

PAYE STONEMWORK & RESTORATION LIMITED

COMPANIES HOUSE

DIRECTORS' REPORT

FOR THE YEAR ENDED 31st AUGUST 1994

The directors present their annual report, together with the audited financial statements of the company for the year ended 31st August 1994.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £52,764. 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 £32,764 be transferred to reserves.

REVIEW OF THE BUSINESS

The company's principal activity during the year was building restoration and stonework contractors. 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

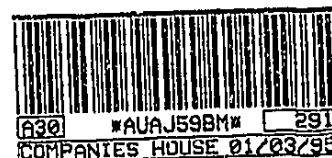
A. P. W. Paye	50
A. F. Goodwin	50

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 1994

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 5, 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 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.

28 February 1995

Harrison Hill Castle & Co.

Chartered Accountants
Registered Auditors

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

PAYE STONEMARK & RESTORATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31st AUGUST 1994

		1994	1993
	Notes	£	£
TURNOVER	3		
Continuing operations		2,238,954	1,117,146
COST OF SALES		(1,807,650)	(888,914)
GROSS PROFIT		431,304	228,232
Administration expenses		(355,952)	(183,062)
OPERATING PROFIT	4/5	75,352	45,170
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		75,352	45,170
Interest receivable		1,796	1,460
Interest payable	6	(368)	(79)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		76,780	46,551
Tax on ordinary activities	7	(24,016)	(13,429)
PROFIT FOR THE YEAR		52,764	33,122
Dividends	8	(20,000)	-
RETAINED PROFIT FOR THE YEAR		32,764	33,122

The company had no recognised gains or losses during the year other than the profit and loss account.

PAYE STONWORK & RESTORATION LIMITED

BALANCE SHEET

AS AT 31st AUGUST 1994

		1994		1993	
	Notes	£	£	£	£
Intangible assets	9		35,600		40,050
CURRENT ASSETS					
Stocks and Work in Progress	10	20,782		65,356	
Debtors	11	388,868		177,285	
Cash at bank and in hand		80,843		39,132	
		490,493		281,773	
CREDITORS - amounts falling due within one year	12	460,107		288,601	
NET CURRENT ASSETS/(LIABILITIES)			30,386		(6,828)
NET ASSETS			65,986		33,222
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account			65,886		33,122
	14		65,986		33,222

Approved by:

A. P. W. Paye

A. F. Goodwin

)
) Directors
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Dated:

PAYE STONEMARK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st AUGUST 1994

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 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. 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 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 reasonably prudent;
- * prepare the financial statements on the going concern basis unless it is inappropriate to assume 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 of fraud or other irregularities.

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1994

3. TURNOVER

The turnover and pre-tax profit are wholly attributable to the company's main activity.
The turnover arises entirely in the U.K.

4. OPERATING PROFIT	1994 £	1993 £
This is stated after charging (crediting):		
Staff costs (see note 5)	37,792	15,668
Auditors' remuneration	2,000	2,000
Amortisation of Goodwill	4,450	4,450
Hire of equipment	166,379	9,705
	<u>166,379</u>	<u>9,705</u>

5. EMPLOYEE INFORMATION

5.1 Staff costs:

	1994 £	1993 £
Wages and salaries	34,570	15,668
Social security costs	3,222	-
	<u>37,792</u>	<u>15,668</u>

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

No.	No.
4	3
<u>4</u>	<u>3</u>

5.3 Directors' emoluments:

	£	£
Fees and salaries	2,600	-
	<u>2,600</u>	<u>-</u>

6. INTEREST PAYABLE

	1994 £	1993 £
On bank loans, overdrafts and similar loans:-		
Repayable otherwise than by instalments	368	79
	<u>368</u>	<u>79</u>

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1994

7. TAXATION

	1994	1993
	£	£
7.1 The tax charge on the profit on ordinary activities for the year was as follows:		
U.K corporation tax at 25%	24,016	13,429
	<u>24,016</u>	<u>13,429</u>

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

8. DIVIDENDS

	1994	1994
	£	£
Interim dividend paid:		
£200.00 per share. (1993= £0.00)	20,000	-
	<u>20,000</u>	<u>-</u>

9. INTANGIBLE FIXED ASSETS

	Total
	£
Cost:	
At 1st September 1993 and	
31st August 1994	<u>£44,500</u>
Amortisation:	
1st September 1993	4,450
Charge for year	<u>4,450</u>
31st August 1994	<u>£ 8,900</u>
Net book value at 31st August 1994	<u>£35,600</u>
Net book value at 31st August 1993	<u>£40,050</u>

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1994

10. STOCKS AND WORK IN PROGRESS

	1994	1993
	£	£
The amounts attributable to the different categories are as follows:		
Raw materials and consumables	1,000	500
Work in progress	19,782	64,856
	<u>20,782</u>	<u>65,356</u>

11. DEBTORS

	1994	1993
	£	£
Trade debtors	361,168	167,289
Amounts owed by participating interests	12,969	8,546
Corporation Tax	5,000	-
Social security and other taxes	4,011	-
Other debtors	295	-
Prepayments	5,425	1,450
	<u>388,868</u>	<u>177,285</u>

12. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994	1993
	£	£
Bank overdraft	68,473	-
Trade creditors	287,268	185,608
Corporation tax	34,144	13,429
Other taxes and social security costs	15,302	26,548
Directors' current accounts	-	9,900
Other creditors	-	2,088
Accruals	54,920	51,028
	<u>460,107</u>	<u>288,601</u>

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued

FOR THE YEAR ENDED 31st AUGUST 1994

13. SHARE CAPITAL

	1994 £	1993 £
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>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Profit for the financial year	52,764	33,122
Dividends	<u>(20,000)</u>	<u>-</u>
	32,764	33,122
Other recognised gains and losses relating to the year (net)		
New share capital subscribed	<u>-</u>	<u>100</u>
Net addition to shareholders' funds	32,764	33,222
Opening shareholders' funds	<u>33,222</u>	<u>-</u>
Closing shareholders' funds	<u>65,986</u>	<u>33,222</u>