

32829

D.M. GEDDES & SONS LIMITED

ABBREVIATED ACCOUNTS

for the year ended 31 January, 1998



D.M. GEDDES & SONS LIMITED

Registered No. SC032829

DIRECTORS

Mrs. M.H. Geddes
W. Falconer
D. Mackay
Mrs. I. Falconer
K. Falconer
Mrs. K. Cameron

SECRETARY

Mrs. K. Cameron

AUDITORS

Reid & Fraser
15 Princes Street
THURSO
Caithness
KW14 7BQ

BANKERS

Bank of Scotland
25 Olrig Street
THURSO
Caithness
KW14 7HQ

SOLICITORS

Young Robertson & Co
29 Traill Street
THURSO
Caithness
KW14 8EQ

REGISTERED OFFICE

Sinclair Lane
HALKIRK
Caithness
KW12 6YF

D.M. GEDDES & SONS LIMITED

Directors' Report

The directors present their report and the audited financial statements of the Company for the year ended 31 January, 1998.

PRINCIPAL ACTIVITIES

The principal activities of the Company continues to be building contractors and joinery manufacturers.

The results for the year are set out on page 4.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future. At 1 August, 1997 the company transferred its window manufacturing operation into Geddes Window Systems Limited, a trading subsidiary incorporated during the year.

DIVIDENDS

The directors recommend that no dividend be paid.

FIXED ASSETS

The movements in tangible fixed assets are set out in note 9 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the share capital of the company were as follows:

	1998 Number	1997 Number
Ordinary shares of £1 each		
Mrs. M.H. Geddes	100	100
Mr. W. Falconer	3,427	5,677
Mr. D. Mackay	-	-
Mrs. I. Falconer	750	-
Mr. K. Falconer	900	-
Mrs. K. Cameron	600	-

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.

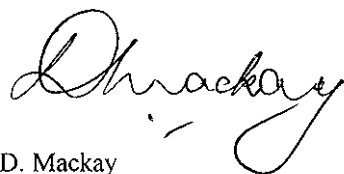
D.M. GEDDES & SONS LIMITED

Directors' Report

AUDITORS

A resolution in accordance with section 386 of the Companies Act 1985 to dispense with the obligation to appoint auditors annually was passed on 22 July, 1996 and accordingly Reid & Fraser, Chartered Accountants, shall be deemed re-appointed as auditors.

On behalf of the board.

A handwritten signature in cursive script, appearing to read 'D. Mackay', with a long, sweeping underline.

D. Mackay
Director

29 October, 1998

D.M. GEDDES & SONS LIMITED

REPORT OF THE AUDITORS

to the directors of D.M. Geddes & Sons Limited

We have examined the abbreviated financial statements on pages 4 to 13 together with the annual financial statements of D.M. Geddes & Sons Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 January, 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Part VII to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to prepare abbreviated financial statements and whether they have been properly prepared in accordance with that provision.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions claimed in the directors' statement on page 6 and that the abbreviated financial statements have been properly prepared from those annual financial statements. The scope of our work does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the directors are entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part VII of that Act in respect of the year ended 31 January, 1998 and the abbreviated financial statements on pages 4 to 13 have been properly prepared in accordance with Schedule 8 to that Act.



**Reid & Fraser,
Chartered Accountants
Registered Auditor
THURSO
Caithness**

30 October 1998

D.M. GEDDES & SONS LIMITED

Abbreviated Profit and Loss Account for the year ended 31 January, 1998

	Notes	1998 £	1997 £
Gross profit	2	683,081	724,010
Administrative expenses		577,935	651,783
OPERATING PROFIT	3	105,146	72,227
Interest payable	4	20,914	14,988
Interest receivable	5	(3,627)	(4,808)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87,859	62,047
Tax on profit on ordinary activities	8	(16,122)	(6,800)
Profit for the financial year		71,737	55,247

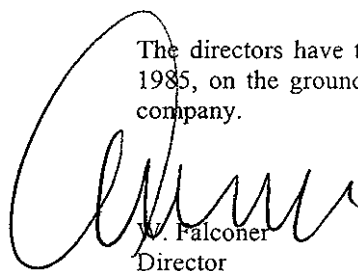
All activities relate only to continuing operations. There are no recognised gains or losses other than the profit for the year.

