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Page 1

JOHN FENTON (ENGINEERS) LIMITED.

Registered Office: Wellington Street,  
Preston.

56

DIRECTORS' REPORT.

The Directors present their annual report and the audited Accounts for the year ended 31st March, 1983.

Results and dividends

The trading profit for the year, after taxation, amounted to £10,515.  
The Directors do not recommend the payment of a final ordinary dividend.

Review of the business

The company's principal activities during the year were consulting Engineers and Engineering Designers.

Market value of land and buildings

The Directors consider that the market value of land and buildings is approximately £13,000 higher than the book value of £66,970. If the land and buildings were sold at this higher amount it is estimated that there would be a taxation liability of approximately £4,000.

Fixed Assets

The changes in fixed assets during the year are summarised in the Notes to the Accounts.

Directors and their interest

The Directors at 31st March, 1983 and their interest in the share capital of the company (all beneficially held) were as follows:-

	Shareholding	
	1983	1982
B. Briggs	1,375	1,875
K. Garlick	775	1,125
J.M. Fish	1,000	1,000
M.A. Watson (appointed 20.8.82.)	1,050	-

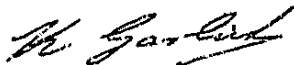
Close Company

The company is a close company within the provision of the Income and Corporation Taxes Act 1970.

Auditors

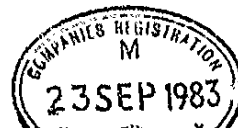
Wallwork, Nelson & Johnson, Chartered Accountants, have expressed their willingness to continue in office as Auditors and in accordance with Section 14 of the Companies Act 1976 a resolution proposing their re-appointment will be put to the members at the Annual General Meeting.

By Order of the Board.



K. Garlick.  
Secretary.

Dated 6th June, 1983.



REPORT OF THE AUDITORS TO THE MEMBERS OF  
JOHN FENTON (ENGINEERS) LIMITED.

We have audited the financial statements on Pages 3 to 7 in accordance with approved Auditing Standards.

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, who are major shareholders. 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 above, in our opinion, the financial statements, which have been prepared on the basis of the accounting policies set out on Note 1, give a true and fair view of the state of the company's affairs at 31st March, 1983, and of the net profit and source and application of funds for the year ended on that date, and comply with the Companies Acts 1948 to 1981.

20th June, 1983.

Wallwork, Nelson & Johnson,  
11/12, Theatre Street,  
Preston.

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JOHN FENTON (ENGINEERS) LIMITED.PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1983.

		<u>1983</u>	<u>1982</u>
	Notes		
<u>TURNOVER</u>	2	836,764	678,100
Cost of Sales & Expenses,		<u>827,833</u>	<u>672,654</u>
<u>OPERATING PROFIT,</u>	3	8,931	5,446
Rents Received,		<u>1,584</u>	<u>2,146</u>
<u>PROFIT ON ORDINARY ACTIVITIES</u>			
<u>BEFORE TAXATION,</u>		10,515	7,592
Tax,	5	<u>4,150</u>	<u>750</u>
<u>PROFIT FOR THE FINANCIAL YEAR,</u>		6,365	6,842
Retained profit brought forward,	104,700		96,384
Tax (under) overprovided previous year,	<u>(1,838)</u>	<u>102,862</u>	<u>1,474</u>
<u>RETAINED PROFIT CARRIED FORWARD,</u>		<u>£109,227</u>	<u>£104,700</u>

The Notes on Pages 6 and 7 form part of these Financial Statements.

JOHN FENTON (ENGINEERS) LIMITED.BALANCE SHEET AS AT 31ST MARCH, 1983.

	Notes	<u>1983</u>	<u>1982</u>
<u>FIXED ASSETS</u>			
Tangible Assets,	6	80,173	76,833
<u>CURRENT ASSETS</u>			
Stock & Work-in-Progress,	1	95,169	55,942
Debtors,	7	169,283	59,762
Cash at Bank,		-	20,609
Cash in Hand,		<u>120</u>	<u>-</u>
		264,572	135,313
<u>CREDITORS</u>			
Amounts falling due within one year,	8	<u>230,188</u>	<u>102,116</u>
<u>NET CURRENT ASSETS</u>		<u>34,384</u>	<u>33,197</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES,</u>		<u>£114,557</u>	<u>£110,030</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	9	5,000	5,000
Profit and Loss Account,		109,227	104,700
Capital Reserve,		<u>330</u>	<u>330</u>
		<u>£114,557</u>	<u>£110,030</u>

## Directors:

B. Briggs

K. Garlick

J.M. Fish

M.A. Watson

*B. Briggs*  
*K. Garlick*  
*J.M. Fish*  
*M.A. Watson*

Dated: 6th June, 1983.

The Notes on Pages 6 and 7 form part of these Financial Statements.

JOHN FENTON (ENGINEERS) LIMITED.STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED  
31ST MARCH, 1983.

