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D.A. GREEN & SONS LIMITED

REPORTS AND ACCOUNTS

30TH APRIL 1986



D.A. GREEN & SONS LIMITED

DIRECTORS' REPORT

30th April 1986

Directors

J. H. Green - Chairman

D. W. Green D. A. Green

The directors present to the members their report and the audited financial statements for the year ended 30th April 1986.

Business review

The principal activity of the company is constructional engineering.

The year under review showed the expected increase in turnover although 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 £87,808 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 1986 | 30th April 1985 |
| D. A. Green | 4,000 | 4,000 |
| D. W. Green | 10,500 | 10,500 |
| J. H. Green | 13,000 | 13,000 |
| J. H. Green as trustee | 1,000 | 1,000 |

In accordance with the articles of association Mrs. D.A. Green retires by rotation and, being eligible, offers herself 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
Lincs

28th January 1987

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, 1986 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

HODGSON IMPEY

Spalding
28th January 1987

Hodgson Impey
Chartered Accountants

HODGSON IMPEY

D.A. GREEN & SONS LIMITED
 PROFIT AND LOSS ACCOUNT
 for the year ended 30th April 1986

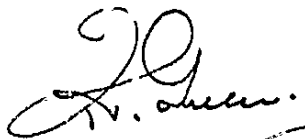

HODGSON IMPEY

| | Note | 1986 £ | 1985 £ |
|---|------|--------------------|--------------------|
| Turnover | | 7,622,790 | 6,836,337 |
| Change in stocks of finished goods and work in progress | | <u>(128,321)</u> | <u>(275,016)</u> |
| | | 7,494,469 | 6,561,321 |
| Raw materials and consumables | 4 | <u>(5,378,835)</u> | <u>(4,570,250)</u> |
| | | 2,115,634 | 1,991,071 |
| Staff costs | 3 | <u>(1,390,969)</u> | <u>(1,238,537)</u> |
| | | 724,665 | 752,534 |
| Depreciation | 2 | <u>(121,639)</u> | <u>(95,975)</u> |
| | | 603,026 | 656,559 |
| Other operating charges | | <u>(574,813)</u> | <u>(476,116)</u> |
| Operating profit | 2 | 28,213 | 180,443 |
| Interest payable | | <u>(4,986)</u> | <u>(4,554)</u> |
| | | 23,227 | 175,889 |
| Interest receivable | | <u>76,805</u> | <u>50,714</u> |
| Profit on ordinary activities before taxation | | 100,032 | 226,603 |
| Taxation | 5 | <u>(12,224)</u> | <u>(74,912)</u> |
| Retained profit for the year | 16 | <u>87,808</u> | <u>151,691</u> |

D.A. GREEN & SONS LIMITED
BALANCE SHEET
at 30th April 1986

| | Note | 1986 | 1985 |
|---|------|----------------------|----------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 6 | 698,589 | 594,023 |
| Current assets | | | |
| Stocks | 8 | 941,505 | 661,590 |
| Debtors | 10 | 958,036 | 939,253 |
| Investments | 11 | 934,390 | 577,229 |
| Cash in hand and at bank | | <u>222,324</u> | <u>20,360</u> |
| | | 3,056,255 | 2,198,432 |
| Creditors: amounts falling due within one year | 12 | (<u>2,006,015</u>) | (<u>1,037,218</u>) |
| Net current assets | | <u>1,050,240</u> | <u>1,161,214</u> |
| Total assets less current liabilities | | 1,748,829 | 1,755,237 |
| Creditors: amounts falling due after more than one year | 13 | (25,549) | (105,765) |
| Provision for liabilities and charges | 14 | (<u>158,000</u>) | (<u>172,000</u>) |
| | | <u>1,565,280</u> | <u>1,477,472</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 28,500 | 28,500 |
| Profit and loss account | 16 | <u>1,536,780</u> | <u>1,448,972</u> |
| | | <u>1,565,280</u> | <u>1,477,472</u> |

The financial statements on pages 3 to 10 were approved by the board of directors on 28th January 1987



)
)
) Directors
)

