

Registrar
of
Companies

Company No. 314850
in England and Wales

A. ANDREWS & SONS (MARBLE & TILES) LIMITED

31st DECEMBER, 1994

DIRECTORS:

J.C. Ripley (retired 24.12.94)
C.R. Pogson
I. Taylor

SECRETARY:

J.D. Whalley

AUDITORS:

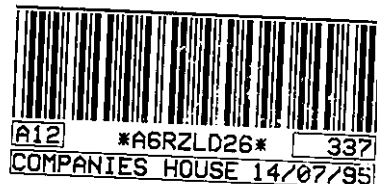
Ingram, Nolan & Co.,
St. Michael's House,
281, Meanwood Road,
Leeds, LS7 2JA

BANKERS:

Yorkshire Bank plc,
7, Capitol Parade,
Leeds, LS6 4JA

REGISTERED OFFICE:

324/330, Meanwood Road,
Leeds, LS7 2JE



A. ANDREWS AND SONS (MARBLES AND TILES) LIMITED

AUDITORS REPORT TO THE DIRECTORS OF THE COMPANY
PURSUANT TO SCHEDULE 8 TO THE COMPANIES ACT, 1985

We have examined the abbreviated accounts on pages 4 to 12 together with the full accounts of A. Andrews and Sons (Marbles and Tiles) Limited for the year ended 31st December, 1994. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 5 and that the abbreviated accounts have been properly prepared from the full accounts.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act, 1985 to the exemption conferred by Section B of Part III of Schedule 8 to that Act in respect of the year ended 31st December, 1994 and the abbreviated accounts have been properly prepared from the full accounts.

On 28th June, 1995 we reported as auditors of A. Andrews and Sons (Marbles and Tiles) Limited to the members on the full financial statements required by section 226 of the Companies Act, 1985 for the year ended 31st December, 1994 and our audit report was as follows:

"We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December, 1994 and of its Profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act, 1985."

St. Michael's House,
 281, Meanwood Road,
 Leeds, LS7 2JA

28th June, 1995

Ingram Nolan & Co.
INGRAM, NOLAN & CO.,
Chartered Accountants
Registered Auditor.

A. ANDREWS AND SONS (MARBLES & TILES) LIMITED

Report of the Directors for presentation to the Members of the Company at the Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 financial statements 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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the supply and fixing of ceramic and terrazzo tiles and natural stones.

REVIEW OF THE BUSINESS

A summary of the results of the year's trading is given on page 4 of the accounts.

DIVIDEND

Your directors recommend a dividend of £8 per share (1993 - £7.50).

FIXED ASSETS

Significant changes in the company's fixed assets are reflected in Note 8 to the accounts.

DIRECTORS

The directors in office during the year and their beneficial interests in the issued ordinary share capital were as follows:

	SHARES HELD AT:	
	31.12.94	31.12.93
J.C. RIPLEY (retired 24.12.94)	989	1,139
C.R. POGSON	1,004	1,004
I. TAYLOR	500	270

continued...

A. ANDREWS AND SONS (MARBLES & TILES) LIMITEDDIRECTORS' REPORT (continued) - year ending 31st December, 1994POLITICAL AND CHARITABLE CONTRIBUTIONS

No significant political or charitable contributions were made by the company during the year.


COMPANY STATUS

The company is a close company as defined by the Income and Corporation Taxes Act, 1988.

AUDITORS

The auditors, Messrs. Ingram, Nolan & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act, 1985.

BY ORDER OF THE BOARD


.....SECRETARY
..26th June, 1995.....DATE

A. ANDREWS AND SONS (MARBLES & TILES) LIMITEDABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1994

	<u>Notes</u>	£	<u>1994</u> £	<u>1993</u> £
<u>GROSS PROFIT</u>			3,011,753	2,708,283
Staff Costs	3	2,243,797		2,169,649
Depreciation	8	87,868		81,901
Other Operating Costs		<u>356,482</u>		<u>355,358</u>
			<u>2,688,147</u>	<u>2,606,908</u>
<u>OPERATING PROFIT</u>	4		323,606	101,375
Income from Investments	5		61,086	65,208
Loss on Sales of Tangible Fixed Assets			<u>(34,759)</u>	<u>(503)</u>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>			349,933	166,080
<u>TAXATION</u>	6		<u>98,685</u>	<u>40,239</u>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>			251,248	125,841
Proposed Dividend	7		<u>48,136</u>	<u>45,128</u>
<u>RETAINED PROFIT FOR THE YEAR</u>	12		<u>203,112</u>	<u>80,713</u>

There are no gains or losses recognised in these financial statements other than through the Profit and Loss Account.

