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COMPANY REGISTRATION NUMBER 3461567

**LEE MARLEY  
BRICKWORK LIMITED  
FINANCIAL STATEMENTS  
FOR  
31ST MARCH 2004**



**ABBOTS**

Chartered Certified Accountants & Registered Auditors  
Printing House,  
66, Lower Road,  
Harrow,  
HA2 0DH

# LEE MARLEY BRICKWORK LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2004

CONTENTS	PAGE
<i>The director's report</i>	1
<i>Independent auditors' report to the shareholders</i>	3
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7
<b>The following pages do not form part of the financial statements</b>	
Detailed profit and loss account	16
Notes to the detailed profit and loss account	17

# LEE MARLEY BRICKWORK LIMITED

## THE DIRECTOR'S REPORT

### YEAR ENDED 31ST MARCH 2004

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st March 2004.

#### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of brickwork subcontractors to the construction industry.

#### THE DIRECTOR AND HIS INTERESTS IN THE SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests, including family holdings, in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 March 2004	At 1 April 2003
Mr. L. Marley	<u>10,000</u>	<u>10,000</u>

#### DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The director must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is 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.

#### DONATIONS

During the year the company made the following contributions:

	2004	2003
	£	£
Charitable	<u>1,887</u>	<u>1,692</u>

The donations were for the following purposes - Homeless relief £100, Childrens' welfare £897, Medical research and support £450, Education £200 and Community support £240.

#### AUDITORS

A resolution to re-appoint Abbots as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

# LEE MARLEY BRICKWORK LIMITED

## THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST MARCH 2004

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Unit 12  
Brook Business Centre  
Cowley Mill Road  
Uxbridge  
Middlesex  
UB8 2FX

Signed by

MR. L. MARLEY  
Chairman



Approved by the director on 1/12/04.....

**LEE MARLEY BRICKWORK LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**LEE MARLEY BRICKWORK LIMITED**  
**YEAR ENDED 31ST MARCH 2004**

We have audited the financial statements of Lee Marley Brickwork Limited for the year ended 31st March 2004 on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 8.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS**

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Director's 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom 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 director 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.

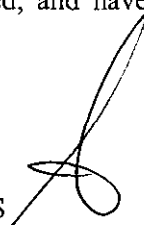
**LEE MARLEY BRICKWORK LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**LEE MARLEY BRICKWORK LIMITED** *(continued)*  
**YEAR ENDED 31ST MARCH 2004**

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Printing House,  
66, Lower Road,  
Harrow,  
HA2 0DH

26/2/04

  
ABBOTS  
Chartered Certified Accountants  
& Registered Auditors

# LEE MARLEY BRICKWORK LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2004

	Note	2004 £	2003 £
<b>TURNOVER</b>		12,441,923	7,668,092
Cost of sales		11,176,914	6,990,781
<b>GROSS PROFIT</b>		1,265,009	677,311
Administrative expenses		794,351	589,728
Other operating income		—	(5,502)
<b>OPERATING PROFIT</b>	<b>2</b>	470,658	93,085
Interest receivable		1,489	7
Interest payable	<b>4</b>	(24,586)	(18,084)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		447,561	75,008
Tax on profit on ordinary activities	<b>5</b>	127,281	21,944
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		320,280	53,064
Equity dividends paid		172,000	138,200
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		148,280	(85,136)
Balance brought forward		120,198	205,334
Balance carried forward		268,478	120,198

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

## LEE MARLEY BRICKWORK LIMITED

## BALANCE SHEET

31ST MARCH 2004

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	6	142,271	165,956
<b>CURRENT ASSETS</b>			
Stocks		87,894	182,028
Debtors	7	1,804,661	1,064,756
Cash in hand		319	108
		<u>1,892,874</u>	<u>1,246,892</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>1,697,219</u>	<u>1,203,918</u>
<b>NET CURRENT ASSETS</b>		<u>195,655</u>	<u>42,974</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>337,926</u>	<u>208,930</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<u>50,432</u>	<u>76,699</u>
		<u>287,494</u>	<u>132,231</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	11	<u>9,016</u>	<u>2,033</u>
		<u>278,478</u>	<u>130,198</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	14	10,000	10,000
Profit and loss account		268,478	120,198
<b>SHAREHOLDERS' FUNDS</b>	15	<u>278,478</u>	<u>130,198</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved and signed by the director on 1/12/04

