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**JOSEPH DRIVER BUILDING  
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1999

# JOSEPH DRIVER BUILDING LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 March 1999

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Company registration number: 869630

Registered office: 9 Akeman Street  
Tring  
Herts  
HP23 6AB

Directors: C A Warman  
R A Brinklow  
R E Ranshaw  
R Walters

Secretary: B G Down

Bankers: National Westminster Bank PLC  
10 St Peters Square  
St Albans  
Herts  
AL1 3LY

Solicitors: Harrowell & Atkins  
Boxwell House  
275 High Street  
Berkhamsted  
Herts  
HP4 1BW

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants  
Ringwood House  
Walton Street  
Aylesbury  
Bucks  
HP21 7QP

# **JOSEPH DRIVER BUILDING LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 March 1999

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# JOSEPH DRIVER BUILDING LIMITED

## REPORT OF THE DIRECTORS

### Principal activities

The company is principally engaged in building and contracting.

### Business review

The directors expect the business to continue at a satisfactory level of activity, considering the current economic climate, in the coming year.

There was a profit for the year after taxation amounting to £78,950 (1998: profit £105,366). The directors do not recommend payment of a dividend.

### Directors

The present membership of the Board is set out below. All directors served throughout the year, except for R Walters who was appointed director on the 1 April 1998.

The interests of the directors in the shares of the company as at 31 March 1999 and 1 April 1998 were as follows:

	Preferred Ordinary shares		'A' Ordinary shares	
	31 March 1999	1 April 1998	31 March 1999	1 April 1998
C A Warman	624	624	250	250
R A Brinklow	624	624	250	250
R E Ranshaw	624	624	250	250
R Walters (appointed 1 April 1998)	-	-	-	-

### Fixed assets

During the year the freehold properties were revalued and the revised values incorporated in the financial statements. The surplus of £109,752 arising from the revaluations has been transferred to reserves.

### Directors' responsibilities for the financial statements

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 of the company for that period. 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# JOSEPH DRIVER BUILDING LIMITED

## REPORT OF THE DIRECTORS

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

The main systems affected is the accounting and management information system which is now Year 2000 compliant;

The company has requested from major customers, suppliers and other trading partners with whom information is traded electronically, confirmation that their relevant systems are Year 2000 compliant.

The issue is complex, and no business can guarantee that there will be no Year 2000 problems. However, the Board believes that its plans and the resources allocated are appropriate and adequate to address the issue.

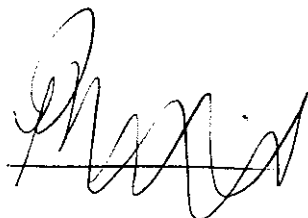
No further external costs to address the issue are expected.

### Auditors

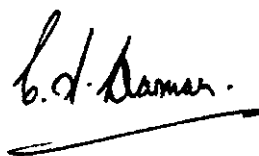
Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

Director



2<sup>nd</sup> August 199.



**REPORT OF THE AUDITORS TO THE MEMBERS OF  
JOSEPH DRIVER BUILDING LIMITED**

We have audited the financial statements on pages 4 to 16 which have been prepared under the accounting policies set out on pages 4 to 5.

**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 statements and to report our opinion to you.

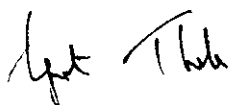
**Basis of opinion**

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 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 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

AYLESBURY

# **JOSEPH DRIVER BUILDING LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention, except that freehold properties are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

### **TURNOVER**

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

In the case of long-term contracts, turnover represents the value of work done during the year.

### **DEPRECIATION**

Depreciation is calculated on the reducing balance method (except for depreciation on computer equipment which is calculated on a straight line basis) and aims to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land over their expected useful lives. The rates generally applicable are:

Freehold buildings	2%
Plant, computers and office equipment	15-25%
Motor vehicles	25%

Loose tools are written off to profit and loss account in the period in which the expenditure is incurred.

### **WORK IN PROGRESS**

Work in progress is stated at the lower of cost and net realisable value.

Cost comprises land cost, direct materials and labour and attributable overheads.

Net realisable value means estimated selling price less all further costs to completion and all costs to be incurred in marketing and selling.