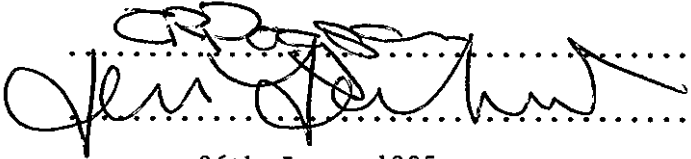
None of the company's activities were acquired or discontinued during the year.

The Notes on pages 7 to 12 inclusive form part of these Accounts.

A. ANDREWS AND SONS (MARBLES & TILES) LIMITEDABBREVIATED BALANCE SHEET AT 31st DECEMBER, 1994

	Notes	£	1994 £	1993 £
<u>FIXED ASSETS</u>				
Tangible Assets	8		661,464	330,015
Investments	9		433,675	282,369
			1,095,139	612,384
<u>CURRENT ASSETS</u>				
Stock		313,540		382,848
Work in Progress		260,615		260,158
Trade Debtors		778,350		636,500
Prepaid Expenses		24,411		17,026
Other Debtors		-		205,460
Bank and Cash Balances		816,551		780,231
<u>CREDITORS - Amounts falling due within one year</u>		<u>2,193,467</u>		<u>2,282,223</u>
Trade Creditors		920,566		863,535
Other Taxes and Social Security Costs		306,574		236,443
Corporation Tax Due 1.10.95		86,816		26,099
Dividends	7	48,136		45,128
		<u>1,362,092</u>		<u>1,171,205</u>
<u>NET CURRENT ASSETS</u>			<u>831,375</u>	<u>1,111,018</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>1,926,514</u>	<u>1,723,402</u>
<u>PROVISION FOR LIABILITIES AND CHARGES</u>				
Deferred Taxation	10		-	-
			<u>1,926,514</u>	<u>1,723,402</u>
<u>CAPITAL AND RESERVES</u>				
Called up Share Capital	11		6,017	6,017
Capital Reserves			10,464	10,464
Profit and Loss Account	12		1,910,033	1,706,921
Shareholders' Funds	13		<u>1,926,514</u>	<u>1,723,402</u>

In preparing these abbreviated accounts we have taken advantage of the entitlements under sections 246 and 247 of the Companies Act, 1985 to the exemption conferred by Section B of Part III of Schedule 8 to that Act. We have done so on the grounds that the Company is entitled to the benefits of those exemptions as a medium company.

..... DIRECTOR


..... DIRECTOR
 26th June, 1995DATE

The Notes on pages 7 to 12 inclusive form part of these Accounts.

A. ANDREWS AND SONS (MARBLER & TILES) LIMITEDABBREVIATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st DECEMBER, 1994

	<u>Notes</u>	£	<u>1994</u> £	<u>1993</u> £
<u>NET CASH INFLOW/(OUTFLOW) FROM</u>				
<u>OPERATING ACTIVITIES</u>	17		663,712	(43,370)
<u>RETURNS ON INVESTMENT AND</u>				
<u>SERVICING OF FINANCE</u>				
Interest Received		37,200		57,485
Rental Income		14,493		-
Dividends Received		9,393		7,723
Dividends Paid		(45,128)		(42,119)
Net Cash Flow from Returns on Investments and Servicing of Finance			15,958	23,089
<u>TAXATION</u>				
Corporation Tax paid (including Advance Corporation Tax)			(37,967)	(30,957)
<u>INVESTING ACTIVITIES</u>				
Payments to acquire Fixed Asset Investments		(151,306)		(125,364)
Payments to acquire Tangible Fixed Assets		(471,183)		(75,060)
Receipts from Sale of Tangible Fixed Assets		17,106		16,094
Net Cash Outflow from Investing Activities			(605,383)	(184,330)
<u>INCREASE/(DECREASE) IN CASH AND</u>				
<u>CASH EQUIVALENTS</u>	17		<u>36,320</u>	<u>(235,568)</u>

The Notes on pages 7 to 12 inclusive form part of these Accounts.

A. ANDREWS AND SONS (MARBLES & TILES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS AT 31st DECEMBER, 1994

1. ACCOUNTING POLICIES

The company's accounts have been prepared in accordance with applicable accounting standards with the exception noted at (c) together with the following accounting policies which have been applied consistently in dealing with items which are considered material in relation to the accounts.

(a) Basis of Accounting

The accounts are prepared under the Historical Cost Convention.

(b) Turnover

The turnover comprises the net amount invoiced to customers in respect of work done and goods supplied during the year stated net of Value Added Tax.

(c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Freehold land and buildings are not depreciated.

The directors believe that because the residual value of the property will exceed its purchase cost and it is maintained to such a standard, no depreciation is required. The applicable annual depreciation charge based on a fifty year useful economic life is £7,800. This is considered by the directors to be immaterial and accordingly the implementation of SSAP.12 is not deemed necessary.

