

Registered

S. E. BATE (HARBORNE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 1995

Haines Watts
Registered Auditor
and Chartered Accountants

6, Tettenhall Road,
Wolverhampton.
WV1 4SA

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S. E. BATE (HARBORNE) LIMITED

OFFICERS AND ADVISERS

DIRECTORS:	R. F. HISCOCK J. HISCOCK
SECRETARY:	J. HISCOCK
REGISTERED OFFICE:	NEW JOHN STREET, HALESOWEN, WEST MIDLANDS. B62 8LB
BANKERS:	BARCLAYS BANK PLC., 70, BIRMINGHAM ROAD, ROWLEY REGIS, WARLEY. B65 9BA
AUDITOR:	HAINES WATTS, REGISTERED AUDITOR AND CHARTERED ACCOUNTANTS, 6, TETTENHALL ROAD, WOLVERHAMPTON. WV1 4SA
COMPANY NO:	352961

S. E. BATE (HARBORNE) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1995

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DIRECTORS' REPORTTO THE MEMBERS OF S. E. BATE (HARBORNE) LIMITED

The directors submit their report, together with the audited financial statements of the company for the year ended 31st March 1995.

Principal activities

The company's principal activities are that of engineers, repetition presswork operators and manufacturers and distributors of file handles and vice grips.

Review of the financial position

Although turnover has only increased slightly in the year under review an improvement in margins and greater control of overheads has resulted in a profit before taxation. The directors aim to consolidate this position.

Results and appropriations

The profit after tax for the year was £42,520 (1994 - profit £2,953).

No payment of any dividend is recommended by the board.

The profit will be carried to reserves.

Directors

The directors of the company during the year and their beneficial interests in shares of the company at the end of the year were as follows:-

	<u>Ordinary Shares of £1 each</u>	
	<u>1995</u>	<u>1994</u>
R. F. Hiscock	12,950	12,950
J. Hiscock	251	-

Statement of directors' responsibilities

The directors are required under 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 which enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.


DIRECTORS' REPORTTO THE MEMBERS OF S. E. BATE (HARBORNE) LIMITED (CONTINUED)Fixed assets

Movements in fixed assets are shown in note 9 to the financial statements.

Auditor

Haines Watts have expressed their willingness to stand for re-election and a resolution proposing their re-appointment will be put to the members at the annual general meeting.

On behalf of the board,

 Secretary Date... 17th October 1995..

AUDITOR'S REPORTTO THE MEMBERS OF S. E. BATE (HARBORNE) LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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 as at 31st March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


HAINES WATTS

DATE: 17th October 1995

REGISTERED AUDITOR
AND CHARTERED ACCOUNTANTS

WOLVERHAMPTON

S. E. BATE (HARBORNE) LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1995

	<u>Notes</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
<u>TURNOVER</u>	1	363,979	356,336
Cost of sales		(219,098)	(228,514)
<u>GROSS PROFIT</u>		144,881	127,822
Net operating expenses	2	(104,997)	(124,237)
<u>OPERATING PROFIT</u>	3	39,884	3,585
Loss on sale of fixed assets		(213)	-
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE INTEREST AND TAXATION</u>		39,671	3,585
Interest payable	6	(3,395)	(2,610)
Interest receivable and other income	7	6,244	1,748
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		42,520	2,723
Tax on ordinary activities	8	-	230
<u>RETAINED PROFIT FOR THE YEAR</u>		<u>£ 42,520</u>	<u>£ 2,953</u>

Movements on reserves are shown in note 15 to the accounts.

There were no recognised gains or losses other than those included in the profit and loss account.

S. E. BATE (HARBORNE) LIMITEDNOTE OF HISTORICAL COST PROFITS AND LOSSESFOR THE YEAR ENDED 31ST MARCH 1995


	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Reported profit on ordinary activities before taxation	42,520	2,723
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>700</u>	<u>700</u>
Historical cost profit on ordinary activities before taxation	<u>£ 43,220</u>	<u>£ 3,423</u>
Historical cost profit for the year retained after taxation	<u>£ 43,220</u>	<u>£ 3,653</u>

