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 PEAT  
MARWICK



L. WILLIAMS & CO. LIMITED  
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DIRECTORS' REPORT AND ACCOUNTS  
31ST DECEMBER, 1985

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PEAT, MARWICK, MITCHELL & CO.,

7-11 Station Road,  
Reading.  
RG1 1LG



L. WILLIAMS & CO. LIMITED  
 =====  
 REPORT OF THE DIRECTORS  
 FOR THE YEAR ENDED 31ST DECEMBER, 1985

The directors submit their report and the audited accounts for the year ended 31st December, 1985.

BUSINESS REVIEW

The company had a quieter year and its results for the year are set out on page 3.

The principal activities of the company consist of:

- the building of houses for the private sector, and
- the building of small warehouses for the commercial sector.

There has been no significant change in these activities during the year but it is the intention of the company to increase the number of houses built and sold during 1986.

PROPOSED DIVIDEND

The directors propose a dividend of £56,446.

DIRECTORS

The directors who served during the year were:

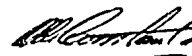
J. Miller	(Chairman)
D.V. Ottewell	
W. Ormston	Retired 28th February, 1985
J. Paske	
R.C.D. Wilkins	Resigned 5th July, 1985
G.R.C. Scott	Appointed 28th February, 1985
R.O.S. Miller	Appointed 5th July, 1985

No director had any interests in the company's shares. With the exception of J. Paske and R.C.D. Wilkins, the directors are also directors of the holding company and particulars of their shareholdings (if any) in that company will be shown in that company's accounts.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Peat, Marwick, Mitchell & Co. as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Secretary

Registered office:  
 Miller House,  
 (Rear of Bridge House),  
 Godalming,  
 Surrey.

REPORT OF THE AUDITORS TO THE MEMBERS OF  
L. WILLIAMS & CO. LIMITED  
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We have audited the accounts on pages 3 to 8 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared on the basis of the accounting policies set out on page 6, give a true and fair view of the state of the company's affairs at 31st December, 1985, and of its profit and source and application of funds for the year to that date and comply with the Companies Act 1985.

READING

7<sup>th</sup> July 1986

*Pent Marnel M. J. J. J.*

Chartered Accountants.

## L. WILLIAMS &amp; CO. LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER, 1985

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	Note	1985 £	1984 £
TURNOVER	2	1,197,246	1,733,243
Change in stocks of finished goods and work in progress		(564,577)	404,309
Other operating income		1,543	-
Raw materials, consumables and other direct charges		(496,457)	(1,808,341)
Staff costs	3	(21,227)	(42,427)
Other operating charges		(45,359)	(92,494)
Interest payable	4	-	(1,203)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	71,169	193,087
Tax on profit on ordinary activities	6	(14,723)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		56,446	193,087
Proposed dividend		(56,446)	(193,087)
RETAINED PROFIT FOR THE FINANCIAL YEAR		-	-
Retained profit brought forward		241,937	241,937
RETAINED PROFIT CARRIED FORWARD		241,937 =====	241,937 =====

The notes referred to above form part of these accounts.

## L. WILLIAMS &amp; CO. LIMITED

BALANCE SHEET AT 31ST DECEMBER, 1985

	Note	£	1985	£	1984	£
<b>FIXED ASSETS</b>						
Tangible assets	7			160		160
<b>CURRENT ASSETS</b>						
Stocks and work in progress	8	1,817,304			2,385,442	
Debtors	9	5,362			31,160	
Cash at bank and in hand		97,402			451,292	
			1,920,068			2,867,894
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>						
	10	(1,630,291)			(2,578,117)	
NET CURRENT ASSETS				289,777		289,777
NET ASSETS				289,937		289,937
<b>CAPITAL AND RESERVES</b>						
Called up share capital	11		48,000			48,000
Profit and loss account			241,937			241,937
				289,937		289,937