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

Plant and Machinery	- 15% Reducing balance
Fixtures and Fittings	- 10% Reducing balance
Motor Vehicles	- 25% Straight line
Computer Equipment	- 20% Straight line

(d) Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Profit and Loss Account as incurred.

(e) Stocks

Stocks are valued at the lower of cost or estimated net realisable value, and cost where appropriate includes a proportion of production overheads.

Work in Progress is shown net after deduction of cash received on account amounting to £939,306 (1993 - £1,975,056). Where on any contract, cash on account received is greater than the work in progress valuation, the excess is shown under Trade Creditors.

(f) Debtors

Trade Debtors are shown net after provision has been made for potential bad and doubtful debts of £27,194 (1993 - £44,648).

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A. ANDREWS AND SONS (MARBLES & TILES) LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS (continued) - 31st DECEMBER, 19941. ACCOUNTING POLICIES (continued)(g) Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

(h) Pensions

Pension schemes are operated. Contributions by the employer are held in Trustee administered funds which are separate from company finances. Contributions by employers are charged in arriving at the trading result.

2. TURNOVER

The turnover and pre-tax profit is attributable to the principal activity of the company and arises from trade within the United Kingdom.

3. STAFF COSTS

	<u>1994</u> £	<u>1993</u> £
Staff costs, including Directors' remuneration were as follows:		
Salaries and Wages	1,867,898	1,813,814
Social Security Costs	182,562	153,224
Other Pension Costs	<u>193,337</u>	<u>202,611</u>
	<u>2,243,797</u>	<u>2,169,649</u>

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

	No.	No.
Contracting, Stores and Distribution	84	77
Administration	<u>28</u>	<u>28</u>
	<u>112</u>	<u>105</u>

continued...

A. ANDREWS AND SONS (MARBLES & TILES) LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS (continued) - 31st DECEMBER, 19944. OPERATING PROFIT

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
This is stated after charging:		
Directors' remuneration (including Employer's National Insurance contributions)	266,532	301,632
Directors' Pension Costs	152,849	167,315
Director's Compensation for loss of office	30,000	-
Other Staff Costs	1,794,416	1,700,702
	<u>2,243,797</u>	<u>2,169,649</u>
Pensions to former Directors and Dependants	28,683	28,098
Depreciation of owned Fixed Assets	87,868	81,901
Auditor's Remuneration	11,000	10,000
Plant Hire	96,898	33,862
Operating Lease Rentals - Office Equipment	<u>4,094</u>	<u>2,735</u>

Included in Directors' Remuneration above, excluding pension contributions and compensation for loss of office, were:-

Chairman's remuneration to 24.12.94	<u>89,482</u>	<u>94,454</u>
The remuneration of other Directors fell within the following ranges:-	No.	No.
£90,001 - £95,000	<u>2</u>	<u>2</u>

5. INCOME FROM INVESTMENTS - GROSS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Bank and Building Society interest	37,200	57,485
Rental Income	14,493	-
Dividends received	6,856	7,723
Unit Trust interest	2,537	-
	<u>61,086</u>	<u>65,208</u>

6. TAXATION

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
<u>Current year Taxation</u>		
Corporation Tax @ 33% (1993 - 25%)	96,500	37,500
Tax Credits attributable to dividends received	1,283	1,671
Tax Paid on Building Society interest received net	1,064	1,416
Tax Paid on Unit Trust Distribution	508	-
	<u>99,355</u>	<u>40,587</u>
<u>Prior years</u>		
Corporation Tax	<u>(670)</u>	<u>(348)</u>
	<u>98,685</u>	<u>40,239</u>

If provision were made for deferred taxation on the basis of the full potential liability the taxation charge would have decreased by £695 (1993 - increased by £450), due to accelerated capital allowances.

continued...

A. ANDREWS AND SONS (MARBLES & TILES) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued) - 31st DECEMBER, 1994

7. DIVIDEND

	<u>1994</u> £	<u>1993</u> £
Final dividend on the £1 ordinary shares	<u>48,136</u>	<u>45,128</u>