D.A. GREEN & SONS LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 30th April 1986

| | 1986 | | 1985 | |
|---|------------------|------------------|------------------|----------------|
| Source of funds | £ | £ | £ | £ |
| Profit on ordinary activities before taxation | | 100,032 | | 226,603 |
| Items not involving the movement of funds | | | | |
| Loss/(profit) on sale of fixed assets | 2,431 | | (4,017) | |
| Depreciation of tangible fixed assets | <u>119,208</u> | <u>121,639</u> | <u>99,992</u> | <u>95,975</u> |
| Total funds generated from operations | | <u>221,671</u> | | <u>322,578</u> |
| Application of funds | | | | |
| Fixed assets | | | | |
| Purchases | 240,264 | | 138,016 | |
| Realisations | <u>(14,059)</u> | 226,205 | <u>29,136</u> | 108,880 |
| Increase in working capital | | | | |
| Stocks | 279,915 | | (217,594) | |
| Debtors | 18,783 | | 565,924 | |
| Investments | 357,161 | | 230,032 | |
| Creditors | <u>(325,172)</u> | <u>330,687</u> | <u>(370,715)</u> | <u>207,647</u> |
| | | 556,892 | | 316,527 |
| Taxation paid | | <u>18,174</u> | | <u>-</u> |
| | | <u>575,066</u> | | <u>316,527</u> |
| (Decrease)/increase in liquid funds during the year | | <u>(353,395)</u> | | <u>6,051</u> |

HODGSON IMPEY

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1986

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 $\frac{1}{2}$ % 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 |

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

| | 1986 | 1985 |
|---|----------------|---------------|
| | £ | £ |
| Operating profit is stated after charging | | |
| Depreciation | <u>119,208</u> | <u>99,992</u> |
| Loss on sale of fixed assets | <u>2,431</u> | <u>-</u> |
| Hire of plant and machinery | <u>129,662</u> | <u>38,350</u> |
| Auditors' remuneration | <u>2,400</u> | <u>2,250</u> |
| Directors' pension contributions | <u>131,029</u> | <u>82,354</u> |
| and after crediting | | |
| Profit on sale of fixed assets | <u>-</u> | <u>4,017</u> |

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April, 1986

(continued)

| | 1986 | 1985 |
|---|------------------|------------------|
| | £ | £ |
| 3. Directors and employees | | |
| Staff costs including directors' emoluments | | |
| Wages and salaries | 1,119,324 | 969,735 |
| Social security costs | 76,801 | 78,420 |
| Other pension costs | <u>194,844</u> | <u>190,382</u> |
| | <u>1,390,969</u> | <u>1,238,537</u> |
| The average number of persons employed by the company (including executive directors) during the year was | Number | Number |
| Production | 39 | 31 |
| Administration | <u>98</u> | <u>94</u> |
| Total number of employees | <u>137</u> | <u>125</u> |
| Directors and higher paid employees | £ | £ |
| Directors' emoluments | | |
| As directors' | 1,250 | 1,250 |
| As executives | <u>137,646</u> | <u>137,646</u> |
| | <u>138,896</u> | <u>138,896</u> |
| Emoluments other than contributions to pension schemes, but including benefits in kind | | |
| Chairman's emoluments | <u>71,937</u> | <u>70,523</u> |
| Emoluments of highest paid director | <u>71,937</u> | <u>70,523</u> |
| Directors' emoluments for the year fall into the following scale | Number | Number |
| £ 0 - 5,000 | 1 | 1 |
| £ 70,001 - 75,000 | 2 | 2 |
| | £ | £ |
| 4. Raw materials and consumables | | |
| Purchase of goods for resale | 4,269,742 | 3,722,144 |
| Discounts received | (46,644) | (44,122) |
| Contract work | 954,691 | 814,404 |
| Carriage | <u>201,046</u> | <u>77,824</u> |
| | <u>5,378,835</u> | <u>4,570,250</u> |

