

D.A. GREEN & SONS LIMITED

REPORTS AND ACCOUNTS

30th April 1999

Registered number 00537720



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D.A. GREEN & SONS LIMITED

DIRECTORS

D.W. Green

B. Seymour

K. Ellerbroek

COMPANY SECRETARY

B. Seymour

BANKERS

Lloyds TSB Bank plc
Hall Place
Spalding
Lincs

REGISTERED OFFICE

Hackford House
High Road
Whaplode
Spalding
Lincs

AUDITORS

HLB Kidsons
Welland House
High Street
Spalding
Lincs

D.A. GREEN & SONS LIMITED

DIRECTORS' REPORT

30th April 1999

The directors present their report and the audited accounts for the year ended 30th April 1999.

Principal activities

The principal activities are structural engineering and cladding.

Business review

Reductions in material costs have impacted turnover although output tonnages have increased. Margins are tighter but output looks secure for the coming year.

Future developments

The directors are continuing to invest in the modernisation plan and consider that this investment will have a beneficial effect on future profitability.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 4.

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

Fixed assets

Movements in fixed assets are shown in note 7 on page 10.

Year 2000 compliance

The company has completed its assessment of the risks to the business resulting for the date change to the Year 2000 and does not foresee any problems arising.

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 1999 | | 30th April 1998 | |
| | Beneficial | Non-beneficial | Beneficial | Non-beneficial |
| D. W. Green | 4,578 | - | 6,250 | - |
| D. W. Green as trustee | - | 7,921 | - | 6,249 |
| B Seymour | - | - | - | - |
| K Ellerbroek | - | - | - | - |

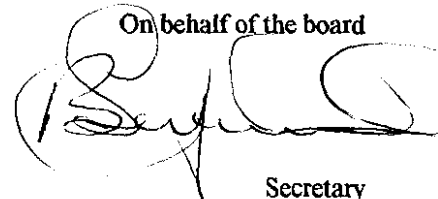
In accordance with the articles of association, K Ellerbroek retires by rotation and, being eligible, offers himself for re-election.

No director has been granted or exercised any right to subscribe for shares in the company.

Auditors

HLB Kidsons, formerly Kidsons Impey, have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



Secretary

Hackford House
High Road
Whaplode
Spalding
Lincs

28 October 1999

D.A. GREEN & SONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare accounts 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 these accounts we are required to:

select suitable accounting policies and apply them consistently

make reasonable and prudent judgements and estimates

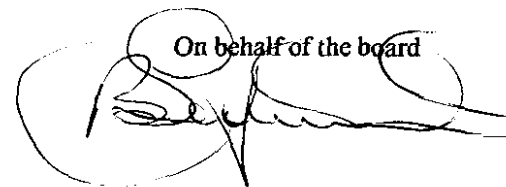
prepare the accounts on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

keeping proper accounting records

safeguarding the company's assets

taking reasonable steps for the prevention and detection of fraud.

On behalf of the board


28 October 1999

D.A. GREEN & SONS LIMITED

AUDITORS' REPORT

Auditors' report to the shareholders of

D.A. Green & Sons Limited

We have audited the accounts on pages 4 to 13 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

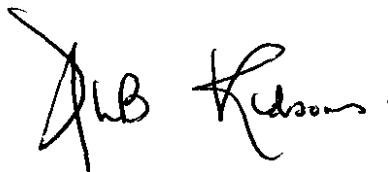
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30th April 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Spalding

28 October 1999

HLB Kidsons
Registered Auditors
Chartered Accountants

D.A. GREEN & SONS LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 30th April 1999

| | Note | 1999 £ | 1998 £ |
|---|------|------------------|------------------|
| Turnover | | 15,703,770 | 14,881,096 |
| Change in work in progress | | <u>33,744</u> | <u>335,817</u> |
| | | 15,737,514 | 15,216,913 |
| Raw materials and consumables | | (7,541,745) | (8,101,614) |
| Other external charges | | (3,906,778) | (2,952,916) |
| Staff costs | 3 | (2,816,565) | (2,593,315) |
| Depreciation | 2 | (193,802) | (187,893) |
| Other operating charges | | <u>(888,945)</u> | <u>(939,105)</u> |
| Operating profit | 2 | 389,679 | 442,070 |
| Profit on sale of investments | | - | 196,494 |
| Investment income | 4 | 46,460 | 60,916 |
| Interest payable | 5 | <u>(123,823)</u> | <u>(111,684)</u> |
| Profit on ordinary activities before taxation | | 312,316 | 587,796 |
| Taxation charge | 6 | <u>(83,859)</u> | <u>(129,009)</u> |
| Retained profit for the year | 18 | <u>228,457</u> | <u>458,787</u> |

