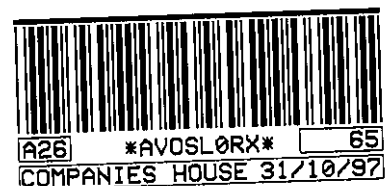


**Kirkham's (Contractors) Limited**

Report and Accounts

Year Ended 30 April 1997

Company Reg no:891888



# **Kirkham's (Contractors) Limited**

## **Report and Accounts**

**Year Ended 30 April 1997**

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# **Kirkham's (Contractors) Limited**

## **Report of the Directors**

**Year Ended 30 April 1997**

The Directors present herewith the audited accounts for the year ended 30 April 1997.

### **1 Results and Dividends**

The net profit for the year was £12635. The Directors recommend that no dividend be paid.

### **2 Principal Activities**

The company's principal activity during the year was contracting work. The Directors consider both the level of business and the financial position of the company at 30 April 1997 to be satisfactory and expect the present level of activity to continue in the current financial year.

### **3 Directors and Their Interests**

The Directors who served during the year and their interests in the shares of the company were as follows:

P.E. Jones	(Chairman)
Mrs A. Jones	
J. Smith	(resigned 29 November 1996)
S. Annison	
M.A. Schuler	

The Directors held no beneficial interest in the shares of the company. Mr P.E. Jones and Mrs A. Jones hold beneficial interests in the shares of the company's ultimate holding company, which are disclosed in the accounts of that company.

### **4 Statement of Directors' Responsibilities**

The Directors are required by United Kingdom company law to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and the profit or loss of the company for that year. For this purpose it is necessary to make both judgements and estimates and this is done on a reasonable and prudent basis.

In preparing the accounts the going concern basis has been applied, suitable accounting policies have been used and applied consistently, and applicable accounting standards have been followed, subject to any material departures disclosed and explained.

The Directors are also responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and which 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Kirkham's (Contractors) Limited**

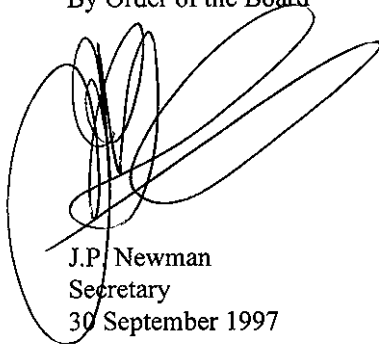
## **Report of the Directors**

**Year Ended 30 April 1997**

### **5 Auditors**

In accordance with Section 386 of the Companies Act 1985, by an elective resolution of the company, Pannell Kerr Forster, Chartered Accountants, are deemed re-appointed as auditors for the succeeding year.

By Order of the Board

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

J.P. Newman  
Secretary  
30 September 1997

# Kirkham's (Contractors) Limited

## Profit and Loss Account

Year Ended 30 April 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
Turnover	1	723,482	495,280
Cost of sales		(649,729)	(426,404)
Gross profit		73,753	68,876
Net operating expenses	2	(55,770)	(53,122)
Profit on ordinary activities before taxation	3	17,983	15,754
Tax on profit on ordinary activities	5	5,348	4,660
Profit for the financial year after taxation		12,635	11,094
Retained profit brought forward		237,200	226,106
Retained profit carried forward		<u>249,835</u>	<u>237,200</u>

The above figures relate exclusively to continuing operations.

The company has no recognised gains or losses or movements in shareholders' funds other than the profit for the year.

# Kirkham's (Contractors) Limited

## Balance Sheet

As at 30 April 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
Fixed Assets			
Intangible assets	6	12,004	12,004
Tangible fixed assets	7	1	1
Current Assets			
Stocks	8	239,878	106,010
Debtors	9	453,180	326,118
		<hr/>	<hr/>
		693,058	432,128
Creditors: amounts falling due within one year	10	446,228	197,933
		<hr/>	<hr/>
Net Current Assets		246,830	234,195
		<hr/>	<hr/>
Total Assets less Current Liabilities		<u>258,835</u>	<u>246,200</u>
Capital and Reserves			
Called up share capital	11	9,000	9,000
Profit and loss account	12	249,835	237,200
		<hr/>	<hr/>
Equity Shareholders' Funds		<u>258,835</u>	<u>246,200</u>

Approved by the Board on 30 September 1997



M.A. Schuler  
Director

# **Kirkham's (Contractors) Limited**

## **Statement of Accounting Policies**

The following accounting policies have been applied consistently in dealing with items considered material to the company's affairs:

### **Basis of accounting**

The accounts are prepared under the historic cost convention and in accordance with applicable accounting standards.

### **Intangible assets**

Ground rents are capitalised at four years' purchase and are not depreciated.

### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost of each asset less its residual value on a straight line basis using a rate of 15%.

### **Stocks**

Stock is valued at the lower of cost and net realisable value.

