

GEORGE KILLOUGHERY LIMITED
1995 REPORT AND FINANCIAL STATEMENTS

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Company 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 1995.

BUSINESS REVIEW

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

The company has largely succeeded in maintaining turnover despite 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 (1994:£50,000).

DIRECTOR AND HER INTEREST

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

		1995	1994
M T Killoughery	Ordinary shares of £1 each	3000	3000
		===	===

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 Gepsos shall be deemed re-appointed as auditors.

By Order of the Board

20 November 1996


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 judgment 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 the 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 judgment 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 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

20 November 1996



Gepsons
Registered Auditor
Wembley

GEORGE KILLOUGHERY LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994
Note		
1b. TURNOVER - continuing operations	4559828	4770922
Cost of sales	3814826	3905715
GROSS PROFIT	<u>745002</u>	<u>865207</u>
Administrative expenses	260198	321925
2. OPERATING PROFIT - continuing operations	<u>484804</u>	<u>543282</u>
Bank interest receivable	5396	-
3. Interest payable and similar charges	-	(19460)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>490200</u>	<u>523822</u>
5. Taxation	(105861)	(115000)
PROFIT FOR THE FINANCIAL YEAR	<u>384339</u>	<u>408822</u>
6. Dividends	(50000)	(50000)
RETAINED PROFIT FOR THE YEAR	<u>£334339</u>	<u>£358822</u>
	=====	=====

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

GEORGE KILLOUGHERY LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1995

Note		1995	1994
	FIXED ASSETS		
7.	Tangible assets	2456471	2195256
	CURRENT ASSETS		
8.	Stocks	316535	419760
9.	Debtors	617151	923225
	Cash at bank and in hand	196616	71122
		<u>1130302</u>	<u>1414107</u>
10.	CREDITORS: Amounts due within one year	(1667292)	(1863754)
	NET CURRENT LIABILITIES	<u>(536990)</u>	<u>(449647)</u>
		1919481	1745609
11.	CREDITORS: Amounts due after more than one year	(180563)	(341030)
		<u>£1738918</u>	<u>£1404579</u>
		=====	=====
	CAPITAL AND RESERVES		
14.	Called up share capital	10000	10000
15.	Profit and loss account	1728918	1394579
		<u>£1738918</u>	<u>£1404579</u>
		=====	=====

M Killoughery
M Killoughery - Director

GEORGE KILLOUGHERY LIMITED
 CASH FLOW STATEMENT
 FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994
Net cash inflow from operating activities	1216701	750268
Returns on investments and servicing of finance		
Interest received	5396	-
Interest paid	-	(19460)
Dividends paid	(85000)	-
	<u>(79604)</u>	<u>(19460)</u>
	1137097	730808
Taxation		
Corporation tax paid	(133882)	(51000)
Investing activities		
Purchase of tangible fixed assets	(672706)	(1011711)
Disposal of tangible fixed assets	111800	302749
	<u>(560906)</u>	<u>(708962)</u>
Net cash inflow before financing	442309	<u>(29154)</u>
FINANCING:		
New hire purchase creditors	129000	658470
Capital element of hire purchase payments	(445815)	(330723)
Loan payments	-	(260800)
	<u>(316815)</u>	<u>66947</u>
Increase (decrease) in cash and cash equivalents	<u>£125494</u>	<u>£37793</u>

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 1995

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.

f) Deferred taxation

Deferred taxation is calculated on the liability method. It is provided to the extent that it is considered, with reasonable probability, that a liability will become payable within the foreseeable future.

g) Pension

The company makes contribution 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
 FOR THE YEAR ENDED 31 DECEMBER 1995

2. OPERATING PROFIT

Operating profit is stated after charging (crediting):

	1995	1994
Auditors' remuneration	7500	7500
Director's remuneration	24250	25000
Director's pension	1800	4200
Depreciation of owned fixed assets	139848	111908
Depreciation of fixed assets held under hire purchase	160178	167998
	<u>=====</u>	<u>=====</u>

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1995	1994
On loans and overdrafts wholly repayable within 5 years	<u>£-</u>	<u>£19460</u>

4. STAFF COSTS

The average number of persons excluding the director, employed by the company during the year was 29 (1994: 25). The aggregate payroll costs of these persons were as follows:-

	1995	1994
Wages and salaries	386817	335255
Social security costs	38858	34723
	<u>£425675</u>	<u>£369978</u>
	<u>=====</u>	<u>=====</u>

5. TAXATION

	1995	1994
UK Corporation tax at 33%	110000	115000
Overprovision in previous years	(4139)	-
	<u>£105861</u>	<u>£115000</u>
	<u>=====</u>	<u>=====</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 £311900 (1994: £223154).