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

Costs associated with long-term contracts are matched with long-term contract turnover. Costs are included in stock less progress payments received and receivable while any attributable profit on contracts is included in debtors to the extent that it has not been received.

### **LAND HELD FOR BUILDING**

Land held for building is stated at the lower of cost and net realisable value.

Cost comprises land cost and direct materials and labour. Net realisable value is the actual or estimated net selling price.

## **JOSEPH DRIVER BUILDING LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that the liability or asset will crystallise.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

#### **CONTRIBUTIONS TO PENSION FUNDS**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.



**JOSEPH DRIVER BUILDING LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 1999

	Note	1999 £	1998 £
<b>Turnover</b>	1	<b>4,794,364</b>	5,401,046
Raw materials and consumables		<b>(3,610,110)</b>	(4,093,363)
Other external charges		<b>(207,909)</b>	(242,999)
Staff costs	3	<b>(684,487)</b>	(787,718)
Other operating charges		<b>(168,841)</b>	(163,646)
<b>Operating profit</b>		<b>123,017</b>	113,320
Net interest	2	<b>20,986</b>	24,386
<b>Profit on ordinary activities before taxation</b>	1	<b>144,003</b>	137,706
Tax on profit on ordinary activities	4	<b>(65,053)</b>	(32,340)
<b>Profit for the financial year</b>	14	<b>78,950</b>	105,366
Dividends	5	-	(80,000)
<b>Profit transferred to reserves</b>	13	<b>78,950</b>	25,366

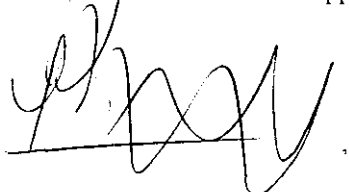
The accompanying accounting policies and notes form an integral part of these financial statements.

# JOSEPH DRIVER BUILDING LIMITED

## BALANCE SHEET AT 31 MARCH 1999

	Note	1999 £	1999 £	1998 £	1998 £
<b>Fixed assets</b>					
Tangible assets	6		508,547		426,469
<b>Current assets</b>					
Stocks	7	784,764		692,759	
Debtors	8	568,400		517,291	
Cash at bank and in hand		146,694		273,223	
		<u>1,499,858</u>		<u>1,483,273</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(704,358)</u>		<u>(830,694)</u>	
<b>Net current assets</b>			795,500		652,579
<b>Total assets less current liabilities</b>			<u>1,304,047</u>		<u>1,079,048</u>
<b>Provisions for liabilities and charges</b>	10		(36,297)		-
			<u>1,267,750</u>		<u>1,079,048</u>
<b>Capital and reserves</b>					
Called up share capital	12		3,172		3,172
Revaluation reserve	13		355,833		251,501
Other reserves	13		2,828		2,828
Profit and loss account	13		905,917		821,547
<b>Shareholders' funds</b>	14		<u>1,267,750</u>		<u>1,079,048</u>
Equity shareholders' funds			550,556		361,854
Non-equity shareholders' funds			717,194		717,194
			<u>1,267,750</u>		<u>1,079,048</u>

The financial statements were approved by the Board of Directors on



Director

2<sup>nd</sup>. August 1999.

B. J. Harman.

The accompanying accounting policies and notes form an integral part of these financial statements.

**JOSEPH DRIVER BUILDING LIMITED****CASH FLOW STATEMENT**

For the year ended 31 March 1999

	Note	1999 £	1998 £
Net cash outflow from operating activities	15	(175,540)	672,078
Returns on investments and servicing of finance			
Interest received		23,047	24,426
Interest paid		(2,061)	(40)
Net cash inflow from returns on investments and servicing of finance		20,986	24,386
Taxation		(32,113)	(14,930)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(15,075)	(102,260)
Sale of tangible fixed assets		8,743	16,400
Net cash outflow from capital expenditure and financial investment		(6,332)	(85,860)
Equity dividends paid		-	(80,000)
Financing			
Repayment of borrowings		-	(1,000)
Decrease in cash	16	(192,999)	514,674

The accompanying accounting policies and notes form an integral part of these financial statements.

