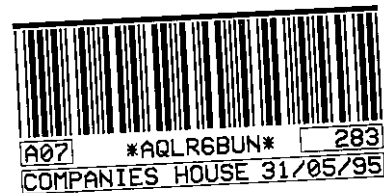
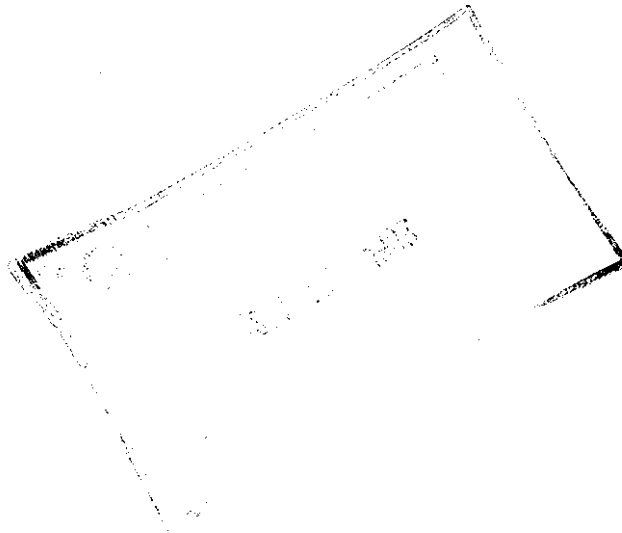


Registered no: 1040087

# R&R DEVELOPMENTS LIMITED

Annual report

for the year ended 31 July 1994



# **R&R DEVELOPMENTS LIMITED**

## **Annual report for the year ended 31 July 1994**

	<b>Pages</b>
Directors and advisers	1
Directors' report and statement of directors responsibilities	2 - 3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 14

**Directors and advisers**

**Executive directors**

A H Roberts  
C C Roberts  
D B Anthony

**Secretary and registered office**

A H Roberts  
c/o Coopers & Lybrand  
Princess House  
Princess Way  
SWANSEA  
SA1 5LH

**Auditors**

Coopers & Lybrand

**Bankers**

Julian Hodge Bank

**Directors' report  
for the year ended 31 July 1994**

The directors present their report and the audited financial statements for the year ended 31 July 1994.

**Principal activities**

The principal activity of the company is the supply of general maintenance and engineering work. The profit and loss account for the year is set out on page 5.

**Changes in presentation of the financial statements**

Following the introduction of Financial Reporting Standard No 3, 'Reporting Financial Performance' and Financial Reporting Standard No 4, 'Capital Instruments', the presentation of the financial statements has been amended to conform with the new requirements. Turnover and operating profit have been analysed between continuing and discontinued operations. Shareholders' funds have been analysed between equity interests and non-equity interests.

**Directors**

The directors of the company at 31 July 1994 and for the whole of the year ended on that date, were as follows:

A H Roberts  
C C Roberts  
D B Anthony

**Directors' interests in shares of the company**

None of the directors held any interest in the share capital of the company during the year ended 31 July 1994. The directors' interests in the shares of the holding company are shown in the directors' report of that company.

**Directors' interests in contracts with the company**

Except for the matters disclosed in note 16 to the financial statements, none of the directors had a material interest in any contract of significance to which the company was a party during the financial year.

**Close company provisions**

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

**Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year 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 the profit or loss of the company for that year.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 July 1994. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Auditors**

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

**Exemptions**

In preparing the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

**By order of the board**



**Company Secretary**

**Report of the auditors to the members of  
R & R DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 5 to 14.

**Respective responsibilities of directors and auditors**

As described on page 3 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.

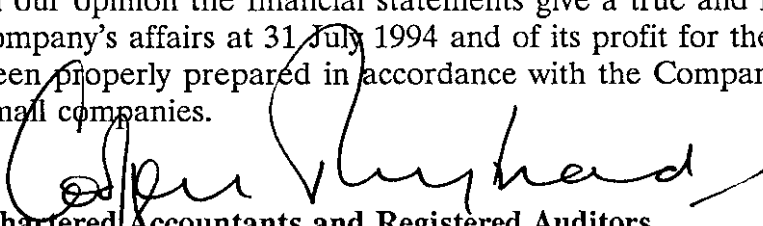
**Basis of opinion**

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.

**Qualified opinion arising from limitation on audit scope**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies.



Chartered Accountants and Registered Auditors

Swansea, 31 May 1995.