The company has had no recognised gains and losses during the year other than the profit for the financial year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

for the year ended 30th April 1999

| | | |
|---|----------------|----------------|
| Reported profit on ordinary activities before taxation | 312,316 | 587,796 |
| Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount | <u>32,399</u> | <u>31,955</u> |
| Historical cost profit on ordinary activities before taxation | <u>344,715</u> | <u>619,724</u> |
| Historical cost profit for the year retained after taxation | <u>260,856</u> | <u>490,715</u> |

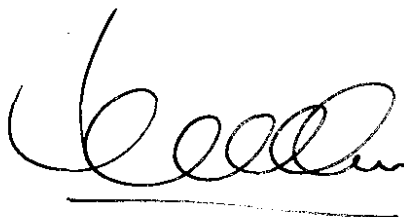
D.A. GREEN & SONS LIMITED**BALANCE SHEET**

at 30th April 1999

| | Note | 1999 | | 1998 | |
|--|------|--------------------|------------------|--------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 7 | | 2,603,456 | | 2,673,602 |
| Current assets | | | | | |
| Stocks | 8 | 1,092,575 | | 1,155,233 | |
| Debtors | 9 | 3,559,723 | | 3,294,266 | |
| Cash at bank and in hand | | <u>558,595</u> | | <u>460,559</u> | |
| | | 5,210,893 | | 4,910,058 | |
| Creditors: amounts falling due within one year | 11 | <u>(2,973,889)</u> | | <u>(3,170,904)</u> | |
| Net current assets | | | <u>2,237,004</u> | | <u>1,739,154</u> |
| Total assets less current liabilities | | | 4,840,460 | | 4,412,756 |
| Creditors: amounts falling due after more than one year | 12 | | (2,077,954) | | (1,876,707) |
| Provision for liabilities and charges | 13 | | <u>(55,000)</u> | | <u>(57,000)</u> |
| | | | <u>2,707,506</u> | | <u>2,479,049</u> |
| Capital and reserves (equity) | | | | | |
| Called up share capital | 15 | | 12,500 | | 12,500 |
| Revaluation reserve | 16 | | 1,480,238 | | 1,512,637 |
| Capital redemption reserve | 17 | | 16,000 | | 16,000 |
| Profit and loss account | 18 | | <u>1,198,768</u> | | <u>937,912</u> |
| Total shareholders' funds | | | <u>2,707,506</u> | | <u>2,479,049</u> |

The accounts on pages 4 to 13 were approved by the board of directors on 28 October 1999.

Director



D.A. GREEN & SONS LIMITED

CASH FLOW STATEMENT

for the year ended 30th April 1999

| | 1999 | | 1998 | |
|---|---------------|------------------|---------------|--------------------|
| | £ | £ | £ | £ |
| Net cash inflow from operating activities | | 264,359 | | 512,628 |
| Returns on investment and servicing of finance | | | | |
| Interest received | 38,898 | | 54,715 | |
| Interest paid | (123,217) | (84,319) | (105,105) | (50,390) |
| Taxation | | | | |
| U.K. Corporation tax paid | | (121,634) | | (107,268) |
| Capital expenditure and financial investment | | | | |
| Payments to acquire tangible fixed assets | (137,094) | | (241,582) | |
| Receipts from sale of tangible fixed assets | <u>13,438</u> | <u>(123,656)</u> | <u>27,612</u> | <u>(213,970)</u> |
| | | (65,250) | | 141,000 |
| Management of liquid resources | | | | |
| Sale of current asset investments | | - | | 424,571 |
| Financing | | | | |
| Own shares purchased | | - | | (3,000,000) |
| Decrease in cash | | <u>(65,250)</u> | | <u>(2,434,429)</u> |

