in respect of assets acquired under finance leases and hire purchase contracts.

8. STOCKS

	1994	1993
Stocks held for resale	<u>£419760</u>	<u>£427591</u>

9. DEBTORS

	1994	1993
Trade debtors	892181	624468
Other debtors	16907	41592
Prepayments	14137	3594
	<u>£923225</u>	<u>£669654</u>

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 1994

10. CREDITORS: Amounts falling due within one year

	1994	1993
Secured loans	-	105258
Bank loans and overdrafts	-	27811
Trade creditors	1049284	914616
Social security and other taxes	91671	64544
Hire purchase leases	425941	194341
Corporation tax	177251	113251
Dividends payable	50000	-
Accruals and deferred income	69607	41540
	<u>£1863754</u>	<u>£1461361</u>

The hire purchase and finance lease obligations are secured on the related assets.

11. CREDITORS: Amounts falling due after more than one year

	1994	1993
Bank loans and overdrafts	-	135622
Hire purchase and leases	329051	232904
Director's loan account	11979	17479
	<u>£341030</u>	<u>£386005</u>

The hire purchase and finance leasing obligations are all due within five years and are secured on the related assets. Finance charges amounted to £69458 (1993:£51572) during the year. The director's loan is interest free and repayable at the option of the company.

12. PENSION COMMITMENTS

The company makes contributions on behalf of the director to a separate defined contribution pension scheme. There were no outstanding or prepared contributions at the balance sheet date.

GEORGE KILLOUGHERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1994

13. NOTES TO CASH FLOW STATEMENT

Reconciliation of operating profit to net cash flow
from operating activities

	1994	1993
Operating profit	543282	447597
Depreciation	279906	218583
(Profit)/loss on sale of fixed assets	(11543)	21093
(Increase) decrease in stocks	7831	82852
(Increase) decrease in debtors	(253571)	(281020)
Increase (decrease) in creditors	184363	452788
	<u>£750268</u>	<u>£941893</u>

Analysis of changes in cash and cash equivalents during
the period:

	1994	1993
Balance at 1 January 1994	33329	(1468)
Net cash in (out) flow	<u>37793</u>	<u>34797</u>
Balance at 31 December 1994	<u>£71122</u>	<u>£33329</u>

Analysis of balances of cash and cash equivalents as
shown in the balance sheet:

	1994	1993	Movement
Cash at bank and in hand	71122	41221	29901
Bank overdraft	<u>-</u>	<u>(7892)</u>	<u>7892</u>
	<u>£71122</u>	<u>£33329</u>	<u>£37793</u>

Analysis of changes in financing during
during the year:

	Secured Loans	Bank Loans	H P Obligations
Balance at 1 January 1994	105258	155542	427245
Cash inflow from financing	-	-	658470
Capital element of hire purchase payments	-	-	(330723)
Loan repayments	<u>(105258)</u>	<u>(155542)</u>	<u>-</u>
Balance at 31 December 1994	<u>£ -</u>	<u>£ -</u>	<u>£754992</u>

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED 31 DECEMBER 1994

14. SHARE CAPITAL

	1994	1993
Authorised, issued and fully paid 10,000 ordinary shares of £1 each	£10000	£10000
	<u> </u>	<u> </u>

15. RECONCILIATION OF SHAREHOLDERS FUNDS

	Share Capital	Profit and Loss Account	Total	1993
At 1 January 1994	10000	1035757	1045757	717217
Profit for the year	-	408822	408822	328540
Dividends	-	(50000)	(50000)	-
	<u>£10000</u>	<u>£1394579</u>	<u>£1404579</u>	<u>£1045757</u>

16. DATE OF APPROVAL

The financial statements were approved by the director on 11 December 1995.