

1000918

**A & V Squires Plant Co Limited**

**Directors' report and financial  
statements**

**Registered number 1000918**

**31 December 2001**



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09/08/02

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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

### **Principal activities**

The principal activity of the company is contract bulk earth moving.

### **Business review**

The year to 31 December 2001 has proved to be one of the most important for A & V Squires, not least because we moved into our new premises in March of this year. Having assessed the company after the disappointing results of the year to 31 December 2000, we are confident that the prudent measures we have taken during the year, will leave us well placed for the future.

During the year to 31 December 2001 we have sold machines which were not being fully utilised and replaced them with other plant which has been fully used. In additions we sold the skip business which, owing to several changes in the industry, made it impossible for us to remain competitive. The money raised from the sale was used to catch up with the replacement of vans and machines which, due to a poor 2000, had been delayed.

We are committed to further expansion in 2002 with extra tippers and JCB's. This together with the company's normal replacement policy will ensure that an up to date fleet is ready to continue our ever improving service to our satisfied customers.

### **Dividend**

The directors recommend the payment of a dividend of £62,000 (2000: *£nil*).

### **Fixed assets**

During March 2001, the freehold land and buildings which had a net book value of £17,254, were sold for £160,000 and in July 2001 the skip business which had a net book value of £44,195 was sold for £140,000. Other fixed asset movements are shown in note 9 to the financial statements.

### **Directors and directors' interests**

The directors who held office during the year and their interests in the shares of the company were as follows:

	<b>£1 ordinary shares</b>	
	<b>2001</b>	<b>2000</b>
Mr AD Squires (Chairman)	<b>10,620</b>	10,620
Mrs VA Squires	<b>9,380</b>	9,380
Mr PD Squires	<b>31,500</b>	31,500
Mr RN Squires	<b>10,500</b>	10,500
Mr A Wade	-	-

**Directors' report** *(continued)*

**Auditors**

Our auditors KPMG have indicated to the directors that their business has transferred to a limited liability partnership, KPMG LLP. In accordance with Section 386 of the Companies Act 1985, the company has dispensed with the obligation to appoint auditors annually. Accordingly, KPMG resigned as auditors on 17 May 2002 and the directors thereupon appointed KPMG LLP to fill the vacancy arising.

By order of the board



**Mrs VA Squires**  
*Secretary*

Vivienne House  
Racecourse Road  
Crew Lane Industrial Estate  
Southwell  
Nottingham  
NG25 0TX

10 June 2002

## **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 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;
- 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 a 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Park Row  
NOTTINGHAM  
NG1 6FQ

## **Independent auditors' report to the members of A & V Squires Plant Co Limited**

We have audited the financial statements on pages 5 to 15.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.


### **Basis of audit 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 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Chartered Accountants  
Registered Auditor

10 June 2002

## **Profit and loss account**

*for the year ended 31 December 2001*

	<i>Note</i>	2001 £	2000 £
<b>Turnover</b>	2	3,118,847	2,924,303
Cost of sales		(2,664,467)	(2,649,627)
<b>Gross profit</b>		454,380	274,676
Administrative expenses		(382,330)	(513,559)
<b>Operating profit/(loss)</b>		72,050	(238,883)
Profit on sale of fixed assets		345,706	-
Interest payable and similar charges	3	(85,742)	(104,527)
<b>Profit/(loss) on ordinary activities before taxation</b>	4	332,014	(343,410)
Tax on profit/(loss) on ordinary activities	7	(42,362)	67,642
<b>Profit/(loss) on ordinary activities after taxation</b>		289,652	(275,768)
Dividends	8	(62,000)	-
<b>Profit/(loss) for the financial year</b>		227,652	(275,768)
Retained profit brought forward		30,410	306,178
<b>Retained profit carried forward</b>		258,062	30,410

There were no other recognised gains or losses in the period other than those as stated above.

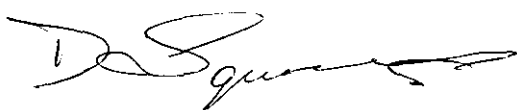
In both the current and preceding years, the company made no material acquisitions and had no discontinued operations.

## Balance sheet

as at 31 December 2001

	Note	£	2001 £	£	2000 £
<b>Fixed assets</b>					
Tangible assets	9		1,074,625		1,249,889
<b>Current assets</b>					
Stocks	10	19,504		25,075	
Debtors	11	585,980		584,055	
Cash at bank and in hand		1,294		619	
			<u>606,778</u>	<u>609,749</u>	
<b>Creditors: amounts falling due within one year</b>	12	(947,996)		(1,042,412)	
<b>Net current liabilities</b>			<u>(341,218)</u>		<u>(432,663)</u>
<b>Total assets less current liabilities</b>			<u>733,407</u>		<u>817,226</u>
<b>Creditors: amounts falling due after more than one year</b>	13	(266,180)		(614,703)	
<b>Provisions for liabilities and charges</b>	14	(39,165)		(2,113)	
<b>Net assets</b>			<u>428,062</u>		<u>200,410</u>
<b>Capital and reserves</b>					
Called up share capital	15	62,000		62,000	
Share premium account	16	108,000		108,000	
Profit and loss account		258,062		30,410	
<b>Equity shareholders' funds</b>	17		<u>428,062</u>		<u>200,410</u>