NOTES TO CASH FLOW STATEMENT

| | 1999 | | 1998 | |
|--|---------------------------|--------------------|-------------------------------|----------------------------|
| | £ | | £ | |
| (a) Reconciliation of operating profit to net cash inflow from operating activities | | | | |
| Operating profit | | 389,679 | | 442,070 |
| Rent received | | 7,636 | | 6,734 |
| Depreciation charges | | 190,852 | | 187,331 |
| Loss on sale of fixed assets | | 2,950 | | 562 |
| Decrease/(increase) in stocks | | 62,658 | | (411,771) |
| (Increase) in debtors | | (265,531) | | (54,625) |
| (Decrease)/increase in creditors | | <u>(123,885)</u> | | <u>342,327</u> |
| Net cash inflow from operating activities | | <u>264,359</u> | | <u>512,628</u> |
| (b) Reconciliation of net cash flow to movement in net debt | | | | |
| Decrease in cash in the period | | (65,250) | | (2,434,429) |
| Net cash inflow from decrease in liquid resources | | - | | <u>(424,571)</u> |
| | | (65,250) | | (2,859,000) |
| Investments | | - | | <u>196,627</u> |
| Movement in net debt in the period | | (65,250) | | (2,662,373) |
| Net debt at 30th April 1998 | | <u>(1,868,081)</u> | | <u>794,292</u> |
| Net debt at 30th April 1999 | | <u>(1,933,331)</u> | | <u>(1,868,081)</u> |
| (c) Analysis of changes in net debt | At 1st day of year | Cash flows | Other non-cash changes | At last day of year |
| | £ | £ | £ | £ |
| Cash in hand, at bank | 460,559 | 98,036 | - | 558,595 |
| Overdrafts | (351,087) | <u>41,155</u> | - | (309,932) |
| | | <u>139,191</u> | | |
| Debt due within one year | (100,846) | (3,194) | - | (104,040) |
| Debt due after one year | (1,876,707) | <u>(201,247)</u> | - | (2,077,954) |
| | | <u>(204,441)</u> | | |
| | <u>(1,868,081)</u> | <u>(65,250)</u> | <u>-</u> | <u>(1,933,331)</u> |

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1999

1 Principal accounting policies

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules except for freehold property which is stated at valuation.

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, revaluation or net book amounts at rates estimated to write off their cost or valuation over their expected useful lives, taking into account normal commercial and technical obsolescence.

The annual rates used are

| | |
|---------------------------------|--|
| Freehold land | Nil |
| Freehold buildings | 3 1/3% on revalued amount |
| Plant and machinery | 12½% and 25% on net book amount |
| Motor vehicles | 25% on net book amount |
| Office equipment | 10% on net book amount |
| Computer equipment and software | 25% on net book amount and 25% on cost |

Leases

Rentals paid under operating leases are charged to income as incurred.

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 less provision for future costs and potential losses on contracts.

Long term contracts

The turnover and profit on long term contracts is included in the accounts on the basis of surveyors certificates for the value of work done to date.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Defined contribution scheme

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes.

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1999

(continued)

| | 1999 | 1998 |
|---|------------------|------------------|
| | £ | £ |
| 2 Operating profit | | |
| Operating profit is stated after charging | | |
| Operating leases | | |
| - Hire of plant and machinery | <u>1,321,422</u> | <u>708,568</u> |
| Auditors' remuneration - audit | <u>10,600</u> | <u>9,000</u> |
| - non audit services | <u>500</u> | <u>1,125</u> |
| Depreciation of tangible fixed assets | | |
| - Depreciation | 190,852 | 187,331 |
| - Loss/(profit) on sale of fixed assets | <u>2,950</u> | <u>562</u> |
| | <u>193,802</u> | <u>187,893</u> |
| 3 Directors and employees | | |
| Staff costs including directors' emoluments | | |
| Wages and salaries | 2,610,704 | 2,415,116 |
| Social security costs | <u>205,861</u> | <u>178,199</u> |
| | <u>2,816,565</u> | <u>2,593,315</u> |
| | Number | Number |
| Average number employed including executive directors | | |
| Production | 71 | 71 |
| Administration | <u>93</u> | <u>89</u> |
| | <u>164</u> | <u>160</u> |
| Directors and higher paid employees | £ | £ |
| Directors emoluments | | |
| As executives - salary | 91,979 | 83,503 |
| - benefits | <u>16,254</u> | <u>17,071</u> |
| | <u>108,233</u> | <u>100,574</u> |
| Emoluments excluding pension scheme contributions | | |
| Chairman | 8,865 | 8,037 |
| Highest paid director | 45,989 | 45,741 |

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1999

(continued)

3 Directors and employees (continued)

Pension costs

Defined contribution schemes

The company operates defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £445 (1998 £Nil). Contributions totalling £7,994 (1998 £12,701) were payable to the fund at the year end and are included in accounts as accruals and deferred income.