### **Deferred taxation**

No liability for UK deferred taxation to date is likely to arise in the next three years or thereafter so far as can reasonably be foreseen and accordingly no provision has been made in the accounts.

# **Kirkham's (Contractors) Limited**

## **Notes to the Accounts**

### **1 Turnover**

Turnover comprises invoiced sales for the year.

	<u>1997</u> £	<u>1996</u> £
<b><u>2 Operating costs</u></b>		
Administration costs	59,295	56,119
Other operating income	(3,525)	(2,997)
	<hr/>	<hr/>
	<u>55,770</u>	<u>53,122</u>
<b><u>3 Profit on ordinary activities before taxation</u></b>		
is after charging:		
Depreciation of tangible fixed assets	<u>0</u>	<u>0</u>
and is after crediting:		
Rental income	<u>3,525</u>	<u>2,993</u>

### **4 Directors' emoluments**

During the year the Directors neither received nor were due to receive any emoluments from the company.

### **5 Tax on profit on ordinary activities**

Current year: corporation tax at 33%	1,454	1,661
Current year: group relief	3,894	2,999
	<hr/>	<hr/>
	<u>5,348</u>	<u>4,660</u>

### **6 Intangible assets**

	£
At 1 May 1996	12,004
Additions in the year	0
	<hr/>
At 30 April 1997	<u>12,004</u>

Ground rents are valued at four years' purchase and are not depreciated.



# **Kirkham's (Contractors) Limited**

## **Notes to the Accounts**

### **7 Tangible fixed assets**

	Plant and machinery £
<u>Cost</u>	
At 1 May 1996	750
Additions	0
Disposals	0
	<hr/>
At 30 April 1997	<u>750</u>
<u>Depreciation</u>	
At 1 May 1996	749
Charge for the year	0
Disposals	0
	<hr/>
At 30 April 1997	<u>749</u>
<u>Net Book Value</u>	
As at 30 April 1997	<u>1</u>
As at 30 April 1996	<u>1</u>

1997  
£

1996  
£

### **8 Stocks**

Land	1,041	1,041
Work in progress	238,837	104,969
	<hr/>	<hr/>
	<u>239,878</u>	<u>106,010</u>

### **9 Debtors**

Amounts falling due within one year

Amounts owed by group undertakings	272,125	305,724
Amounts owed by related parties	0	6,825
Other debtors	29,464	8,331
Prepayments and accrued income	151,591	5,238
	<hr/>	<hr/>
	<u>453,180</u>	<u>326,118</u>

# **Kirkham's (Contractors) Limited**

## **Notes to the Accounts**

### **10 Creditors: amounts falling due within one year**

	<u>1997</u>	<u>1996</u>
	£	£
Bank loans and overdrafts	67,073	21,544
Trade creditors	25,368	22,241
Amounts owed to group undertakings	310,139	131,793
Amounts owed to related parties	0	0
Corporation tax payable	1,454	1,661
Other creditors	1,528	1,710
Accruals	40,666	18,984
	<u>446,228</u>	<u>197,933</u>

The bank overdrafts are secured on certain assets of the company.

### **11 Called up share capital**

	Authorised allotted and fully paid £
Ordinary shares of £1 each	<u>9,000</u>

There was no change in share capital during the year.

### **12 Profit and loss account**

The movement on the profit and loss account is shown on page 3.

### **13 Contingent liabilities**

	<u>1997</u>	<u>1996</u>
	£	£
There are contingent liabilities outstanding in respect of bank and loan facilities for group undertakings guaranteed by the company	<u>6,275,798</u>	<u>5,512,658</u>

# **Kirkham's (Contractors) Limited**

## **Notes to the Accounts**

### **14 Parent undertaking and controlling parties**

The company's parent company and controlling party is Orbit Developments (Manchester) Limited, a company incorporated in England.

The company's ultimate parent company and ultimate controlling party is Emerson Developments (Holdings) Limited, a company incorporated in England.

The results of the company are included in the consolidated accounts of Emerson Developments (Holdings) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff.

### **15 Related Parties**

The company is related to PE Jones (Properties) Limited and Emerson Commercial Developments Limited, companies which are subject to common influence. Amounts outstanding with the company are disclosed in notes 9 and 10.

During the year the company has undertaken construction work amounting to £937 (1996 £14,435) on normal trading terms.

The company has taken advantage of the exemption conferred on 90% subsidiaries by FRS 8, in relation to transactions with Group companies.

**Kirkham's (Contractors) Limited**  
**Auditors' Report to the Shareholders of**  
**Kirkham's (Contractors) Limited**

We have audited the financial statements on pages 3 to 9.

**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. 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 affairs of the company as at 30 April 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Pannell Kerr Forster*

Pannell Kerr Forster  
Chartered Accountants and Registered Auditors  
Manchester  
17 October 1997