

Kirby MacLean Limited

Directors

B.J. Adams, FCI0B., MBIM., F. Inst. D. (Chairman and Joint Managing Director)
R.B. Pillings (Joint Managing Director)
G. Liddiard, FCA
D.J. O'Grady
E.D. Lott, FCI0B, F. Inst. D.

Secretary and Registered Office

P.W. Young, FCA., FCCA
Pembroke House, 159 Ravenscroft Road, Beckenham, Kent, BR3 4TN

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4P 4BN.

Report of the Directors

The directors submit their report and the audited financial statements for the year ended 4th January 1987.

Activities

The company has continued its painting, contracting and decorating business.

Profit and Loss Account

The profit for the year after taxation amounted to £31,660 which is to be added to profits retained in the business.

The directors do not recommend the payment of a dividend for the year.

Directors

Interests in the Group

Mr. B.J. Adams and Mr. E.D. Lott are directors of the parent company, R. Mansell Limited, and their interests in the group, as defined by the Companies Act 1985, are set out in the directors' report attached to the financial statements of that company for the year ended 4th January 1987.

The interests of the remaining directors in the share capital of R. Mansell Limited at the beginning and end of the year were as follows:-

	4.1.87		29.12.85	
	Shares of 25p. each Ordinary	Pref.Ord.	Shares of 25p. each Ordinary	Pref.Ord.
R.B. Pillings	-	-	-	-
G. Liddiard	9,000	-	5,200	-
D.J. O'Grady	-	-	-	-

Kirby MacLean Limited

Report of the Directors (Continued)

Directors (Continued)

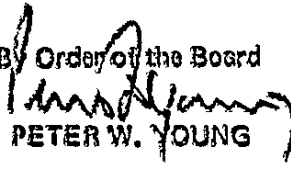
Retirement of Directors

In accordance with the Articles of Association, Mr. G. Liddiard will retire at the Annual General Meeting and, being eligible, will offer himself for re-election.

Auditors

The Auditors, Messrs. Moore Stephens are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the Annual General Meeting.

By Order of the Board


PETER W. YOUNG

Secretary

Kirby MacLean Limited

Profit and Loss Account
For the year ended 4th January 1987

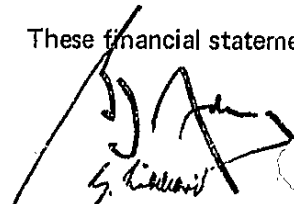
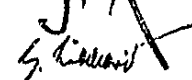
	<u>Note</u>	<u>1986</u>	<u>1985</u>
Turnover	1(c)	1,236,407	1,100,778
Cost of sales		968,068	903,980
Gross Profit		268,339	196,798
Net operating expenses	2	208,575	171,806
Operating Profit	3	59,764	24,992
Interest payable and similar charges	5	9,500	11,000
Profit on ordinary activities before taxation		50,264	13,992
Taxation on profit on ordinary activities	6	18,604	-
Retained Profit for the Financial Year	13	<u>£ 31,660</u>	<u>£ 13,992</u>

Kirby MacLean Limited

Balance Sheet at 4th January 1987

	Note	4.1.87	29.12.85
Tangible Fixed Assets	7	33,163	32,732
Current Assets			
Stocks	8	33,472	40,580
Debtors	9	288,483	182,583
Cash at bank and in hand		200	388
		322,155	223,551
Creditors, amounts falling due within one year	10	251,161	184,890
Net Current Assets		70,994	38,661
Total Assets less Current Liabilities		104,157	71,393
Provisions for Liabilities and Charges	11	2,239	1,135
		£ 101,918	£ 70,258
Capital and Reserves			
Called up share capital	12	40,360	40,360
Profit and loss account	13	61,558	29,898
		£ 101,918	£ 70,258

These financial statements were approved by the Board on 14th April 1987

 B.J. ADAMS
 S. J. IDDIARD

Directors

Report of the Auditors to the Members of
Kirby MacLean Limited

We have audited the financial statements on pages 3 to 9 in accordance with approved auditing standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 4th January 1987 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Act 1985.