One director is receiving retirement benefits under money purchase pension schemes.

| | 1999 £ | 1998 £ |
|--|----------------|----------------|
| 4 Investment income | | |
| Income from listed investments | - | 166 |
| Bank interest | 35,503 | 53,414 |
| Other interest | 3,321 | 602 |
| Rent received | <u>7,636</u> | <u>6,734</u> |
| | <u>46,460</u> | <u>60,916</u> |
| 5 Interest payable | | |
| Bank interest | <u>123,823</u> | <u>111,684</u> |
| 6 Taxation charge | | |
| Corporation tax on profit on ordinary activities at 21% (1998 21%) | 85,859 | 121,634 |
| Under provision in prior years | - | 342 |
| Deferred taxation | | |
| - current year | (2,000) | 7,000 |
| Income tax deducted at source | <u>-</u> | <u>33</u> |
| | <u>83,859</u> | <u>129,009</u> |

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1999

(continued)

7 Tangible fixed assets

| | Freehold land and buildings £ | Plant equipment and transport £ | Total £ |
|--------------------------|--|--|--------------------|
| Cost or valuation | | | |
| 30th April 1998 | 2,108,000 | 2,166,433 | 4,274,433 |
| Additions | - | 137,094 | 137,094 |
| Disposals | - | (80,220) | (80,220) |
| 30th April 1999 | <u>2,108,000</u> | <u>2,223,307</u> | <u>4,331,307</u> |
| Depreciation | | | |
| 30th April 1998 | 94,667 | 1,506,164 | 1,600,831 |
| Charge for year | 47,333 | 143,519 | 190,852 |
| Disposals | - | (63,832) | (63,832) |
| 30th April 1999 | <u>142,000</u> | <u>1,585,851</u> | <u>1,727,851</u> |
| Net book amount | | | |
| 30th April 1999 | <u>1,966,000</u> | <u>637,456</u> | <u>2,603,456</u> |

Included in land and buildings is land valued at £688,000 which is not depreciated.

| | 1999 £ | 1998 £ |
|--|-------------------|-------------------|
| Land and buildings at valuation | | |
| Freehold | 1,966,000 | 2,013,333 |
| Leasehold | - | - |
| Net book amount | <u>1,966,000</u> | <u>2,013,333</u> |

The freehold land and buildings were valued by Brown & Co, Chartered Surveyors, in October 1994 at an Open Market Value on an existing use basis of £1,903,500.

| | 1999 £ | 1998 £ |
|---|-------------------|-------------------|
| Historical cost information | | |
| Historical cost of revalued land and buildings | 822,624 | 822,624 |
| Depreciation based on historical cost | (336,864) | (321,930) |
| Net historical cost | <u>485,760</u> | <u>500,694</u> |

Future capital commitments

| | | |
|----------------|---|---------------|
| Contracted for | - | <u>25,575</u> |
|----------------|---|---------------|

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1999

(continued)

| | | 1999 £ | 1998 £ |
|-----------|---|-------------------------|-------------------------|
| 8 | Stocks | | |
| | Work in progress | 945,471 | 911,727 |
| | Raw materials and consumables | <u>147,104</u> | <u>243,506</u> |
| | | <u>1,092,575</u> | <u>1,155,233</u> |
| 9 | Debtors | | |
| | Amounts falling due within one year | | |
| | Amounts receivable on contracts | 3,285,848 | 3,020,756 |
| | Trade debtors | 71,353 | 72,179 |
| | Other debtors | 7,518 | 13,002 |
| | Prepayments and accrued income | <u>195,004</u> | <u>188,329</u> |
| | | <u>3,559,723</u> | <u>3,294,266</u> |
| 10 | Current asset investments | | |
| | Investments other than loans | | |
| | Cost | | |
| | 30th April 1997 | - | 227,944 |
| | Additions | - | 133 |
| | Disposals | - | <u>(228,077)</u> |
| | 30th April 1998 | - | - |
| | Listed investments included above | | |
| | Cost | - | - |
| | Market value | - | - |
| 11 | Creditors: amounts falling due within one year | | |
| | Bank loans and overdraft (secured) | 413,972 | 451,933 |
| | Trade creditors | 2,309,893 | 2,210,410 |
| | Corporation tax | 85,859 | 121,634 |
| | Other taxes and social security | 130,717 | 100,916 |
| | Accruals and deferred income | <u>33,448</u> | <u>286,011</u> |
| | | <u>2,973,889</u> | <u>3,170,904</u> |

