

R.J. LENDRUM LIMITED

FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 1989

CO NO 124126714 DEC 1990

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H.D. PATEL & CO.

CHARTERED ACCOUNTANTS

R. J. LENDRUM LIMITED

DIRECTOR'S REPORT

The directors present their report and audited financial statements of the company for the year ended 31st December 1989.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £127844. It is recommended that no dividend be paid and that £127844 should be transferred to reserves.

PRINCIPAL ACTIVITIES, TRADING REVIEW AND FUTURE DEVELOPMENTS

The principal activities of the company are that of metal window and doors specialists and general repairs, including automatic installation entrances. The directors consider the results satisfactory and do not anticipate any increase in trade.

FIXED ASSETS: Movements on fixed assets are shown in note 6 to the accounts.

DIRECTORS

The following were directors of the company at 31st December 1989 and served throughout the period:

Mr R J Lendrum
Mr A Jennings
Mr T Lewis

In accordance with the Articles of Association none of the directors retire.

DIRECTORS SHAREHOLDINGS

The beneficial interests of the directors in the shares of the company are set out below.

	ORDINARY SHARES OF £1 EACH	
	<u>1989</u>	<u>1988</u>
Mr R J Lendrum	199,898	199,898

R J LENDRUM LIMITED

DIRECTORS REPORT (CONTINUED).

AUDITORS

H D PATEL & CO. have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

By order of the Board.

Mrs M Lendrum
Secretary

Registered Office
Stourbridge Road Trading Estate
Faraday Drive
Bridgenorth
Shropshire

M. Lendrum 1990 September 30th

REPORT OF THE AUDITORS TO THE MEMBERS OF
R J LENDRUM LIMITED

We have audited the financial statements set out on pages 4 to 11 in accordance with approved Auditing Standards, having regard to the matters referred to in the following paragraphs.

In common with many business of similar size and organisation, the company's system of internal control is dependent upon the close involvement of Directors. Where independent confirmation of the completeness of the of the accounting records was therefore not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

In particular, we have accepted assurances from the directors that the quantities of stock and work in progress were effectively established and that full provision has been made for all liabilities in respect of stock and work in progress.

Subject to the foregoing, in our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st December 1989 and of its profits and source application of the fund for the period then ended and comply with the Companies Act 1985.

BIRMINGHAM

1990

September 30th

H. D. Patel

H D PATEL & CO.

CHARTERED ACCOUNTANTS

R J LENDRUM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1989

	Note	31 December 1989 ----- £	31 December 1988 ----- £
Turnover	2	2245451	1661202
Cost of Sales		1539271	1112157
Gross Profit		706180	549045
Distribution and Administration expenses		498349	422939
Interest Payable	3	31911	8274
Profit on ordinary activities before taxation	4	175920	117832
Taxation	5	48076	58183
Profit after taxation		127844	59649
Dividends		-	-
		127844	59649
Brought forward Retained profit		100499	40850
Retained profit carried forward		£ 228343	£ 100499

The notes on pages 6 to 10 form part of these financial statements.

R J LENDRUM LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1989

		£	£	£	£
FIXED ASSETS	Note	<u>1989</u>		<u>1988</u>	
Tangible assets	6	314638		188290	
CURRENT ASSETS					
Stock and Work in progress	7	270075		215645	
Debtors and Prepayments	8	684990		401419	
Cash in Hand		3207		6864	
		<u>958272</u>		<u>623928</u>	
CREDITORS					
Amounts falling due within one year	9	<u>777627</u>		<u>461546</u>	
Net Current Assets		180645		162382	
Total assets less current Liabilities		495283		350672	
CREDITORS					
Amounts falling due after more than one year	9	66940		49173	
Provisions for Liabilities and charges	10	-		1000	
		<u>428343</u>		<u>300499</u>	
		=====		=====	
FINANCED BY					
Capital and Reserves					
Called up share capital	11	200000		200000	
Profit and Loss account	12	228343		100499	
		<u>428343</u>		<u>300499</u>	
		=====		=====	

The financial statements were approved by the Board of Directors on 1990

R J Lendrum

A Jennings

The notes on pages 6 to 10 form part of these financial statements.

R J LENDRUM LIMITED

NOTES ON FINANCIAL STATEMENTS

31ST DECEMBER 1989

1. ACCOUNTING POLICIES

A. Basis of accounting:

The financial statements have been prepared under the historical cost convention.

B. Cost of sales:

Cost of sales is stated as all those costs directly incurred by the company in order to bring each product sold to its saleable condition and to provide the services to customers.

