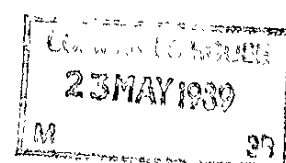


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R.J. LENDRUM LIMITED
FINANCIAL STATEMENTS
PERIOD ENDED
31ST DECEMBER 1987



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 1987.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £84201. It is recommended that dividend of £40000 be paid and that £44201 should be transferred to reserves.

PRINCIPAL ACTIVITIES, TRADING REVIEW AND FUTURE DEVELOPMENTS

The principal activities of the company are that of metal window and door specialists and general repairs, including automatic installation entrances. The directors consider the results satisfactory and also anticipate an increase in trade.

FIXED ASSETS: Movements on fixed assets are shown in note 5 to the accounts.

DIRECTORS

The following were directors of the company at 31st December 1987 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	
	1987	1986
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.

M. Lendrum.

Mrs M. Lendrum
Secretary.

Registered Office:
Stourbridge Road Industrial Estate
Faraday Drive
Bridgnorth
Shropshire

(8. 5 1988

REPORT OF THE AUDITORS TO THE MEMBERS OF

R.J. LENDRUM LIMITED

(Formerly R.J. Lendrum (Security Systems) Limited)

We have audited the financial statements set out on page 4 to 10 in accordance with approved Auditing Standard, having regard to the matters referred to in the following paragraph.

In common with many business of similar size and organisation, the directors who are also the major shareholders. Where independent confirmation of the completeness 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 1987 and of the profit for the period then ended and comply with the Companies Act 1985.

BIRMINGHAM

H.D. Patel
H.D. PATEL & CO.
Chartered Accountants

18 / 5 - 1988

R.J. LENDRUM LIMITED

 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1987

	NOTE	12 MONTHS TO 31 DECEMBER 1987	6 MONTHS TO 31 DECEMBER 1987
		£	£
Turnover	2	1425188	586130
Cost of Sales		946957	403302
Gross Profit		478231	182828
Distribution and administration expenses		332295	181687
Interest Payable		11235	10820
Profit on ordinary activities before taxation (1986 Loss)	3	134701	(9679)
Taxation	4	50500	11500
Profit after taxation		84201	1821
Dividends		40000	-
Adjustment Re-capitalisation	11	44201	1821
Losses Brought Forward		-	5172
		3351	-
Retained Profit (Losses) Carried Forward		40850	(3351)

The notes on pages 6 to 9 form part of these financial statements

R.J. LENDRUM LIMITED

 BALANCE SHEET AS AT 31ST DECEMBER 1987

			1987	1986
	NOTE	£	£	£
FIXED ASSETS				
Tangible assets	5		127565	151422
CURRENT ASSETS				
Stocks and Work in progress	6	122966		168250
Debtors	7	383108		273386
Cash in Hand		547		630
		506021		442266
Creditors				
Amount falling due within one year	8	389836		382933
Net Current Assets			116785	59393
Total assets less current liabilities			244350	210755
Creditors				
Amounts falling due after more than one year	8		-	(14165)
Provisions for Liabilities and Charges	9		3500	-
			240850	196649
FINANCED BY				
Capital and Reserves				
Called up Share Capital	10		200000	200000
Profit and Loss account	11		40850	(3351)
			240850	196649

The financial statements were approved by the Board of Directors on 15th 5th 1988

R.J. Lendrum

A. Jennings

To notes on pages 6 to 9 form part of these financial statements

R.J. LENDRUM LIMITED
NOTES ON FINANCIAL STATEMENTS

31ST DECEMBER 1987

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 it's saleable condition and to provide the services to customers.

c. Depreciation:

Depreciation is calculated on a reducing balance basis to write off the relevant assets over their expected useful lives. The principal annual rates 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. Deffered taxation:

Deffered 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.

f. Foreign currencies:

Assets and liabilities are translated into sterling at the rates ruling at the balance sheet date.

R.J. LENDRUM LIMITED
NOTES ON FINANCIAL STATEMENTS
31ST DECEMBER 1987

2. TURNOVER

Turnover represents the invoiced value excluding value added tax on goods sold and services provided to the 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. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after charging:

	£	
	-	
Depreciation	23935	
Directors' emoluments	56709	
Auditors' remuneration	1000	
	=====	
	1987	1986
	-----	-----
	£	£
	-	-
United Kingdom corporation tax	47000	-
Deffered tax provided in full in respect of capital allowances	3500	(11500)
	-----	-----
	50500	(11500)
	=====	=====

5. TANGIBLE ASSETS	FREEHOLD LAND AND BUILDINGS	FIXTURES FITTINGS AND EQUIPMENT	MOTOR VEHICLE	TOTAL
	-----	-----	-----	-----
Cost:	£	£	£	£
1st January 1987	81309	13239	153336	247884
Disposals	-	300	4007	4307
Additions	-	1232	-	1232
	-----	-----	-----	-----
31st December 1987	81309	14171	149329	244509
	=====	=====	=====	=====
Depreciation:				
1st January 1987	14641	8665	73156	96462
Disposal	-	116	3037	3153
Charge for period	3252	658	20025	23935
	-----	-----	-----	-----
31st December 1987	17893	9207	90144	117244
	=====	=====	=====	=====
Net book amount:				
31st December 1987	63416	4964	59185	127565
	=====	=====	=====	=====

R.J. LENDRUM LIMITED
NOTES ON FINANCIAL STATEMENTS

31ST DECEMBER 1987

6. STOCKS	1987	1986
	£	£
	-	-
Raw Materials	100645	147790
Work in progress	22321	20460
	-----	-----
	122966	168250
	=====	=====
7. DEBTORS		
Amount falling due within one year:		
Sales reserves	-	75430
Trade Debtors	354773	183889
Advance Corporation tax recoverable	14795	2514
Prepayments and others	13540	11553
	-----	-----
	383108	273386
	=====	=====
8. CREDITORS		
Amounts falling due within one year:		
R.J. Lendrum Esq.,	60409	32231
Pension fund loan	52142	52142
Bank Overdraft	36653	76286
Trade creditors	154284	167369
Taxes and social security	22131	15457
Other creditors	6300	2020
Hire purchase obligations	14100	25695
Corporation tax	43817	21793
	-----	-----
	389836	382993
	=====	=====
CREDITORS		
Amounts falling due after more than one year:		
Hire purchase obligations	-	14106
	=====	=====
9. DEFFERED TAXATION	1988	1987
	£	£
Accelerated capital allowances	3500	-
	=====	=====

R.J. LENDRUM LIMITED
 NOTES ON FINANCIAL STATEMENTS
 31ST DECEMBER 1987

10. SHARE CAPITAL (31st December 1987)	Authorised ----- £	Issued and Fully Paid ----- £
Ordinary shares of £1 each	500000 =====	200000 =====
11. PROFIT AND LOSS ACCOUNT		£ -
Balance brought forward 1st January 1987	(3351)	115,766
Capitalisation	-	(120,938)
Profit for the period	44201	1,821
	-----	-----
Balance carried forward 31st December 1987	40850 =====	(3,351) =====
12. CAPITAL COMMITMENTS		
	1987	1986
Contracted	NIL	NIL
Authorised but not contracted	NIL	NIL
13. As at 31st December 1987 the company had commitments under operating leases as follows	1987	1986
Within one year	NIL	NIL
Within two to five years	NIL	NIL
	---	---
	NIL	NIL
	===	===