

COMPANY NO. 02289688REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with the audited accounts of the company for the year to 31st December 1994.

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 and of the profit or loss 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 reasonable and prudent;
- prepare the financial statements on the 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 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 and detection of fraud and other irregularities.

Principal Activities and Business Review

The company carries on the business of general building work, modernisations and property developers.

The directors consider that the state of the company's affairs is satisfactory.

Results and Dividends

The results of operations for the year to 31st December 1994 are set out in the profit and loss Account.

No Dividends are proposed.

Fixed Assets

The acquisition and disposal of tangible assets during the the year can be found in Note 7 of the financial statements.



SIMON DEVELOPMENTS LIMITEDREPORT OF THE DIRECTORSPost Balance Sheet Events

There have been no major events affecting the Company since the date of the Balance Sheet.

Directors

The directors who served during the year to 31st December 1994 together with their interests in the Issued Share Capital, were as follows:-

|                   | <u>1994</u> | <u>1993</u> |
|-------------------|-------------|-------------|
| S. J. Hill, Esq., | 800         | 800         |
| J. R. Hill, Esq., | 100         | 100         |
| Mrs. J. V. Hill   | 100         | 100         |

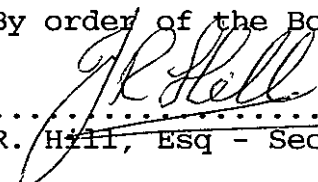
Close Company Status

The company is a close company within the provisions of section 414 of the Income and Corporation Taxes Act 1988.

Auditors

In accordance with Section 385 of the Companies Act 1985 a resolution proposing that Messrs. Baldwin & Co be re-appointed auditors of the company will be put to the annual general meeting.

By order of the Board

  
.....  
J. R. Hill, Esq - Secretary

13 Birches Barn Road  
Bradmore  
Wolverhampton

9th September 1995

**AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**SIMON DEVELOPMENTS LIMITED**

We have audited the financial statements set out on pages 4 to 13.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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 December 1994 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....Baldwin.....  
Baldwin & Co  
Certified Accountants  
Registered Auditors

49 Wellington Road,  
Bilston, West Midlands.  
WV14 6AH

9th September 1995

**PROFIT AND LOSS ACCOUNT**  
**YEAR TO 31ST DECEMBER 1994**

|                                                              |      | 1994      | 1993      |
|--------------------------------------------------------------|------|-----------|-----------|
|                                                              | Note | £         | £         |
| <b>TURNOVER</b>                                              | 2    | 1,126,027 | 403,800   |
| <b>COST OF SALES</b>                                         |      | (951,746) | (319,761) |
| <b>GROSS PROFIT</b>                                          |      | 174,281   | 84,039    |
| Administrative Expenses                                      |      | (131,822) | (67,507)  |
| <b>OPERATING PROFIT</b>                                      | 4    | 42,459    | 16,532    |
| Other Interest<br>Receivable and<br>Similar Income           |      | 576       | 924       |
| Interest Payable and<br>Similar Charges                      | 3    | (7,982)   | (11,884)  |
| <b>PROFIT ON ORDINARY<br/>ACTIVITIES BEFORE<br/>TAXATION</b> |      | 35,053    | 5,572     |
| Tax on Profit on<br>Ordinary Activities                      | 6    | (8,333)   | (1,783)   |
| <b>PROFIT ON ORDINARY<br/>ACTIVITIES AFTER<br/>TAXATION</b>  |      | 26,720    | 3,789     |
| <b>RETAINED PROFIT BROUGHT<br/>FORWARD</b>                   |      | 39,650    | 35,861    |
| <b>RETAINED PROFIT CARRIED<br/>FORWARD</b>                   |      | £ 66,370  | £ 39,650  |

The Profit and Loss Account reflects continuing operations only, none of the company's activities were acquired or discontinued during the year.

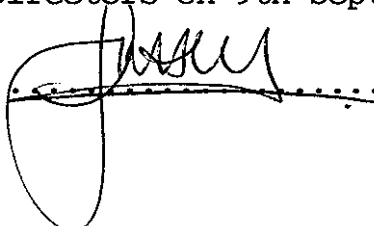
The Company made no recognised gains or losses in 1993 or 1994, other than the profits reflected above, and therefore no separate statement of total recognised gains or losses has been presented.

There is no difference between the profit on ordinary activities before Taxation and the Retained Profit for the year stated above and their Historical Cost equivalents.