D. A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1999

(continued)

| | 1999 £ | 1998 £ |
|---|------------------|------------------|
| 12 Creditors: amounts falling due after more than one year | | |
| Bank loans | 1,216,375 | 1,320,415 |
| Loan from director | <u>861,579</u> | <u>556,292</u> |
| | <u>2,077,954</u> | <u>1,876,707</u> |
| Amounts fall due to the bank as follows | | |
| In one year or less | 104,040 | 100,846 |
| Between one and two years | 108,779 | 104,040 |
| Between two and five years | 379,599 | 339,606 |
| Over five years | <u>727,997</u> | <u>876,769</u> |
| | <u>1,320,415</u> | <u>1,421,261</u> |

The bank treasury loan is repayable by quarterly instalments of £26,166 until 25 June 2002 with interest fixed at 9.34% per annum and thereafter by quarterly instalments until 25 June 2009 at base rate plus 1.75% per annum and is secured by an unlimited debenture to include a first legal charge over the company's freehold premises.

The bank branch loan is repayable by monthly instalments of £5,208 until 25 June 2009 with interest at base rate plus 1.75% per annum and is secured by an unlimited debenture to include a first legal charge over the company's freehold premises.

13 Provision for liabilities and charges

| | 1999 | | 1998 | |
|-------------------------------------|--------------------------|---------------------|--------------------------|---------------------|
| | Potential liability £ | Provision made £ | Potential liability £ | Provision made £ |
| Deferred taxation | | | | |
| Corporation tax deferred by: | | | | |
| Capital allowances | <u>55,000</u> | <u>55,000</u> | <u>57,000</u> | <u>57,000</u> |

The potential liabilities and provisions are based on a corporation tax rate of 23% (1998 23%).

It is not anticipated that any significant taxation will become payable on the revaluation surplus as taxation on gains on properties used for the purpose of the company's trade is expected to be deferred indefinitely.

| | 1999 £ | 1998 £ |
|---|------------------|--------------------|
| 14 Reconciliation of shareholders' funds | | |
| Profit for the financial year | 228,457 | 458,787 |
| Purchase own shares | <u>-</u> | <u>(3,000,000)</u> |
| Net addition to shareholders' funds | 228,457 | (2,541,213) |
| Opening shareholders' funds | <u>2,479,049</u> | <u>5,020,262</u> |
| Closing shareholders' funds | <u>2,707,506</u> | <u>2,479,049</u> |

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1999

(continued)

| | 1999 £ | 1998 £ |
|------------------------------------|---------------|---------------|
| 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>12,500</u> | <u>12,500</u> |

Employees' Share Trust

D. W. Green and B. Seymour are trustees of the D A Green & Sons Employees' Share Trust which was adopted on 26th March 1999. At 30th April 1999 the number of shares held by the Trust was 672 ordinary shares of £1 each.

Share Participation Scheme

D. W. Green and B. Seymour are trustees of the D.A. Green Share Participation Scheme which was adopted on 30 April 1999. At 30th April 1999 the number of shares held by the Scheme was 1,000 ordinary shares of £1 each.

| | | |
|--|------------------|------------------|
| 16 Revaluation reserve | | |
| 30th April 1998 | 1,512,637 | 1,544,592 |
| Depreciation on revaluation surplus transferred to profit and loss account | <u>(32,399)</u> | <u>(31,955)</u> |
| 30th April 1999 | <u>1,480,238</u> | <u>1,512,637</u> |
| 17 Capital redemption reserve | | |
| 30th April 1998 | 16,000 | - |
| Transfer from profit and loss account on purchase of own shares | <u>-</u> | <u>16,000</u> |
| 30th April 1999 | <u>16,000</u> | <u>16,000</u> |
| 18 Profit and loss account | | |
| 30th April 1998 | 937,912 | 3,447,170 |
| Retained profit for the year | 228,457 | 458,787 |
| Transfer from revaluation reserve | 32,399 | 31,955 |
| Purchase own shares | - | (2,984,000) |
| Transfer to capital redemption reserve on purchase of own shares | <u>-</u> | <u>(16,000)</u> |
| 30th April 1999 | <u>1,198,768</u> | <u>937,912</u> |

19 Related parties

The company is under the sole control of D.W. Green. During the year D. W. Green loaned the company £313,500. At 30th April 1999 the company owed D.W. Green £861,579 (1998 £556,292).