

DUTTON FORSHAW (LAND MACHINERY) LIMITED  
AND SUBSIDIARIES  
(Registered number: 447678)

*Signed*

DIRECTORS' REPORT AND ACCOUNTS  
30 SEPTEMBER 1993



## **DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 1993**

The Directors submit their Report together with the audited Accounts for the year ended 30 September 1993.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the Group continues to consist of the distribution of agricultural, horticultural and forestry machinery and equipment. The Company trades via three agents, Watveare Limited, WestMac Limited and Land Mechanization Limited.

Although unfavourable currency exchange rates had an adverse influence on competitiveness and margins, improvements to farm incomes produced an increased demand for farm machinery and the company was able to take advantage of the improved level of sales.

It is planned that 1993/94 will produce an improved trading year.

#### **ACQUISITIONS**

The company acquired 100% of the share capital of JF (GB) Limited on 5 November 1993.

#### **GROUP RESULTS AND DIVIDENDS**

The accounts for the year ended 30 September 1993 show an operating profit of £676,000 (1992: £723,000). After crediting exceptional items of £45,000 (1992: £187,000) and charging interest of £449,000 (1992: £508,000) and taxation of £Nil (1992: £Nil) there is a profit after taxation of £272,000 (1992: £402,000).

The Directors recommend the payment of a dividend for the year of £78,000 (1992: £100,000), and propose to transfer to reserves £194,000 (1992: £302,000). Details of the reserves are shown in the Accounts.

#### **FIXED ASSETS**

Details of the fixed assets and the changes which have taken place during the year are given in the notes to the Accounts.

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## REPORT OF THE DIRECTORS (Continued)

### DIRECTORATE

The present Board of the Company is as set out below. Except as noted Directors served throughout the year.

ET Weidmann	(Chairman)
TP Baines	(Managing Director)
KA Tuck	
PF Dredge	
AE Manning	
PW Carpenter	
PJ Flynn	
JR Robinson	(Appointed 14 May 1993)

In accordance with the Company's Articles of Association Mr KA Tuck, Mr PJ Flynn, Mr JR Robinson and Mr PW Carpenter retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. Mr ET Weidmann will not be seeking re-election due to his impending retirement.

### DIRECTORS' INTERESTS

No Director had at any time during the year a material interest in any contract of significance in relation to the Company's business. All Directors served throughout the year.

The following are the interests all of which are beneficial, recorded in the Company's Register of Directors' Shares and Debenture interests.

	<u>Lonrho Plc Ordinary shares of 25p each</u>	
	<u>1 October 1992</u>	<u>30 September 1993</u>
KA Tuck	11,675	11,675
PF Dredge	1,749	1,749

	<u>Shares under option</u>			
	<u>1 October 1992</u>	<u>Exercised or lapsed</u>	<u>Granted in year</u>	<u>30 September 1993</u>
KA Tuck	22,845	-	6,459	29,304
PF Dredge	21,189	-	2,055	23,244
PW Carpenter	14,900	-	5,872	20,772
PJ Flynn	7,783	-	1,174	8,957

## **DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES**

### **REPORT OF THE DIRECTORS (Continued)**

#### **DIRECTORS' INTERESTS (continued)**

Options are held pursuant to one or more of the share option schemes of Lonrho Plc and are over Ordinary shares of 25p each of that company. Options are exercisable at any time until 2002 at prices of between 75 5p and 259p per share.

No interests of any of the other Directors are disclosable to this Company.

#### **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;
- 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 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.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

During the year the group maintained Directors' and Officers' Liability Insurance cover.

#### **EMPLOYMENT OF DISABLED PERSONS**

The Group gives full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities, and wherever possible the Group continues the employment of, and arranges for the appropriate training for, employees who become disabled persons while employed by the Group. Disabled employees are treated no differently from other employees as regards training, career development and promotion opportunities. This policy was operated by the Group throughout the year.

## DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

### REPORT OF THE DIRECTORS (Continued)

#### EMPLOYEE INVOLVEMENT

Each Company has arrangements to regularly provide employees with information regarding the financial and economic factors affecting the performance of the Company and on matters of concern to them. Additionally, regular consultations take place with employees so that the views of employees can be taken into account in making decisions which are likely to affect their interests. The companies within the group continue to encourage the involvement of employees in the Company's performance by promotion of the Lonrho Plc savings related share option scheme and encourages all eligible employees to participate therein.

#### AUDITORS

The Company's auditors, Price Waterhouse, have indicated their willingness to continue in office. A resolution for the re-appointment of Price Waterhouse, as auditors of the Company, will be proposed at the forthcoming Annual General Meeting

By Order of the Board

PF Dredge  
Secretary

10 December 1993

Ivybridge, Devon



# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1993

	<u>Note</u>	<u>1993</u> £'000	<u>1992</u> £'000
TURNOVER	2	27,512	24,932
OPERATING PROFIT	3	676	723
EXCEPTIONAL ITEMS			
Profits on disposals of fixed assets	9	45	143
Other exceptional items	9	-	44
PROFIT BEFORE INTEREST AND TAXATION		721	910
Interest - net	4	(449)	(508)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		272	402
Taxation	8	-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		272	402
DIVIDENDS		(78)	(100)
PROFIT TRANSFERRED TO RESERVES	19	194	302

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The notes on pages 10 to 26 form part of these accounts.

# **DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES**

## **COMPANY PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1993**

	<u>Note</u>	<u>1993</u> £'000	<u>1992</u> £'000
<b>TURNOVER</b>		<b>27,467</b>	<b>24,885</b>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>676</b>	<b>723</b>
<b>EXCEPTIONAL ITEMS</b>			
Profit on disposals of fixed assets	9	45	143
Other exceptional items	9	-	44
Loss on the termination of an operation	9	-	(269)
<b>PROFIT BEFORE INTEREST AND TAXATION</b>		<b>721</b>	<b>64</b>
Interest - net	4	(449)	(508)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>272</b>	<b>133</b>
Taxation	8	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>272</b>	<b>133</b>
<b>DIVIDEND</b>		<b>(78)</b>	<b>(100)</b>
<b>UNDISTRIBUTED PROFIT</b>	<b>19</b>	<b>194</b>	<b>33</b>

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The notes on pages 10 to 26 form part of these accounts.



# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 1993

	<u>Group</u>		<u>Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
Profit for the financial year	272	402	272	133
Revaluation reserve realised on disposal	-	(34)	-	(34)
Total recognised gains and losses relating to the year	<u>272</u>	<u>368</u>	<u>272</u>	<u>99</u>

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 30 SEPTEMBER 1993

	<u>Group</u>		<u>Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
Profit for the financial year	272	402	272	133
Dividends	(78)	(100)	(78)	(100)
	194	302	194	33
Goodwill written-off	(657)	(269)	(657)	-
Other recognised gains and losses relating to the year (net)	-	(34)	-	(34)
Net addition to shareholders funds	(463)	(1)	(463)	(1)
Opening shareholders' funds	<u>3,317</u>	<u>3,318</u>	<u>3,317</u>	<u>3,318</u>
Closing shareholders' funds	<u>2,854</u>	<u>3,317</u>	<u>2,854</u>	<u>3,317</u>

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## BALANCE SHEETS 30 SEPTEMBER 1993

	Note	Group		Company	
		1993 £'000	1992 £'000	1993 £'000	1992 £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	1,679	1,658	1,679	1,658
Investments:					
Subsidiary undertakings	11	—	—	313	—
		1,679	1,658	1,992	1,658
<b>CURRENT ASSETS</b>					
Stocks	12	4,067	5,427	4,067	5,427
Debtors	13	3,685	4,824	3,659	4,785
Cash at bank and in hand		2,496	111	2,496	109
		10,248	10,362	10,222	10,321
<b>CREDITORS: Amounts falling due within one year</b>	14	(8,681)	(8,439)	(8,968)	(8,398)
<b>NET CURRENT ASSETS</b>		1,567	1,923	1,254	1,923
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,246	3,581	3,246	3,581
<b>CREDITORS: Amounts falling due after more than one year</b>	15	(392)	(264)	(392)	(264)
		2,854	3,317	2,854	3,317
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18	30	30	30	30
Revaluation reserve	19	2	2	2	2
Profit and loss account	19	2,822	3,285	2,322	3,285
		2,854	3,317	2,854	3,317

Approved on behalf of the Board on 10 December 1993

PF Dredge

DIRECTOR

The notes on pages 10 to 26 form part of these accounts.

## DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

### NOTES TO THE ACCOUNTS

#### 1 STATEMENT ON ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group's accounts.

##### Basis of accounting

The accounts are prepared under the historical cost convention adjusted by the revaluation of certain assets and in accordance with applicable accounting standards.

##### Consolidation of Group Companies

The consolidated accounts comprise the accounts of the Company and its subsidiaries, which are all made up to 30 September 1993. The results of the subsidiaries acquired during the year are included from the date of acquisition. Where the cost of acquisition differs from the adjusted value of net assets acquired the goodwill or surplus is placed to reserves. The subsidiaries are shown in Note 11.

##### Exchange rates

Foreign currency assets and liabilities are translated into sterling on the following basis:

- a) amounts covered by forward purchases of foreign currency or by currency exposure agreements with suppliers - at the rates obtained.
- b) amounts not covered by forward purchases of foreign currency - at the rates ruling at 30 September.

Adjustments due to fluctuations arising in the normal course of trade are included in profit before tax.

##### Profits/(losses) on disposal of assets

Profit and losses on disposal of fixed assets arising from the ordinary activities of the Group are included in profit before tax as exceptional items.

## DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

### NOTES TO THE ACCOUNTS (continued)

#### 1 STATEMENT ON ACCOUNTING POLICIES (Continued)

##### Depreciation

The Group policy is to write off the book value of fixed assets evenly over their estimated remaining life. Depreciation rates are determined in accordance with commercial practice for the industry concerned. The major fixed assets are depreciated as follows:

Freehold buildings	2% of cost
Plant and machinery	10%-20% of cost
Motor vehicles	25% of cost
Fixtures, fittings, tools and equipment	10%-33% of cost

No depreciation is provided on freehold land.

##### Pensions

The Group is a member of the Lonrho Automotive and Machinery Group Pension Plan. The Scheme is a defined benefit scheme for all eligible employees, the assets of which are held in separate, trustee administered, funds.

Independent actuaries prepare valuations of the this defined benefit pension schemes at least every three years and in accordance with their recommendations the Group makes contributions which are charged to profits on a systematic and rational basis over the expected remaining working life of the employees. Any differences between the actuarial valuation and the value of the assets in the scheme are similarly charged or credited to profit before tax over the expected remaining working life of employees in the scheme.

##### Deferred tax

Deferred tax is calculated under the liability method and is only provided where it is anticipated to be payable within the foreseeable future.

##### Leases

The cost of assets held under finance leases is capitalised within the appropriate tangible fixed asset heading and depreciation is provided in accordance with the accounting policy for the category of asset concerned. The interest cost is charged over the term of the lease and the capital element of future lease payments is included in creditors.

The cost of operating leases is charged to profit before tax as incurred.

## DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

### NOTES TO THE ACCOUNTS (continued)

#### 1 STATEMENT ON ACCOUNTING POLICIES (Continued)

##### Revaluation of fixed assets

It is Group policy to review regularly the value of fixed assets and, if it is considered appropriate, to obtain independent professional valuations which are incorporated into Group accounts.

Depreciation is charged to profit before tax on the revised book value from the date of valuation. If the valuation is in excess of the net book value of the relevant asset the surplus is credited to revaluation reserve. A deficit on valuation of a particular asset is charged to profit before tax to the extent that it is not covered by surpluses arising on prior valuations of that asset which have been previously credited to revaluation reserve.

##### Stock and work in progress

Stock and work in progress is stated at the lower of cost and net realisable value. Where relevant, cost includes an appropriate share of overheads.

##### Fixed asset - Investments

Investments are included at cost less, where appropriate, amounts written off or provided. The value of investments is reviewed annually by the Directors and provision made where it is considered that there has been permanent impairment of value.

