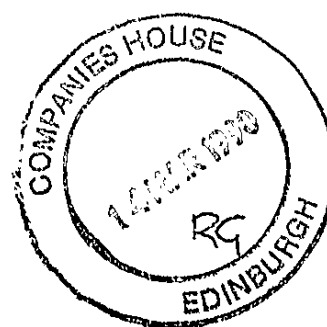


A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

MODIFIED ACCOUNTS

31 MARCH 1989



A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

DIRECTORS' REPORT  
for the year ended 31 March 1989

The directors submit their report and accounts for the year ended 31 March 1989.

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounted to £8,916. The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activities continued to be that of building and plumbing contractors.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors at 31 March 1989 and their interests in the share capital of the company were as follows:-

	At 31 March 1989 Ordinary shares	At 1 April 1988 Ordinary shares
A G King	233,319	233,319
J King	145,521	145,521

CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1970.

AUDITORS

A resolution to reappoint Messrs MacMillan & Co, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

By order of the board

I S Kinloch CA

Secretary

A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

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MODIFIED PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 1989

	Notes	1989 £	1988 £
GROSS PROFIT		1,406,896	1,157,925
Staff costs	3	1,031,899	823,987
Depreciation		101,259	80,760
(Gain)/loss on disposal of tangible fixed assets		(6,089)	(390)
Other operating charges		181,050	143,693
		1,308,119	1,048,050
OPERATING PROFIT	4	98,777	109,875
Interest payable	5	81,127	74,425
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		17,650	35,450
Tax on ordinary activities	6	8,734	13,000
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	8,916	22,450
Retained profit brought forward		39,865	17,415
RETAINED PROFIT CARRIED FORWARD		48,781	39,865

A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

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MODIFIED CONSOLIDATED BALANCE SHEET  
at 31 March 1989

	Notes	1989 £	1988 £
FIXED ASSETS			
Tangible assets	8	472,024	424,782
CURRENT ASSETS			
Stock and work in progress		2,094,644	1,055,942
Debtors	10	734,863	655,385
Cash in hand		1,593	1,570
		2,831,100	1,712,897
CREDITORS: amounts falling due within one year	11	2,767,381	1,603,175
NET CURRENT ASSETS		63,719	109,722
TOTAL ASSETS LESS CURRENT LIABILITIES		535,743	534,504
CREDITORS: amounts falling due after more than one year			
Bank loans	12	67,223	30,195
Obligations under hire purchase contracts		37,399	32,104
		104,622	112,299
PROVISION FOR LIABILITIES AND CHARGES		3,500	3,500
Deferred taxation		108,122	115,799
		427,621	418,705
CAPITAL AND RESERVES/....			

A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

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MODIFIED CONSOLIDATED BALANCE SHEET  
at 31 March 1989 (Contd.)

	Notes	1989 £	1988 £
CAPITAL AND RESERVES			
Called up share capital	14	378,840	378,840
Profit and loss account		48,781	39,865
		<hr/>	<hr/>
		427,621	418,705
		<hr/>	<hr/>

In preparing these modified accounts:

- a) We have relied upon the exemptions for individual companies under the Companies Act 1985.
- b) We have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

A G King *AG King* )  
J King *J King* ) Directors

14 November 1989

The notes on pages 7 to 11 form part of these modified accounts.

A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

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MODIFIED COMPANY BALANCE SHEET  
at 31 March 1989

	Notes	1989 £	1988 £
FIXED ASSETS			
Tangible assets	8	343,950	304,783
Investment in subsidiary	9	25	25
CURRENT ASSETS			
Stock and work in progress		1,885,749	852,263
Debtors	10	778,659	646,216
Cash in hand		1,182	1,057
		2,665,590	1,499,536
CREDITORS: amounts falling due within one year	11	2,597,646	1,381,107
NET CURRENT ASSETS		67,944	118,429
TOTAL ASSETS LESS CURRENT LIABILITIES			
		411,919	423,237
CREDITORS: amounts falling due after more than one year			
Bank loans	12	36,775	44,755
Obligations under hire purchase contracts		32,775	24,139
		69,550	68,894
		342,369	354,343

CAPITAL AND RESERVES/....