**BALANCE SHEET AS AT**  
**31ST DECEMBER 1994**

|                                                       | Note | <u>1994</u>      |                 | <u>1993</u>      |                 |
|-------------------------------------------------------|------|------------------|-----------------|------------------|-----------------|
|                                                       |      | £                | £               | £                | £               |
| <b>FIXED ASSETS</b>                                   |      |                  |                 |                  |                 |
| Tangible Assets                                       | 7    |                  | 183,876         |                  | 165,875         |
| <b>CURRENT ASSETS</b>                                 |      |                  |                 |                  |                 |
| Stocks                                                | 8    | 95,287           |                 | 50,000           |                 |
| Debtors                                               | 9    | 86,685           |                 | 32,480           |                 |
| Cash at Bank and in Hand                              |      | 17,259           |                 | 10,950           |                 |
|                                                       |      | <u>199,231</u>   |                 | <u>93,430</u>    |                 |
| <b>CREDITORS: Amounts falling due within one year</b> | 10   | <u>(224,537)</u> |                 | <u>(131,838)</u> |                 |
| <b>NET CURRENT LIABILITIES</b>                        |      |                  | <u>(25,306)</u> |                  | <u>(38,408)</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      |                  | 158,570         |                  | 127,467         |
| <b>CREDITORS: Amounts falling due after one year</b>  | 11   |                  | (91,200)        |                  | (86,522)        |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>         | 13   |                  | -               |                  | (295)           |
|                                                       |      |                  | <u>£ 67,370</u> |                  | <u>£ 40,650</u> |
| <b>CAPITAL AND RESERVES</b>                           |      |                  |                 |                  |                 |
| Called-up Share Capital                               | 14   |                  | 1,000           |                  | 1,000           |
| Profit and Loss Account                               | 15   |                  | 66,370          |                  | 39,650          |
| Equity Shareholders Funds                             | 16   |                  | <u>£ 67,370</u> |                  | <u>£ 40,650</u> |

The Financial Statements on pages 4 to 13 were approved by the Board of Directors on 9th September 1995 and were signed on its behalf by:-

.....  ..... S. Hill, Esq - Director

SIMON DEVELOPMENTS LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR TO 31ST DECEMBER 19941. Accounting Policies

The Accounts have been prepared under the Historical Cost Convention

Turnover

Turnover represents the value of work invoiced during the period as Builders, Builders Merchants and Garden Centre, exclusive of Value Added Tax, and is stated after deducting any allowances.

Depreciation

Depreciation is calculated to write off the book value of each tangible fixed asset over its expected useful life on a reducing balance basis at the following annual rates:-

|                                  |                                                                          |
|----------------------------------|--------------------------------------------------------------------------|
| Fixtures, Fittings and Machinery | By reference to the Market Value of the Asset at the Balance Sheet date. |
| Motor Vehicles                   |                                                                          |

Freehold Land and Buildings - It is the Company's policy to maintain its Property in such condition that the value to the business is not impaired by the passage of time. Such expenditure is charged against Profits in the year in which it is incurred. In the opinion of the Directors, the residual value of the Buildings will be at least equal to their Book Value. No provision for Depreciation has, therefore, been made, contrary to SSAP 12.

Hire Purchase Commitments

Assets obtained under hire purchase contracts are capitalised as tangible assets and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the hire purchase contract.

Operating Leases

Rentals paid under operating leases are charged against income on a straight line basis over the lease terms.

Materials and Work in Progress

Valued at the lower of cost or net realisable value.

Deferred Taxation

Provision is made under the liability method to take account of the timing differences arising from the differing treatment of Depreciation for Accounting and Taxation purposes.

Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No. 1, from producing a Cash Flow Statement, on the grounds that it is a small Company.

NOTES TO THE FINANCIAL STATEMENTSYEAR TO 31ST DECEMBER 19942. Turnover and Profit Analysis

All the Turnover and Profit on Ordinary Activities was wholly attributable to the Principal Activities of the Company.

All work is performed in the United Kingdom.

