

348981

HENSALL BONDED ASSEMBLIES LIMITED

A C C O U N T S

FOR THE YEAR ENDED 30TH APRIL 1987

COMPANIES REGISTRATION

- 2 SEP 1987

18

CHICK

6

HENSHALL BONDED ASSEMBLIES LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 1987

INDEX

Directors' Report	Page
Auditors' Report	2 - 3
Profit and Loss Account	4
Balance Sheet	5
Source and Application of Funds	6
Accounting Policies	7
Notes to the Accounts	8 - 9
	10 - 15

HENSHALL BONDED ASSEMBLIES LIMITEDREPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 30th April 1987.

BUSINESS REVIEW

The principal activity of the company is that of bonding laminators.

There has been no significant change in this activity during the year and it is not anticipated there will be any significant change during the current financial year.

The turnover and profit before taxation for the year were as follows :-

	1987 £	1986 £
Turnover	£1,567,236 =====	£941,924 =====
Profit before taxation	44,565	53,458
Taxation	6,537	22,742
Profit for the year	£38,028 =====	£30,716 =====

PROPOSED DIVIDEND

The directors do not propose the payment of a dividend (1986 : ENil).

FIXED ASSETS

The movement in tangible fixed assets is set out in note 6 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors who have served during the year were :-

J C Smith
C MacDonald-Hall
R A Green
S J Smith
W E Griffiths
P Seaford (appointed 2nd March 1987)

The directors retiring by rotation are Mr C MacDonald-Hall and Mr W E Griffiths who, being eligible, offer themselves for re-election.

Mr P Seaford having been appointed since the last annual general meeting retires and being eligible offers himself for re-election.

HENSHALL BONDED ASSEMBLIES LIMITED

REPORT OF THE DIRECTORS
(continued)

Mr J C Smith, Mr C MacDonald-Hall, Mr R A Green and Mr S J Smith are directors of the holding company AIM Group PLC. The beneficial interests of those directors in the share capital of the holding company are shown in that company's directors report.

The other directors at 30th April 1987 held no shares in the company or related companies during the year.

AUDITORS

A resolution to re-appoint the joint auditors, Binder Hamlyn and Rothman Pantall & Co., will be proposed at the forthcoming annual general meeting.

By order of the Board



N P Fern
Secretary

31st July 1987

REPORT OF THE AUDITORS TO THE MEMBERS OF
HENSHALL BONDED ASSEMBLIES LIMITED

We have audited the financial statements on pages 5 to 15 in accordance with approved Auditing Standards.

In our opinion the financial statements which have been prepared on the basis of the accounting policies set out on pages 8 and 9 give a true and fair view of the state of affairs of the company at 30th April 1987 and of the profit and source and application of funds of the company for the year then ended and comply with the Companies Act 1985.

Rothman Pantall & Co.

Rothman Pantall & Co.
Chartered Accountants

4 Prince George Street
Havant
Hampshire
PO9 1BG

Binder Hamlyn

Binder Hamlyn
Chartered Accountants

8 St Bride Street
London
EC4A 4DA

31st July 1987

HENSHALL BONDED ASSEMBLIES LIMITEDPROFIT AND LOSS ACCOUNT
for the year ended 30TH APRIL 1987

	Notes	1987 £	1986 £
TURNOVER			
Cost of Sales	1	1,567,236	941,924
Gross profit		1,337,671	788,484
Distribution costs		229,565	153,440
Administrative expenses		(36,007)	(20,705)
Other operating income		(158,119)	(85,077)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,126	5,800
Tax on ordinary activities	3	44,565	53,458
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	5	6,537	22,742
Accumulated loss brought forward		38,028	30,716
Accumulated loss carried forward		(159,311)	(190,027)
		£(121,283)	£(159,311)
		=====	=====

The accompanying notes form part of these accounts

HENSHALL BONDED ASSEMBLIES LIMITEDBALANCE SHEET AT 30TH APRIL 1987

	Notes	1987 £	1986 £
FIXED ASSETS			
Tangible assets			
Investments	6 7	414,095 1	334,088 1
		<hr/>	<hr/>
		414,096	334,089
CURRENT ASSETS			
Stocks and work in progress			
Debtors	8	211,114	150,045
Cash at bank and in hand	9	502,940 263	300,519 234
		<hr/>	<hr/>
		714,317	450,798
CREDITORS (amounts falling due within one year)	10	1,155,999	857,038
NET CURRENT LIABILITIES		<hr/> (441,682)	<hr/> (406,240)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> (27,586)	<hr/> (72,151)
PROVISIONS FOR LIABILITIES AND CHARGES	11	(87,697)	(81,160)
NET LIABILITIES		<hr/> £(115,283) =====	<hr/> £(153,311) =====
CAPITAL AND RESERVES			
Called up share capital	12	6,000	6,000
Profit and loss account		(121,283)	(159,311)
		<hr/>	<hr/>
		£(115,283) =====	£(153,311) =====