Coopers  
& Lybrand

chartered accountants

Princess House  
Princess Way  
Swansea SA1 5LH

telephone (01792) 473691

cables Colybrand Cardiff  
telex 887474 COLYRN G  
facsimile (01792) 476857

your reference

our reference  
SJ/bd. 5.24

Registrar of Companies  
Companies House  
Crown Way  
Maindy  
CARDIFF  
CF4 3UZ

31 May 1995

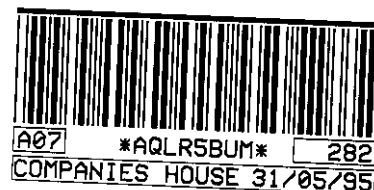
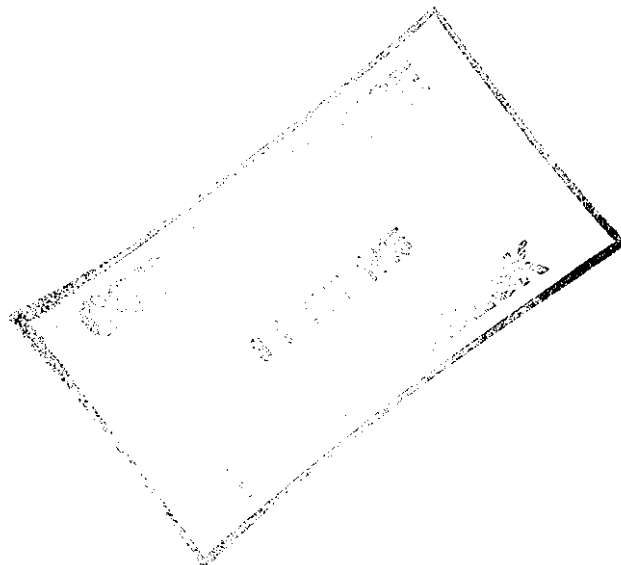
Dear Sirs

**R&R DEVELOPMENTS LIMITED - COMPANY NO 1040087**

We enclose on behalf of the above named company a copy of their accounts for the year ended 31 July 1994.

Yours faithfully

*Coopers & Lybrand*



Lists of the names of the partners in the United Kingdom firms of Coopers & Lybrand and its associate partnerships are open to inspection at the above address and at 1 Embankment Place, London WC2N 6NN, which is the principal place of business.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts are made with, Coopers & Lybrand. Coopers & Lybrand is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

Coopers & Lybrand is a member of Coopers & Lybrand International, a limited liability association incorporated in Switzerland.

## Profit and loss account for the year ended 31 July 1994

	Notes	1994 £	1993 £
Turnover	2	2,277,114	2,236,356
Change in stocks of finished goods and work in progress		16,391	31,029
		<u>2,293,505</u>	<u>2,267,385</u>
Raw materials and consumables		(289,381)	(252,485)
Other external charges		(79,101)	(99,139)
		<u>1,925,023</u>	<u>1,915,761</u>
Staff costs		(1,544,543)	(1,562,728)
Depreciation and other amounts written off tangible fixed assets		(33,664)	(47,801)
Other operating charges		(279,951)	(243,432)
		<u>66,865</u>	<u>61,800</u>
Operating profit		701	3,150
Interest receivable and similar income	3	(41,033)	(39,358)
Interest payable and similar charges	4		
		<u>26,533</u>	<u>25,592</u>
Profit on ordinary activities before taxation	5	(10,650)	(8,966)
Tax on profit on ordinary activities	6		
		<u>15,883</u>	<u>16,626</u>
Profit for the year	14		
		<u><u>249,038</u></u>	<u><u>232,412</u></u>
Statement of retained profits			
Retained profits at 1 August 1993		15,883	16,626
Profit for the year			
		<u><u>264,921</u></u>	<u><u>249,038</u></u>

The company has no recognised gains or losses in the year other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above, and their historical cost equivalents.

The turnover and operating profit for the year have been derived from the continuing operations of the company.



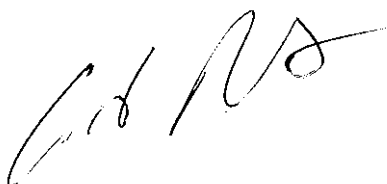
## Balance sheet at 31 July 1994

	Notes	1994 £	1993 £
<b>Fixed assets</b>			
Tangible assets	7	<u>179,859</u>	<u>195,264</u>
<b>Current assets</b>			
Stocks	8	186,593	177,829
Debtors	9	939,574	942,043
Cash at bank and in hand		<u>4,860</u>	<u>2,226</u>
		<u>1,131,027</u>	<u>1,122,098</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(1,026,651)</u>	<u>(1,031,332)</u>
<b>Net current assets</b>		<u>104,376</u>	<u>90,766</u>
<b>Total assets less current liabilities</b>		<u>284,235</u>	<u>286,030</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(3,839)	(26,967)
<b>Provision for liabilities and charges</b>	12	<u>(15,450)</u>	<u>(10,000)</u>
<b>Net assets</b>		<u>264,946</u>	<u>249,063</u>
<b>Capital and reserves</b>			
Called-up share capital	13	25	25
Profit and loss account		<u>264,921</u>	<u>249,038</u>
<b>Equity shareholders' funds</b>	14	<u>264,946</u>	<u>249,063</u>

