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MINEHEAD GLASS LIMITED
ACCOUNTS FOR THE YEAR ENDED
30 JUNE 1995



**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED ACCOUNTS OF
MINEHEAD GLASS LIMITED**

We report on the accounts for the year ended 30 June 1995, set out on pages 1 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 3 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accounts, and so our procedures consisted of comparing the accounts with the accounting records, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249 C (6) of the Act;
 - and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249 A (4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249 B (1).

Reporting Accountants

Date: 14 September 1995



Mansfield House
26-28 Silver Street
TAUNTON
Somerset
TA1 3DJ

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1995

The directors present their fourth report on the affairs of the company, together with the financial statements and Accountants' Report for the year ended 30 June 1995.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW:

The principal activity of the company is the sale and distribution of glass, double-glazing and related products.

RESULTS:

The results of the company are shown in the Profit and Loss Account on page 2 of the Financial Statements. No dividend is proposed.

DIRECTORS AND THEIR INTERESTS:

The directors who served during the year and their beneficial interests in the shares of the company are shown below:

	At 30 June 1995 Ordinary £1 Shares	At 30 June 1994 Ordinary £1 Shares
D R Williams	50	50
A D Williams	50	50

APPROVED BY THE BOARD OF DIRECTORS AND SIGNED ON BEHALF OF THE BOARD



A D WILLIAMS

Secretary

Date: 11 September 1995

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1995

	Note	1995 £	1994 £
TURNOVER	9	300245	329446
Cost of Sales		212713	217223
GROSS PROFIT		87532	112223
Distribution Costs		19214	16704
Administration Expenses		36853	37798
OPERATING PROFIT		31465	57721
Investment Income	10	4	-
Interest payable and similar charges	11	[18121]	[20749]
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	12	13348	36972
Tax on profit on ordinary activities		-	-
RETAINED PROFIT FOR THE PERIOD		13348	36972
RETAINED PROFIT/(LOSS) at beginning of period		[37562]	[74534]
RETAINED PROFIT/(LOSS) at end of period		[24214]	[37562]

The accompanying notes are an integral part of this profit and loss account.

BALANCE SHEET - 30 JUNE 1995

	Notes	1995 £	1994 £
FIXED ASSETS:			
Tangible assets	2	177417	184046
CURRENT ASSETS:			
Stocks	3	14731	13375
Debtors	4	53031	47498
Cash at Bank and in Hand		4810	50
		<u>72572</u>	<u>60923</u>
CREDITORS: Amounts falling due within one year	5	[100189]	[102810]
NET CURRENT ASSETS/(LIABILITIES)		<u>[27617]</u>	<u>[41887]</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		149800	142159
CREDITORS: Amounts falling due after one year	6	[103121]	[108828]
NET ASSETS/(LIABILITIES)		<u>46679</u>	<u>33331</u>
CAPITAL AND RESERVES			
Called-up share capital	8	100	100
Share premium		70793	70793
Profit and loss account		[24214]	[37562]
CAPITAL EMPLOYED		<u>46679</u>	<u>33331</u>

The financial statements were approved by the Board on 11 September 1995.

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249 A (2) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS


D R WILLIAMS - DIRECTOR


A D WILLIAMS - DIRECTOR

The accompanying notes are an integral part of this balance sheet.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1995

1. ACCOUNTING POLICIES:

The principal accounting policies, all of which have been applied consistently throughout the period are as follows:-

a. Basis of Accounting -

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b. Tangible Fixed Assets -

Fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Freehold Buildings -	2% per annum (straight line)
Motor Vehicles -	25% per annum (reducing balance)
Tools & Equipment -	20% per annum (reducing balance)

c. Stocks -

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

d. Taxation -

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax authorities) has been calculated on the liability method. Deferred tax is provided on timing differences, which will probably reverse at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

e. Pension Costs -

The company operates a defined contribution pension scheme. The assets of the scheme are held independently of the company by insurance companies. The amount charged to the profit and loss account represents the contributions payable in the year and is shown in Note 13.

f. Turnover -

Turnover comprises the value of sales (net of discounts given and VAT) of goods and services in the normal course of business.

g. Leases -

Rentals under operating leases are charged on a straight-line basis over the lease term. Where a finance lease was taken over by the company during its life, that lease is treated as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1995

