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JOHN CHAPMAN & CO.
(BUILDERS MERCHANTS) LIMITED

ACCOUNTS
31ST MAY 1992

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J.N. RICHARDSON
Chartered Accountant
North Holmwood
Surrey

JOHN CHAPMAN & CO. (BUILDERS MERCHANTS) LIMITED

DIRECTORS

H.R. SARGENT (Chairman)
E.A. HALL
J.W. SARGENT

SECRETARY

H.R. SARGENT

REGISTERED OFFICE

Westlands Farm, Burstow, Horley, Surrey

REPORT OF THE DIRECTORS IN RESPECT OF THE YEAR ENDED 31ST MAY 1992.

The Directors submit the audited accounts for the year ended 31st May 1992.

PRINCIPAL ACTIVITIES

The company's principal activity is that of Property Investment. In the opinion of the Directors the market value of the property is substantially greater than the cost figure shown in these accounts.

SUMMARY OF RESULTS

The profit for the year after Corporation Tax amounted to £38,621. The Directors have paid an interim ordinary dividend amounting to £12,500 and the Preference Dividend due amounts to £146.25 net. The properties are fully let and maintained. The Directors are not aware of any substantial repairs required in the near future.

The company is close within the meaning of the Income and Corporation Tax Act 1988. In the opinion of the Directors no assessment to shortfall of distribution will arise.

DIRECTORS' INTERESTS

| | Ordinary Shares | | Preference Shares | |
|----------------------|-----------------|----------|-------------------|----------|
| | 1st June | 31st May | 1st June | 31st May |
| E.E. Chapman, dec'd. | 284 | 167 | 2,150 | 1,075 |
| H.R. Sargent | 166 | 193 | 850 | 1,175 |
| E.A. Hall | 50 | 110 | - | 750 |
| J.W. Sargent | - | 15 | - | - |

RE-ELECTION OF DIRECTORS

In accordance with the Articles of Association, Mrs H.R. Sargent retires but, being eligible, offers herself for re-election.

AUDITOR

The retiring auditor, Mr J.N. Richardson, has intimated his willingness to continue in office. A resolution will be proposed at the Annual General Meeting to re-appoint him as auditor of the company.

BY ORDER OF THE BOARD

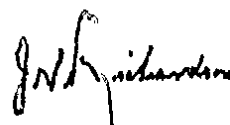

H.R. SARGENT
Secretary

28 August 1992

REPORT OF THE AUDITOR TO THE MEMBERS OF
JOHN CHAPMAN & CO. (BUILDERS MERCHANTS) LIMITED

I have audited the financial statements set out on pages 3 to 7 in accordance with approved Auditing Standards.

In my opinion the financial statements give a true and fair view of the state of the company's affairs at 31st May 1992 and of the profit and cash flow statement for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



J.N. RICHARDSON

Chartered Accountant

Deepdene
8 Larkspur Way
North Holmwood
Surrey RH5 4TS

28 August 1992

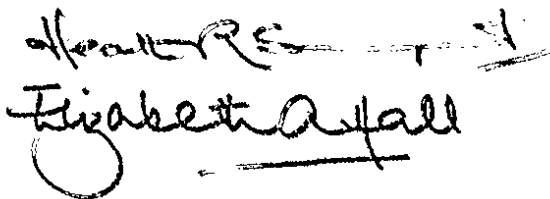
JOHN CHAPMAN & CO. (BUILDERS MERCHANTS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAY 1992

