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D.A. GREEN & SONS LIMITED

REPORTS AND ACCOUNTS

30TH APRIL 1987

D.A. GREEN & SONS LIMITED**DIRECTORS' REPORT****30th April 1987****Directors****J. H. Green - Chairman****D. W. Green**

 The directors present to the members their report and the audited financial statements for the year ended 30th April 1987.

Business review

The principal activity of the company is constructional engineering.

The year under review showed a similar level of turnover and profit margins continued to be under pressure. The directors are of the opinion that the modernisation plan being brought in will have a beneficial effect on profitability in the future.

Profit dividends and appropriations

The profit for the year is £142,395 which has been added to reserves.

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

Future developments

The order book for the future appears satisfactory and the directors consider that there is scope for increased production. It will continue to be necessary to introduce modern equipment and improve methods of production.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors interests were as follows

	Ordinary shares of £1 each	
	30th April 1987	30th April 1986
D. A. Green	2	4,000
D. W. Green	6,250	10,500
D.W. Green as trustee	6,249	-
J. H. Green	6,500	13,000
J. H. Green as trustee	9,499	1,000

The directors regret to announce that Mrs. D.A. Green died on 1st August, 1987.

In accordance with the articles of association Mr. J.H. Green retires by rotation and, being eligible, offers himself for re-election.

Tangible fixed assets

Details of movements in fixed assets are given in note 6 to the accounts on page 8. In the opinion of the directors the market value of the land and building is not materially different from the figures at which they are stated in the accounts.

Auditors

Hodgson Impey have agreed to offer themselves for re-election as auditors of the company.

By order of the board

D.W. GREEN

Secretary

High Road
 Whaplode
 Spalding
 Lines

D.A. GREEN & SONS LIMITED
AUDITORS' REPORT

Auditors' Report to the members of
D. A. Green & Sons Limited

We have audited the financial statements on pages 3 to 10. Our audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors. 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.

Subject to the foregoing, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th April, 1987 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HODGSON IMPEY

Spalding
7th January, 1988

Hodgson Impey
Chartered Accountants

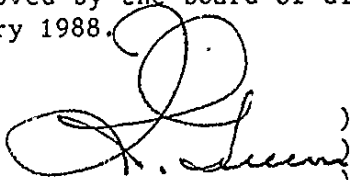
D.A. GREEN & SONS LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 30th April 1987

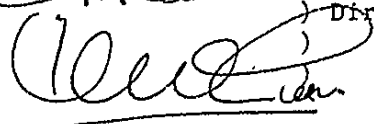
	Note	1987 £	1986 £
Turnover		7,100,188	7,622,790
Change in stocks of finished goods and work in progress		<u>875,167</u>	<u>(128,321)</u>
		7,975,355	7,494,469
Raw materials and consumables	4	<u>(5,599,083)</u>	<u>(5,378,835)</u>
		2,376,272	2,115,634
Staff costs	3	<u>(1,379,378)</u>	<u>(1,390,969)</u>
		996,894	724,665
Depreciation	2	<u>(152,959)</u>	<u>(121,639)</u>
		843,935	603,026
Other operating charges		<u>(732,737)</u>	<u>(574,813)</u>
Operating profit	2	111,198	28,213
Interest payable		<u>(15,414)</u>	<u>(4,986)</u>
		95,784	23,227
Interest receivable		<u>92,035</u>	<u>76,805</u>
Profit on ordinary activities before taxation		187,819	100,032
Taxation	5	<u>(45,424)</u>	<u>(12,224)</u>
Retained profit for the year	16	<u>142,395</u>	<u>87,808</u>

D.A. GREEN & SONS LIMITED
BALANCE SHEET
at 30th April 1987

	Note	1987		1986	
		£	£	£	£
Fixed assets					
Tangible assets	6		661,612		698,589
Current assets					
Stocks	8	1,270,187		941,505	
Debtors	10	714,620		958,036	
Investments	11	1,073,606		934,390	
Cash in hand and at bank		<u>23,908</u>		<u>222,324</u>	
		3,082,321		3,056,255	
Creditors: amounts falling due within one year	12	<u>(1,833,542)</u>		<u>(2,006,015)</u>	
Net current assets			<u>1,248,779</u>		<u>1,050,240</u>
Total assets less current liabilities			1,910,391		1,748,829
Creditors: amounts falling due after more than one year	13		(93,716)		(25,549)
Provision for liabilities and charges	14		<u>(109,000)</u>		<u>(158,000)</u>
			<u>1,707,675</u>		<u>1,565,280</u>
Capital and reserves					
Called up share capital	15		28,500		28,500
Profit and loss account	16		<u>1,679,175</u>		<u>1,536,780</u>
			<u>1,707,675</u>		<u>1,565,280</u>

The financial statements on pages 3 to 10 were approved by the board of directors on 7th January 1988.


