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# R J Lendrum Limited

## Report and Accounts

31 December 1995

*Registered No. 01241267*



# R J Lendrum Limited

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Registered No. 01241267

## **DIRECTORS**

M H Burton  
O M Farmer

## **SECRETARY**

J T Baker

## **AUDITORS**

Ernst & Young  
Talbot Chambers  
2-6 North Church Street  
Sheffield S1 2DH

## **BANKERS**

National Westminster Bank plc  
High Street  
Bridgenorth  
Shropshire WV16 4DJ

## **REGISTERED OFFICE**

Farraday Drive  
Stourbridge Road Industrial Estate  
Bridgenorth  
Shropshire WV15 5DA

**ERNST & YOUNG**



**DIRECTORS' REPORT**

The directors present their report and accounts for the year ended 31 December 1995.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £42,724. An interim dividend of £30,000 (15p per share) was paid during the year. The directors do not recommend a final dividend and the retained profit will be transferred to reserves.

The directors consider the profit achieved on ordinary activities before taxation to be particularly satisfactory given the difficult trading conditions.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The company's principal activity continues to be that of metal windows and doors specialist, glazing and general repairs with continued specialisation in automatic entrance installations. The entire share capital of the company was acquired by The Stanley Works Limited on 13 September 1995.

**FIXED ASSETS**

Details of movements in fixed assets during the year are set out in note 9 to the accounts.

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were those listed on page 2 and Mr R J Lendrum, Mr A Jennings, Mr T Lewis and Mrs R Lendrum-Edwards, who all resigned as directors on 13 September 1995. Mr M H Burton and Mr O M Farmer were appointed directors on 13 September 1995.

According to the register maintained as required under the Companies Act 1985, neither director at 31 December 1995 had any interest in the share capital of the company. In accordance with statutory instrument number 802 of 1985, directors' interests in the shares of the holding company, which is incorporated outside Great Britain, are not disclosed.

**POST BALANCE SHEET EVENT**

The trading activities of the company were merged with Stanley Access Technologies, a division of The Stanley Works Limited, with effect from 1 January 1996. Since that date R J Lendrum Limited has been a dormant company.

DIRECTORS' REPORT

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company Law requires the directors to prepare financial accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profits or loss of the company for that period. In preparing those financial accounts, the directors are required to:

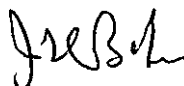
- select suitable accounting policies and then apply consistently;
- make judgements and estimates that are reasonable and prudent.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

H D Patel & Co resigned as auditors of the company during the year and Ernst & Young were appointed. A resolution to reappoint Ernst & Young will be put to the members at the Annual General Meeting.

By order of the board



J T Baker  
Secretary

28 October 1996

**REPORT OF THE AUDITORS**  
**to the members of R J Lendrum Limited**

We have audited the accounts on pages 6 to 14 which have been prepared under the historical cost convention as modified by the revaluation of freehold and land and buildings and on the basis of the accounting policies set out on page 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

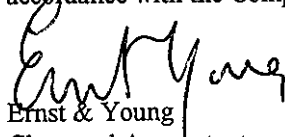
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as 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.

A handwritten signature in dark ink, appearing to read 'Ernst & Young', is written over the printed name.

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Sheffield  
28 October 1996

# R J Lendrum Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1995

	Note	1995 £	1994 £
<b>TURNOVER</b>	2	3,260,675	3,069,510
Cost of sales		(2,317,859)	(2,223,941)
<b>GROSS PROFIT</b>		942,816	845,569
Distribution costs		(151,975)	(161,193)
Administrative expenses		(612,649)	(502,213)
<b>OPERATING PROFIT</b>	3	178,192	182,163
Profit/(loss) on sale of fixed assets		5,474	(5,370)
Deficit on revaluation of freehold property		(53,122)	-
		130,544	176,793
Interest payable	6	(23,007)	(11,262)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		107,537	165,531
Tax on profit on ordinary activities	7	(64,813)	(33,004)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		42,724	132,527
Dividends	8	(30,000)	(30,000)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		12,724	102,527

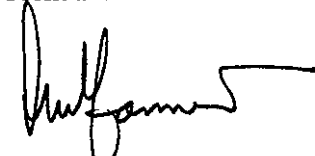
Movements in reserves are set out in note 16.