The notes referred to above form part of these accounts

*James Miller,*  
*Beescoe,* ) Directors

The accounts were approved by the board of directors on 7<sup>th</sup> July 1986

L. WILLIAMS & CO. LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST DECEMBER, 1985

	<u>1985</u> £	<u>1984</u> £
FUNDS GENERATED BY OPERATIONS		
Profit before tax	71,169	193,087
	=====	=====
MOVEMENT IN WORKING CAPITAL		
Increase/(decrease) in stocks	(568,138)	406,457
Decrease in debtors	(25,798)	(10,875)
(Increase)/decrease in creditors	1,018,995	(623,068)
	<u>425,059</u>	<u>(227,486)</u>
Movement in net liquid funds:		
Increase/(decrease) in cash at bank and in hand	(353,890)	420,573
	<u>71,169</u>	<u>193,087</u>
	=====	=====

L. WILLIAMS & CO. LIMITED  
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NOTES TO THE ACCOUNTS

1. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

a) Basis of Accounting

The accounts have been prepared under the historical cost convention and in compliance with the Companies Act 1985.

b) Stocks and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value. Cost includes attributable overheads.

c) Deferred Taxation

Provision for deferred taxation is made on timing differences expected to reverse in the foreseeable future.

2. TURNOVER

Turnover comprises property sales and rental income. Property sales are included in the accounts when the property is constructionally completed and legal title has been passed to the purchaser.

Turnover is analysed as:

House sales	1,173,553	1,709,421
Rental income	23,693	23,822
	<hr/>	<hr/>
Total	1,197,246	1,733,243
	<hr/>	<hr/>

3. STAFF NUMBERS AND COSTS

The average number of persons employed by company during the year was 3 (1984: 6). The aggregate payroll costs of these persons were:

	<u>1985</u>	<u>1984</u>
	£	£
Wages and salaries	19,428	37,036
Social security costs	1,799	5,391
	<hr/>	<hr/>
	21,227	42,427
	=====	=====

The company also employed a number of subcontractors during the year and their costs have been included under raw materials and consumables.



L. WILLIAMS & CO. LIMITED

NOTES TO THE ACCOUNTS

(continued)

4. INTEREST PAYABLE

	<u>1985</u> £	<u>1984</u> £
On bank loans, overdrafts and other loans repayable within five years	-	1,203
	-	1,203
	=====	=====

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

	<u>1983</u> £	<u>1984</u> £
Directors' remuneration	-	-
Auditors' remuneration	3,000	3,000
Plant hire	5,111	16,029
	=====	=====

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1985</u> £	<u>1984</u> £
Group relief payable at 41.25% on results for the year	7,504	-
Prior year tax charge adjustments	7,219	-
	14,723	-
	=====	=====

The company has tax losses of approximately £200,000 at 31st December, 1985 which are available to be carried forward.

7. FIXED ASSETS

	<u>1985</u>	<u>1984</u>
Tangible assets:		
Capitalised value of ground rent receivable	£160	£160
	===	===

8. STOCKS AND WORK IN PROGRESS

	<u>1985</u> £	<u>1984</u> £
Land	855,719	958,608
Work in progress	961,585	1,426,834
	1,817,304	2,385,442
	=====	=====

L. WILLIAMS & CO. LIMITED

NOTES TO THE ACCOUNTS

(continued)

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1985</u> £	<u>1984</u> £
Debtors	5,362	12,372
Prepayments and accrued income	-	18,788
	<u>5,362</u> =====	<u>31,160</u> =====

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1985</u> £	<u>1984</u> £
Trade creditors	19,210	36,881
Amounts owed to group companies	1,329,398	2,236,483
Accruals and deferred income	32,150	111,666
Proposed dividend	249,533	193,087
	<u>1,630,291</u> =====	<u>2,578,117</u> =====

11. SHARE CAPITAL

	<u>1985</u> £	<u>1984</u> £
Authorised, allotted, called up and fully paid:		
8% cumulative preference shares of £1 each	24,000	24,000
Ordinary shares of £1 each	24,000	24,000
	<u>48,000</u> =====	<u>48,000</u> =====

12. HOLDING COMPANY

The ultimate holding company is The Miller Group Limited, which is incorporated in Great Britain.