 Directors



D.A. GREEN & SONS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 30th April 1987

	1987		1986	
Source of funds	£	£	£	£
Profit on ordinary activities before taxation		187,819		100,032
Items not involving the movement of funds				
Loss on sale of fixed assets	713		2,431	
Depreciation of tangible fixed assets	<u>152,246</u>	<u>152,959</u>	<u>119,208</u>	<u>121,639</u>
Total funds generated from operations		<u>340,778</u>		<u>221,671</u>
Application of funds				
Fixed assets				
Purchases	124,747		240,264	
Realisations	<u>(8,765)</u>	115,982	<u>(14,059)</u>	226,205
Increase in working capital				
Stocks	328,682		279,915	
Debtors	(243,416)		18,783	
Investments	139,216		357,161	
Creditors	<u>255,328</u>	<u>479,810</u>	<u>(325,172)</u>	<u>330,687</u>
		595,792		556,892
Taxation paid		<u>106,510</u>		<u>18,174</u>
		<u>702,302</u>		<u>575,066</u>
(Decrease)/increase in liquid funds during the year		<u>(361,524)</u>		<u>(353,395)</u>

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1987

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules. The financial statements comply with Statements of Standard Accounting Practice.

Turnover

Turnover represents amounts received and receivable for goods and services supplied to customers during the year, excluding value added tax.

Depreciation

Depreciation of fixed assets is charged by reference to cost or net book values at rates estimated to write off the cost or net book values over their expected useful lives, taking into account normal commercial and technical obsolescence.

The annual rates used are

Freehold land	Nil
Freehold buildings	6 $\frac{2}{3}$ % on cost
Leasehold land and buildings	3 $\frac{1}{3}$ % and 6 $\frac{2}{3}$ % on cost
Plant and machinery	12 $\frac{1}{2}$ % on net book value
Motor vehicles	25% on net book value
Office equipment	10% on net book value
Computer equipment and software	25% on net book value

Stocks

Stock including work in progress has been valued by the company on a basis consistent with that of previous years at the lower of cost and net realisable value including an addition for production overheads where appropriate.

Deferred taxation

An amount is set aside using the liability method to recognise the deferment of taxation arising from timing differences including the excess of capital allowances for taxation purposes over the cumulative charge for depreciation on the relevant assets.

2. Operating profit

Operating profit is stated after charging

	1987	1986
	£	£
Operating profit is stated after charging		
Depreciation	<u>152,246</u>	<u>119,208</u>
Loss on sale of fixed assets	<u>713</u>	<u>2,431</u>
Hire of plant and machinery	<u>152,475</u>	<u>129,662</u>
Auditors' remuneration	<u>3,000</u>	<u>2,400</u>
Directors' pension contributions	<u>-</u>	<u>131,029</u>

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April, 1987

(continued)

	1987	1986
	£	£
3. Directors and employees		
Staff costs including directors' emoluments		
Wages and salaries	1,221,486	1,119,324
Social security costs	84,279	76,801
Other pension costs	<u>73,613</u>	<u>194,844</u>
	<u>1,379,378</u>	<u>1,390,969</u>
 The average number of persons employed by the company (including executive directors) during the year was	 Number	 Number
Production	44	39
Administration	<u>98</u>	<u>98</u>
Total number of employees	<u>142</u>	<u>137</u>
 Directors and higher paid employees	 £	 £
Directors' emoluments		
As directors'	1,250	1,250
As executives	<u>160,000</u>	<u>137,646</u>
	<u>161,250</u>	<u>138,896</u>
 Emoluments other than contributions to pension schemes, but including benefits in kind		
Chairman's emoluments	<u>83,509</u>	<u>71,937</u>
Emoluments of highest paid director	<u>83,509</u>	<u>71,937</u>
 Directors' emoluments for the year fall into the following scale	 Number	 Number
£ £		
0 - 5,000	1	1
70,001 - 75,000	-	2
80,001 - 85,000	2	-
	£	£
 4. Raw materials and consumables		
Purchase of goods for resale	4,361,974	4,269,742
Discounts received	(37,210)	(46,644)
Contract work	1,078,445	954,691
Carriage	<u>195,874</u>	<u>201,046</u>
	<u>5,599,083</u>	<u>5,378,835</u>

