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Thomson McLintock & Co

F STIMPSON (LEICESTER) LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 1981



F STIMPSON (LEICESTER) LIMITED

DIRECTORS

F STIMPSON - Chairman
R B STIMPSON

SECRETARY

R B STIMPSON

REGISTERED OFFICE

22A STAVELEY ROAD
LEICESTER
LE5 5JT

AUDITORS

THOMSON McLINTOCK & CO
CHARTERED ACCOUNTANTS
ARLEN HOUSE
SALISBURY ROAD
LEICESTER
LE1 7QS

31ST DECEMBER 1981

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 31st December 1981.

1 FINANCIAL

The profit for the year after taxation amounted to £51,949. No dividend is recommended.

2 ACTIVITIES

The principal activities of the company are those of house builders and building and civil engineering contractors.

3 DIRECTORS

The directors of the company who are shown on page 1 have served throughout the year.

The director retiring by rotation is Mr F Stimpson who, being eligible, offers himself for re-election.

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

Mr F Stimpson	7,500 shares - beneficially held
Mr R B Stimpson	7,500 shares - beneficially held

4 FIXED ASSETS

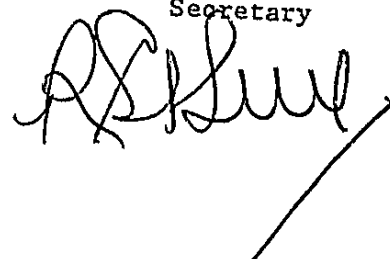
In the opinion of the directors the market value of land and buildings at 31st December 1981 was approximately £100,000. There is no present intention of disposing of the premises from which the company's business is carried on.

5 AUDITORS

The auditors, Thomson McLintock & Co., offer themselves for re-appointment in accordance with Section 14 of the Companies Act 1976.

Leicester

R B STIMPSON
Secretary



ACCOUNTING POLICIES

The following policies have been adopted by the directors in the accounts which they approved on

1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Section 149A and Schedule 8A of the Companies Act 1948.

2 Turnover

Turnover represents the following, excluding value added tax:

- a) For contracts and other work completed during the year, the total sales value less the value of work in progress (before deducting progress payments) at the beginning of the year;
- b) For uncompleted contracts, the increase during the year in the value of work in progress (before deducting progress payments).

3 Depreciation

Depreciation, calculated on the cost of fixed assets, is provided on a straight line basis at the following annual rates:

Freehold land	-	Nil
Buildings	-	2% or 10% according to their age and condition
Plant and machinery	-	between 10% and 33%

4 Deferred taxation

Provision is made for deferred taxation on accelerated capital allowances and other material timing differences except where, in the opinion of the directors, there is reasonable evidence that such deferred taxation will not be payable in the foreseeable future.

ACCOUNTING POLICIES - continued

5 Contract work in progress

Contract work in progress is valued at cost plus attributable profit less foreseeable losses except that, if foreseeable losses on individual contracts exceed cost less progress payments, such excesses are shown separately under current liabilities. Progress payments received and receivable are deducted from the value of work in progress or, to the extent that they exceed cost plus attributable profit, are included in creditors.

Cost consists of material, labour and other direct expenses and an appropriate proportion of overhead expenses. Attributable profit is a prudent estimate of profit earned in relation to work carried out at the year end and foreseeable losses are those currently estimated to arise over the duration of a contract including remedial and maintenance costs.

In so far as this basis of valuation is applied to some contracts which may have a duration of less than one year it does not comply with Statement of Standard Accounting Practice Number 9, but the directors consider that it is a more appropriate method of valuation for the accounts to reflect the result of each year's activities.

6 Valuation of stocks

Stocks are valued at the lower of cost and net realisable value.