  
MR. L. MARLEY



**LEE MARLEY BRICKWORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**Cash flow statement**

The director has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% straight line basis
Fixtures & Fittings	- 25% straight line basis
Motor Vehicles	- 25% straight line basis
Equipment	- 25% straight line basis

**Stocks**

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

**Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**LEE MARLEY BRICKWORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**1. ACCOUNTING POLICIES** *(continued)*

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**2. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	37,604	28,026
Depreciation of assets held under hire purchase agreements	22,431	33,067
Loss on disposal of fixed assets	6,685	—
Profit on disposal of fixed assets	—	(5,502)
Auditors' fees	22,005	24,493
Operating lease costs:		
Land and buildings	52,261	—
Vehicles	27,904	4,595

**LEE MARLEY BRICKWORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**3. DIRECTOR'S EMOLUMENTS**

The director's aggregate emoluments in respect of qualifying services were:

	2004 £	2003 £
Aggregate emoluments	<u>43,124</u>	<u>42,082</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2004 £	2003 £
Finance charges	11,769	6,405
Other interest and similar charges	12,817	11,679
	<u>24,586</u>	<u>18,084</u>

**5. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

	2004 £	2003 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 27.96% (2003 - 19%)	120,298	19,911
Total current tax	<u>120,298</u>	<u>19,911</u>
Deferred tax:		
Origination and reversal of timing differences (note 11)		
Capital allowances	5,806	2,033
Effect of changed tax rate on opening balance	<u>1,177</u>	<u>—</u>
Total deferred tax (note 11)	<u>6,983</u>	<u>2,033</u>
Tax on profit on ordinary activities	<u>127,281</u>	<u>21,944</u>

**LEE MARLEY BRICKWORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**5. TAXATION ON ORDINARY ACTIVITIES** *(continued)*

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 27.96% (2003 - 19%).

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>447,561</u>	<u>75,008</u>
Profit/(loss) on ordinary activities multiplied by the average rate of tax	125,138	14,252
Expenses not deductible for tax purposes	6,555	5,972
Capital allowances for period in excess of depreciation	<u>(11,395)</u>	<u>(313)</u>
Total current tax (note 5(a))	<u>120,298</u>	<u>19,911</u>

**6. TANGIBLE FIXED ASSETS**

	<b>Plant &amp; Machinery</b>	<b>Fixtures &amp; Fittings</b>	<b>Motor Vehicles</b>	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>COST</b>					
At 1 April 2003	40,002	17,665	226,180	36,470	320,317
Additions	—	6,016	86,789	35,356	128,161
Disposals	—	(10,704)	(162,705)	(1,881)	(175,290)
<b>At 31 March 2004</b>	<u>40,002</u>	<u>12,977</u>	<u>150,264</u>	<u>69,945</u>	<u>273,188</u>
<b>DEPRECIATION</b>					
At 1 April 2003	37,691	9,181	95,562	11,927	154,361
Charge for the year	2,166	2,512	43,469	11,888	60,035
On disposals	—	(7,340)	(74,923)	(1,216)	(83,479)
<b>At 31 March 2004</b>	<u>39,857</u>	<u>4,353</u>	<u>64,108</u>	<u>22,599</u>	<u>130,917</u>
<b>NET BOOK VALUE</b>					
<b>At 31 March 2004</b>	<u>145</u>	<u>8,624</u>	<u>86,156</u>	<u>47,346</u>	<u>142,271</u>
At 31 March 2003	<u>2,311</u>	<u>8,484</u>	<u>130,618</u>	<u>24,543</u>	<u>165,956</u>

**Hire purchase agreements**

Included within the net book value of £142,271 is £85,345 (2003 - £122,691) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £22,431 (2003 - £33,067).