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1986

(continued)

| | 1986 | 1985 |
|--------------------------------|---------------|---------------|
| | £ | £ |
| 5. Taxation | | |
| Corporation tax payable at 30% | 25,909 | 105,765 |
| Deferred taxation released | (14,000) | (33,000) |
| | 11,909 | 72,765 |
| Adjustment for earlier years | 315 | 2,147 |
| | <u>12,224</u> | <u>74,912</u> |

6. Tangible fixed assets

| | Freehold land and buildings | Leasehold land and buildings - short lease | Plant, equipment and transport | Total |
|------------------|--------------------------------|--|--------------------------------------|------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| 30th April, 1985 | 160,789 | 126,991 | 976,368 | 1,264,148 |
| Additions | - | 3,421 | 236,843 | 240,264 |
| Disposals | - | - | (63,450) | (63,450) |
| 30th April, 1986 | <u>160,789</u> | <u>130,412</u> | <u>1,149,761</u> | <u>1,440,962</u> |
| Depreciation | | | | |
| 30th April, 1985 | 45,683 | 73,153 | 551,289 | 670,125 |
| Charge for year | 4,952 | 6,047 | 108,209 | 119,208 |
| Disposals | - | - | (46,960) | (46,960) |
| 30th April, 1986 | <u>50,635</u> | <u>79,200</u> | <u>612,538</u> | <u>742,373</u> |
| Net book amount | | | | |
| 30th April, 1986 | <u>110,154</u> | <u>51,212</u> | <u>537,223</u> | <u>698,589</u> |

| | 1986 | 1985 |
|---|----------------|----------------|
| | £ | £ |
| 7. Future capital expenditure | | |
| Authorised by the directors but not contracted for | <u>432,000</u> | <u>470,000</u> |

8. Stocks

| | | |
|---|----------------|----------------|
| Raw materials and consumable stock | 368,844 | 374,215 |
| Work in progress | 1,579,735 | 1,521,514 |
| Payments on account of work in progress | (1,007,074) | (1,234,159) |
| | <u>941,505</u> | <u>661,590</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.

J.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1986

(continued)

| | 1986 | 1985 |
|--|--------------------------|--------------------------|
| | £ | £ |
| 10. Debtors | | |
| Amounts falling due within one year | | |
| Trade debtors | 975,801 | 991,061 |
| Prepayments and accrued income | 33,820 | 26,019 |
| Taxation recoverable | - | 641 |
| V.A.T. | 96,702 | 52,663 |
| Loans to employees | 6,986 | 3,501 |
| Provision for bad debts | (155,273) | (134,632) |
| | <u>958,036</u> | <u>939,253</u> |
| 11. Investments | | |
| Loans on mortgage and accrued interest | 2,088 | 2,515 |
| Short term loans and investments (market value £959,995) | <u>932,302</u> | <u>574,714</u> |
| | <u>934,390</u> | <u>577,229</u> |
| 12. Creditors: amounts falling due within one year | | |
| Bank overdraft | 736,016 | 180,657 |
| Trade creditors | 710,337 | 546,986 |
| Corporation tax | 105,765 | 17,499 |
| Accruals and deferred income | 349,470 | 197,092 |
| Directors' current accounts | <u>104,427</u> | <u>94,984</u> |
| | <u>2,006,015</u> | <u>1,037,218</u> |
| 13. Creditors: amounts falling due after more than one year | | |
| United Kingdom corporation tax payable 1st January, 1988 | <u>25,549</u> | <u>105,765</u> |
| 14. Provision for liabilities and charges | | |
| | 1986 | 1985 |
| | Full potential liability | Full potential liability |
| | Provision made | Provision made |
| | £ | £ |
| Deferred taxation | | |
| Accelerated capital allowances | <u>158,000</u> | <u>172,000</u> |
| | <u>158,000</u> | <u>172,000</u> |

D.A. GREEN & SONS LIMITED

NOTES ON ACCOUNTS

30th April 1986

(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, 1985 | 1,448,972 | 1,297,281 |
| Retained profit for the year | <u>87,808</u> | <u>151,691</u> |
| 30th April, 1986 | <u>1,536,780</u> | <u>1,448,972</u> |

17. Contingent liabilities

The company has given a guarantee during its ordinary course of business amounting to £15,100.