St. Paul's House,
London, EC4P 4BN.

14th April 1987


 MOORE STEPHENS

Chartered Accountants

Kirby MacLean Limited

Statement of Source and Application of Funds
For the year ended 4th January 1987

	<u>1986</u>	<u>1985</u>
Source of Funds		
From operations		
Profit on ordinary activities before taxation	50,264	13,992
Adjustments for items not involving the movement of funds		
Depreciation	15,766	13,403
Profit on disposal of tangible fixed assets	(6,611)	(7,092)
	<u>9,155</u>	<u>6,311</u>
	59,419	20,303
From other sources		
Disposal of tangible fixed assets	<u>8,128</u>	<u>9,383</u>
	67,547	29,686
Application of Funds		
Expenditure on tangible fixed assets	<u>17,714</u>	<u>28,104</u>
Increase in Net Funds	<u>£ 49,833</u>	<u>£ 1,582</u>
Represented by Movements in:-		
Stocks	(7,108)	18,555
Debtors	105,900	(71,307)
Creditors	54,762	(21,843)
	<u>153,554</u>	<u>(74,595)</u>
Decrease in net liquid funds:		
Bank balances and cash	(188)	(12)
Bank overdraft	(103,533)	76,189
	<u>£ 49,833</u>	<u>£ 1,582</u>

Kirby MacLean Limited

Notes to Financial Statements - 4th January 1987

1. Principal Accounting Policies

(a) Basis of Accounting

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

(b) Accounting Date

For management control purposes the year is divided into three four-month periods, which end on the Sunday before the first Wednesday in the following month, and the annual financial statements are drawn to coincide.

(c) Turnover

Turnover for the year is the total of invoices issued less credit notes.

(d) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation calculated to write off the cost over the estimated useful life using the following rates.

Plant and equipment	- 20% on written down value
Motor vehicles	- 25% on cost
Office furniture and fixtures	- 25% on cost

(e) Stocks

Stocks and work in progress are stated at the lower of cost or net realisable value. In the case of contract work in progress cost includes attributable overheads less provision for foreseeable losses.

(f) Deferred Taxation

Provision for deferred taxation is made except where it can be shown that the taxation deferred will not be payable in the foreseeable future.

2. Net Operating Expenses

	<u>1986</u>	<u>1985</u>
Administrative expenses	218,530	182,860
<u>Less: Other operating income</u>	<u>9,955</u>	<u>11,054</u>
	<u>£ 208,575</u>	<u>£ 171,806</u>

3. Operating Profit

	£	£
Operating profit is stated after charging:-		
Depreciation of tangible fixed assets	15,766	13,403
Directors' emoluments (note 4)	46,735	43,418
Auditors' remuneration	6,200	4,500
Hire of plant and machinery	<u>1,606</u>	<u>19,015</u>

Kirby MacLean Limited

Notes to Financial Statements - 4th January 1987 (Continued)

4. Directors and Employees

	<u>1986</u>	<u>1985</u>
Staff costs		
Staff costs during the year were as follows:-		
Wages and salaries	367,271	368,350
Social security costs	33,957	32,250
Other pension costs	<u>7,768</u>	<u>8,042</u>
	<u>£ 408,996</u>	<u>£ 408,642</u>

The average weekly number of persons employed by the company during the year was 36 (1985 - 40).