In the preparation of the company's annual accounts advantage has been taken of special exemptions applicable to small companies, conferred by Part I of Schedule 8 of the Companies Act 1985, because in the directors opinion, as it meets the conditions, the company is entitled to these exemptions as a small company.

The financial statements on pages 5 to 14 were approved by the board of directors on 31 May 1995 and were signed on its behalf by:

Directors



**Notes to the financial statements  
for the year ended 31 July 1994****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Changes in accounting policies**

The new accounting standards FRS 3 and FRS 4, require the adoption of accounting policies which differ from those previously adopted by the company. Accordingly, the following changes in presentation have been made. The changes have had no effect on comparative figures.

- (a) Turnover and operating profit are analysed between continuing and discontinued operations.
- (b) Shareholders' funds is analysed between equity interests and non-equity interests.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

**Tangible fixed assets**

Tangible fixed assets are stated at their purchase price together with any incidental expenses. Depreciation is calculated so as to write off the cost of fixed assets on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:-

Fixtures, fittings and equipment	20%
Plant and machinery	20%
Motor vehicles	20%
Helicopter	10%

**Finance and operating leases**

Where assets are financed by leasing agreements which give substantially the same rights as ownership ("finance leases"), the assets are treated as if they had been purchased outright at the capital value of the assets, and the corresponding leasing commitments are shown as obligations due to the lessor. The capital element of lease payments is applied to reduce the outstanding obligations and the interest is charged to the profit and loss account over the period of the lease. Other rentals are charged wholly to the profit and loss account.

## Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business, after allowing for the cost of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

## Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

## Cashflow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cashflow statement.

## Deferred taxation

Provision is made for deferred taxation at the rate of corporation tax expected to apply when the timing differences reverse (the liability method), to the extent that it is probable that a liability or asset will crystallise.

## 2 Turnover

The turnover of the company is wholly attributable to the principal activity and arose entirely within the United Kingdom.

## 3 Interest receivable and similar income

	1994	1993
	£	£
Interest receivable and similar income	701	3,150
	<u>          </u>	<u>          </u>

## 4 Interest payable and similar charges

	1994	1993
	£	£
On bank loans, overdrafts and other loans:		
Repayable within 5 years, not by instalments	26,614	28,138
On finance leases and hire purchase contracts	7,174	10,404
Interest on tax paid late	7,245	816
	<u>          </u>	<u>          </u>
	<u>41,033</u>	<u>39,358</u>

**5 Profit on ordinary activities before taxation**

	1994 £	1993 £
Profit on ordinary activities before taxation is stated after charging:		
Directors' emoluments	89,642	120,012
Depreciation charge for the year:		
Tangible fixed assets	33,664	47,801
Auditors' remuneration	2,300	2,100
Hire of plant and machinery - operating leases	47,914	48,629
	<u>          </u>	<u>          </u>

**6 Tax on profit on ordinary activities**

	1994 £	1993 £
United Kingdom corporation tax at 25% (1993: 30%)		
Current	5,200	8,750
Deferred	5,450	500
(Over)/under provision in respect of prior years:		
Current	-	(284)
	<u>          </u>	<u>          </u>
	<u>10,650</u>	<u>8,966</u>

## 7 Tangible fixed assets

	Fixtures, fittings and equipment £	Plant and machinery £	Motor vehicles £	Helicopter £	Totals £
<b>Cost</b>					
At 1 August 1993	33,981	156,997	64,911	82,777	338,666
Additions	-	12,330	15,929	-	28,259
Disposals	-	-	(35,706)	-	(35,706)
<b>At 31 July 1994</b>	<b>33,981</b>	<b>169,327</b>	<b>45,134</b>	<b>82,777</b>	<b>331,219</b>
<b>Depreciation</b>					
At 1 August 1993	22,703	74,708	34,383	11,608	143,402
Charge for year	2,256	18,054	6,903	6,451	33,664
Disposals	-	-	(25,706)	-	(25,706)
<b>At 31 July 1994</b>	<b>24,959</b>	<b>92,762</b>	<b>15,580</b>	<b>18,059</b>	<b>151,360</b>
<b>Net book value</b>					
At 31 July 1994	9,022	76,565	29,554	64,718	179,859
At 31 July 1993	11,278	82,289	30,528	71,169	195,264

The net book value of tangible fixed assets includes an amount of £100,661 (1993: £126,945) in respect of assets held under finance leases and hire purchase contracts.