C. Depreciation:

Depreciation is calculated so as to write off the relevant assets over their expected useful lives. The principal annual rates used are as follows:

	%	
	=	
Buildings	4	(Straight Line)
Motor Vehicles	25	-//-
Fixtures, fittings and equipment	15	-//-

D. Stocks:

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

E. Deferred taxation:

Deferred taxation is calculated on the liability method in respect of timing differences between profits as stated in the financial statements and as computed for tax purposes. Where it can be shown with reasonable probability that no such liability will become payable in the foreseeable future no provision is made.

R J LENDRUM LIMITED
NOTES ON FINANCIAL STATEMENTS
31ST DECEMBER 1989

2. TURNOVER

Turnover represents the invoiced value excluding value added tax on goods sold and services provided to customers.

The turnover and profit before taxation is attributable to the principal activity of the company, being that of metal window installation specialists and general repairers.

Turnover relates wholly to the United Kingdom.

3. INTEREST PAYABLE

	1989	1988
	-----	-----
	£	£
Bank	22056	8274
Pension Loan Back	9855	-
	-----	-----
	31911	8274
	=====	=====

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after charging:

	£	£
Depreciation	49807	31635
Directors emoluments	52847	60949
Auditors remuneration	4000	4000
	=====	=====

1989	1988
-----	-----
£	£

5. TAXATION

United Kingdom corporation tax at appropriate rate and adjusted in respect of over provision in previous year	49076	60683
Deferred tax in respect of accelerated capital allowances	(1000)	(2500)
	-----	-----
	48016	58183
	=====	=====

R.J. LENDRUM LIMITED

NOTES TO ACCOUNTS

31ST DECEMBER 1989

6. TANGIBLE ASSETS

	Freehold Land and Buildings	Fixtures Fittings and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost:				
1st January 1989	81309	27906	198532	307747
Addition	106000	19716	52836	178552
Disposals	-	-	(14767)	(14767)
	187309	47621	236601	471532
Depreciation:				
1st January 1989	21145	11834	68478	119457
Disposal	-	-	(12370)	(12370)
Charge for period	-	5368	44439	49807
31st December 1989	21145	17202	118547	156894
Net book value:				
31st December 1989	166164	30420	118054	314638
31st December 1988	60164	16072	42054	188290

No depreciation is charged on Freehold Land and Buildings as the directors are of the opinion that the current value exceed the costs.

R J LENDRUM LIMITED
NOTES ON FINANCIAL STATEMENTS
31ST DECEMBER 1989

7. STOCKS	<u>1989</u> £	<u>1988</u> £
Raw materials	224163	180983
Work in progress	45912	34662
	-----	-----
	270075	215645
	=====	=====
8. DEBTORS		
Amounts falling due within one year:		
Trade debtors	638181	368086
Advance corporation tax recoverable	-	-
Prepayments and others	46809	33333
	-----	-----
	684990	401419
	=====	=====
9. CREDITORS		
Amounts falling due within one year:		
R J Lendrum Esq	31348	41398
Pension fund loan	54700	54700
Bank overdraft	228119	44509
Trade creditors	291376	186282
Taxes and social security	50275	36507
Other creditors	6028	578
Hire purchase obligations	43986	24852
Corporation tax	71795	72720
	-----	-----
	777627	461546
	=====	=====
CREDITORS		
Amounts falling due after more than one year:		
Hire purchase obligations	69940	49173
	=====	=====
10. DEFERRED TAXATION	<u>1989</u>	<u>1988</u>
	£	£
Accelerated capital allowances	1000	1000
	=====	=====

R J LENDRUM LIMITED

NOTES ON FINANCIAL STATEMENTS

31ST DECEMBER 1989

1. SHARE CAPITAL

Authorised	Issued and Fully Paid
-----	-----
£	£
Ordinary shares of £1 each	
500,000	200,000
=====	=====

2. PROFIT AND LOSS ACCOUNT

	£ 1989	£ 1988
Balance brought forward	100499	40850
Profit for the period	127844	59649
	-----	-----
Balance carry forward 31st December 1989	228343	100499
	=====	=====

3. CAPITAL COMMITMENTS

	<u>1989</u>	<u>1988</u>
Contracted	nil	nil
Authorised but not contracted	nil	nil

4. As at 31st December 1989 the company had commitments under operating leases as follows:

	<u>1989</u>	<u>1988</u>
Within one year	43986	24852
Within two to five years	66940	49173
	-----	-----
	110926	74025
	=====	=====