These financial statements were approved by the board of directors on 10 June 2002 and were signed on its behalf by:



**Mr AD Squires**  
*Director*



## Cash flow statement

*for the year ended 31 December 2001*

	<i>Notes</i>	2001 £	2000 £
Cash flow from operating activities	18	378,405	241,271
Returns on investments and servicing of finance	20	(85,742)	(104,191)
Taxation		-	-
Capital expenditure and financial investment	20	247,627	(8,218)
Cash inflow before financing		540,290	128,862
Financing	20	(387,355)	(345,571)
Increase/(decrease) in cash		152,935	(216,709)

## Reconciliation of net cash flow to movement in net debt

	<i>Notes</i>	£	£
Increase/(decrease) in cash in the year		152,935	(216,709)
Cash to repay loans and hire purchase		387,355	345,571
Change in net debt resulting from cash flows	19	540,290	128,862
New finance leases and hire purchase agreements	19	(212,279)	(235,158)
Movement in net debt in year		328,011	(106,296)
Net debt at start of the year	19	(1,194,845)	(1,088,549)
Net debt at the end of the year	19	(866,834)	(1,194,845)

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

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

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and on a going concern basis which assumes the continuing support of the directors and the company's bankers.

#### ***Fixed assets and depreciation***

Depreciation is provided by the company to write off the cost or valuation, less the estimated residual value of tangible fixed assets, by annual instalments over their estimated useful economic lives as follows:

Motor vehicles	- 25% straight line
Plant and machinery	- 20% straight line
Fixtures and fittings	- 15% straight line
Computer equipment	- 25% straight line

#### ***Stocks***

Stocks are stated at the lower of cost and net realisable value.

#### ***Pension costs***

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

#### ***Deferred taxation***

Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### ***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

#### ***Leases***

Assets held under hire purchase and finance lease agreements are capitalised and written off over their useful lives. Interest is written off to the profit and loss account over the life of the agreement. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

### **2 Turnover**

Turnover is derived from the company's principal activity and arises entirely in the United Kingdom.

## Notes (continued)

### 3 Interest payable and similar charges

	2001 £	2000 £
Amounts payable on bank loans and overdrafts	20,220	18,477
Finance charges payable in respect of finance leases and hire purchase contracts	62,710	76,257
Other loan interest	2,812	9,793
	<u>85,742</u>	<u>104,527</u>

### 4 Profit/(loss) on ordinary activities before taxation

	2001 £	2000 £
<i>Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting) the following:</i>		
Auditors' remuneration - audit work	7,700	8,200
Depreciation - assets held under hire purchase contracts	390,844	398,497
Depreciation - owned assets	94,778	99,392
Profit on disposal of fixed assets	(345,706)	(26,566)
Operating leases - hire of plant and machinery	-	21,768
Insurance receipt	(150,000)	-
	<u></u>	<u></u>

The insurance receipt relates to a claim against Keyman Insurance held by the company following a period of ill health for one of the directors.

### 5 Remuneration of directors

Directors' emoluments for the year were as follows:

	2001 £	2000 £
Remuneration	129,365	149,118
	<u></u>	<u></u>

The emoluments of the highest paid director were as follows:

	2001 £	2000 £
Remuneration	36,772	40,547
	<u></u>	<u></u>

## Notes (continued)

### 6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2001	2000
Office and management	9	9
Operating	41	45
	<u>50</u>	<u>54</u>
	£	£
<i>The aggregate payroll costs of these persons were as follows:</i>		
Wages and salaries	973,003	973,442
Social security costs	86,334	89,349
Other pension costs	3,000	-
	<u>1,062,337</u>	<u>1,062,791</u>

### 7 Taxation on profit/(loss) on ordinary activities

	2001	2000
	£	£
UK corporation tax at 20% (2000: 20%)	5,310	-
Deferred taxation (note 14)	37,052	(67,642)
	<u>42,362</u>	<u>(67,642)</u>

### 8 Dividends

	2001	2000
	£	£
Dividends proposed	62,000	-

## Notes (continued)

### 9 Tangible fixed assets

	Freehold land and buildings £	Plant, machinery and motor vehicles £	Fixtures, fittings, and Computers £	Total £
<i>Cost:</i>				
At beginning of year	17,254	2,901,778	48,721	2,967,753
Additions	-	433,803	17,107	450,910
Disposals	(17,254)	(724,278)	-	(741,532)
At end of year	-	2,611,303	65,828	2,677,131
<i>Depreciation:</i>				
At beginning of year	-	1,679,461	38,403	1,717,864
Charge for year	-	482,524	3,098	485,622
On disposals	-	(600,980)	-	(600,980)
At end of year	-	1,561,005	41,501	1,602,506
<i>Net book value:</i>				
At 31 December 2001	-	1,050,298	24,327	1,074,625
At 31 December 2000	17,254	1,222,317	10,318	1,249,889

Included in the net book value of plant, machinery and motor vehicles is £850,034 (2000: £1,053,539) under finance lease and hire purchase contracts. Depreciation on these assets was £390,844 (2000: £398,497).