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 2 TURNOVER

Turnover represents sales of goods and services outside the Group but net of discounts, allowances and value added tax.

The only activity of the Group is the distribution of agricultural, horticultural and forestry machinery and equipment.

There was no significant turnover from sales outside the UK.

### 3 OPERATING PROFIT/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

#### (a) Operating profit

Operating profit is as follows:

	<u>Group</u>		<u>Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
Turnover	27,512	24,932	27,467	24,885
Cost of sales	<u>(21,882)</u>	<u>(20,147)</u>	<u>(21,862)</u>	<u>(19,894)</u>
Gross profit	5,630	4,785	5,605	4,991
Distribution costs	(2,862)	(2,307)	(2,862)	(2,307)
Administrative expenses	(1,792)	(1,482)	(1,767)	(1,688)
Management charges	(300)	(300)	(300)	(300)
Other operating income	<u>-</u>	<u>27</u>	<u>-</u>	<u>27</u>
	<u>676</u>	<u>723</u>	<u>676</u>	<u>723</u>

#### (b) Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:	<u>1993</u>	<u>1992</u>
	£'000	£'000

#### Company and Group

Operating lease charges - plant and machinery	106	68
Depreciation of tangible fixed assets (Note 5)	292	283
Auditors' remuneration	51	55

The profit on ordinary activities before taxation arises from the group's only activity of distributing agricultural, horticultural and forestry machinery and equipment in the United Kingdom.

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 4 INTEREST

	<u>1993</u>	<u>1992</u>
<i>Company and Group</i>	<u>£'000</u>	<u>£'000</u>
Interest payable:		
On bank loans, overdrafts and other loans wholly repayable within five years	375	620
On finance leases	6	1
On bills of exchange	<u>79</u>	<u>127</u>
	460	748
	<u>          </u>	<u>          </u>
Interest receivable:		
Third party	(11)	(240)
	<u>          </u>	<u>          </u>
Net interest	449	508
	<u>          </u>	<u>          </u>

### 5 DEPRECIATION

#### *Company and Group*

#### *Depreciation of tangible fixed assets*

- owned	263	268
- held under finance leases	<u>29</u>	<u>15</u>
	292	283
	<u>          </u>	<u>          </u>

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 6 EMOLUMENTS OF DIRECTORS

	<u>1993</u>	<u>1992</u>
	£'000	£'000
Executive remuneration, including benefits in kind	241	223

The following table shows the number of Directors whose duties were wholly or mainly discharged in the United Kingdom and whose emoluments, which include benefits in kind but exclude pension contributions, fell within the ranges stated.

	<u>1993</u>	<u>1992</u>
£0 - £5,000	2	1
£50,001 - £35,000	-	2
£35,001 - £40,000	2	1
£40,001 - £45,000	2	1

Not included in the above bandings, are the emoluments of the Chairman of £ Nil (1992: £Nil) and the emoluments of the highest paid Director of £80,750 (1992: £73,184).

### 7 STAFF NUMBERS AND COSTS

The average number of persons employed by the Group and Company during the year was as follows:

	<u>1993</u>	<u>1992</u>
Sales	85	68
Productive	30	24
Administrative/managerial	<u>25</u>	<u>30</u>
	140	142

The aggregate payroll cost was as follows:

	<u>1993</u>	<u>1992</u>
	£'000	£'000
Company and Group		
Wages and salaries	1,994	1,755
Social security costs	162	148
Other pension costs (Note 23)	<u>67</u>	<u>58</u>
	2,223	1,961



# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 8 TAXATION

Company and Group	1993 £'000	1992 £'000
Corporation tax at 33% (1992: 33%)	-	-
Prior year adjustment	-	-
	-	-

The charge for tax for the Company and the Group has been reduced by the following items:

- (1) £79,000 in respect of timing differences and disallowable items (1992: £800,000).
- (2) £203,000 in respect of group relief to be surrendered by other Lomrho Group companies for no consideration (1992: £326,000).

