

D W TILLEY LIMITED
ANNUAL REPORT
YEAR ENDED 31 OCTOBER 1994
Registered Number 937663

PANNELL KERR FORSTER
Chartered Accountants



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ANNUAL REPORT
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D W TILLEY LIMITED

DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 31 October 1994.

RESULTS AND DIVIDENDS

The profit for the financial year after tax amounted to **£170,876**.

The directors recommend that no final dividend be paid in respect of the year and that the balance of retained profits totalling **£170,876** be added to reserves.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be that of roofing contractors.

The directors are satisfied with the results for the year and the financial position of the company.

DIRECTORS

The directors at 31 October 1994 and their interests in the share capital of the company were as follows:

	<u>31 October</u> <u>1994</u>	<u>1 November</u> <u>1993</u>
D W Tilley	14,952	14,952
S Nixon	1	1

AUDITORS

The auditors Pannell Kerr Forster, Chartered Accountants, have signified their willingness to continue in office. A resolution to reappoint them will be proposed at the annual general meeting.

SPECIAL EXEMPTIONS

We have taken advantage in the preparation of the directors' report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

BY ORDER OF THE BOARD

Ponteland
Date: 1 March 1995



D W TILLEY
Secretary

D W TILLEY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 those financial statements, the directors are required to:

- . select suitable accounting policies and then apply them consistently;
- . make judgements and estimates that are reasonable and prudent;
- . prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

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

Basis of opinion

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Pannell Kerr Forster

Newcastle Upon Tyne
Date: 2 March 1995

PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

D W TILLEY LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 1994

	<u>Notes</u>	<u>1994</u> £	<u>1993</u> £
TURNOVER		1,965,004	1,752,819
COST OF SALES		(1,284,506)	(1,191,967)
GROSS PROFIT		680,498	560,852
DISTRIBUTION COSTS		(105,423)	(103,860)
ADMINISTRATIVE EXPENSES		(328,966)	(338,957)
OPERATING PROFIT		246,109	118,035
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		3,697	2,504
INTEREST PAYABLE AND SIMILAR CHARGES		(7,511)	(910)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	242,295	119,629
TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES		(58,920)	(27,745)
PROFIT FOR THE FINANCIAL YEAR		183,375	91,884
DIVIDENDS	13	12,499	-
PROFIT FOR THE FINANCIAL YEAR		170,876	91,884

All amounts relate to continuing operations.

The company has no recognised gains or losses other than the profit for the year.

D W TILLEY LIMITED
BALANCE SHEET
AS AT 31 OCTOBER 1994

	<u>Notes</u>	<u>£</u>	<u>1994</u>	<u>£</u>	<u>1993</u>	<u>£</u>
FIXED ASSETS						
Tangible assets	4		186,696		170,933	
CURRENT ASSETS						
Stocks	5	6,894		6,818		
Debtors	6	680,823		300,168		
Cash at bank and in hand		389,539		125,933		
		<u>1,077,256</u>		<u>432,919</u>		
CREDITORS						
Amounts falling due within one year	7	778,170		302,689		
NET CURRENT ASSETS			<u>299,086</u>		<u>130,230</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>485,782</u>		<u>301,163</u>	
CREDITORS						
Amounts falling due after more than one year	7		53,568		39,825	
NET ASSETS			<u><u>432,214</u></u>		<u><u>261,338</u></u>	
CAPITAL AND RESERVES						
Called up share capital	9		14,953		14,953	
Profit and loss account	10		417,261		246,385	
EQUITY SHAREHOLDERS' FUNDS	11		<u><u>432,214</u></u>		<u><u>261,338</u></u>	

We have taken advantage in the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

Approved by the board on 1 March 1995

D W TILLEY

Director

[Signature]

D W TILLEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 1994

1 ACCOUNTING POLICIES

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

(a) Accounting convention

The financial statements set out on pages 4 to 10 are prepared under the historical cost convention.

(b) Depreciation

Tangible fixed assets are written off over their estimated useful lives at the following annual rates:

Building improvements	2% Straight line
Fixtures and fittings	15% Reducing balance
Plant and equipment	10% Reducing balance
Motor vehicles	25% Reducing balance

(c) Turnover

Turnover represents invoiced sales less allowances, trade discounts and value added tax.

(d) Finance and operating leases

Assets acquired under finance leases are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding. Leasing charges in respect of operating leases are recognised in the profit and loss account over the lives of the lease agreement as incurred.

(e) Hire purchase agreements

Assets acquired under hire purchase agreements are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future payments is shown as a liability and the interest element of payment obligations is charged to the profit and loss account over the period of the agreement in proportion to the capital balance outstanding.

(f) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis, cost includes all direct costs incurred and attributable overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(g) Pension costs

The Company operates a defined contribution scheme providing benefits for employees additional to those from the state. The pension cost charge represents contributions payable by the Company to the fund in respect of the year.

D W TILLEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 1994

1 ACCOUNTING POLICIES (continued)

(h) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will become payable in the foreseeable future.