S. E. BATE (HARBORNE) LIMITEDBALANCE SHEETAS AT 31ST MARCH 1995

	<u>Notes</u>	<u>£</u>	<u>1995</u>	<u>£</u>	<u>1994</u>	<u>£</u>
<u>FIXED ASSETS</u>						
Tangible assets	9		102,250		100,381	
<u>CURRENT ASSETS</u>						
Stocks	10	54,276		49,870		
Debtors	11	146,356		112,639		
Cash at bank and in hand		70		38		
			200,702		162,547	
<u>CREDITORS, amounts falling due within one year</u>	12	(210,700)		(216,757)		
<u>NET CURRENT LIABILITIES</u>			(9,998)		(54,210)	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			92,252		46,171	
<u>CREDITORS, amounts falling due after more than one year</u>	13		(32,635)		(29,074)	
			<u>£ 59,617</u>		<u>£ 17,097</u>	
<u>CAPITAL AND RESERVES</u>						
Share capital	14	25,500		25,500		
Revaluation reserve	15	33,898		34,598		
Profit & loss account	15	219		(43,001)		
Shareholders' funds			<u>£ 59,617</u>		<u>£ 17,097</u>	

The board of directors approved these financial statements on:-

...17th October 1995... Date

...... Director

S. E. BATE (HARBORNE) LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 1995**1. ACCOUNTING POLICIES****Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and incorporate the results of the principal activities which are described in the directors' report and which are continuing.

The financial statements have been prepared in accordance with applicable accounting standards.

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.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company net of value added tax and trade discounts.

Fixed assets

The cost or valuation of fixed assets is written off over their expected useful lives at the following rates:-

On written down values

Motor vehicles	25% per annum
Plant & machinery	15% per annum
Fixtures & fittings	15% per annum
Electrical installations	15% per annum

On cost

Freehold property	2% per annum
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Stocks

Stocks are valued by the directors at the lower of cost and net realisable value. Cost includes direct materials, labour and manufacturing overheads incurred in bringing each product to its present location and condition.

Hire purchase agreements

Fixed assets held under hire purchase agreements are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of agreements in proportion to the capital element outstanding.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

S. E. BATE (HARBORNE) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1995

2. <u>NET OPERATING EXPENSES</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Administrative expenses	£ 104,997	£ 124,237
	<hr/>	<hr/>
3. <u>OPERATING PROFIT</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
The operating profit is stated after charging:-		
Depreciation	12,114	12,490
Auditor's remuneration	4,600	4,800
	<hr/>	<hr/>
4. <u>STAFF COSTS</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Salaries and wages	100,473	98,607
National insurance costs	9,507	8,240
Pension costs	9,037	5,435
	<hr/>	<hr/>
	£ 119,017	£ 112,282
	<hr/>	<hr/>
The average weekly number of employees during the year was 13 (1994 - 17). Due to the limited number of employees the directors do not consider categorisation to be appropriate.		
5. <u>DIRECTORS' EMOLUMENTS</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Directors' remuneration	23,700	6,295
Pension costs	9,037	5,435
Directors' other emoluments	-	19,990
Estimated benefits in kind	9,900	9,117
	<hr/>	<hr/>
	£ 42,637	£ 40,837
	<hr/>	<hr/>
6. <u>INTEREST PAYABLE</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Bank interest	1,849	851
Hire purchase interest	1,139	1,759
Loan interest	407	-
	<hr/>	<hr/>
	£ 3,395	£ 2,610
	<hr/>	<hr/>

S. E. BATE (HARBORNE) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1995

<u>7. INTEREST RECEIVABLE AND OTHER INCOME</u>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Bank interest received	-	26
Corporation tax supplement	-	56
Management charges	6,000	1,666
Commissions received	244	-
	<u>£ 6,244</u>	<u>£ 1,748</u>

<u>8. TAXATION</u>	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
The tax credit on the profit on the ordinary activities was as follows:-		
Over provision in prior years	-	£ 230

The company has corporation tax losses of approximately £58,000 carried forward for use in future periods.

