



J & S SEDDON (PAINTING) LIMITED

Report and Financial Statements

31 December 1990

Touche Ross & Co  
Chartered Accountants  
Acresfield House  
15 Exchange Street  
Bolton BL1 1RP



**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Peter Michael Harry Mattram, FRICS (Chairman)  
John Stuart Seddon (Deputy Chairman)  
William Archibald Gibson  
Clive Lees Russell

**SECRETARY**

Brian J Mellor

**REGISTERED OFFICE**

55 Duke Street  
Fenton  
STOKE ON TRENT

**BANKERS**

Barclays Bank plc  
St Ann's Square  
MANCHESTER

**AUDITORS**

Touche Ross & Co  
Chartered Accountants  
Acresfield House  
15 Exchange Street  
BOLTON  
BL1 1RP

DIRECTORS' REPORT

The directors submit their report and audited financial statements for the year ended 31 December 1990.

1. PRINCIPAL ACTIVITY

The activity of the company during the year was that of painters and decorators.

2. RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £40,508 (1989 - NIL). The directors do not recommend the payment of a dividend.

3. REVIEW OF THE BUSINESS

1990 proved to be a difficult year for this company and the turnover achieved reflects a lot of hardwork for all concerned.

During periods of recession our customers tend to restrict their expenditure on painting and maintenance work.

4. FUTURE REVIEW

1991 is expected to prove a difficult year, as noted in 3 above. We are continually reviewing our methods and areas of work to make the most of opportunities that become available.

5. DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

P M H Mottram  
J S Seddon  
W A Gibson  
G L Russell

All the shares of the company are held by Seddon (Stoke) Limited, whose ultimate holding company is Seddon Group Limited. Interests of directors in the shares of Seddon Group Limited who are also directors of the ultimate holding company or parent company are shown in those companies directors reports. None of the other directors held shares in Seddon Group Limited.

6. AUDITORS

Spicer & Oppenheim merged their practice with Touche Ross & Co on 20 August 1990 and now carry on business under the name of Touche Ross & Co. Accordingly, they have signed the audit report in their new name

By order of the Board

B HELLOR

Secretary

12 April 1991



## Chartered Accountants

Touche Ross & Co  
Acrefield House  
15 Exchange Street  
Baton BL3 1BP

Telephone National 0204 22611  
International +44 204 22611  
Fax 0204 35210  
DX 2412E

### AUDITORS' REPORT TO THE MEMBERS OF J & S SEDDON (PAINTING) LIMITED

We have audited the financial statements on pages 4 to 9 in accordance with Auditing Standards, except that the scope of the work was limited by the matter referred to below.

As disclosed in note 1e, as in previous years the company has calculated attributable profit on uncompleted long term contracts as a fixed percentage of an estimate of profit earned to date, rather than on the basis of stage of completion as required by SSAP 9. It has not been practicable for us to determine the effect of this departure.

Except for the departure referred to above, in our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross & Co*

22 May 1991



**PROFIT AND LOSS ACCOUNT - YEAR ENDED 31 DECEMBER 1990**

	Note	1990 £	1989 £
Turnover	2	4,644,129	-
Cost of sales		<u>4,121,212</u>	<u>-</u>
Gross profit		522,917	-
Administrative expenses		<u>436,016</u>	<u>-</u>
Profit on ordinary activities before taxation	3	86,901	-
Tax on profit on ordinary activities	5	<u>46,393</u>	<u>-</u>
Profit for the financial year	11	<u><u>40,508</u></u>	<u><u>-</u></u>

BALANCE SHEET - 31 DECEMBER 1990

	Note	£	1990 £	£	1989 £
<b>CURRENT ASSETS</b>					
Stock of stores and consumables		58,135	-	-	-
Amounts recoverable on contracts	6	644,434	-	-	-
Other debtors	7	178,767	-	-	-
Cash at bank and in hand		<u>2,834</u>	<u>1,000</u>		
			<u>884,170</u>		<u>1,000</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Other creditors	8	840,162	-	-	-
Corporation tax		<u>2,500</u>			
			<u>842,662</u>		<u>-</u>
<b>NET CURRENT ASSETS</b>			<u>41,508</u>		<u>1,000</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		1,000		1,000
Profit and loss account	11		<u>40,508</u>		<u>-</u>
			<u>41,508</u>		<u>1,000</u>

The financial statements were approved by the board of directors on 12 April 1991.

Signed on behalf of the board of directors

*Peter J. H. Vetter*  
Peter J. H. Vetter, Director

J. SEDDON, Director

SOURCE AND APPLICATION OF FUNDS - YEAR ENDED 31 DECEMBER 1990

	1990	1989
£	£	£
<b>SOURCE OF FUNDS</b>		
Profit on ordinary activities before taxation	86,901	-
<b>FUNDS FROM OTHER SOURCES</b>		
Issue of shares	-	1,000
<b>INCREASE IN WORKING CAPITAL</b>	<u>86,901</u>	<u>1,000</u>
<b>Applied/(arising):</b>		
Increase in stock	58,135	-
Increase in amounts recoverable on contracts	644,434	-
Increase in debtors	178,767	-
(Increase) in creditors	(796,269)	-
Increase in bank and cash in hand	<u>1,834</u>	<u>1,000</u>
	<u>86,901</u>	<u>1,000</u>

## 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with statement of standard accounting practice issued by UK accountancy bodies unless otherwise stated below. The particular accounting policies adopted are described below.