# JOSEPH DRIVER BUILDING LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 March 1999

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### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1999 £	1998 £
Profit for the financial year	78,950	105,366
Unrealised surplus on revaluation of land and buildings	109,752	-
Total recognised gains and losses for the year	<u>188,702</u>	<u>105,366</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

# JOSEPH DRIVER BUILDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1999

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to one activity, building and contracting, which is carried out in a single geographic market.

The profit on ordinary activities is stated after:

	1999 £	1998 £
Auditors' remuneration	6,695	6,500
Depreciation		
Tangible fixed assets, owned	41,240	46,177
Hire of plant and machinery	64,373	69,863

### 2 NET INTEREST

	1999 £	1998 £
On bank loans and overdrafts	2,061	40
Other interest receivable and similar income	(23,047)	(24,426)
	(20,986)	(24,386)

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	589,797	673,338
Social security costs	56,268	55,059
Other pension costs	38,422	59,321
	684,487	787,718

The average number of employees of the company during the year was 33 (1998: 33).

Remuneration in respect of directors was as follows:

	1999 £	1998 £
Emoluments	169,178	151,184
Pension contributions to money purchase pension schemes	20,253	17,920
	189,431	169,104

During the year 4 directors (1998: 3) participated in money purchase pension schemes.

# JOSEPH DRIVER BUILDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1999

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	1999 £	1998 £
UK Corporation tax at 21% (1998: 24%)	28,756	32,113
Deferred taxation	36,297	-
Adjustments in respect of prior periods:		
Corporation tax	-	227
	<u>65,053</u>	<u>32,340</u>

### 5 DIVIDENDS

	1999 £	1998 £
Ordinary shares - interim dividend paid of £nil per share (1998: £80)	-	80,000

### 6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 1998	328,500	180,002	237,816	746,318
Additions	-	15,075	-	15,075
Surplus on revaluation	109,752	-	-	109,752
Disposals	-	(52,264)	(6,184)	(58,448)
At 31 March 1999	<u>438,252</u>	<u>142,813</u>	<u>231,632</u>	<u>812,697</u>
Depreciation				
At 1 April 1998	25,279	160,826	133,744	319,849
Provided in the year	6,294	9,044	25,902	41,240
Eliminated on disposals	-	(51,221)	(5,718)	(56,939)
At 31 March 1999	<u>31,573</u>	<u>118,649</u>	<u>153,928</u>	<u>304,150</u>
Net book amount at 31 March 1999	<u>406,679</u>	<u>24,164</u>	<u>77,704</u>	<u>508,547</u>
Net book amount at 31 March 1998	<u>303,221</u>	<u>19,176</u>	<u>104,072</u>	<u>426,469</u>

# JOSEPH DRIVER BUILDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1999

The amount of freehold buildings on which depreciation is being charged are included at valuation of £340,000 and had a net book value at 31 March 1999 of £308,437. Depreciation has not been charged on freehold land.

The figures stated above for cost or valuation include valuations as follows:

	<b>Freehold land and buildings</b>	
	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
At cost	-	62,568
At 1993 valuation	-	212,432
At 1997 valuation	-	53,500
At 1999 valuation	<b>438,252</b>	-
	<b>438,252</b>	<b>328,500</b>

During the year 10 Akeman Street was revalued by Messrs. Cole Flatt & Partners. The basis of the valuation was open market value. The surplus arising has been transferred to the revaluation reserve.

If the freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amounts:

	<b>Freehold land and buildings</b>
	<b>£</b>
Cost	62,568
Accumulated depreciation	11,883
Net book amount at 31 March 1999	<b>50,685</b>
Net book amount at 31 March 1998	<b>51,719</b>

## 7 STOCKS

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Long term contract work in progress	<b>2,015,233</b>	3,731,971
Less: progress payments received and receivable	<b>(2,009,063)</b>	(3,622,967)
	<b>6,170</b>	109,004
Other work in progress	<b>554,910</b>	294,071
Land held for building	<b>223,684</b>	289,684
	<b>784,764</b>	<b>692,759</b>