## 8 Stocks

	1994 £	1993 £
Raw materials and consumables	64,466	72,093
Work in progress	122,127	105,736
	<b>186,593</b>	<b>177,829</b>

The current replacement cost of the raw materials and consumables is not significantly different from the above total.

## 9 Debtors

	1994 £	1993 £
Amounts falling due within one year		
Trade debtors (see below)	532,465	506,314
Amounts owed by related companies	359,393	219,233
Other debtors	2,070	3,805
Prepayments and accrued income	45,646	212,691
	<u>939,574</u>	<u>942,043</u>

The trade debtors are subject to factoring arrangements whereby the legal title to the debt has been assigned to a factoring company.

## 10 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank overdrafts (secured)	149,959	419,718
Hire purchase instalments due in one year	30,568	31,363
Factoring advances (see note 9)	298,714	-
Trade creditors	137,981	130,893
Amounts owed to related companies	5,612	6,534
Corporation tax	23,202	37,802
Other taxation and social security payable	238,454	258,957
Accruals and deferred income	142,161	145,636
Directors' loan account (see below)	-	429
	<u>1,026,651</u>	<u>1,031,332</u>

The directors' loan account is interest free and has no fixed terms for its repayment. During the year the directors' loan was overdrawn and the maximum amount outstanding was £82,320. Included in other debtors is an amount of £571 due from the directors which was in contravention of Section 330 of the Companies Act 1985, which prohibits making loans to a director of the company.

**11 Creditors: amounts falling due after more than one year**

	1994 £	1993 £
Obligations under hire purchase contracts (see below)	34,407	58,330
Less amounts falling due for repayment within one year	(30,568)	(31,363)
	<u>3,839</u>	<u>26,967</u>

**Hire purchase**

The future minimum hire purchase payments to which the company are committed to under hire purchase contracts are as follows:

	1994 £	1993 £
In one year or less	30,568	31,363
Between one and two years	3,839	26,478
Between two and five years	-	489
	<u>34,407</u>	<u>58,330</u>

**12 Provisions for liabilities and charges**

	Deferred taxation (see below) £
At 1 August 1993	10,000
Transfer from profit and loss account	5,450
At 31 July 1994	<u>15,450</u>

**Deferred taxation**

Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	1994	1993	1994	1993
	£	£	£	£
Tax effect of timing differences because of: Excess of tax allowances over depreciation	15,450	10,000	15,450	10,000
	<u>15,450</u>	<u>10,000</u>	<u>15,450</u>	<u>10,000</u>

**13 Called-up share capital**

	1994	1993
	£	£
Authorised 4,000 ordinary shares of 25p each	1,000	1,000
Allotted, called up and fully paid 100 ordinary shares of 25p each	25	25
	<u>1,000</u>	<u>1,000</u>
	<u>25</u>	<u>25</u>

**14 Reconciliation of movements in shareholders' funds**

	1994	1993
	£	£
Opening shareholders' funds	249,063	232,437
Profit for the year	15,883	16,626
	<u>249,063</u>	<u>232,437</u>
Closing shareholders' funds	264,946	249,063
	<u>264,946</u>	<u>249,063</u>

**15 Capital commitments**

The directors have neither contracted for nor authorised any capital expenditure which is not provided for in these financial statements.



**16 Transactions with directors**

The company has accrued service charges of £20,000 (1993: £25,000) due from a company owned and controlled by Mr A H Roberts. The company has accrued management charges of £30,000 (1993: £80,000) due to a company owned and controlled by Mr A H Roberts. The company has recharged insurance costs of £608 (1993: £25,000) to two related companies owned and controlled by Mr A H Roberts.

The company has made sales of £122,132 (1993: £178,690) to companies owned and controlled by Mr A H Roberts.

The company has accrued interest due on loans to a related company of £1,254 and interest payable of £646 on loans due to a related company.

The company has made purchases of £5,847 (1993: £9,178) from a company in which Mr A H Roberts is a joint owner.

The company has paid rent of 30,000 (1993: £30,000) for occupying a property owned by Mr A H Roberts.

The company has sold a motor vehicle for £11,500 to Mr A H Roberts.

All these transactions were in the ordinary course of business.

**17 Ultimate and immediate parent company**

The directors regard R&R Group Limited, a company registered in the United Kingdom as the ultimate parent company. According to the register kept by the company R&R Group Limited has a 98% interest in the equity share capital of the company at 31 July 1994.