3. Interest Payable and Similar Charges

|                   | <u>1994</u>    | <u>1993</u>     |
|-------------------|----------------|-----------------|
|                   | £              | £               |
| Bank Interest     | 1,106          | 3,107           |
| Mortgage Interest | 6,876          | 8,777           |
|                   | <u>£ 7,982</u> | <u>£ 11,884</u> |

4. Profit on Ordinary Activities before Taxation

Profit on ordinary activities before taxation is stated after charging:-

|                         | <u>1994</u> | <u>1993</u> |
|-------------------------|-------------|-------------|
|                         | £           | £           |
| Depreciation, less      |             |             |
| Profit on Sale          | 7,497       | 2,073       |
| Auditors Remuneration   | 1,800       | 1,750       |
| Directors Remuneration  | 38,960      | 15,404      |
| Hire of Equipment under |             |             |
| Operating Leases        | 22,375      | 5,085       |

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR TO 31ST DECEMBER 1994

5. Staff Costs

|                       | <u>1994</u> | <u>1993</u> |
|-----------------------|-------------|-------------|
|                       | £           | £           |
| Wages and Salaries    | 132,939     | 77,177      |
| Social Security Costs | 11,491      | 6,581       |

The above includes the Remuneration paid to the Directors.

The average number of Staff employed by the Company during the year, was as follows:-

|                            | <u>1994</u> | <u>1993</u> |
|----------------------------|-------------|-------------|
| Management and Supervisory | 3           | 3           |
| Others                     | 9           | 5           |
|                            | <u>12</u>   | <u>8</u>    |

Directors remuneration all of which is included above is made up of:-

|                       | <u>1994</u> | <u>1993</u> |
|-----------------------|-------------|-------------|
|                       | £           | £           |
| Directors Emoluments  | 38,960      | 15,404      |
| Social Security Costs | 3,912       | 1,271       |

Particulars of individual Directors remuneration is as follows:-

|                       | <u>1994</u> | <u>1993</u> |
|-----------------------|-------------|-------------|
|                       | £           | £           |
| Highest paid Director | 37,960      | 10,645      |

Other Directors:-

|              | <u>1994</u> | <u>1993</u> |
|--------------|-------------|-------------|
| £ 0 - £5,000 | 2           | 2           |

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR TO 31ST DECEMBER 1994

## 6. Tax on Profit on Ordinary Activities

The tax charge is based on the profit and comprises:-

|                      | 1994           | 1993           |
|----------------------|----------------|----------------|
|                      | £              | £              |
| U.K. Corporation Tax |                |                |
| Charge-25%           | 4,878          | 1,783          |
| Under Provision      | 3,750          | -              |
| Deferred Tax Credit  | (295)          | -              |
|                      | <u>£ 8,333</u> | <u>£ 1,783</u> |

## 7. Tangible Assets

|                       | Fixtures,<br>Fittings,<br>& Machinery | Motor<br>Vehicles | Freehold<br>Property | Total          |
|-----------------------|---------------------------------------|-------------------|----------------------|----------------|
|                       | £                                     | £                 | £                    | £              |
| Cost                  |                                       |                   |                      |                |
| At 1st January 1994   | 4,563                                 | 4,000             | 161,500              | 170,063        |
| Additions             | 7,998                                 | 18,000            | -                    | 25,998         |
| Disposals             | (500)                                 | -                 | -                    | (500)          |
| At 31st December 1994 | <u>12,061</u>                         | <u>22,000</u>     | <u>161,500</u>       | <u>195,561</u> |

## Depreciation

|                       |              |              |          |               |
|-----------------------|--------------|--------------|----------|---------------|
| At 1st January 1994   | 1,188        | 3,000        | -        | 4,188         |
| Charge                | 2,622        | 4,875        | -        | 7,497         |
| Disposals             | -            | -            | -        | -             |
| At 31st December 1994 | <u>3,810</u> | <u>7,875</u> | <u>-</u> | <u>11,685</u> |

## Net Book Values

|                       |                |                 |                 |                 |
|-----------------------|----------------|-----------------|-----------------|-----------------|
| At 1st January 1994   | £ 3,375        | £ 1,000         | £161,500        | £165,875        |
| At 31st December 1994 | <u>£ 8,251</u> | <u>£ 14,125</u> | <u>£161,500</u> | <u>£183,876</u> |

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR TO 31ST DECEMBER 1994

8.Stocks

|                              | <u>1994</u>     | <u>1993</u>     |
|------------------------------|-----------------|-----------------|
|                              | £               | £               |
| Materials & Work in Progress | 95,287          | 50,000          |
|                              | <u>£ 95,287</u> | <u>£ 50,000</u> |