J C Smith

C MacDonald-Hall

) Directors

These accounts were approved by the board of directors on 31st July 1987

The accompanying notes form part of these accounts

HENSHALL BONDED ASSEMBLIES LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDS
for the year ended 30TH APRIL 1987

SOURCE OF FUNDS	1987 £	1986 £
Profit before taxation	44,565	53,458
Adjustments for items not involving the movement of funds :		
Depreciation	36,892	21,716
(Profit)/Loss on sale of tangible fixed assets	(883)	2,131
	<hr/> 36,009	<hr/> 23,847
Total generated by operations	<hr/> 80,574	<hr/> 77,305
Funds from other sources :		
Proceeds of sale of tangible fixed assets	59,947	1,275
Deferred taxation transferred from subsidiary	-	1,126
	<hr/> 59,947	<hr/> 2,401
	<hr/> 140,521	<hr/> 79,706
APPLICATION OF FUNDS		
Purchase of tangible fixed assets	(175,963)	(179,530)
Taxation paid	-	(13,186)
	<hr/> (175,963)	<hr/> (192,716)
	<hr/> (35,442)	<hr/> (113,010)
MOVEMENTS IN WORKING CAPITAL		
Stocks and work in progress	(61,069)	(58,652)
Debtors	(202,421)	(86,329)
Creditors falling due within one year	240,071	98,259
	<hr/> (23,419)	<hr/> (46,722)
	<hr/> £(58,861)	<hr/> £(159,732)
	=====	=====
MOVEMENTS IN NET LIQUID FUNDS		
Bank overdraft	(58,890)	(159,966)
Bank balances and cash	29	234
	<hr/> £(58,861)	<hr/> £(159,732)
	=====	=====

HENSHALL BONDED ASSEMBLIES LIMITEDACCOUNTING POLICIES

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention and on a going concern basis in view of the continued financial support of the holding company.

(b) Depreciation and Amortisation

Depreciation is calculated to write off the cost of tangible fixed assets by equal instalments over their estimated useful lives as follows :

Motor Vehicles	5 years
Leasehold land and buildings	Amortised over term of lease or to next rent review
Plant and machinery	13 years
Furniture and fittings, tools and equipment	Between 4 and 10 years

(c) Stocks and Work In Progress

These are valued on a 'first in, first out' basis at the lower of cost and net realisable value. In respect of work in progress and finished goods cost includes all production overheads and the attributable proportion of indirect overhead expenses.

(d) Long Term Project Costs

These costs fall into three principal categories : design and development, jigs and tools, and education.

Design and development expenditure arises mainly in the early part of the project and is written off as incurred.

Expenditure on jigs and tools is normally incurred only after the decision to manufacture has been taken.

Education costs arise early in the production cycle of new projects when skills and expertise are being acquired and unit costs are therefore relatively high. They comprise the excess of such unit production costs over the level of unit costs anticipated at a more advanced stage of the production programme.

Expenditure on jigs, tools and education is carried forward in stock for amortisation in respect of each project by reference to an appropriate assessment of sales, subject to the status of the project and the overriding concept of financial prudence. The amortisation of jigs, tools and education is charged in arriving at trading profit.

HENSHALL BONDED ASSEMBLIES LIMITED

ACCOUNTING POLICIES
(continued)

(e) Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

(f) Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling on the balance sheet date.

Profits and losses arising on the exchange of foreign currencies are dealt with through the profit and loss account.

HENSHALL BONDED ASSEMBLIES LIMITEDNOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 1987

1. TURNOVER

Turnover represents amounts invoiced by the company in respect of goods provided during the year excluding value added tax.

The analysis of turnover by activity and geographical area is as follows :

	1987 £	1986 £
Bonding laminators	£1,567,236 =====	£941,924 =====
United Kingdom		
Rest of Europe	1,495,221	894,257
Other	72,015	8,312
	=====	=====
	£1,567,236	£941,924
	=====	=====

2. EMPLOYEES

The average number of people employed by the company (including directors) during the year was as follows :

	1987	1986
Management and administration	13	8
Production	28	20
	—	—
Total employees	41	28
	==	==

The aggregate payroll costs were as follows :

	1987 £	1986 £
Wages and salaries	299,097	177,391
Social security costs	28,459	16,827
Other pension costs	1,707	1,897
	=====	=====
	£329,263	£196,115
	=====	=====

HENSHALL BONDED ASSEMBLIES LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 1987
(continued)

3. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging :

	1987 £	1986 £
Hire of plant and machinery	316	1,871
Depreciation of tangible fixed assets	36,892	21,716
Operating leases - land and buildings	54,198	24,850
Auditors' remuneration	3,600	2,980
Directors' emoluments : as executives	30,559	22,870
	=====	=====

4. DIRECTORS' EMOLUMENTS

	1987 £	1986 £
Chairman	-	-
Highest paid director	-	-
Other directors :	25,093	21,073
£0 to £5,000	=====	=====