D.M. GEDDES & SONS LIMITED

Abbreviated Balance Sheet as at 31 January, 1998

	Notes	1998	1997 £
Fixed assets			
Tangible assets	9	551,066	538,350
Investments	10	129,100	129,000
		<u>680,166</u>	<u>667,350</u>
Current assets			
Stock	11	107,614	349,487
Debtors	12	880,192	553,894
Cash at bank and in hand		176	35,575
		<u>987,982</u>	<u>938,956</u>
Creditors: amounts falling due within one year	13	784,887	795,116
Net current assets		<u>203,095</u>	<u>143,840</u>
Total assets less current liabilities		<u>883,261</u>	<u>811,190</u>
Creditors: amounts falling due after more than one year			
Loans	14	87,498	82,946
Obligations under finance leases	15	-	4,218
		<u>87,498</u>	<u>87,164</u>
Provisions for liabilities and charges	17	42,341	42,341
		<u>129,839</u>	<u>129,505</u>
Net assets		<u>753,422</u>	<u>681,685</u>
Capital and reserves			
Called up share capital	18	5,777	5,777
Capital redemption reserve	19	6,223	6,223
Profit and loss account	20	741,422	669,685
Equity Shareholders' funds		<u>753,422</u>	<u>681,685</u>

The directors have taken advantage of the exemptions conferred by Part VII of the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a medium company.



W. Falconer
Director

29 October, 1998

D.M. GEDDES & SONS LIMITED

Cash Flow Statement for year ended 31 January, 1998

	Note	1998 £	1997 £
Net cash inflow from operating activities (see note below)		57,893	479,812
Returns on investment and servicing of finance			
Interest received		3,627	4,808
Interest paid		(20,914)	(14,988)
Dividends paid		-	-
		(17,287)	(10,180)
Taxation			
Corporation tax paid		(13,965)	(272)
Investing activities			
Payments to acquire investments		(100)	(103,000)
Payments to acquire tangible fixed assets		(98,785)	(74,209)
Receipts from sales of tangible fixed assets		7,413	-
		(91,472)	(177,209)
Net cash outflow from investing activities			
		(91,472)	(177,209)
Net cash (outflow)/inflow before financing		(64,831)	292,151
Financing			
New long term loans	22	25,000	31,000
Repayment of long term loan	22	(14,893)	(9,657)
Repayment of principal under finance leases	22	(12,861)	(27,376)
		(2,754)	(6,033)
Net cash outflow from financing			
		(2,754)	(6,033)
(Decrease)/increase in cash and cash equivalents	23	(67,585)	286,118
Note:			
Reconciliation of operating profit to net cash flow from operating activities:			
Operating profit before interest		105,146	72,227
Depreciation		78,895	77,782
(Gain)/loss on disposal of fixed assets		(239)	707
Decrease in stock		241,873	143,703
(Increase)/decrease in debtors		(326,298)	301,531
Decrease in creditors		(41,484)	(116,138)
		57,893	479,812
Net cash inflow from operating activities			
		57,893	479,812

D.M. GEDDES & SONS LIMITED

Notes to the abbreviated financial statements for the year ended 31 January, 1998

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax. In respect of long-term contracts, turnover represents the sales value of work done in the year, including estimates of amounts not invoiced.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	2% Straight Line
Leasehold property	2% Straight Line
Plant and Machinery	15% Reducing Balance
Motor Vehicles	25% Reducing Balance

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is thought probable that a liability or asset will arise in the foreseeable future.

Pension costs

The company operates two defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of each scheme.

D.M. GEDDES & SONS LIMITED

Notes to the abbreviated financial statements for the year ended 31 January, 1998

2 GROSS PROFIT

Gross profit comprises turnover, less cost of sales.