There are no recognised gains or losses other than the profit for the financial year.

# R J Lendrum Limited

## BALANCE SHEET at 31 December 1995

	Note	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	9	331,493	377,221
Investments	10	-	2
		<u>331,493</u>	<u>377,223</u>
<b>CURRENT ASSETS</b>			
Stocks	11	315,000	254,540
Debtors	12	928,116	854,783
Cash at bank and in hand		4,934	46,924
		<u>1,248,050</u>	<u>1,156,247</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>898,255</u>	<u>810,527</u>
<b>NET CURRENT ASSETS</b>		<u>349,795</u>	<u>345,720</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>681,288</u>	<u>722,943</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
R J Lendrum pension loan		-	32,820
Obligations under finance leases and hire purchase contracts		27,688	52,247
		<u>27,688</u>	<u>85,067</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		<u>653,600</u>	<u>637,876</u>
Deferred taxation	14	6,000	3,000
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>647,600</u>	<u>634,876</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	200,000	200,000
Profit and loss account	16	447,600	434,876
		<u>647,600</u>	<u>634,876</u>



O M Farmer

Director

28 October 1996

NOTES TO THE ACCOUNTS  
at 31 December 1995

1. ACCOUNTING POLICIES

*Accounting convention*

The accounts are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

*Fixed assets*

All fixed assets are recorded at cost.

*Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, on the following basis:

Freehold buildings	-	1% straight line
Motor vehicles	-	25% reducing balance
Fixtures and equipment	-	15% reducing balance

*Stocks*

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock.

*Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

*Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

*Leasing and hire purchase*

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.



# R J Lendrum Limited

## NOTES TO THE ACCOUNTS

at 31 December 1995

### *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

## 2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

Turnover is attributable to one continuing activity, the installation of automatic entrance installations. All turnover arises within the United Kingdom.

## 3. OPERATING PROFIT

This is stated after charging:

	1995 £	1994 £
Depreciation of owned fixed assets	22,602	19,444
Depreciation of assets under finance leases and hire purchase contracts	30,053	15,721
Auditors' remuneration - audit services	2,500	2,500
	<u>          </u>	<u>          </u>

## 4. DIRECTORS' EMOLUMENTS

	1995 £	1994 £
Emoluments (including pension contributions)	90,713	105,453
	<u>          </u>	<u>          </u>

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1995 No.	1994 No.
Nil - £5,000	2	-
£15,001 - £20,000	3	-
£20,001 - £25,000	-	2
£25,001 - £30,000	-	2
£30,001 - £35,000	1	-

The emoluments, excluding pension contributions, of the chairman to 13 September 1995, who was also the highest paid director, were £30,954 (1994 - £29,486).

# R J Lendrum Limited

## NOTES TO THE ACCOUNTS

at 31 December 1995

### 5. STAFF COSTS AND NUMBERS

	1995 £	1994 £
Wages and salaries	569,420	471,420
Social security costs	52,711	43,639
Other pension costs	5,154	4,400
	<u>627,285</u>	<u>519,459</u>

The average weekly number of employees, including directors, during the year was as follows:

	1995 No.	1994 No.
Administration	<u>42</u>	<u>40</u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Bank loans and overdrafts	7,952	706
Other loans wholly repayable within five years	8,815	4,261
Finance charges payable under finance leases and hire purchase contracts	6,240	6,295
	<u>23,007</u>	<u>11,262</u>

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995 £	1994 £
Based on the profit for the year:		
UK corporation tax at 33%	61,813	29,387
Deferred taxation (note 14)	3,000	3,000
	<u>64,813</u>	<u>32,387</u>
Corporation tax underprovided in previous years	-	617
	<u>64,813</u>	<u>33,004</u>

### 8. DIVIDENDS

	1995 £	1994 £
Equity dividends on ordinary shares:		
Interim paid	<u>30,000</u>	<u>30,000</u>

