

REPORT OF THE DIRECTORS

to the members of

H.C. JAMES (SERVICES) LIMITED

The directors present their annual report on the affairs of your company for the year ended 31st March, 1975.

1. Directors

L.B. Sell, M.B.E. (Chairman)
R.C. James
H.W. James
A. Bebbington (Secretary)
J.B.B. Lunt
J. Lee

Mr. T.R. Worthington resigned during the year.

2. Activities

The principal activity of your company continues to be the provision of specialist building services.

3. Results

Your company's turnover for the year amounted to £598,038 and the loss for the year was £71,176. None of your company's turnover was exported. Your directors do not recommend the payment of any dividend.

4. Directors' interests

- (a) As your company is a wholly owned subsidiary of H.C. James Limited, the directors have no interest in the shares.
- (b) The directors have interests in the ordinary shares of H.C. James Limited as shown below:

	At the beginning of the year	At the end of the year
J.B.B. Lunt	Nil	330
J. Lee	Nil	Nil

Messrs. L.B. Sell, R.C. James, H.W. James and A. Bebbington are directors of H.C. James Limited and, therefore, their shareholdings in that company are shown in the report and accounts of the holding company.

- (c) There are no schemes to benefit directors by enabling them to buy shares in your company or in the holding company.
- (d) None of your directors had a material beneficial interest in any contract, of significance in relation to the company's business, to which your company was a party during the financial year.

5. Auditors

Millier, Mills, Frary & Co., are willing to continue in office and a resolution authorising the directors to fix the remuneration of the auditors will be submitted to the Annual General Meeting.

On behalf of the Board

LESLIE B. SELL

Report of the Auditors to the Members of

H.C. JAMES (SERVICES) LIMITED

In our opinion, the accounts set out on pages 5.3 to 5.5 give a true and fair view of the state of the company's affairs at 31st March, 1975, and of its loss for the year ended on that date and comply with the Companies Acts 1948 and 1967.

HILLIER, HILLS, FRARY & CO.

Chartered Accountants.

Victoria House,
Victoria Street,
Luton,
Bedfordshire.

18th June, 1975.

H. C. J A N E S (S E R V I C E S) L I M I T E D
P R O F I T A N D L O S S A C C O U N T f o r t h e y e a r e n d e d 31 s t M A R C H , 1975

1974		Notes	1975
£801,213	<u>Turnover</u>	1.	£598,038
£ 76,992	<u>Profit (Loss) for the year before taxation</u>	2.	£(71,176)
40,071	Taxation	3.	(36,909)
36,921	<u>Profit (Loss) after taxation</u>		(34,267)
20,000	Dividend paid		-
16,921	<u>Profit (Loss) for the year</u>		(34,267)
39,974	Balance brought forward	£ 56,895	
-	Transfer Deferred Taxation	(570)	
£ 39,974			56,325
£ 56,895	<u>Balance carried forward representing Revenue Reserves</u>		£ 22,058

H. C. JAMES (SERVICES) LIMITED
BALANCE SHEET - 31 st MARCH, 1975

1974	Notes	1975	
	<u>FIXED ASSETS:-</u>		
£ 3,138	Plant and equipment 4.		£ 2,824
	<u>CURRENT ASSETS:-</u>		
£289,111	Stocks and work in progress, less progress payments 5.	£234,400	
384,300	Debtors 6.	540,459	
90	Cash	68	
£673,530			£774,927
	<u>DEDUCT: CURRENT LIABILITIES:-</u>		
£373,641	Creditors 7.	399,444	
40,000	Corporation Tax due 1st January, 1976	-	
£413,731			399,444
£259,799			375,483
£262,937	<u>CAPITAL EMPLOYED</u>		£378,307
	<u>FINANCED BY:-</u>		
£ 100	SHARE CAPITAL 8.		£ 100
56,895	REVENUE RESERVES		22,058
-	DEFERRED TAXATION 9.		3,751
130,942	BANK OVERDRAFT 10.		277,398
75,000	LOAN FROM PARENT COMPANY		75,000
£262,937			£378,307

H.W. JAMES

A. BEBBINGTON

Directors

NOTES ON THE ACCOUNTS

4.3 Turnover

2. Loss for the year

3. Taxation

Corporation tax @ 52% (1974 52%)
Adjustment to previous years

BALANCE SHEET

4. Fixed Assets

£ 5,867	£ 5,867
3,043	2,729
£ 2,824	£ 3,138

50. Stocks and works in progress

6. Dohtora

5.5.1

H.C. JAMES (SERVICES) LIMITED - NOTES ON THE ACCOUNTS (Conto.)

7. Creditors

	1975	1974
Group companies	£ 82,437	£ 84,493
External	317,007	289,148
	<u>£399,444</u>	<u>£373,641</u>

8. Share capital

The authorised and issued capital at 31st March, 1974 and 1975 was 100 ordinary shares of £1 each, fully paid.

The company is a wholly owned subsidiary of H.C. James Limited registered in the United Kingdom.

9. Deferred Taxation

Provision has been made for the following:

- (a) taxation relief on assets in advance of the corresponding charge for depreciation,
- (b) tax applicable to items which are charged or credited in accounting periods different from those in which they are allowed for tax or are taxable, and
- (c) taxation deferred by stock relief.

The amount set aside represents an estimate of the provision required for (a) and (b) above at 31st March 1975 at a taxation rate applicable to the year. Relief for losses surrendered under group taxation arrangements has also been included.

10. Bank overdraft

The company is a party, with its parent company H.C. James Limited, and other companies in the group, to a joint banking account with Barclays Bank Limited. The overdraft on this joint account is secured on building land owned by the parent and certain of the subsidiary companies. Each of the companies, being a party to the joint account, has agreed to be jointly and severally liable for the indebtedness on such account, which at 31st March, 1975, amounted to £1,410,893 (1974 £4,004,357). The bank operates memorandum accounts for each of the joint holders and the balance shown in this balance sheet is the balance on its memorandum account. This memorandum account balance does not constitute a balance in account between this company and the bank.