A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

MODIFIED COMPANY BALANCE SHEET  
at 31 March 1989 (Contd.)

	Notes	1989 £	1988 £
CAPITAL AND RESERVES			
Called up share capital	14	378,840	378,840
Profit and loss account		(36,471)	(24,497)
		<hr/>	<hr/>
		342,369	354,343
		<hr/>	<hr/>

In preparing these modified accounts:

- a) We have relied upon the exemptions for individual companies under the Companies Act 1985
- b) We have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

A G King *AG King* )  
J King *J King* ) Directors  
14 November 1989

The notes on pages 7 to 11 form part of these modified accounts.

A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

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NOTES TO THE MODIFIED ACCOUNTS  
at 31 March 1989

1. ACCOUNTING POLICIES

(a) Basis of consolidation

The accounts which incorporate the wholly owned subsidiary company, are drawn up on the historical cost convention.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:-

Buildings	-	over 40\50 years straight line
Plant and office equipment	-	over 4 years reducing balance
Motor vehicles	-	over 4 years reducing balance

(c) Stock

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

(d) Deferred taxation

Deferred taxation is provided on the liability method on timing differences.

(e) Hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided.

3. STAFF COSTS

	1989	1988
	£	£
Wages and salaries	930,656	746,195
Social security costs	81,979	65,831
Other pension costs	19,264	11,961
	<hr/>	<hr/>
	1,031,899	823,987
	<hr/>	<hr/>
The average weekly number of employees during the year was:	No 112	No 95
	<hr/>	<hr/>

A & L KING (BUILDERS) LIMITED  
AND SUBSIDIARY COMPANY

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NOTES TO THE MODIFIED ACCOUNTS  
at 31 March 1989 (Contd.)

4. OPERATING PROFIT

This is stated after charging:	1989	1988
	£	£
Auditors' remuneration	4,000	4,000
Hire of plant and machinery	97,701	51,094
Depreciation	101,259	80,760
	<u>          </u>	<u>          </u>

5. INTEREST PAYABLE

	£	£
Bank loans and overdrafts	81,127	74,425
	<u>          </u>	<u>          </u>

6. TAX ON ORDINARY ACTIVITIES

The charge for taxation is made  
up as follows:-

	£	£
Corporation tax	8,734	13,000
	<u>          </u>	<u>          </u>

7. PROFIT ON ORDINARY ACTIVITIES  
AFTER TAXATION

	£	£
Dealt with in the accounts of the company	(11,974)	4,732
Dealt with in the accounts of the subsidiary	20,890	17,718
	<u>          </u>	<u>          </u>
	8,916	22,450
	<u>          </u>	<u>          </u>

In accordance with the exemptions allowed by Section 228(7) of the Companies Act 1985 the company has not presented its own profit and loss account.

NOTES TO THE MODIFIED ACCOUNTS  
at 31 March 1989 (Contd.)

8. FIXED ASSETS

Tangible assets

GROUP	Land and buildings £	Plant and machinery £	Total £
Cost	188,357	523,884	712,241
At 1 April 1988	-	178,537	178,537
Additions	-	(72,502)	(72,502)
Disposals			
	188,357	629,919	818,276
At 31 March 1989			
Depreciation:	10,411	277,048	287,459
At 1 April 1988	3,400	97,859	101,259
Charge for year	-	(42,466)	(42,466)
Disposals			
	13,811	332,441	346,252
At 31 March 1989			
Net book value:	174,546	297,478	472,024
At 31 March 1989			
Net book value:	177,946	246,836	424,782
At 1 April 1988			
COMPANY			
Cost:	111,537	449,711	561,248
At 1 April 1988	-	150,509	150,509
Additions	-	(71,502)	(71,502)
Disposals			
	111,537	528,718	640,255
At 31 March 1989			
Depreciation:	6,600	249,865	256,465
At 1 April 1988	1,479	80,164	81,643
Charge for year	-	(41,803)	(41,803)
Disposals			
	8,079	288,226	296,305
At 31 March 1989			
Net book value:	103,458	240,492	343,950
At 31 March 1989			
Net book value:	104,937	199,846	304,783
At 1 April 1988			

NOTES TO THE MODIFIED ACCOUNTS  
at 31 March 1989 (Contd.)