| | Notes | £ | 1992 £ | 1991 £ |
|--|-------|-----------------|-------------------|---------------|
| Turnover - rental income | | | 60,699.96 | 45,140 |
| Estate operating costs | | | <u>1,175.00</u> | <u>5,484</u> |
| Gross profit | | | 59,524.96 | 39,656 |
| Bank Deposit Interest r'cvd | | | <u>7,510.21</u> | <u>10,819</u> |
| Administration expenses | 10 | | 67,035.17 | 50,475 |
| Directors emoluments | | | 685.44 | 437 |
| Auditor's remuneration | | | 11,000.00 | 10,000 |
| Social Security costs | | | 1,762.50 | 1,586 |
| Depreciation | | | 776.04 | 731 |
| | | | <u>693.41</u> | <u>200</u> |
| Profit on ordinary activities before taxation | | | 52,117.78 | 37,521 |
| Share of trading profit of associated company. | | | <u>7,826.00</u> | <u>4,190</u> |
| | | | 59,943.78 | 41,711 |
| Taxation: | | | | |
| on profits of company | 4 | 13,496.25 | | 9,511 |
| on share of associated company profits | | | | <u>1,047</u> |
| | | <u>1,842.00</u> | <u>15,338.25</u> | <u>10,558</u> |
| Profit after taxation | | | 44,605.53 | 31,153 |
| Deduct: | | | | |
| Share of dividend paid by associated company to other shareholders | | 3,330.00 | | 3,000 |
| Net profit of associated company retained by that company | | | | <u>143</u> |
| | | <u>2,654.00</u> | <u>5,984.00</u> | <u>3,143</u> |
| Net profit attributable to shareholders | | | 38,621.53 | 28,010 |
| Dividends - ordinary - paid preference | | | 12,500.00 | 12,500 |
| | | | <u>146.25</u> | <u>146</u> |
| | | | 25,975.28 | 15,364 |
| Retained earnings at end of previous year | | | <u>81,095.38</u> | <u>65,731</u> |
| Retained earnings at end of year | | | <u>107,070.66</u> | <u>81,095</u> |

JOHN CHAPMAN & CO. (BUILDERS MERCHANTS) LIMITEDBALANCE SHEET - 31ST MAY 1992

| | | 1992 | 1991 |
|--------------------------------------|-------|-------------------|----------------|
| | Notes | £ | £ |
| Capital Employed | | | |
| Share Capital | 6 | 3,500.00 | 3,500 |
| Capital Reserve | 8 | 22,219.63 | 22,220 |
| Profit & Loss Account | | <u>107,070.66</u> | <u>81,095</u> |
| | | <u>132,790.29</u> | <u>106,815</u> |
| Employment of Capital | | | |
| Fixed Assets | | | |
| Freehold Property | 2 | 10,167.00 | 10,367 |
| Leasehold Property | 2 | 87,136.00 | - |
| Furniture & Fittings | 2 | <u>1.00</u> | <u>1</u> |
| | | <u>97,304.00</u> | <u>10,368</u> |
| Investment in Associated Company | | | |
| Shares | 3 | 5,000.00 | 5,000 |
| Loan | | <u>6,253.17</u> | <u>6,547</u> |
| | | <u>11,253.17</u> | <u>21,915</u> |
| Current Assets | | | |
| Loan to Director | 7 | 397.74 | 398 |
| Debtors & payments in advance | | 1,625.00 | 1,625 |
| Cash at Bank | 5 | <u>45,565.44</u> | <u>100,670</u> |
| | | <u>47,588.18</u> | <u>102,693</u> |
| Current Liabilities | | | |
| Amounts falling due within one year: | | | |
| Creditors & accrued charges | | 2,927.99 | 2,352 |
| Undrawn Directors remuneration | | 11,000.00 | 10,000 |
| Corporation Tax | 4b | 9,329.57 | 5,344 |
| Preference dividend due | | <u>146.25</u> | <u>146</u> |
| | | <u>23,403.81</u> | <u>17,842</u> |
| Net Current Assets | | 24,184.37 | 84,851 |
| Deferred Asset | | | |
| Advance Corporation Tax recoverable | | <u>48.75</u> | <u>49</u> |
| | | <u>132,790.29</u> | <u>106,815</u> |



Directors

JOHN CHAPMAN & CO. (BUILDERS MERCHANTS) LIMITEDNOTES TO THE ACCOUNTS AT 31ST MAY 1992

1. ACCOUNTING POLICIES

- (a) Convention. The accounts are prepared under the historical cost accounting convention whereby assets and liabilities are carried in the balance sheet at or below costs incurred at their dates of acquisition.
- (b) Depreciation. For many years a sum of £200 has been written off the Freehold Property and this practice is being continued. Furniture and Fixtures have been fully depreciated. The Leasehold Property is being written off over the term of the lease.