2 DIRECTORS' REMUNERATION

The aggregate amount of directors' emoluments comprised:	<u>1994</u> £	<u>1993</u> £
Fees	-	29,000
Salaries as executives (including pension contributions)	91,717	148,000
Other emoluments	9,748	13,950
	<u>101,465</u>	<u>190,950</u>

Emoluments shown above (excluding pension contributions) included the following:	<u>1994</u> £	<u>1993</u> £
Chairman and highest paid director	<u>57,245</u>	<u>54,258</u>

The emoluments of the other directors (excluding pension contributions) fell in the following ranges:	<u>Number of Directors</u> <u>1994</u>	<u>1993</u>
£35,001 - £40,000	-	1
£40,001 - £45,000	1	-
	<u>1</u>	<u>1</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging the following:	<u>1994</u> £	<u>1993</u> £
Auditor's remuneration - audit fee	4,000	3,500
Depreciation (note 4)	41,711	35,975
Loss on disposal of fixed assets	4,811	17,622
	<u>46,522</u>	<u>57,100</u>

D W TILLEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 1994

4 FIXED ASSETS - TANGIBLE

The movement on these accounts during the year was as follows:

	<u>Building Improve- ments</u> £	<u>Fixtures and Fittings</u> £	<u>Plant and Equipment</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
Cost					
At 1 November 1993	51,410	12,776	39,282	151,348	254,816
Additions	-	5,356	-	73,929	79,285
Disposals	-	-	-	(32,134)	(32,134)
At 31 October 1994	51,410	18,132	39,282	193,143	301,967
Accumulated depreciation					
At 1 November 1993	9,215	6,072	8,183	60,413	83,883
Charge	1,028	1,809	3,110	35,764	41,711
Disposals	-	-	-	(10,323)	(10,323)
At 31 October 1994	10,243	7,881	11,293	85,854	115,271
Net book amount					
At 31 October 1994	41,167	10,251	27,989	107,289	186,696
At 1 November 1993	42,195	6,704	31,099	90,935	170,933

The net book amount of motor vehicles included £42,642 (1993 £9,638) in respect of assets held under hire purchase agreements. Depreciation charged in the year on those assets amounted to £14,213 (1993 £3,212).

5 STOCKS

	<u>1994</u> £	<u>1993</u> £
Stocks comprised:		
Raw materials	6,894	6,818

D W TILLEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 1994

6 DEBTORS

	<u>1994</u>	<u>1993</u>
	£	£
Debtors comprised:		
Trade debtors	667,130	290,134
Other debtors	754	423
Prepayments and accrued income	12,939	9,611
	<u>680,823</u>	<u>300,168</u>

Included in other debtors is a loan to an officer. The maximum balance outstanding during the year was £12,423. The balance at the year end was £423 all of which falls due within one year.

7 CREDITORS

	Amounts falling due within one year		Amounts falling due after more than one year	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Creditors comprised:				
Trade creditors	415,752	218,605	-	-
Payments in advance	110,020	-	-	-
Corporation tax payable	57,425	28,206	-	-
Other taxation and social security costs	136,212	13,866	-	-
Obligations under hire purchase contracts	15,592	2,950	17,559	3,688
Accruals and deferred income	43,169	39,062	36,009	36,137
	<u>778,170</u>	<u>302,689</u>	<u>53,568</u>	<u>39,825</u>

8 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provision and the amount unprovided comprised:	<u>1994</u>		<u>1993</u>	
	<u>Provision</u>	<u>Not Provided</u>	<u>Provision</u>	<u>Not Provided</u>
	£	£	£	£
Accelerated capital allowances in excess of depreciation	-	3,578	-	12,849
	<u>-</u>	<u>3,578</u>	<u>-</u>	<u>12,849</u>

9 CALLED UP SHARE CAPITAL

Called up share capital comprised allotted called up and fully paid ordinary shares of £1 each. The authorised share capital of the company throughout the year was £50,000 divided into 50,000 ordinary shares of £1 each.

D W TILLEY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 1994

10 PROFIT AND LOSS ACCOUNT

The movement of reserves during the year was as follows:

	Profit and loss account
	<u>£</u>
At 1 November 1993	246,385
Profit for the year	<u>170,876</u>
At 31 October 1994	<u><u>417,261</u></u>

11 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	170,876	91,884
Balance at 1 November 1993	<u>261,338</u>	<u>169,454</u>
Balance at 31 October 1994	<u><u>432,214</u></u>	<u><u>261,338</u></u>

12 PENSION COSTS

The assets of the company pension scheme are held separately from those of the company in a fund administered by James Hay Pension Trustees Limited.

Contributions made by the company to the scheme during the year amounted to £Nil (1993 - £100,000).

13 DIVIDENDS

The dividends comprised two interim dividends of £0.42 per share compared to £Nil per share in 1993.

14 CAPITAL COMMITMENTS

At the year end the company had contracted for a workshop extension to be built at a cost of approximately £25,000.