### 9 EXCEPTIONAL ITEMS

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Profits on disposal of fixed assets	45	143	45	143
Other exceptional items	-	44	-	44
Loss on the termination of an operation	-	-	-	(269)
	45	187	45	(82)

The loss on termination of an operation relates to the closure of the Watveare Limited operations acquired on 1 October 1991. Other exceptional items represents compensation for the loss of a distributorship.

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 10 TANGIBLE FIXED ASSETS

<u>Group</u>	<u>Freehold Land and buildings</u> £'000	<u>Motor vehicles, Plant and machinery</u> £'000	<u>Fixtures, fittings and equipment</u> £'000	<u>Total</u> £'000
<u>Cost or valuation</u>				
At 30 September 1992	1,183	921	842	2,946
Acquisition of JF (GB) Limited	599	87	53	739
Additions	23	150	22	195
Disposals	<u>(657)</u>	<u>(243)</u>	<u>(33)</u>	<u>(933)</u>
At 30 September 1993	1,148	915	884	2,947
<u>Depreciation</u>				
At 30 September 1992	129	507	652	1,288
Disposals	(112)	(178)	(22)	(312)
Charge for the year	<u>38</u>	<u>173</u>	<u>83</u>	<u>292</u>
At 30 September 1993	53	502	713	1,268
<u>Net book amount</u>				
At 30 September 1993	1,095	413	171	1,679
At 30 September 1992	1,054	414	190	1,658

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 10 TANGIBLE FIXED ASSETS

<u>Company</u>	<u>Freehold Land and buildings</u> £'000	<u>Motor vehicles, Plant and machinery</u> £'000	<u>Fixtures, fittings and equipment</u> £'000	<u>Total</u> £'000
<u>Cost or valuation</u>				
At 30 September 1992	1,183	921	842	2,946
Transfer from JF (GB) Limited	631	179	154	964
Additions	23	150	22	195
Disposals	<u>(657)</u>	<u>(243)</u>	<u>(33)</u>	<u>(933)</u>
At 30 September 1993	1,180	1,007	985	3,172
<u>Depreciation</u>				
At 30 September 1992	129	507	652	1,288
Transfer from JF (GB) Limited	32	92	101	225
Disposals	(112)	(178)	(22)	(312)
Charge for the year	<u>36</u>	<u>173</u>	<u>83</u>	<u>292</u>
At 30 September 1993	85	594	814	1,493
<u>Net book amount</u>				
At 30 September 1993	1,095	413	171	1,679
At 30 September 1992	1,054	414	190	1,658

At 30 September 1993 the net book amount of fixed assets held by the Group and Company under finance leases was £144,000 (1992: £2,000).

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 10 TANGIBLE FIXED ASSETS (Continued)

Assets shown below at valuation were valued by independent professional valuers on the basis of open market value with vacant possession.

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
1985 valuation	150	-	-	150
Cost	<u>998</u>	<u>915</u>	<u>884</u>	<u>2,797</u>
	1,148	915	884	2,947
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Depreciation:				
Valuation	32	-	-	32
Cost	<u>21</u>	<u>502</u>	<u>713</u>	<u>1,236</u>
	53	502	713	1,268
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### Company and Group

#### Historical cost of revalued assets

Freehold  
land and  
buildings  
£'000

Cost	142
Depreciation	<u>(33)</u>
Net historical cost at 30 September 1993	109
	<u>          </u>
Cost	142
Depreciation	<u>(28)</u>
Net historical cost at 30 September 1992	114
	<u>          </u>

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 11 SUBSIDIARY UNDERTAKINGS

	<u>Shares</u> £'000
Cost at 30 September 1992	16
Disposal of AB Western Tydens	(16)
Addition in year	<u>313</u>
	313
Provisions at 30 September 1992	16
Disposal of AB Western Tydens	(16)
Provisions made in year	<u>-</u>
	-
Net book amount 30 September 1993	313
Net book amount 30 September 1992	<u>-</u>

The company acquired 100% of the share capital of JF (GB) Limited on 5 November 1992 for a consideration of £761,000.

During the year the group's distributorship for Taarup products in the United Kingdom was terminated and the group acquired the UK distributorship for JF goods.