**LEE MARLEY BRICKWORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**7. DEBTORS**

	2004	2003
	£	£
Trade debtors	953,912	829,970
VAT recoverable	—	50,060
Other debtors	807,309	169,655
Prepayments and accrued income	43,440	15,071
	<u>1,804,661</u>	<u>1,064,756</u>

**8. CREDITORS: Amounts falling due within one year**

	2004	2003
	£	£
Bank loans and overdrafts	16,658	221,212
Trade creditors	439,724	508,877
Other creditors including taxation and social security:		
Corporation tax	120,298	70,162
PAYE and social security	285,362	182,711
VAT	9,987	—
Hire purchase agreements	22,216	49,532
Directors current accounts	746	6
Other creditors	163,966	113,330
Accruals and deferred income	638,262	58,088
	<u>1,240,837</u>	<u>473,829</u>
	<u>1,697,219</u>	<u>1,203,918</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2004	2003
	£	£
Bank loans and overdrafts	16,658	221,212
Other creditors including taxation and social security	22,216	49,532
	<u>38,874</u>	<u>270,744</u>

The bank overdraft is secured by a fixed and floating charge on the assets of the company. Hire purchase creditors are secured on the assets they relate to.

**9. CREDITORS: Amounts falling due after more than one year**

	2004	2003
	£	£
Hire purchase agreements	<u>50,432</u>	<u>76,699</u>

**LEE MARLEY BRICKWORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**9. CREDITORS: Amounts falling due after more than one year** *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2004 £	2003 £
Other creditors	<u>50,432</u>	<u>76,699</u>

Hire purchase creditors are secured on the assets they relate to.

**10. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	2004 £	2003 £
Amounts payable within 1 year	27,830	59,190
Amounts payable between 2 to 5 years	<u>54,129</u>	<u>82,565</u>
	81,959	141,755
Less interest and finance charges relating to future periods	<u>(9,311)</u>	<u>(15,524)</u>
	<u>72,648</u>	<u>126,231</u>
Hire purchase agreements are analysed as follows:		
Current obligations	22,216	49,532
Non-current obligations	<u>50,432</u>	<u>76,699</u>
	<u>72,648</u>	<u>126,231</u>

**11. DEFERRED TAXATION**

	2004 £	2003 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	2,033	—
Profit and loss account movement arising during the year	<u>6,983</u>	<u>2,033</u>
Provision carried forward	<u>9,016</u>	<u>2,033</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2004 £	2003 £
Excess of taxation allowances over depreciation on fixed assets	<u>9,016</u>	<u>2,033</u>
	<u>9,016</u>	<u>2,033</u>

**LEE MARLEY BRICKWORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**12. COMMITMENTS UNDER OPERATING LEASES**

At 31st March 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	2004		2003	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	8,471	—	—
Within 2 to 5 years	—	12,188	—	8,767
After more than 5 years	52,987	—	52,987	—
	<u>52,987</u>	<u>20,659</u>	<u>52,987</u>	<u>8,767</u>

**13. RELATED PARTY TRANSACTIONS**

The company was under the control of Mr. Marley throughout the current and previous year. Mr. Marley is the managing director and majority shareholder. Transactions entered into during the year, under normal commercial terms, with companies which are also under his control were as follows:

**LMB Scaffolding Limited**

Included within Turnover is £200 (2003 - £58,483), within Cost of Sales is £44,020 (2003 - £nil) and within Administrative Expenses is £24,127 (2003 - £nil) invoiced by Lee Marley Brickwork Limited in respect of sales and directly recharged expenses. Included within Cost of Sales is £894,509 (2003 - £125,769) and within Administrative Expenses £417 (2003 - £332) invoiced by LMB Scaffolding Limited.

At the balance sheet date £311,441 (2003 - £nil) was owed to LMB Scaffolding limited in respect of trading activities and £771,928 (2003 - £124,839) was owed by LMB Scaffolding Limited in respect of a short term interest free loan.

**14. SHARE CAPITAL****Authorised share capital:**

	2004	2003
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**Allotted, called up and fully paid:**

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

**LEE MARLEY BRICKWORK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST MARCH 2004**

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Profit for the financial year	320,280	53,064
Dividends	(172,000)	(138,200)
	<u>148,280</u>	<u>(85,136)</u>
Opening shareholders' equity funds	130,198	215,334
Closing shareholders' equity funds	<u>278,478</u>	<u>130,198</u>