9. INVESTMENT IN SUBSIDIARY

The investment represents the cost of the whole issued share capital of James Turner & Company Limited.

10. DEBTORS

	1989		1988	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	535,751	512,122	506,434	454,613
Due by subsidiary company	-	68,000	-	43,000
Due by associate companies (Note 13)	78,130	78,130	100,292	100,292
Other debtors	114,837	114,837	46,652	46,652
Prepayments	6,145	5,570	2,007	1,659
	<hr/>	<hr/>	<hr/>	<hr/>
	734,863	778,659	655,385	646,216
	<hr/>	<hr/>	<hr/>	<hr/>

11. CREDITORS: amounts  
falling due within  
one year

	1989		1988	
	Group	Company	Group	Company
	£	£	£	£
Current instalments due on bank loans (Note 12)	12,972	7,980	12,972	7,980
Bank overdrafts (see below)	622,875	602,570	594,060	560,893
Obligations under hire purchase contracts	64,521	50,185	39,151	26,880
Current corporation tax	12,883	-	22,100	9,500
Trade creditors	1,338,215	1,304,495	501,368	462,594
Due to associate companies (Note 13)	79,515	79,515	12,857	12,857
Other taxes and social security costs	46,242	24,412	50,801	24,233
Other creditors	4,742	4,742	2,732	2,732
Accruals	584,058	522,389	363,705	270,009
Director's current account	1,358	1,358	3,429	3,429
	<hr/>	<hr/>	<hr/>	<hr/>
	2,767,381	2,597,646	1,603,175	1,381,107
	<hr/>	<hr/>	<hr/>	<hr/>

The bank overdrafts and loans are secured by floating charges and standard securities over certain heritable property.

NOTES TO THE MODIFIED ACCOUNTS  
at 31 March 1989 (Contd.)

12. BANK LOANS

	Group £	Company £
Amount repayable within five years	64,860	39,900
Amount repayable after five years	15,335	4,855
	<hr/>	<hr/>
	80,195	44,755
	<hr/>	<hr/>

The long term bank loans bear interest at 2.5% over base rate and are repayable in annual instalments of £12,972 (group) and £7,980 (company). The loans are secured by standard securities over certain properties.

The current portions of the loans are shown in current liabilities.

13. ASSOCIATE COMPANIES

These are companies mentioned in Section 302 of the Income and Corporation Taxes Act 1970.

14. SHARE CAPITAL

	1989 No	1988 No
Authorised: Ordinary shares of £1 each	500,000	500,000
	<hr/>	<hr/>
Allotted, called up and fully paid Ordinary shares of £1 each	£ 378,840	£ 378,840
	<hr/>	<hr/>

15. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 1989 (1988: NIL).

16. CONTINGENT LIABILITIES

Unlimited guarantees have been given in respect of bank overdraft and loan facilities granted to the subsidiary and certain associate companies. The company has given guarantees to the bank in the sum of £117,000 relative to performance bonds given by the bank on behalf of the company.

17. INCOME AND CORPORATION TAXES ACT 1970.

The company is a close company within the provision of the above Act.

REPORT OF THE AUDITORS

to the directors of A & L King (Buildings) Limited  
and subsidiary company

We have examined the accounts on pages 2 to 11 which have been modified, in the manner permitted for a medium-sized company, from the accounts of the company prepared for its members for the year ended 31 March 1989.

In our opinion, the company satisfied the requirements for exemption applicable to a medium-sized company in respect of the year ended 31 March 1989 and the modified accounts attached have been properly prepared in the manner permitted by the Companies Act 1985.

We set out below the text of our report dated 16 November 1989 to the members on the unmodified accounts for the year ended 31 March 1989.

"We have audited the accounts on pages 2 to 10 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company and of the group at 31 March 1989 and of the loss and source and application of funds for the group for the year ended on that date and comply with the Companies act 1985."

MacMillan & Co

Chartered Accountants

16 November 1989