# R J Lendrum Limited

## NOTES TO THE ACCOUNTS at 31 December 1995

### 9. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £</i>	<i>Fixtures &amp; equipment £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost or valuation:				
At 1 January 1995	217,249	119,585	269,990	606,824
Additions	11,480	24,350	60,195	96,025
Deficit on revaluation	(88,729)	-	-	(88,729)
Disposals	-	-	(82,725)	(82,725)
At 31 December 1995	140,000	143,935	247,460	531,395
Depreciation:				
At 1 January 1995	34,207	65,379	130,017	229,603
Charge for the year	1,400	11,785	39,470	52,655
Deficit on revaluation	(35,607)	-	-	(35,607)
Disposals	-	-	(46,749)	(46,749)
At 31 December 1995	-	77,164	122,738	199,902
Net book value:				
At 31 December 1995	140,000	66,771	124,722	331,493
At 31 December 1994	183,042	54,206	139,973	377,221

Included in freehold land and buildings is land valued at £60,000 which is not depreciated. The net book value of fixtures and equipment and motor vehicles above includes an amount of £96,468 (1994 - £114,353) in respect of assets held under finance leases and hire purchase contracts.

The historical cost of freehold land and buildings is as follows:

	<i>£</i>
At 31 December 1995	228,729
Cumulative depreciation based on cost:	
At 1 January 1995	34,207
At 31 December 1995	35,607

The freehold land and buildings were valued at their open market value for existing use on 31 December 1995 by Knight Frank, Chartered Surveyors.

# R J Lendrum Limited

## NOTES TO THE ACCOUNTS at 31 December 1995

### 10. INVESTMENTS

	<i>Subsidiary undertakings £</i>
Cost:	
At 1 January 1995	2
Disposals	(2)
	<hr/>
At 31 December 1995	-
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The company held 100% of the ordinary shares of R J Lendrum (Scotland) Limited, a company registered in Scotland which was dormant.

Investments were previously included within Other Debtors.

### 11. STOCKS

	<i>1995 £</i>	<i>1994 £</i>
Raw materials and consumables	315,000	254,540
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The difference between purchase price or production cost of stocks and their replacement cost is not material.

### 12. DEBTORS

	<i>1995 £</i>	<i>1994 £</i>
Due after more than one year:		
Amounts owed by group undertaking	-	25,593
Due within one year:		
Trade debtors	911,902	794,999
Other debtors	3,125	14,998
Prepayments and accrued income	13,089	19,193
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	928,116	854,783
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# R J Lendrum Limited

## NOTES TO THE ACCOUNTS at 31 December 1995

### 13. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Bank loan and overdraft	34,727	101,763
Obligations under finance lease and hire purchase contracts	42,740	35,872
Trade creditors	698,260	569,537
Corporation tax	54,313	19,706
Other taxes and social security costs	62,540	70,110
Other creditors	3,225	11,089
Accruals	2,450	2,450
	<u>898,255</u>	<u>810,527</u>

The bank loan and overdraft are secured by a fixed and floating charge over the assets of the company.

### 14. DEFERRED TAXATION

The movements in deferred taxation during the current and previous years are as follows:

	1995 £	1994 £
At 1 January	3,000	-
Charge for the year (note 7)	3,000	3,000
At 31 December	<u>6,000</u>	<u>3,000</u>

Deferred taxation arises in respect of accelerated capital allowances and has been provided for in full.

### 15. SHARE CAPITAL

	1995 No.	Authorised 1994 No.	Allotted, called up and fully paid 1995 £	1994 £
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>200,000</u>	<u>200,000</u>

NOTES TO THE ACCOUNTS  
at 31 December 1995

16. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total share- holders' funds</i>
At 1 January 1994	200,000	332,349	532,349
Profit for the year	-	132,527	132,527
Dividend	-	(30,000)	(30,000)
At 31 December 1994	200,000	434,876	634,876
Profit for the year	-	42,724	42,724
Dividend	-	(30,000)	(30,000)
At 31 December 1995	200,000	447,600	647,600

17. CAPITAL COMMITMENTS

At the year end the company had capital commitments as follows:

	<i>1995 £</i>	<i>1994 £</i>
Contracted	-	-
Authorised by the directors but not contracted for	-	-

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding at the year end, included in "Other creditors" (note 13) are £nil (1994 - £10,940).

19. ULTIMATE HOLDING COMPANY

The ultimate holding company and parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is The Stanley Works, incorporated in the United States of America, and the parent undertaking of the smallest such group is The Stanley Works Limited, registered in England and Wales. Copies of The Stanley Works Limited accounts can be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.