Staff costs include the following emoluments in respect of directors of the company:-

	<u>1986</u>	<u>1985</u>
Emoluments, including pension contributions and profit related bonuses	£ <u>46,735</u>	£ <u>43,418</u>
Directors' emoluments, excluding pension contributions include the following:-		
The chairman	£ <u>Nil</u>	£ <u>Nil</u>
The highest paid director	£ <u>22,208</u>	£ <u>20,887</u>

The following table shows the number of directors whose emoluments were in the ranges:-

£15,001 - £20,000	-	1
£20,001 - £25,000	2	1

5. Interest Payable

On bank overdrafts and other loans:-

Repayable within 5 years, not by instalments

Parent company	-	-
Bank overdraft	<u>9,500</u>	<u>11,000</u>
	<u>£ 9,500</u>	<u>£ 11,000</u>

6. Taxation on Ordinary Activities

United Kingdom corporation tax based on the profits for the year as adjusted for taxation purposes at a composite tax rate at 36.25% (1985 - 41.25%)

Deferred taxation	19,050	-
Overprovision in prior year	<u>1,104</u>	<u>-</u>
	<u>£ 18,604</u>	<u>£ Nil</u>

Kirby MacLean Limited

Notes to Financial Statements - 4th January 1987 (Continued)

7. Tangible Fixed Assets

	<u>Plant and equipment</u>	<u>Motor vehicles</u>	<u>Office furniture and fixtures</u>	<u>Total</u>
Cost				
At 29th December 1985	3,026	50,881	10,387	64,294
Additions	-	11,069	6,645	17,714
Disposals	-	(11,422)	-	(11,422)
At 4th January 1987	<u>£ 3,026</u>	<u>£ 50,528</u>	<u>£ 17,032</u>	<u>£ 70,586</u>
Depreciation				
At 29th December 1985	3,026	20,111	8,426	31,563
Charge for the year	-	13,400	2,366	15,766
On disposals	-	(9,905)	-	(9,905)
At 4th January 1987	<u>£ 3,026</u>	<u>£ 23,606</u>	<u>£ 10,792</u>	<u>£ 37,424</u>
Written down value				
At 4th January 1987	<u>£ -</u>	<u>£ 26,922</u>	<u>£ 6,240</u>	<u>£ 33,162</u>
At 29th December 1985	<u>£ -</u>	<u>£ 30,770</u>	<u>£ 1,961</u>	<u>£ 32,731</u>

8. Stocks

	<u>1986</u>	<u>1985</u>
Stocks comprise:-		
Work in progress	251,218	370,237
Less: Payments on account	<u>219,235</u>	<u>331,153</u>
	31,983	39,084
Loose tools and materials	<u>1,489</u>	<u>1,496</u>
	<u>£ 33,472</u>	<u>£ 40,580</u>

9. Debtors

All amounts falling due within one year.

	<u>1986</u>	<u>1985</u>
Trade debtors	212,549	50,061
Owed by group companies	68,268	122,049
Other debtors	4,960	8,813
Prepayments and accrued income	<u>2,706</u>	<u>1,660</u>
	<u>£ 288,483</u>	<u>£ 182,583</u>

Kirby MacLean Limited**Notes to Financial Statements - 4th January 1987 (Continued)****10. Creditors - Amounts falling due within one year**

	<u>1986</u>	<u>1985</u>
Bank loans and overdrafts	118,958	15,425
Trade creditors	35,827	58,388
Corporation tax	19,500	2,000
Other Taxation and social security payable	22,256	63,839
Other creditors	21,970	14,783
Accruals and deferred income	17,464	16,794
Owed to group companies	15,186	13,661
	<u>£ 251,161</u>	<u>£ 184,890</u>

11. Provisions for Liabilities and Charges

Deferred taxation		
Provision at 29th December 1985	1,135	1,135
Transfer from profit and loss account	<u>1,104</u>	<u>-</u>
Provision at 4th January 1987	<u>£ 2,239</u>	<u>£ 1,135</u>

12. Called Up Share Capital

Ordinary shares of £1 each		
Authorised	<u>£ 100,000</u>	<u>£ 100,000</u>
Allotted, called up and fully paid	<u>£ 40,360</u>	<u>£ 40,360</u>

13. Reserves

	<u>Profit and loss account</u>
At 29th December 1985	29,898
Retained profit for the year	<u>31,660</u>
At 4th January 1987	<u>£ 61,558</u>

14. The company is a wholly-owned subsidiary of R. Mansell Limited, which is incorporated in Great Britain.