

## PAYE STONEWORK &amp; RESTORATION LIMITED

02743908

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 1995

The directors present their annual report, together with the audited financial statements of the company for the year ended 31st August 1995.

## RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £85,461. An interim dividend of £20,000 was paid during the year. The directors do not recommend payment of a final dividend. It is recommended the balance of £65,461 be transferred to reserves.

## REVIEW OF THE BUSINESS

The company's principal activities during the year were those of building restoration and stonework contractors. Continuing market penetration has ensured a steadily rising enquiry level resulting in the considerable growth in turnover. Profitability has been maintained in line with previous years trading.

The recent receipt of two awards for workmanship demonstrates the quality of our finished product.

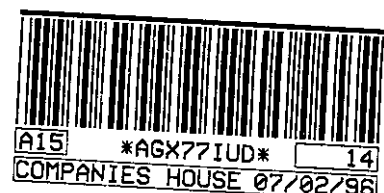
It is anticipated that the company will continue to trade profitably during the ensuing year.

## 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  
31st August 1995    31st August 1994

A.P.W. Paye	33	50
A.F. Goodwin	33	50
P.D. Lloyd (Appointed 1.09.95)	17	-
P.P. Newsam (Appointed 1.09.95)	17	-



PAYE STONEWORK & RESTORATION LIMITED

DIRECTORS' REPORT (Continued)

FOR THE YEAR ENDED 31st AUGUST 1995

**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;
- \* follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- \* prepare the accounts on a going concern basis unless it is inappropriate to presume that the company will continue in business.

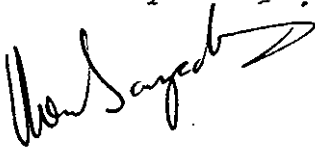
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking 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 1995**

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 1995 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.

*Harrison Hill Castle & Co.*

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Chartered Accountants  
Registered Auditors

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

Dated: 5.2.96

PAYE STONEWORK & RESTORATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st AUGUST 1995

		1995	1994
	Notes	£	£
TURNOVER	2		
Continuing operations		3,274,806	2,238,954
COST OF SALES		(2,852,187)	(1,924,689)
GROSS PROFIT		422,619	314,265
Administration expenses		(302,430)	(238,913)
OPERATING PROFIT	3/4	120,189	75,352
Interest receivable		3,906	1,796
Interest payable	5	(1,226)	(368)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		122,869	76,780
Tax on ordinary activities	6	(37,408)	(24,016)
PROFIT FOR THE YEAR		85,461	52,764
Dividends	7	(20,000)	(20,000)
RETAINED PROFIT FOR THE YEAR		65,461	32,764

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 1995

		1995	1994
	Notes	£	£
FIXED ASSETS			
Intangible assets	8	31,150	35,600
Tangible assets		9,740	-
		<u>40,890</u>	<u>35,600</u>
CURRENT ASSETS			
Stocks and Work in Progress	10	98,413	20,782
Debtors	11	648,983	388,868
Cash at bank and in hand		110,654	80,843
		<u>858,050</u>	<u>490,493</u>
CREDITORS - amounts falling due within one year	12	761,017	460,107
		<u></u>	<u></u>
NET CURRENT ASSETS		97,033	30,386
		<u></u>	<u></u>
TOTAL ASSETS LESS CURRENT LIABILITIES		137,923	65,986
		<u></u>	<u></u>
CREDITORS - amounts falling due after more than one year	13	(6,476)	-
		<u></u>	<u></u>
NET ASSETS		<u>£ 131,447</u>	<u>£ 65,986</u>
		<u></u>	<u></u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account		131,347	65,886
		<u></u>	<u></u>
SHAREHOLDERS' FUNDS	15	<u>£ 131,447</u>	<u>£ 65,986</u>
		<u></u>	<u></u>

Approved by:

A.P.W. Paye

*A. Paye*

) Directors

A.F. Goodwin

*A.F. Goodwin*

)

Dated: 2.2.96

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st AUGUST 1995

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.

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.