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1987

(continued)

	1987	1986
	£	£
5. Taxation		
Corporation tax payable at 33.8%	94,090	25,909
Deferred taxation released	(49,000)	(14,000)
	45,090	11,909
Adjustment for earlier years	334	315
	<u>45,424</u>	<u>12,224</u>

6. Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings - short lease	Plant, equipment and transport	Total
	£	£	£	£
Cost				
30th April, 1986	160,789	130,412	1,149,761	1,440,962
Additions	-	38,450	86,297	124,747
Disposals	-	-	(39,174)	(39,174)
30th April, 1987	<u>160,789</u>	<u>168,862</u>	<u>1,196,884</u>	<u>1,526,535</u>
Depreciation				
30th April, 1986	50,635	79,200	612,538	742,373
Charge for year	4,957	8,280	139,009	152,246
Disposals	-	-	(29,696)	(29,696)
30th April, 1987	<u>55,592</u>	<u>87,480</u>	<u>721,851</u>	<u>864,923</u>
Net book amount				
30th April, 1987	<u>105,197</u>	<u>81,382</u>	<u>475,033</u>	<u>661,612</u>

	1987	1986
	£	£
7. Future capital expenditure		
Authorised by the directors but not contracted for	<u>302,215</u>	<u>432,000</u>

8. Stocks

Raw materials and consumable stock	387,412	368,844
Work in progress	2,454,902	1,579,735
Payments on account of work in progress	(1,572,127)	(1,007,074)
	<u>1,270,187</u>	<u>941,505</u>

9. Work in progress

The inclusion of profit in contract work in progress is in accordance with S.S.A.P. 9 and is required by S.228(2) of the Companies Act 1985 to enable the accounts to give a true and fair view. This constitutes a departure from the valuation rules of the Companies Act 1985. As payments on account cannot be allocated meaningfully between cost and profit, it is not practicable to state the effect of this departure on the balance sheet.

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1987

(continued)

	1987	1986
	£	£
10. Debtors		
Amounts falling due within one year		
Trade debtors	874,341	975,801
Prepayments and accrued income	38,376	33,820
V.A.T.	47,621	96,702
Loans to employees	8,429	6,986
Provision for bad debts	(254,147)	(155,273)
	<u>714,620</u>	<u>958,036</u>
11. Investments		
Loans on mortgage and accrued interest	2,087	2,088
Short term loans and investments	<u>1,071,519</u>	<u>932,302</u>
	<u>1,073,606</u>	<u>934,390</u>
12. Creditors: amounts falling due within one year		
Bank overdraft	899,124	736,016
Trade creditors	567,444	710,337
Corporation tax	25,512	105,765
Accruals and deferred income	190,255	349,470
Directors' current accounts	<u>151,207</u>	<u>104,427</u>
	<u>1,833,542</u>	<u>2,006,015</u>
13. Creditors: amounts falling due after more than one year		
United Kingdom corporation tax payable 1st January, 1989	<u>93,716</u>	<u>25,549</u>
14. Provision for liabilities and charges		
	1987	1986
	Full potential liability	Full potential liability
	£	£
Deferred taxation		
Accelerated capital allowances	<u>108,765</u>	<u>158,000</u>
	<u>109,000</u>	<u>158,000</u>

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1987

(continued)

	£	£
15. Called up share capital		
Ordinary shares of £1 each		
Authorised	<u>35,000</u>	<u>35,000</u>
Allotted, called up and fully paid	<u>28,500</u>	<u>28,500</u>

16. Profit and loss account		
30th April, 1986	1,536,780	1,448,972
Retained profit for the year	<u>142,395</u>	<u>87,808</u>
30th April, 1987	<u>1,679,175</u>	<u>1,536,780</u>

17. Contingent liabilities

The company has given a guarantee during its ordinary course of business amounting to £33,991.

18. Post balance sheet event

At the date of the directors report quoted investments costing £300,000 had depreciated in value by approximately £60,000.