S. E. BATE (HARBORNE) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1995**9. FIXED ASSETS : TANGIBLE ASSETS**

<u>COST/VALUATION</u>	<u>As at</u> <u>1st April 1994</u> <u>£</u>	<u>Additions</u> <u>£</u>	<u>Disposals</u> <u>£</u>	<u>As at</u> <u>31st March 1995</u> <u>£</u>
Freehold property	50,000	-	-	50,000
Electrical installations	2,189	13,862	-	16,051
Motor vehicles	28,541	-	(7,350)	21,191
Plant & machinery	82,266	3,034	(200)	85,100
Fixtures & fittings	15,588	-	-	15,588
	<u>£ 178,584</u>	<u>£ 16,896</u>	<u>£ (7,550)</u>	<u>£ 187,930</u>
 <u>DEPRECIATION</u>	 <u>As at</u> <u>1st April 1994</u> <u>£</u>	 <u>Charge</u> <u>£</u>	 <u>Disposals</u> <u>£</u>	 <u>As at</u> <u>31st March 1995</u> <u>£</u>
Freehold property	2,000	1,000	-	3,000
Electrical installations	1,929	2,118	-	4,047
Motor vehicles	14,226	2,900	(4,637)	12,489
Plant & machinery	48,736	5,455	-	54,191
Fixtures & fittings	11,312	641	-	11,953
	<u>£ 78,203</u>	<u>£ 12,114</u>	<u>£ (4,637)</u>	<u>£ 85,680</u>
 <u>NET BOOK VALUE</u>	 <u>As at</u> <u>31st March 1994</u> <u>£</u>			 <u>As at</u> <u>31st March 1995</u> <u>£</u>
Freehold property	48,000			47,000
Electrical installations	260			12,004
Motor vehicles	14,315			8,702
Plant & machinery	33,530			30,909
Fixtures & fittings	4,276			3,635
	<u>£ 100,381</u>			<u>£ 102,250</u>

Included in motor vehicles are the amounts at cost of £17,959 and net book values of £7,576 with a depreciation charge of £2,526 for the year in respect of assets held under hire purchase agreements.

The property was revalued on an open market value on 16th March 1992 by Scriven and Co. Chartered Surveyors.

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Historical cost	<u>£ 17,002</u>	<u>£ 17,002</u>
Depreciation to date	<u>£ 3,900</u>	<u>£ 3,600</u>

S. E. BATE (HARBORNE) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1995

10. <u>STOCKS</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Raw materials and consumables	19,593	15,841
Work in progress	9,550	12,111
Finished goods and goods for resale	19,408	17,201
Sundry stock	5,725	4,717
	<u>£ 54,276</u>	<u>£ 49,870</u>
11. <u>DEBTORS</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Trade debtors	105,122	90,854
Amounts owed by associated undertakings	35,762	17,952
Other debtors	-	2,163
Prepayments	5,472	1,670
	<u>£ 146,356</u>	<u>£ 112,639</u>
12. <u>CREDITORS</u> , amounts falling due within one year:-	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Bank overdraft	16,601	54,829
Bank loan	4,443	-
Trade creditors	54,854	48,015
Amounts owed to associated undertakings	84,612	86,109
Other taxation & social security	20,115	11,062
Other creditors	168	5,121
Hire purchase	4,776	4,865
Directors' loan accounts	25,131	3,256
Accruals	-	3,500
	<u>£ 210,700</u>	<u>£ 216,757</u>

There is a debenture on the bank's standard form dated 15th March 1994 and a charge on freehold deed relating to New John St. Halesowen.

13. <u>CREDITORS</u> , amounts falling due after more than one year:-	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Bank loan	23,521	-
Hire purchase	-	4,372
Long term contracts	9,114	9,114
Other creditors	-	15,588
	<u>£ 32,635</u>	<u>£ 29,074</u>

The bank loan has a term of 10 years. Interest is fixed at 10% per annum for the first 3 years. The interest charge is to be reviewed every 3 years with the option to calculate interest at variable rates thereafter.

S. E. BATE (HARBORNE) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1995**14. SHARE CAPITAL****Ordinary Shares Of £1 Each**

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Authorised	£ 100,000	£ 100,000
Allotted, issued and fully paid	£ 25,500	£ 25,500

15. RESERVES

	<u>Revaluation reserve</u>	<u>Profit & loss account</u>
	<u>£</u>	<u>£</u>
At 1st April 1994	34,598	(43,001)
Transfers	(700)	700
Profit after taxation for the year	-	42,520
At 31st March 1995	£ 33,898	£ 219

16. CONTINGENT LIABILITIES

There were no contingent liabilities at 31st March 1995 (1994 - nil).

17. CAPITAL COMMITMENTS

There were no capital commitments at 31st March 1995 (1994 - nil).

18. ASSOCIATED UNDERTAKINGS

The company has the following associated undertakings due to common directors and shareholders- Hisco Limited, Perfecta Mouldings Limited and Arrowswift Manufacturing and Supply Limited. The company paid rent of £4,500 to Hisco Limited on a commercial basis (1994 - £4,500)