	<u>1983</u>	<u>1982</u>
<u>SOURCE OF FUNDS</u>		
Profit on ordinary activities before taxation,	10,515	7,592
Adjustment for items not involving the movement of funds:		
Depreciation,	<u>2,325</u>	<u>1,812</u>
<u>TOTAL GENERATED FROM OPERATIONS</u>	12,840	9,404
<u>FUNDS FROM OTHER SOURCES</u>		
Proceeds of disposal of tangible fixed assets	<u>-</u>	<u>2,779</u>
	12,840	12,183
<u>APPLICATION OF FUNDS</u>		
Purchase of tangible fixed assets,	3,665	2,089
Tax Paid,	<u>2,588</u>	<u>20,176</u>
	4,587	<u>22,265</u>
		(10,082)
<u>INCREASE (DECREASE) IN WORKING CAPITAL</u>		
Stocks & Work-in-Progress,	(39,227)	-
Debtors,	(110,521)	32,304
Creditors,	<u>59,374</u>	<u>6,271</u>
	(90,374)	<u>38,575</u>
<u>MOVEMENT IN NET LIQUID FUNDS</u>	<u>£ (85,787)</u>	<u>£28,493</u>
<u>Represented by:-</u>		
Bank borrowing: Decrease		<u>£28,493</u>
(Increase)	<u>£ (85,787)</u>	

JOHN FENTON (ENGINEERS) LIMITED.NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED31ST MARCH, 1983.1. ACCOUNTING POLICIES:

The financial statements have been prepared under the Historical Cost Convention.

Depreciation

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

Fixtures & Fittings at 15% per annum on the reducing balance.

Stocks and Work in Progress

Stocks are stated at the lower of cost and net realisable value. Work in Progress is as valued by the Directors at cost of labour plus attributable overheads based on normal level of activity.

2. TURNOVER:

Turnover represents the invoiced amount of services provided (stated net of value added tax). All turnover is attributable to consulting engineering and engineering designing.

3. OPERATING PROFIT:

This is stated after

(a) Charging	<u>1983</u>	<u>1982</u>
Directors' Remuneration (see below)	93,229	78,915
Auditors' Remuneration,	1,000	750
Depreciation,	2,325	1,812
Bank Interest Payable,	6,470	4,079
	<u>£103,024</u>	<u>£85,556</u>

## (b) Directors' Remuneration.

	<u>1983</u>	<u>1982</u>
Fees: Chairman,	27,256	29,734
Highest Paid,	19,851	18,460
Others,	34,972	17,673
B.U.P.A.	1,144	685
Pension Contributions,	10,006	12,363
	<u>£93,229</u>	<u>£78,915</u>

Other Directors' emoluments, excluding pension contributions, fell within the following ranges:-

	<u>1983</u>	<u>1982</u>
£15,001 - £20,000	2	1

4. STAFF COSTS (including Directors)

	<u>1983</u>	<u>1982</u>
Wages and Salaries	639,104	515,385
Social Security Costs,	56,984	47,892
Other pension costs,	35,765	38,619
	<u>£731,853</u>	<u>£601,896</u>
Average weekly number of employees	<u>83</u>	<u>60</u>

NOTES TO THE ACCOUNTS - CONTINUED.5. TAXATION

The charge for taxation in the Profit and Loss Account of £4,150 is based on the current year's profit at 40%.

6. TANGIBLE FIXED ASSETS

	Freehold Property	Library	Plant/ Fixtures	Total
<u>Cost/Valuation:-</u>				
At 1st April, 1982	69,379	200	37,152	106,731
Additions,	439	-	5,226	5,665
At 31st March, 1983.	£69,818	200	42,378	112,396
<u>Depreciation:-</u>				
At 1st April, 1982,	2,848	170	26,880	29,898
Charge for year,	-	-	2,325	2,325
At 31st March, 1983.	£2,848	170	29,205	32,223
Net Book Value at 31st March, 1983.	£66,970	30	13,173	80,173
Net Book Value at 31st March, 1982.	£66,531	30	10,272	76,833

7. DEBTORS

	1983	1982
Trade Debtors,	164,525	51,152
Prepayments,	4,521	5,933
Accrued Income,	237	1,677
	£169,283	£58,762

8. CREDITORS - Amounts falling due within one year:-

Trade Creditors,	14,369	6,648
Accruals,	39,406	23,454
Corporation Tax (Payable 1.1.84.)	4,150	750
Other Taxes & Social Security costs,	71,485	40,754
Directors Remuneration,	35,480	30,510
Bank Overdraft (see below),	65,298	-
	£230,188	£102,116

The bank overdraft is secured by a Legal Mortgage over the freehold property of the Company and a Floating Charge on its undertaking.

9. SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	1983	1982	1983	1982
Ordinary Shares of £1 each	7,500	7,500	£7,000	£5,000