**JOSEPH DRIVER BUILDING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 1999

**8 DEBTORS**

	1999 £	1998 £
Trade debtors	546,470	398,445
Other debtors	8,433	89,432
Taxation recoverable	-	20,000
Prepayments and accrued income	13,497	9,414
	<u>568,400</u>	<u>517,291</u>

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1999 £	1998 £
Bank loans and overdrafts	66,470	-
Payments received on account	36,452	-
Trade creditors	469,162	396,102
Current taxation	28,756	52,113
Social security and other taxes	75,136	177,892
Other creditors	-	51,019
Accruals and deferred income	28,382	153,568
	<u>704,358</u>	<u>830,694</u>

The bank overdraft is secured by fixed charges over 9 Akeman Street, Tring and land on High Street, Ivinghoe, Bucks, which is included as work in progress.

**10 PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £	Total £
Provided during the year	36,297	36,297
At 31 March 1999	<u>36,297</u>	<u>36,297</u>



# JOSEPH DRIVER BUILDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1999

### 11 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below. The amount provided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 31%.

	Amount provided	
	1999	1998
	£	£
Unrealised capital gains	33,164	-

A provision has been made for taxation which would accrue if the land and buildings were disposed of at their revalued amounts. The amount provided is shown above under unrealised capital gains on the assumption the property is going to be disposed of in the near future..

### 12 SHARE CAPITAL

	1999	1998
	£	£
Authorised		
5,000 Preferred Ordinary Shares of £1 each	5,000	5,000
5,000 'A' Ordinary Shares of £1 each	5,000	5,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
2,172 Preferred Ordinary Shares of £1 each	2,172	2,172
1,000 'A' Ordinary shares of £1 each	1,000	1,000
	<u>3,172</u>	<u>3,172</u>

#### Rights of shares

Preferred ordinary shares are non equity shares which carry voting rights but are not eligible for dividend payments and rank in priority to 'A' ordinary shares in the case of winding up, up to a value of £715,022.

'A' ordinary shares are eligible to receive dividends but do not carry voting rights and rank in priority to preferred ordinary shares on the value of the company in excess of £715,022.

**JOSEPH DRIVER BUILDING LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 1999

**13 RESERVES**

	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 April 1998	251,501	2,828	821,547
Retained profit for the year	-	-	78,950
Surplus on revaluation of assets	109,752	-	-
Transfer of additional depreciation on revalued amounts	(5,420)	-	5,420
At 31 March 1999	<u>355,833</u>	<u>2,828</u>	<u>905,917</u>

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1999 £	1998 £
Profit for the financial year	78,950	105,366
Dividends	-	(80,000)
	<u>78,950</u>	<u>25,366</u>
Other recognised gains and losses	109,752	-
Shareholders' funds at 1 April 1998	1,079,048	1,053,682
Shareholders' funds at 31 March 1999	<u>1,267,750</u>	<u>1,079,048</u>

**15 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1999 £	1998 £
Operating profit	123,017	113,320
Depreciation	41,240	46,177
Profit on sale of tangible fixed assets	(7,234)	(4,731)
Increase in stocks	(92,005)	389,351
Increase in debtors	(71,109)	(206,834)
Decrease in creditors	(169,449)	334,795
Net cash outflow from continuing operating activities	<u>(175,540)</u>	<u>672,078</u>

# JOSEPH DRIVER BUILDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 1999

### 16 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1999 £	1998 £
Decrease in cash in the year	(192,999)	514,674
Cash outflow from financing in the year	-	1,000
Change in net debt resulting from cashflows	(192,999)	515,674
Net funds at 1 April 1998	273,223	(242,451)
Net funds at 31 March 1999	80,224	273,223

### 17 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 1998 £	Cash flow £	At 31 March 1999 £
Cash in hand and at bank	273,223	(126,529)	146,694
Overdrafts	-	(66,470)	(66,470)

### 18 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 1999 or 31 March 1998.

### 19 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 1999 or 31 March 1998.

### 20 PENSIONS

The company funds a non-contributory employees' pension scheme. Funding is at the company's discretion, and there is no guaranteed minimum level of benefits. At present contribution rates are between 2.5% and 10% of each employee's pensionable salary.