3 OPERATING PROFIT

	1998 £	1997 £
Operating profit is stated after charging/(crediting):		
Depreciation of owned fixed assets	70,832	54,760
Depreciation of assets held under finance leases	8,063	23,022
(Gain)/Loss on disposal of tangible fixed assets	(239)	707
Auditors' remuneration	4,050	3,360
	<u>70,832</u>	<u>54,760</u>

4 INTEREST PAYABLE

Bank loans (partly repayable after five years)	9,671	7,880
Bank overdraft	9,019	2,186
Finance and hire purchase contracts	2,224	4,922
	<u>20,914</u>	<u>14,988</u>

5 INTEREST RECEIVABLE

Bank interest	<u>3,627</u>	<u>4,808</u>
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6 STAFF COSTS

Employees

The average monthly number of employees during the year was as follows:

Production	70	85
Administration	12	14
	<u>82</u>	<u>99</u>

Costs in respect of these employees:

Wages and salaries	1,097,902	1,177,680
Social security costs	93,003	100,974
Other pension costs	17,748	18,343
	<u>1,208,653</u>	<u>1,296,997</u>

D.M. GEDDES & SONS LIMITED

Notes to the abbreviated financial statements for the year ended 31 January, 1998

7 DIRECTORS' EMOLUMENTS

	1998 £	1997 £
Emoluments	136,778	131,222
Pension contributions	11,494	11,262
	<u>148,272</u>	<u>142,484</u>

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	£	£
Based on the profit for the year:		
UK corporation tax at 21% (1997 - 24%)	16,122	13,965
Deferred taxation (note 17)	-	(7,165)
	<u>16,122</u>	<u>6,800</u>

9 TANGIBLE FIXED ASSETS

	Freehold Property £	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost					
At 1 February, 1997	98,315	112,271	682,442	264,215	1,157,243
Additions	9,878	-	55,512	33,395	98,785
Disposals	-	-	-	(27,969)	(27,969)
At 31 January, 1998	<u>108,193</u>	<u>112,271</u>	<u>737,954</u>	<u>269,641</u>	<u>1,228,059</u>
Depreciation					
At 1 February, 1997	7,864	16,056	404,096	190,877	618,893
Charge for year	1,966	1,985	50,052	24,892	78,895
Eliminated on disposal	-	-	-	(20,795)	(20,795)
At 31 January, 1998	<u>9,830</u>	<u>18,041</u>	<u>454,148</u>	<u>194,974</u>	<u>676,993</u>
Net book value					
At 31 January, 1998	<u>98,363</u>	<u>94,230</u>	<u>283,806</u>	<u>74,667</u>	<u>551,066</u>
At 1 February, 1997	<u>90,451</u>	<u>96,215</u>	<u>278,346</u>	<u>73,338</u>	<u>538,350</u>

The net book value of Plant and Machinery and Motor Vehicles includes amounts of £19,967 (1997 - £40,951) and £13,616 (1997 - £47,372) in respect of assets held under finance leases and hire purchase contracts.

D.M. GEDDES & SONS LIMITED

Notes to the abbreviated financial statements for the year ended 31 January, 1998

10 INVESTMENTS

	Investment in subsidiary undertaking £
Cost:	
At 1 February, 1997	129,000
Additions	100
At 31 January, 1998	129,100

The investment in subsidiary undertakings comprises holdings of 100% of the issued ordinary share capital of Brownhill Precast Concrete Company Limited and Geddes Window Systems Limited.

During its latest financial year, Brownhill Precast Concrete Company Limited made a profit after tax of £2,733 (1997 - £5,070), and at the end of that year the aggregate of its capital and reserves was £173,471 (1997 - £170,738).

During its first financial year, Geddes Window Systems Limited made a profit after tax of £11,532 and at the end of that year the aggregate of its capital and reserves was £11,632.

11 STOCK

	1998 £	1997 £
Raw materials and consumables	56,723	226,703
Work in progress	50,891	122,784
	107,614	349,487

12 DEBTORS

Trade debtors	219,267	266,754
Amounts recoverable on long term contracts	413,731	256,699
Prepayments and accrued income	42,093	30,441
Amounts owed by subsidiary undertakings	205,101	-
	880,192	553,894

13 CREDITORS: Amounts falling due within one year

Bank overdraft (note 16)	32,186	-
Bank loans (note 14)	17,986	12,431
Trade creditors	326,467	395,742
Amounts owed to subsidiary undertaking	101,143	70,827
Other taxes and social security costs	93,357	101,433
Corporation tax	16,122	13,965
Directors' loan accounts	97,956	85,915
Accruals	95,452	101,942
Obligations under finance leases and hire purchase contracts (note 15)	4,218	12,861
	784,887	795,116