F STIMPSON (LEICESTER) LIMITED

YEAR ENDED 31ST DECEMBER 1981

PROFIT AND LOSS ACCOUNT

	Notes	1981 £	1980 £
Turnover		£1,365,965 =====	£1,269,233 =====
Trading profit	1	51,949	5,207
Taxation	2	-	-
Profit retained	4	£ 51,949 =====	£ 5,207 =====

F STIMPSON (LEICESTER) LIMITED

AS AT 31ST DECEMBER 1981

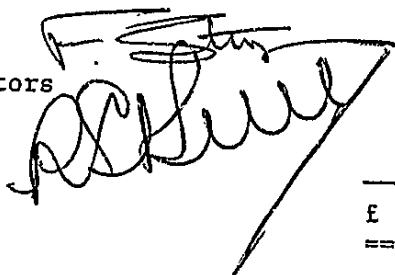
BALANCE SHEET

	Notes	£	1981	£	£	1980	£
SHARE CAPITAL	3		15,000			15,000	
RESERVES	4		(12,580)			(64,529)	
			<u>£ 2,420</u>			<u>£ (49,529)</u>	
			=====			=====	
FIXED ASSETS	5		73,556			93,934	
CURRENT ASSETS							
Work in progress	6	35,954		71,196			
Stocks	7	5,428		2,513			
Debtors		115,340		133,625			
Cash		406		262			
			<u>157,128</u>		<u>207,596</u>		
CURRENT LIABILITIES							
Creditors		181,645		209,739			
Provision for excess contract losses		-		6,000			
Hire purchase		-		4,007			
Bank overdraft (secured)		46,619		131,313			
			<u>228,264</u>		<u>351,059</u>		
NET CURRENT LIABILITIES			(71,136)			(143,463)	

F STIMPSON

R B STIMPSON

) Directors



£ 2,420

=====

£ (49,529)

=====

F STIMPSON (LEICESTER) LIMITED

YEAR ENDED 31ST DECEMBER 1981

SOURCE AND APPLICATION OF FUNDS

	£	1981	£	1980	£
SOURCE OF FUNDS					
Profit before tax					
Adjustment for items not involving the movement of funds:		51,949		5,207	
Depreciation	20,742		21,170		
Profit on disposal of fixed assets	(253)		(310)		
		<u>20,489</u>		<u>20,860</u>	
TOTAL GENERATED FROM OPERATIONS		72,438		26,067	
FUNDS FROM OTHER SOURCES					
Disposal of fixed assets	700		3,303		
Tax refunded	-		2,507		
		<u>700</u>		<u>5,810</u>	
		73,138		31,877	
APPLICATION OF FUNDS					
Purchase of fixed assets	811		3,817		
Financed by hire purchase	-		(1,903)		
	<u>811</u>		<u>1,914</u>		
Hire purchase instalments paid	4,007		16,722		
		<u>4,818</u>		<u>18,636</u>	
		68,320		13,241	
INCREASE/(DECREASE) IN WORKING CAPITAL					
Work in progress	(35,242)		24,768		
Stocks	2,915		(1,017)		
Debtors	(18,285)		(1,800)		
Creditors	28,163		(11,817)		
Provision for excess contract losses	6,000		70,923		
Directors' current accounts	(69)		5,269		
		<u>(16,518)</u>		<u>86,326</u>	
NET INFLOW/(OUTFLOW) OF FUNDS		£84,838		£(73,085)	
BANK OVERDRAFT LESS CASH:		=====		=====	
At 31st December 1980		(131,051)		(57,966)	
At 31st December 1981		<u>(46,213)</u>		<u>(131,051)</u>	
		£84,838		£(73,085)	
		=====		=====	

F STIMPSON (LEICESTER) LIMITED

31ST DECEMBER 1981

NOTES TO THE ACCOUNTS

1 TRADING PROFIT

	1981 £	1980 £
Trading profit is stated after charging/(crediting):		
Depreciation	20,742	21,170
Interest on bank overdraft	9,186	14,055
Interest on hire purchase agreements	188	2,013
Hire of plant and machinery	24,078	11,003
Auditors' remuneration	3,000	2,400
Directors' remuneration for management services	27,314	17,321
Profit on disposal of fixed assets	(253)	(310)
	=====	=====

2 TAXATION

Corporation tax at 52% on the profit for the year and also the previous year is discharged by relief for past losses, after taking account of stock relief £3,419 (1980 - clawback £41,222) and a decrease of £7,872 (1980 - £7,391) in deferred taxation on accelerated capital allowances. At the year-end, deferred taxation on accelerated capital allowances £345 (1980 - £8,217) is offset against potential relief of £25,756 (1980 - £58,025) for losses that are available to be set against future trading profits.

