

## PAYE STONEMARK &amp; RESTORATION LIMITED

2743908

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 1996

The directors present their annual report, together with the audited financial statements of the company for the year ended 31st August 1996.

## RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £136,064.  
An interim dividend of £135,000 was paid during the year. The directors do not recommend payment of a final dividend. It is recommended the balance of £1,064 be transferred to reserves.

## REVIEW OF THE BUSINESS

The company's principal activities during the year were those of building repair and stonework contracting. The directors have pursued a policy of selective tendering and targeted growth in turnover. They are pleased to report the success of this strategy as demonstrated by this years trading results.  
It is anticipated that the company will continue to trade profitably during the ensuing year.

## DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

## Ordinary Shares of £1 each

A.P.W. Paye	33
A.F. Goodwin	33
P.D. Lloyd	17
P.P. Newsam	17



PAYE STONEWORK & RESTORATION LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31st AUGUST 1996

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, 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 accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

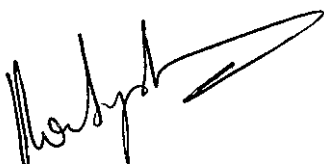
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking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

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the reappointment of Harrison Hill Castle and Company as Auditors to the company will be put to the Annual General Meeting.

By Order of the Board

Secretary



AUDITORS' REPORT TO THE SHAREHOLDERS OF PAYE STONWORK & RESTORATION  
LIMITED

FOR THE YEAR ENDED 31st AUGUST 1996

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and 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 the 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 issued by the Auditing Practices Board. 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 the company's affairs at 31st August 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Harrison Hill Castle & Co.

Chartered Accountants  
Registered Auditors

Harrison Hill Castle and Company  
Melbury House  
34, Southborough Road  
Bickley  
Bromley  
Kent, BR1 2EB

Dated: 14 April 1997

PAYE STONEWORK & RESTORATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st AUGUST 1996

		1996	1995
	Notes	£	£
TURNOVER	2		
Continuing operations		3,748,155	3,274,806
COST OF SALES		(3,119,699)	(2,852,187)
GROSS PROFIT		628,456	422,619
Administration expenses		(443,151)	(302,430)
OPERATING PROFIT	3/4	185,305	120,189
Interest receivable		2,904	3,906
Interest payable	5	(1,283)	(1,226)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		186,926	122,869
Tax on ordinary activities	6	(50,862)	(37,408)
PROFIT FOR THE YEAR		136,064	85,461
Dividends	7	(135,000)	(20,000)
RETAINED PROFIT FOR THE YEAR		1,064	65,461

Turnover and operating profit derive wholly from continuing operations.  
The company had no recognised gains or losses during the year other than the profit and loss account.

PAYE STONEWORK & RESTORATION LIMITED

BALANCE SHEET

AS AT 31st AUGUST 1996

		1996	1995
	Notes	£	£
FIXED ASSETS			
Intangible assets	8	26,700	31,150
Tangible assets		7,352	9,740
		<u>34,052</u>	<u>40,890</u>
CURRENT ASSETS			
Stocks and Work in Progress	10	96,083	98,413
Debtors	11	759,516	651,183
Cash at bank and in hand		9,765	110,654
		<u>865,364</u>	<u>860,250</u>
CREDITORS - amounts falling due within one year	12	763,428	763,217
NET CURRENT ASSETS		<u>101,936</u>	<u>97,033</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>135,988</u>	<u>137,923</u>
CREDITORS - amounts falling due after more than one year	13	(3,478)	(6,476)
NET ASSETS		<u>£ 132,510</u>	<u>£ 131,447</u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account		132,410	131,347
SHAREHOLDERS' FUNDS	15	<u>£ 132,510</u>	<u>£ 131,447</u>

Approved by:

A.P.W. Paye

*A Paye*

) Directors

A.F. Goodwin

*AG*

Dated: 9 April 1997

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st AUGUST 1996

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention and appropriate accounting standards. These include Financial Reporting Standard No.1 in accordance with which the company satisfies the criteria for exemption from the requirement to publish a cashflow statement.

1.2 Turnover

This represents the invoiced amounts of goods sold and services provided, net of value added tax.

1.3 Depreciation of intangible assets

The Company's policy is to write off goodwill evenly over its economic life of 10 years.

1.4 Depreciation of tangible fixed assets

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value, of each asset over its expected useful life, as follows:

Office equipment:	20 % per annum on reducing balance
Motor vehicles:	25 % per annum on reducing balance

1.5 Stock and Work in progress

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress is valued at the lower of cost and net realisable value less progress payments with an appropriate allowance for overheads.