2. TANGIBLE FIXED ASSETS:

The movement in the year was as follows:

	Freehold Land & Property	Motor Vehicles	Tools and Equipment	Total
COST -				
Beginning of Year	178057	13324	12263	203644
Disposals	-	[2000]	-	[2000]
End of Year	178057	11324	12263	201644
DEPRECIATION -				
Beginning of Year	8368	6617	4613	19598
Charge	2789	1466	1530	5785
Disposals	-	[1156]	-	[1156]
End of Year	11157	6927	6143	24227
NET BOOK VALUE -				
Beginning of Year	169689	6707	7650	184046
End of Year	166900	4397	6120	177417

3. STOCKS:

	1995 £	1994 £
Raw Materials and consumables	14731	13375

4. DEBTORS:

Amounts falling due within one year -

	1995 £	1994 £
Trade Debtors	52266	46839
Prepayments	765	659
	53031	47498

5. CREDITORS:

Amounts falling due within one year -

	1995 £	1994 £
Mortgage	5997	5949
Bank overdraft and loans	18600	33686
Obligations under finance leases and hire purchase	-	1768
Trade Creditors	35278	19420
Other Creditors -		
Loans from Directors	19120	19120
Taxation and Social Security	16091	19395
Other	2500	2000
Accruals and deferred income	2603	1472
	100189	102810

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1994

5. CREDITORS: (continued)

The Bank overdraft is secured by a second scheduled mortgage debenture incorporating a charge over the assets of the company and a legal charge over the factory.

6. CREDITORS:

Amounts falling due after one year -

	1995 £	1994 £
Mortgage	103121	108828

7. CREDITORS:

Amounts falling due after five years -

The company has a 15 year mortgage which was taken out in order to purchase the freehold factory. The mortgage is repayable in instalments of £1500 per month consisting of capital and interest.

The rate of interest charged is 3% above bank base rates with a minimum of 11% and will therefore vary over the period of the mortgage.

It is estimated that the aggregate amount of capital and interest falling due for repayment after five years is £108000 (1994 - £126000).

The mortgagor has first legal charge over the factory.

8. SHARE CAPITAL:

	1995 £	1994 £
Authorised		
100 Ordinary Shares of £1 each	100	100
Allotted, called-up and fully paid		
100 Ordinary Shares of £1 each	100	100

9. SEGMENT INFORMATION:

	1995 £	1994 £
United Kingdom	300245	329446

10. INVESTMENT INCOME:

	1995 £	1994 £
Interest receivable and similar income	4	-

NOTES TO FINANCIAL STATEMENTS - 30 JUNE 1995

11. INTEREST PAYABLE AND SIMILAR CHARGES:

	1995 £	1994 £
Bank loans and overdraft repayable within five years	5655	7197
Loans repayable after five years	12341	12738
Hire purchase interest	42	814
Other interest	83	-
	<u>18121</u>	<u>20749</u>

12. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

The profit on ordinary activities before taxation is after charging -

	1995 £	1994 £
Depreciation of tangible fixed assets	5738	7838
Hire of plant and machinery and vehicles	4303	1230
Operating lease rentals	1047	1764
Auditor's remuneration	-	3500

13. STAFF COSTS:

Particulars of employees (including executive directors) are as shown below:

	1995 £	1994 £
Employee costs during the period amounted to -		
Wages and salaries	75266	68983
Social security costs	8528	7161
Other pension costs - defined contribution scheme	3185	2004
	<u>86979</u>	<u>78148</u>

The average weekly number of persons employed by the company during the year was - 6 (1994 - 5).

Directors' remuneration:

Directors of the company received the following remuneration -

	1995 £	1994 £
Emoluments (including pension contributions)	25416	23192
Benefits in kind - company car	3817	1966

14. DEFERRED TAX:

	1995 Provided £	1995 Potential £	1994 Provided £	1994 Potential £
Accelerated Capital Allowances	-	4452	-	3551

The company has accumulated tax losses of £38122.

NOTES TO FINANCIAL STATEMENTS - 30 JUNE 1995

15. GOING CONCERN:

The financial statements have been prepared on the going concern basis which assumes that the company will continue to trade for the foreseeable future. This basis may not be appropriate because as at 30 June 1995 current liabilities exceeded current assets by £27117. The company relies on the support of its bankers and directors to enable it to continue trading.

Should the company be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.