8. TANGIBLE FIXED ASSETS

<u>Cost -</u>	<u>Total</u> £	<u>Computer</u> <u>Equipment</u> £	<u>Freehold</u> <u>Property</u> £	<u>Plant and</u> <u>Equipment</u> £	<u>Fixtures</u> <u>and</u> <u>Fittings</u> £	<u>Motor</u> <u>Vehicles</u> £
Valuation at 31.7.49 with additions at cost to 31.12.93	764,485	29,132	79,000	307,245	74,914	274,194
Additions during the year	471,183	-	310,334	54,458	3,795	102,596
Sales during the year	(83,272)	-	-	-	-	(83,272)
At 31.12.94	<u>1,152,396</u>	<u>29,132</u>	<u>389,334</u>	<u>361,703</u>	<u>78,709</u>	<u>293,518</u>
<u>Depreciation -</u>						
At 31.12.93	434,470	21,561	-	193,481	47,392	171,036
On Sales during the year	(31,406)	-	-	-	-	(31,406)
Charge for the year	87,868	5,827	-	25,258	3,132	53,651
At 31.12.94	<u>490,932</u>	<u>28,388</u>	<u>-</u>	<u>218,739</u>	<u>50,524</u>	<u>193,281</u>
<u>Net Book Value -</u>						
At 31.12.94	<u>661,464</u>	<u>744</u>	<u>389,334</u>	<u>142,964</u>	<u>28,185</u>	<u>100,237</u>
At 31.12.93	<u>330,015</u>	<u>6,571</u>	<u>79,000</u>	<u>113,764</u>	<u>27,522</u>	<u>103,158</u>

9. INVESTMENTS

	<u>1994</u> £	<u>1993</u> £
Quoted Shares at Cost	54,813	53,754
Unit Trusts	<u>378,862</u>	<u>228,615</u>
	<u>433,675</u>	<u>282,369</u>
Market Value	<u>468,186</u>	<u>362,102</u>

10. DEFERRED TAXATION

The maximum potential liability to deferred taxation, including the amount for which provision has been made is as follows:

	<u>Provided</u>		<u>Maximum Potential</u> <u>Liability</u>
	<u>1994</u> £	<u>1993</u> £	<u>1994</u> £
Accelerated Capital Allowances	<u>Nil</u>	<u>Nil</u>	<u>5,996</u>
			<u>6,700</u>

continued...

A. ANDREWS AND SONS (MARBLES & TILES) LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS (continued) - 31st DECEMBER, 199411. CALLED UP SHARE CAPITAL

	<u>Authorised</u> £	<u>Allotted, Issued and Fully Paid</u> £
At both 31st December, 1993 and 31st December, 1994	<u>26,000</u>	<u>6,017</u>

12. RESERVES

	<u>1994</u> £	<u>1993</u> £
Balance at 1st January, 1994	1,706,921	1,626,208
Retained Profit for the year	<u>203,112</u>	<u>80,713</u>
Balance at 31st December, 1994	<u>1,910,033</u>	<u>1,706,921</u>

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1994</u> £	<u>1993</u> £
Profit for the year	251,248	125,841
Dividend	<u>(48,136)</u>	<u>(45,128)</u>
Movement in Shareholders' Funds for the year	203,112	80,713
Equity Shareholders' Funds at 1st January, 1994	<u>1,723,402</u>	<u>1,642,689</u>
Equity Shareholders' Funds at 31st December, 1994	<u>1,926,514</u>	<u>1,723,402</u>

14. CAPITAL COMMITMENTS

At the year-end the company had capital commitments not provided for in these accounts as follows:

	<u>1994</u> £	<u>1993</u> £
Authorised by the directors but not contracted for	<u>50,922</u>	<u>42,962</u>

15. OTHER COMMITMENTS

At 31st December, 1994 the company had the following annual commitments under non-cancellable operating leases as follows:

	<u>Office Equipment</u>	
Expiry Date:	<u>1994</u> £	<u>1993</u> £
Within one year	1,367	1,367
Between one and five years	<u>-</u>	<u>1,367</u>

continued...

A. ANDREWS AND SONS (MARBLES & TILES) LIMITEDNOTES TO THE ABBREVIATED ACCOUNTS (continued) - 31st DECEMBER, 199416. PENSION COMMITMENTS

The company operates pension schemes for its directors and senior employees. The assets of the schemes are held separately from those of the company in independently administered funds.

17. NOTES TO THE CASH FLOW STATEMENT

	<u>1994</u> £	<u>1993</u> £
(a) Reconciliation of operating Profit to Net Cash Inflow/(Outflow) from Operating Activities:		
Operating Profit	323,606	101,375
Depreciation Charges	87,868	81,901
Decrease in Stock and Work in Progress	68,851	93,651
Decrease/(Increase) in Debtors	56,225	(286,483)
Increase/(Decrease) in Creditors	<u>127,162</u>	<u>(33,814)</u>
Net Cash Inflow/(Outflow) from Operating Activities	<u>663,712</u>	<u>(43,370)</u>
(b) Analysis of Changes in Cash and Cash Equivalents during the year:		
Balance at 1st January, 1994	780,231	1,015,799
Net Cash Inflow/(Outflow)	<u>36,320</u>	<u>(235,568)</u>
Balance at 31st December, 1994	<u>816,551</u>	<u>780,231</u>
(c) Analysis of the Balances of Cash and Cash Equivalents as shown in the Balance Sheet:		
	<u>Change in year £</u>	
Cash at Bank and in Hand	<u>36,320</u>	<u>816,551</u> <u>780,231</u>