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1995

3.	OPERATING PROFIT	1995	1994
		£	£
	This is stated after charging (crediting):		
	Staff costs (see note 4)	142,481	37,792
	Auditors' remuneration	3,000	2,000
	Amortisation of Goodwill	4,450	4,450
	Depreciation	2,022	-
	Hire of equipment	149,330	166,379
		<u>142,481</u>	<u>37,792</u>
4.	EMPLOYEE INFORMATION		
4.1	Staff costs:	1995	1994
		£	£
	Wages and salaries	130,208	34,570
	Social security costs	11,471	3,222
	Other pension costs	802	-
		<u>142,481</u>	<u>37,792</u>
4.2	The average weekly number of employees during the year was as follows:-	No.	No.
		10	4
		<u>10</u>	<u>4</u>
4.3	Directors' emoluments:		
		£	£
	Fees and salaries	13,800	2,600
		<u>13,800</u>	<u>2,600</u>
5.	INTEREST PAYABLE	1995	1994
	On bank loans, overdrafts and similar loans:-		
	Repayable by instalments within 5 years	880	-
	Repayable otherwise than by instalments	346	368
		<u>1,226</u>	<u>368</u>
		£ 1,226	£ 368

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1995

6. TAXATION

	1995	1994
6.1 The tax charge on the profit on ordinary activities for the year was as follows:		
U.K corporation tax at 25%	37,408	24,016
	<u>£ 37,408</u>	<u>£ 24,016</u>

6.2 The company is a close company within the terms of section 414 of the Taxes Act 1988.

7. DIVIDENDS

	1995	1994
Interim dividend paid: £200.00 per share. (1994= £200.00)	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

8. INTANGIBLE FIXED ASSETS

	Total £
Cost:	
1st September 1994	44,500
31st August 1995	<u>£44,500</u>
Amortisation:	
1st September 1994	8,900
Charge for year	<u>4,450</u>
31st August 1995	<u>£13,350</u>
Net book value at 31st August 1995	<u>£31,150</u>
Net book value at 31st August 1994	<u>£35,600</u>



PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1995

9. TANGIBLE FIXED ASSETS

	Fixtures fittings and office equipment £	Motor Vehicles £	Total £
Cost:			
Additions	1,191	10,571	11,762
At 31st August 1995	1,191	10,571	11,762
Depreciation:			
Charge for year	260	1,762	2,022
At 31st August 1995	260	1,762	2,022
Net book value at 31st August 1995	£ 931	£ 8,809	£ 9,740
Net book value at 31st August 1994	£ -	£ -	£ -

10. STOCKS AND WORK IN PROGRESS

	1995 £	1994 £
The amounts attributable to the different categories are as follows:		
Raw materials and consumables	1,000	1,000
Work in progress	97,413	19,782
	£ 98,413	£ 20,782

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1995

11. DEBTORS

	1995 £	1994 £
Trade debtors	630,419	365,179
Amounts owed by participating interests	5,771	12,969
Corporation Tax	5,000	5,000
Other debtors	6,958	295
Prepayments	835	5,425
	<u>£648,983</u>	<u>£388,868</u>

12. CREDITORS - AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	1995 £	1994 £
Bank overdraft	22,052	68,473
Obligations under lease and hire purchase contracts	2,368	-
Trade creditors	463,331	287,268
Corporation tax	42,408	34,144
Other taxes and social security costs	24,892	15,302
Directors' current accounts	20,000	-
Accruals	185,966	54,920
	<u>£761,017</u>	<u>£460,107</u>

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

	1995 £	1994 £
Obligations under lease and hire purchase contracts	<u>6,476</u>	<u>-</u>

14. SHARE CAPITAL

	1995 £	1994 £
AUTHORISED SHARE CAPITAL		
1,000 Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1995

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
Profit for the financial year	85,461	52,764
Dividends	(20,000)	(20,000)
	<hr/>	<hr/>
Opening shareholders' funds	65,461	32,764
	65,986	33,222
	<hr/>	<hr/>
Closing shareholders' funds	<u>131,447</u>	<u>65,986</u>