| 2. FIXED ASSETS | Leasehold Property £ | Freehold Properties £ | Furniture & Fixtures £ |
|--------------------------|----------------------------|-----------------------------|------------------------------|
| At 1st June 1991 | | | |
| Cost | (Dec/91) <u>87,629.41</u> | <u>17,441.72</u> | <u>35.00</u> |
| Accumulated depreciation | | | |
| At 1st June 1991 | | 7,074.72 | 34.00 |
| Charge for year | <u>493.41</u> | <u>200.00</u> | - |
| | <u>493.41</u> | <u>7,274.72</u> | <u>34.00</u> |
| Net book value | <u>87,136.00</u> | <u>10,167.00</u> | <u>1.00</u> |

3. ASSOCIATED COMPANY

1992
£

| | |
|-------------------------------------|-----------|
| Eden Precast Stone Co.Ltd. | |
| 333 shares (33%) at cost less | |
| written off at 1st June 1991 | 5,000.00 |
| Amount receivable | 6,253.17 |
| The company has waived its right to | |
| dividends on the investment | |
| Shares of accumulated profits since | |
| acquisition are approximately | 17,963.00 |

4. TAXATION

| | | |
|-------------------------------------|------------------|-----------------|
| (a) Profit & Loss Account | | |
| Corporation Tax based on the profit | | |
| for the year | <u>13,496.25</u> | |
| (b) Balance Sheet | | |
| Corporation Tax payable | | |
| on profits | 13,496.25 | |
| Advance Corporation Tax | | |
| payable on Preference Div. | <u>48.75</u> | |
| | <u>13,545.00</u> | |
| Less Advance Corporation Tax paid | <u>4,215.43</u> | <u>9,329.57</u> |
| Advance Corporation Tax recoverable | | <u>48.75</u> |

JOHN CHAPMAN & CO. (BUILDERS MERCHANTS) LIMITEDNOTES TO THE ACCOUNTS AT 31ST MAY 1992
(Continued)

| | | | |
|-----|--|------------------|------------|
| 5. | CASH AT BANK | £ | |
| | Current Account | 1,000.00 | |
| | Deposit Account | <u>44,565.44</u> | |
| | | <u>45,565.44</u> | |
| 6. | SHARE CAPITAL | £ | |
| | Authorised and issued | | |
| | 3000 6½% Cum.Preference shares of £1 each | 3,000.00 | |
| | 500 Ordinary shares of £1 each | <u>500.00</u> | |
| | | <u>3,500.00</u> | |
| 7. | DIRECTORS' LOANS | 1992 | |
| | At 1st June 1991 | <u>397.74</u> | |
| 8. | CAPITAL RESERVE | | |
| | At 1st June 1991 | <u>22,219.63</u> | |
| 9. | The Accounts of Eden Precast Stone Co.Ltd. are made up to 31st December. | | |
| 10. | ADMINISTRATION EXPENSES | 1992 | 1991 |
| | | £ | £ |
| | Telephone | 100.00 | 80 |
| | Office cleaning & accommodation | 150.00 | 150 |
| | Postages & miscellaneous expenses | 365.44 | 127 |
| | Motor expenses | <u>70.00</u> | <u>80</u> |
| | | <u>685.44</u> | <u>437</u> |

JOHN CHAPMAN & CO. (BUILDERS MERCHANTS) LIMITEDCASH FLOW STATEMENT FOR YEAR ENDED31ST MAY 1992

| | £ | £ |
|---|-----------------|------------------|
| Net cash flow from operating activities | (1) | 54,387 |
| Dividends paid | (12,646) | |
| Taxation paid | | |
| Corporation Tax | (5,295) | |
| A.C.T. | (4,216) | |
| Purchase of Leasehold Property | <u>(87,629)</u> | (109,786) |
| Loan repaid | | <u>294</u> |
| Increase(decrease) in cash & cash equivalents | | <u>(55,105)</u> |

NOTES TO CASH FLOW STATEMENT

1. Reconciliation of operating profit to net cash in-flow from operating activities.

| | |
|--|---------------|
| Operating profit - including bank deposit interest of £7510 | 52,118 |
| Depreciation charges | 693 |
| Increase in creditors | <u>1,576</u> |
| | <u>54,387</u> |