1.6 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The corresponding lease or hire purchase obligation is capitalised in the balance sheet as a liability. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1996

2. TURNOVER

The turnover and pre-tax profit are wholly attributable to the company's main activity.

The turnover arises entirely in the U.K.

3. OPERATING PROFIT

1996	1995
£	£

This is stated after charging (crediting):

Staff costs (see note 4)	292,519	142,481
Auditors' remuneration	5,000	3,000
Amortisation of Goodwill	4,450	4,450
Depreciation	2,388	2,022
Hire of equipment	267,774	149,330
	<u>292,519</u>	<u>142,481</u>

4. EMPLOYEE INFORMATION

1996	1995
£	£

4.1 Staff costs:

Wages and salaries	259,688	130,208
Social security costs	28,985	11,471
Other pension costs	3,846	802
	<u>292,519</u>	<u>142,481</u>

4.2 The average weekly number of employees during the year was as follows:-

No.	No.
19	14
<u>19</u>	<u>14</u>

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1996

4.3 Directors' emoluments:

	£	£
Fees and salaries	102,000	13,800
Further details, excluding pension contributions:		
Chairman	£ 12,000	£ 6,900
Highest paid director	£ 39,000	£ 6,900
Other directors' emoluments fell within the following ranges:	No.	No.
£Nil - £5,000	-	2
£10,001 - £15,000	1	-
£35,001 - £40,000	1	-

5. INTEREST PAYABLE

	1996	1995
On bank loans, overdrafts and similar loans:-		
Repayable by instalments within 5 years	1,283	880
Repayable otherwise than by instalments	-	346
	£ 1,283	£ 1,226

6. TAXATION

	1996	1995
The tax charge on the profit on ordinary activities for the year was as follows:		
U.K corporation tax at 25%/24%	50,862	37,408
	£ 50,862	£ 37,408

7. DIVIDENDS

	1996	1995
Interim dividend paid:		
£1,350.00 per share. (1995= £200.00)	135,000	20,000



PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1996

8. INTANGIBLE FIXED ASSETS

	Total £
Cost:	
1st September 1995	44,500
31st August 1996	<u>£44,500</u>
Amortisation:	
1st September 1995	13,350
Charge for year	<u>4,450</u>
31st August 1996	<u>£17,800</u>
Net book value at 31st August 1996	<u>£26,700</u>
Net book value at 31st August 1995	<u>£31,150</u>

9. TANGIBLE FIXED ASSETS

	Fixtures fittings and office equipment £	Motor Vehicles £	Total £
Cost:			
At 1st September 1995 & At 31st August 1996	<u>1,191</u>	<u>10,571</u>	<u>11,762</u>
Depreciation:			
At 1st September 1995	260	1,762	2,022
Charge for year	<u>186</u>	<u>2,202</u>	<u>2,388</u>
At 31st August 1996	<u>446</u>	<u>3,964</u>	<u>4,410</u>
Net book value at 31st August 1996	<u>£ 745</u>	<u>£ 6,607</u>	<u>£ 7,352</u>
Net book value at 31st August 1995	<u>£ 931</u>	<u>£ 8,809</u>	<u>£ 9,740</u>

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1996

10. STOCKS AND WORK IN PROGRESS

	1996 £	1995 £
The amounts attributable to the different categories are as follows:		
Raw materials and consumables	1,500	1,000
Work in progress	94,583	97,413
	<u>£ 96,083</u>	<u>£ 98,413</u>

11. DEBTORS

	1996 £	1995 £
Trade debtors	709,341	630,419
Amounts owed by related undertakings	15,024	5,771
Corporation Tax	12,500	5,000
Other debtors	21,588	9,158
Prepayments	1,063	835
	<u>£759,516</u>	<u>£651,183</u>

12. CREDITORS - AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	1996 £	1995 £
Bank overdraft	-	22,052
Obligations under lease and hire purchase contracts	2,999	2,368
Trade creditors	499,394	463,331
Amounts owed to related undertaking undertaking	2,200	-
Corporation tax	40,510	42,408
Other taxes and social security costs	17,752	24,892
Directors' current accounts	-	20,000
Accruals	200,573	188,166
	<u>£763,428</u>	<u>£763,217</u>

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1996

13. CREDITORS - AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	1996 £	1995 £
Obligations under lease and hire purchase contracts	3,478	6,476

14. SHARE CAPITAL

	1996 £	1995 £
AUTHORISED SHARE CAPITAL		
1000 Ordinary Shares of £1 each	1,000	1,000
CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	100	100

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	136,064	85,461
Dividends	(135,000)	(20,000)
	1,064	65,461
Opening shareholders' funds	131,446	65,986
Closing shareholders' funds	132,510	131,447