6. DIVIDENDS

	1995	1994
Ordinary - final paid	50000	-
- final proposed	-	50000
	<u>£50000</u>	<u>£50000</u>
	<u>=====</u>	<u>=====</u>

GEORGE KILLOUGHERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1995

7. FIXED ASSETS

	Freehold properties	Motor vehicles	Plant and equipment	Fixtures & fittings	Total
Cost					
At 1 January 1995	270134	39601	2866006	5842	3181583
Additions	111826	-	560880	-	672706
Disposals	-	-	(213317)	-	(213317)
At 31 December 1995	<u>381960</u>	<u>39601</u>	<u>3213569</u>	<u>5842</u>	<u>3640972</u>
At 1 January 1995	-	14883	966550	4894	986327
Disposals	-	-	(101852)	-	(101852)
Charge for the year	-	6180	293609	£237	300026
At 31 December 1995	<u>-</u>	<u>21063</u>	<u>1158307</u>	<u>5131</u>	<u>1184501</u>
Net book value at					
31 December 1995	<u>£381960</u>	<u>£18538</u>	<u>£2055262</u>	<u>£711</u>	<u>£2456471</u>
31 December 1994	<u>£270134</u>	<u>£24718</u>	<u>£1899456</u>	<u>£948</u>	<u>£2195256</u>

The net book value of tangible fixed assets includes £1165555 (1994:£1184845) in respect of assets acquired under finance leases and hire purchase contracts.

8. STOCKS

	1995	1994
Work in progress	14100	-
Stocks held for resale	302435	419760
	<u>£316535</u>	<u>£419760</u>

9. DEBTORS

	1995	1994
Trade debtors	595357	892181
Other debtors	1725	16907
Prepayments	20069	14137
	<u>£617151</u>	<u>£923225</u>

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 1995

10. CREDITORS

	1995	1994
Trade creditors	1082748	1049284
Social security and other taxes	59477	91671
Hire purchase and leases	268793	425941
Corporation tax	149230	177251
Dividends payable	15000	50000
Accruals and deferred income	92044	69607
	<u>£1667292</u>	<u>£1863754</u>
	=====	=====

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

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

	1995	1994
Hire purchase and leases	169384	329051
Director's loan account	11179	11979
	<u>£180563</u>	<u>£341030</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 £61182 (1994:£69458) 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 prepaid contributions at the balance sheet date.

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 1995

13. NOTES TO CASH FLOW STATEMENT

Reconciliation of operating profit to net cash flow
 from operating activities

	1995	1994
Operating profit	484804	543282
Depreciation	300026	279906
(Profit)/loss on sale of fixed assets	(335)	(11543)
(Increase)) decrease in stocks	103225	7831
(Increase) decrease in debtors	306074	(253571)
Increase (decrease) in creditors	22907	184363
	<u>£1216701</u>	<u>£750268</u>
	=====	=====

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

	1995	1994
Balance at 1 January 1995	71122	33329
Net cash in (out) flow	125494	37793
Balance at 31 December 1995	<u>£196616</u>	<u>£71122</u>
	=====	=====

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

	1995	1994	Change
Cash at bank and in hand	196616	71122	125494
	<u>£196616</u>	<u>£71122</u>	<u>£125494</u>
	=====	=====	=====

Analysis of changes in financing during the year

	HP Obligations
Balance at 1 January 1995	754992
Cash inflow from financing	129000
Capital element of hire purchase payments	(445815)
Balance at 31 December 1995	<u>£438177</u>
	=====

GEORGE KILLOUGHERY LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTD)
 FOR THE YEAR ENDED 31 DECEMBER 1995

14. SHARE CAPITAL

	1995	1994
Authorised		
10000 Ordinary shares of £1 each	£10000	£10000
	=====	=====

15. RECONCILIATION OF SHAREHOLDERS FUNDS

	Share capital	Profit and loss account	Total	1994
At 1 January 1995	10000	1394579	1404579	1045757
Profit for the year	-	384339	384339	408822
Dividends	-	(50000)	(50000)	(50000)
	£10000	£1728918	£1738918	£1404579
	=====	=====	=====	=====

16. DATE OF APPROVAL

The financial statements were approved by the director on 20 November 1996.