D.M. GEDDES & SONS LIMITED

Notes to the abbreviated financial statements for the year ended 31 January, 1998

14 LOANS	1998 £	1997 £
Wholly repayable within five years:		
Bank loans of £56,000	42,000	26,677
Not wholly repayable within five years		
Bank loan of £75,000 at 2.5% over bank base rate, repayable in monthly instalments	63,484	68,700
	105,484	95,377
Less: Included in creditors: amounts falling due within one year	17,986	12,431
	87,498	82,946
Amounts repayable:		
Within one year	17,986	12,431
Between one and two years	19,821	13,664
Between two and five years	39,544	32,835
In five years or more	28,133	36,447
	105,484	95,377

The amounts are disclosed net of finance charges allocated to future periods.

15 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

Amounts payable:		
Within one year	4,218	12,861
Within two to five years	-	4,218
	4,218	17,079

The amounts are disclosed net of finance charges allocated to future periods.

16 SECURITY FOR BANK BORROWINGS

The bank overdraft and bank loans are secured by a standard security over freehold property and by a bond and floating charge on the assets of the company.

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D.M. GEDDES & SONS LIMITED

Notes to the abbreviated financial statements for the year ended 31 January, 1998

17 PROVISIONS FOR LIABILITIES AND CHARGES

The movements in deferred taxation are as follows:-

	1998 £	1997 £
Capital allowances in advance of depreciation:		
At 1 February, 1997	42,341	49,506
Credit for the year	-	(7,165)
At 31 January, 1998	<u>42,341</u>	<u>42,341</u>

18 SHARE CAPITAL

Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
5,777 Ordinary shares of £1 each	<u>5,777</u>	<u>5,777</u>

19 CAPITAL REDEMPTION RESERVE

	1998 £	1997 £
At 1 February, 1997	6,223	6,223
Transfer during year	-	-
At 31 January, 1998	<u>6,223</u>	<u>6,223</u>

20 PROFIT AND LOSS ACCOUNT

	£	£
At 1 February, 1997	669,685	614,438
Retained profit for the year	<u>71,737</u>	<u>55,247</u>
At 31 January, 1998	<u>741,422</u>	<u>669,685</u>

21 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

At 1 February, 1997	681,685	626,438
Profit for the year	<u>71,737</u>	<u>55,247</u>
At 31 January, 1998	<u>753,422</u>	<u>681,685</u>

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D.M. GEDDES & SONS LIMITED

Notes to the abbreviated financial statements for the year ended 31 January, 1998

22 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital £	1998 Loans and finance lease obligations £	Share capital £	1997 Loans and finance lease obligations £
At 1 February	5,777	112,455	5,777	118,488
New loan raised	-	25,000	-	31,000
Repayment of long term loan	-	(14,893)	-	(9,657)
Repayment of principal on finance leases	-	(12,861)	-	(27,376)
At 31 January	<u>5,777</u>	<u>109,701</u>	<u>5,777</u>	<u>112,455</u>

23 ANALYSIS OF NET DEBT

	1998 £	Cash flow £	1997 £	Cash flow £	1996 £
Analysis of balances					
Cash at bank and in hand	176	(35,399)	35,575	35,331	244
Bank overdraft	(32,186)	(32,186)	-	250,787	(250,787)
At 31 January	<u>(32,010)</u>	<u>(67,585)</u>	<u>35,575</u>	<u>286,118</u>	<u>(250,543)</u>

24 CONTINGENT LIABILITY

The Company has given its bank a cross guarantee in respect of Brownhill Precast Concrete Company Limited and Geddes Window Systems Limited, both subsidiary companies.

25 RELATED PARTY TRANSACTIONS

The company has identified the following transactions which fall to be disclosed under the terms of FRS 8:

During the year the company transferred its window manufacturing operation to Geddes Window Systems Limited. Work in progress was transferred at a price based on the normal valuation method of the company. Management charges of £28,000 were recovered from Geddes Window Systems Limited.

The company paid property rental charges of £5,000 to Brownhill Precast Concrete Company Limited.

At the balance sheet date the amount due to Brownhill Precast Concrete Company Limited was £101,143.

The amount due from Geddes Window Systems Limited was £205,161.