Number of directors

4	3
=	=

5. TAXATION

	1987 £	1986 £
Taxation based on the profit for the year :		
Deferred taxation		
Adjustments in respect of earlier years :	6,537	23,056
Corporation tax	-	(314)
	=====	=====
	£6,537	£22,742
	=====	=====

HENSHALL BONDED ASSEMBLIES LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 1987
(continued)

6. TANGIBLE FIXED ASSETS

Cost	<u>Motor vehicles</u> £	<u>Leasehold land and buildings</u> £	<u>Plant and machinery</u> £	<u>Furniture and fittings</u> £	<u>Total</u> £
At 1st May 1986	13,514	4,184	404,908	2,501	425,107
Additions	40,795	-	119,113	16,055	175,963
Inter company transfers	-	-	(53,833)	-	(53,833)
Disposals	(10,405)	-	(3,000)	-	(13,405)
At 30th April 1987	43,904	4,184	467,188	18,556	533,832
Depreciation					
At 1st May 1986	7,765	680	82,001	573	91,019
Charged in year	6,332	817	28,692	1,051	36,892
Inter company transfers	-	-	(4,750)	-	(4,750)
Disposals	(1,806)	-	(1,618)	-	(3,424)
At 30th April 1987	12,291	1,497	104,325	1,624	119,737
Net book amount:					
30th April 1987	£31,613 =====	£2,687 =====	£362,863 =====	£16,932 =====	£414,095 =====
30th April 1986	£5,749 =====	£3,504 =====	£322,907 =====	£1,928 =====	£334,088 =====

7. FIXED ASSETS - INVESTMENTS

Cost 1st May 1986 and 30th April 1987

Unlisted

£1
=====

The investment represents the entire issued share capital of JDA Partners (Bonding Laminators) Limited a company incorporated in the United Kingdom.

8. STOCKS AND WORK IN PROGRESS

	1987 £	1986 £
Raw materials and consumables	164,841	132,302
Work in progress	46,273	17,743
	=====	=====
	£211,114	£150,045
	=====	=====

HENSALL BONDED ASSEMBLIES LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 1987
(continued)

9. DEBTORS

	1987 £	1986 £
Trade debtors		
Amounts owed by group companies	238,341	208,249
Prepayments and accrued income	165,486	66,327
Taxation	99,113	20,793
	-	5,150

£502,940 £300,519
=====

10. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1987 £	1986 £
Bank overdraft		
Trade creditors	278,808	219,918
Amounts owed to group companies :	239,890	139,387
holding company		
fellow subsidiaries	530,000	279,060
Taxation - social security and other	45,380	187,923
Other creditors	13,430	16,419
Accruals and deferred income	17,033	-
	31,458	14,331

£1,155,999 £857,038
=====

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation £
Balance at 1st May 1986	
Charge for the year in the profit and loss account	81,160
	6,537

Balance at 30th April 1987

£87,697
=====

Details of the provision for deferred taxation and the full potential liability are as follows :

	1987		1986	
	Provision £	Full potential liability £	Provision £	Full potential liability £
Corporation tax deferred in respect of :				
Accelerated capital allowances	£87,697	£87,697	£81,160	£81,160
	=====	=====	=====	=====

HENSHALL BONDED ASSEMBLIES LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 1987
(continued)

12. SHARE CAPITAL

	1987 £	1986 £
Authorised		
4,000 6% redeemable participating preference shares of £1 each	4,000	4,000
6,000 ordinary shares of £1 each	6,000	6,000
	<u>£10,000</u>	<u>£10,000</u>
Allotted, called-up and fully paid		
4,000 6% redeemable participating preference shares of £1 each	4,000	4,000
2,000 ordinary shares of £1 each	2,000	2,000
	<u>£6,000</u>	<u>£6,000</u>

13. COMMITMENTS

(a) Capital Commitments

Capital expenditure contracted for at 30th April 1987 for which no provision has been made in these accounts was as follows :

	1987 £	1986 £
Contracted	£ -	£50,000
	<u>=====</u>	<u>=====</u>

(b) Operating Lease Commitments

Commitments under operating leases to pay rentals during the year following the year of these accounts are given below :

	1987 £	1986 £
Land and Buildings		
Expiring after 5 years	£53,400	£53,800
	<u>=====</u>	<u>=====</u>

HENSHALL BONDED ASSEMBLIES LIMITED

NOTES TO THE ACCOUNTS
for the year ended 30TH APRIL 1987
(continued)

14. PENSIONS

In addition to the government pension scheme, retirement benefits for certain senior employees of the company are funded by contributions from the company and employees. Payments by the company are charged against profits in the year in which they become payable.

15. ULTIMATE HOLDING COMPANY

The ultimate holding company is AIM Group PLC, a company incorporated in the United Kingdom.

16. CONTINGENT LIABILITIES

The company has entered into a joint guarantee and debenture to secure the bank borrowings of the holding company and fellow subsidiaries. At 30th April 1987 the aggregate amount outstanding was £1,931,348 (1986 : £877,392).