### a) Accounting convention

These financial statements have been prepared in accordance with the historical cost convention.

### b) Turnover

Turnover represents the net amount receivable excluding value added tax for goods and services supplied to external customers and the value of work done executed during the year.

### c) Deferred taxation

Deferred tax is provided in respect of significant timing differences to the extent that it is probable that such tax will become payable.

### d) Stock

Developments and stocks and work in progress are stated at the lower of cost and net realisable value. For raw materials, bought out parts and consumable stores cost is calculated on the FIFO basis. For work in progress and finished products, cost is calculated as average direct cost of production plus overheads.

### e) Amounts recoverable on contracts

Amounts recoverable on contracts are included in current assets and are stated at cost plus attributable profit less any foreseeable losses less payments received on account. The directors believe that the group's long standing policy for the determination of attributable profit is necessary, even though it does not accord with SSAP 9, so that a true and fair view of the contract activity may be given. It has not been practicable to calculate the effect of the use of this policy, rather than a policy complying with SSAP 9.

### f) Subcontractor costs

Subcontractor costs in respect of work done on contracts are included in these financial statements to the extent that claims have been settled up to 31 December 1990.

### g) Associated companies

An associated company is one in which the group has a substantial interest held for the long term and upon whose commercial and financial policy decisions the group exercises a significant influence.

### h) Pension costs

The company is a member of the Seddon Group Limited Pension Scheme which is a defined benefit scheme. The pension cost for the year is based on the pension cost across the group as a whole. The most recent actuarial valuation by independent qualified actuaries was on 1 November 1985, particulars of this, and the rest of the Scheme are given in Seddon Group Limited's financial statements.



**NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1990**

**2. TURNOVER**

The turnover and profit before taxation of the company is all attributable to the principal activities of painting and decorating and was all carried out within the United Kingdom.

<b>3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1990</b>	<b>1989</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation is arrived at after charging:		
Hire of plant and machinery	109,854	-
Auditors remuneration	<u>2,200</u>	<u>-</u>

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

Remuneration of directors of the company was as follows:

Emoluments	69,039	-
Pensions	<u>3,042</u>	<u>-</u>

The emoluments, excluding pension contributions of directors were as follows:

Chairman	-	-
Highest paid director	<u>40,184</u>	<u>-</u>

Other directors:

	<b>1990</b>	<b>1989</b>
	<b>Number</b>	<b>Number</b>
£0 to £5,000	2	-
£5,001 to £30,000	<u>2</u>	<u>-</u>

The average number employed by the company which includes directors, within each category of persons was:

	<b>1990</b>	<b>1989</b>
	<b>Number</b>	<b>Number</b>
Construction staff	214	-
Administration staff	<u>29</u>	<u>-</u>
	<u>243</u>	<u>-</u>

The costs incurred in respect of these employees were:

	<b>1990</b>	<b>1989</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,989,336	-
Social security costs	208,317	-
Other pension costs	<u>30,819</u>	<u>-</u>
	<u>3,188,472</u>	<u>-</u>



**NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1990**

<b>5. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>1990</b>	<b>1989</b>
	<b>£</b>	<b>£</b>
Taxation is based on the profits for the year and comprises:		
Corporation tax at a rate of 25% of taxable profit	2,500	-
Group relief payable at the rate of 34.25%	<u>43,893</u>	<u>-</u>
	<u>46,393</u>	<u>-</u>
<b>6. AMOUNTS RECOVERABLE ON CONTRACTS</b>		
Amounts recoverable on contracts represents:		
Amounts recoverable on contracts	1,051,507	-
Less payment on account	<u>407,073</u>	<u>-</u>
	<u>644,434</u>	<u>-</u>
<b>7. OTHER DEBTORS</b>		
Amounts owed by group companies	162,659	-
Prepayments and accrued income	<u>16,108</u>	<u>-</u>
	<u>178,767</u>	<u>-</u>
<b>8. OTHER CREDITORS</b>		
Amounts owed to group companies	766,399	-
Accruals and deferred income	<u>53,763</u>	<u>-</u>
	<u>820,162</u>	<u>-</u>
<b>9. PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Deferred taxation		
There is no unprovided deferred tax		
<b>10. CALLED UP SHARE CAPITAL</b>		
Authorized, allotted and fully paid:		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>11. STATEMENT OF RESERVES</b>		
Profit and loss account		£
As at 1 January 1990		-
Retained profit for the year		<u>40,508</u>
As at 31 December 1990		<u>40,508</u>



**NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1990**

**12. CONTINGENT LIABILITIES**

A contingent liability exists at 31 December 1990 in respect of counter indemnities given in connection with performance bonds totalling £21,644 (1989 - £NIL).

**13. ULTIMATE HOLDING COMPANY**

The ultimate holding company is Seddon Group Limited incorporated in England.