9.Debtors

Amounts falling due within one year:-

|                            | <u>1994</u>     | <u>1993</u>     |
|----------------------------|-----------------|-----------------|
|                            | £               | £               |
| Trade Debtors              | 63,954          | 17,095          |
| Due from Related Companies | 22,731          | 15,385          |
|                            | <u>£ 86,685</u> | <u>£ 32,480</u> |

10.Creditors

Amounts falling due within one year:-

|                              | <u>1994</u>      | <u>1993</u>      |
|------------------------------|------------------|------------------|
|                              | £                | £                |
| Bank Loans and Overdrafts    | 134,191          | 51,971           |
| Trade Creditors              | 42,181           | 37,291           |
| Other Creditors              | 25,404           | 16,175           |
| Social Security and Taxation | 9,558            | 10,984           |
| Accruals                     | 6,800            | 3,450            |
| Corporation Tax              | 6,403            | 11,967           |
|                              | <u>£ 224,537</u> | <u>£ 131,838</u> |

**SIMON DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR TO 31ST DECEMBER 1994**

**11. Creditors**

Amounts falling due after one year:-

|               | <u>1994</u>     | <u>1993</u>     |
|---------------|-----------------|-----------------|
|               | £               | £               |
| Mortgage Loan | 91,200          | 86,522          |
|               | <u>£ 91,200</u> | <u>£ 86,522</u> |

**12. Bank Overdraft and Loan**

The Overdraft and Mortgage Loan are secured as follows:-

- a) By unlimited Cross Guarantees against the assets of Simon Homes Limited.
- b) By a charge on the Freehold deeds of 13/15 Birches Barn Road, Wolverhampton dated 18 March 1992.
- c) By the guarantees of the Directors charged on personally owned freehold properties and investments.

The Company's Overdraft is repayable on demand.

The Bank Mortgage Loan was repayable over 15 years as follows:-

|                            | <u>1993</u>   |
|----------------------------|---------------|
|                            | £             |
| Within One year            | 7,051         |
| Between Two and Five years | 35,147        |
| Over Five years            | 51,375        |
|                            | <u>93,573</u> |

With effect from 11th November 1994 the Barclays Bank plc mortgage loan account number 94873467 was replaced by a twenty year mortgage loan in the names of S. & D. Hill secured on their private residence. This loan is repayable:-

|                            | <u>1994</u>   |
|----------------------------|---------------|
|                            | £             |
| Within One year            | 4,800         |
| Between Two and Five years | 19,200        |
| Over Five years            | 72,000        |
|                            | <u>96,000</u> |

SIMON DEVELOPMENTS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR TO 31ST DECEMBER 1994

13. Provisions for Liabilities and Charges

Deferred Taxation provided for in these Financial Statements:-

|                   | <u>1994</u> | <u>1993</u>  |
|-------------------|-------------|--------------|
|                   | £           | £            |
| Deferred Taxation | -           | 295          |
|                   | <u>£ -</u>  | <u>£ 295</u> |

14. Called-up Share Capital

|                                                     | <u>1994</u> | <u>1993</u> |
|-----------------------------------------------------|-------------|-------------|
|                                                     | £           | £           |
| Authorised, Allotted, Called-Up<br>and Fully Paid:- |             |             |
| 1,000 Ordinary Shares of £1 each                    | 1,000       | 1,000       |

15. Reserves

Profit & Loss Account

|                                  | £             |
|----------------------------------|---------------|
| Balance as at 1st January 1994   | 39,650        |
| Retained Profit for the year     | 26,720        |
| Balance as at 31st December 1994 | <u>66,370</u> |

SIMON DEVELOPMENTS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR TO 31ST DECEMBER 1994

16. Reconciliation of Movement in Shareholders Funds

|                                          | <u>1994</u>   | <u>1993</u>   |
|------------------------------------------|---------------|---------------|
|                                          | £             | £             |
|                                          | —             | —             |
| Profit for the year                      | 26,720        | 3,789         |
| Shareholders Funds at 1st January 1994   | 40,650        | 36,861        |
| Shareholders Funds at 31st December 1994 | <u>67,370</u> | <u>40,650</u> |

17. Capital Commitments

There were no Capital Commitments at the Balance Sheet date.

18. Contingent Liabilities

The Company had contingent liabilities in respect of uncompleted contracts for which Retentions were being held.

19. Pension Commitments

The Company had no Pension Commitments to past or present employees at the Balance Sheet date.