3 SHARE CAPITAL

Authorised, issued and fully paid 15,000 ordinary shares of £1	£ 15,000 =====	£ 15,000 =====
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4 RESERVES

Deficit at 31st December 1980	(64,529)
Profit for the year retained	51,949

Deficit at 31st December 1981	£(12,580) =====

NOTES TO THE ACCOUNTS - continued

5 FIXED ASSETS

	Freehold land £	Buildings £	Plant and machinery £	Total £
Cost				
At 31st December 1980	26,895	43,196	138,002	208,093
Additions	-	-	811	811
Disposals	-	-	(1,785)	(1,785)
At 31st December 1981	<u>26,895</u>	<u>43,196</u>	<u>137,028</u>	<u>207,119</u>
Depreciation				
At 31st December 1980	-	10,186	103,973	114,159
Provided in accounts	-	1,544	19,198	20,742
Eliminated on disposals	-	-	(1,338)	(1,338)
At 31st December 1981	<u>-</u>	<u>11,730</u>	<u>121,833</u>	<u>133,563</u>
Net book values				
At 31st December 1981	<u>£ 26,895</u>	<u>£ 31,466</u>	<u>£ 15,195</u>	<u>£ 73,556</u>
At 31st December 1980	<u>£ 26,895</u>	<u>£ 33,010</u>	<u>£ 34,029</u>	<u>£ 93,934</u>

Thomson McLintock & Co

6 WORK IN PROGRESS

	1981 £	1980 £
Contract work in progress	416,463	1,390,374
Deduct: Progress payments received and receivable	<u>380,509</u>	<u>1,319,178</u>
	<u>£ 35,954</u>	<u>£ 71,196</u>

7 STOCKS

Joinery materials	<u>£ 5,428</u>	<u>£ 2,513</u>
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F STIMPSON (LEICESTER) LIMITED

31ST DECEMBER 1981

NOTES TO THE ACCOUNTS - continued

8 TRANSACTIONS INVOLVING DIRECTORS

- (a) Mr F Stimpson and Mr R B Stimpson are connected, within the meaning of the Companies Act 1980, with Stimpson (Estates) Limited by reason of shareholdings.

During the year the company carried out land development work amounting to £591 (1980 - £37,682) for, and paid £1,000 to (1980 - received £53,500 from), Stimpson (Estates) Limited.

The company has mutual bank guarantees with Stimpson (Estates) Limited. (See Note 9).

- (b) During the year the company carried out property work amounting to £1,585 for Mr F Stimpson and Mr R B Stimpson jointly which is included in work in progress.

9 GUARANTEES

- (a) The company has mutual bank guarantees with Stimpson (Estates) Limited. At 31st December 1981, the overdrawn balance of Stimpsons (Estates) Limited was £12,686 (1980, £10,824).
- (b) The company is a registered house-builder with the National House Builders' Council. No liability under the Council's guarantee scheme is expected to arise in respect of work carried out to 31st December 1981, for which the company is responsible to house purchasers.

11 CLOSE COMPANY

The company is a close company as defined in the Income and Corporation Taxes Act 1970. The directors are of the opinion that no apportionment can arise.

F STIMPSON (LEICESTER) LIMITED

REPORT OF THE AUDITORS
TO THE MEMBERS OF F STIMPSON (LEICESTER) LIMITED

We have audited the financial statements on pages 3 to 10 in accordance with approved Auditing Standards.

In our opinion these financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st December 1981 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Thomson McLintock & Co

THOMSON McLINTOCK & CO
Chartered Accountants

Leicester

8th December 1982