### 10 Stocks

	2001 £	2000 £
Raw materials	19,504	25,075

### 11 Debtors

	2001 £	2000 £
Trade debtors	539,993	550,310
Other debtors	8,238	-
Prepayments and accrued income	37,749	33,745
	585,980	584,055

**Notes** *(continued)*

**12 Creditors: amounts falling due within one year**

	2001 £	2000 £
Bank loans and overdrafts	233,174	385,434
Trade creditors	201,570	200,554
Taxation and social security	66,312	79,823
Other creditors	65,027	4,256
Obligations under finance leases and hire purchase contracts (see note 13)	368,774	352,853
Accruals and deferred income	13,139	19,492
	<u>947,996</u>	<u>1,042,412</u>

The overdraft is secured by a fixed and floating charge over the assets of the company.

**13 Creditors: amounts falling due after more than one year**

	2001 £	2000 £
Other creditors	-	157,526
Obligations under finance leases and hire purchase contracts	266,180	457,177
	<u>266,180</u>	<u>614,703</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	2001 £	2000 £
Within one year	368,774	352,853
In the second to fifth years	266,180	457,177
	<u>634,954</u>	<u>810,030</u>

**14 Provision for liabilities and charges**

	Deferred taxation £
At beginning of year	2,113
Movement in the year	37,052
At end of year	<u>39,165</u>

**Notes** *(continued)*

**14 Provision for liabilities and charges** *(continued)*

The amount provided for deferred taxation, which represents the full potential liability, is set out below.

	2001 £	2000 £
Difference between accumulated depreciation and capital allowances	68,307	68,189
Tax losses	(29,142)	(66,076)
	<u>39,165</u>	<u>2,113</u>

**15 Called up share capital**

	2001 £	2000 £
<i>Authorised:</i>		
Ordinary A shares of £1 each	100,000	100,000
<i>Allotted, called up and fully paid:</i>		
Ordinary A shares of £1 each	62,000	62,000

**16 Share premium account**

	£
At beginning and end of the year	108,000

**17 Reconciliation of movement in shareholders' funds**

	2001 £	2000 £
Profit/(loss) for the financial year	289,652	(275,768)
Dividend proposed	(62,000)	-
Net addition to/(reduction in) shareholders' funds	227,652	(275,768)
Opening shareholders' funds	200,410	476,178
Closing shareholders' funds	428,062	200,410

**Notes (continued)**

**18 Reconciliation of operating profit to net cash inflow from operating activities**

	2001 £	2000 £
Operating profit/(loss)	72,050	(238,883)
Depreciation charges	485,622	497,889
Profit on sale of fixed assets	-	(26,566)
Decrease in stocks	5,571	1,740
(Increase)/decrease in debtors	(1,925)	15,070
Decrease in creditors	(182,913)	(7,979)
	<u>378,405</u>	<u>241,271</u>

**19 Analysis of changes in net debt**

	At beginning of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	619	675	-	1,294
Bank overdraft	(385,434)	152,260	-	(233,174)
	<u>(384,815)</u>	<u>152,935</u>	<u>-</u>	<u>(231,880)</u>
Finance leases and hire purchase agreements	(810,030)	387,355	(212,279)	(634,954)
<b>Total</b>	<u>(1,194,845)</u>	<u>540,290</u>	<u>(212,279)</u>	<u>(866,834)</u>

**20 Analysis of cash flows for headings netted in the cash flow statement**

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	23,032	27,934
Interest element of finance lease and hire purchase payments	62,710	76,257
	<u>85,742</u>	<u>104,191</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(238,631)	(49,268)
Sale of tangible fixed assets	486,258	41,050
<b>Net cash outflow from capital expenditure</b>	<u>247,627</u>	<u>(8,218)</u>
<b>Financing</b>		
Capital element of finance lease and hire purchase payments	(387,355)	(345,571)



**Notes** *(continued)*

**21 Commitments**

Contracted capital commitments at the end of the financial year for which no provision has been made were £nil (2000: £87,240).

Annual commitments under non-cancellable operating leases are as follows:

	<b>Land and property</b>		<b>Plant and machinery</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>Operating leases which expire:</i>				
In one year	<b>33,600</b>	-	<b>20,790</b>	5,824
In the second to fifth years inclusive	<b>134,400</b>	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**22 Related party transactions**

During the year the company has paid interest to the pension fund during the year of £2,812 (2000: £9,793). The pension fund loan was repaid during the year, therefore the balance at the year end is £nil (2000: £132,000).

In March 2001, Mr R Squires and Mr A Squires purchased motor vehicles from the company at their market values of £3,300 and £4,000 respectively.

During the year, the company carried out work for the pension fund and invoiced sales of £16,772.

The company occupies a property owned by the pension fund and paid rent of £26,305 during the year (2000: £nil).