The effect of the gain and loss of these distributorships is broadly neutral at the level of turnover, gross margin and operating profit.

The principal subsidiary undertakings are:

<u>Name of Company</u>	<u>Activity</u>	<u>Country of Registration</u>	<u>Class of share</u>	<u>% held</u>
Shellglade Advertising Limited	Advertising agency	UK	Ordinary	100
JF (GB) Limited	Agricultural machinery distribution	UK	Ordinary	100
Fahr Products Limited	Dormant	UK	Ordinary	100
Land Mechanization Limited	Agricultural machinery distribution	UK	Ordinary	100
Western Tydens Limited	Dormant	UK	Ordinary	100
WestMac Limited	Agricultural machinery distribution	UK	Ordinary	100
Watveare Limited	Agricultural machinery distribution	UK	Ordinary	100

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 11 SUBSIDIARY UNDERTAKINGS (Continued)

All subsidiary undertakings are directly owned by the Company with the exception of Fahr Products Limited which is owned by a direct subsidiary undertaking. The Company's former subsidiary undertaking, AB Western Tydens was liquidated in the year.

In the opinion of the Directors of the Company, the aggregate value of the interest in the subsidiary undertakings, consisting of shares and amounts due from subsidiaries is not less than the aggregate of the amounts at which these assets are stated in the balance sheet.

#### Acquisitions

The effect of fair value adjustments on the balance sheets of acquisitions made during the year is shown below:

	Acquisition balance sheet £'000	Provisions £'000	Fair Value to the Company £'000
Tangible fixed assets	953	(209)	744
Current assets less current liabilities	(640)	-	(640)
	313	(209)	104
			(361)
Consideration - assets			(400)
- distributorship			
			(761)
Goodwill written off to reserves			657
			104

Since 1 October 1990 the cumulative goodwill written off in respect of existing business amounts to £926,000.

### 12 STOCKS

	Group and Company	
	1993 £'000	1992 £'000
Raw materials and consumables	4,067	5,427
Goods for resale	-	-
Others	4,067	5,427

In the opinion of the Directors the estimated net replacement cost of stocks is not materially different from the above figures.

# **DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES**

## **NOTES TO THE ACCOUNTS (continued)**

<b>13 DEBTORS</b>	<u>Group</u>		<u>Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	3,186	3,527	3,184	3,519
Amounts owed by parent and fellow subsidiary undertakings	35	859	11	853
Corporation tax	-	6	-	6
Prepayments and accrued income	<u>464</u>	<u>432</u>	<u>464</u>	<u>407</u>
	<u>3,685</u>	<u>4,824</u>	<u>3,659</u>	<u>4,785</u>
<b>14 CREDITORS</b>	<u>Group</u>		<u>Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank loans and overdrafts	1,012	36	1,000	-
Obligations under finance leases (Note 16)	68	1	68	1
Trade creditors - unsecured	3,679	3,087	3,658	3,058
Bills of exchange	2,212	3,997	2,212	3,997
Amounts due to parent and fellow subsidiary undertakings	22	455	22	455
Amounts due to subsidiary undertakings	-	-	320	24
Indirect taxes and social security liabilities	591	221	591	221
Accruals - unsecured	511	642	511	-
Other creditors	455	-	455	-
Corporation tax	<u>131</u>	<u>-</u>	<u>131</u>	<u>-</u>
	<u>8,681</u>	<u>8,439</u>	<u>8,968</u>	<u>8,398</u>
<b>15 CREDITORS</b>	<u>Group and Company</u>			
	<u>1993</u>	<u>1992</u>		
	£'000	£'000		
Amounts falling due after more than one year:				
Obligations under finance leases (Note 16)	01	-		
Pension provision (Note 23)	<u>331</u>	<u>264</u>		
	392	264		

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 16 FINANCE LEASES

	<u>Group</u>		<u>Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
The obligations entered into in respect of finance leases, net of future finance charges, are payable over the following periods:				
Within one year	68	1	68	1
Between one and five years	<u>61</u>	<u>-</u>	<u>61</u>	<u>-</u>
	129	1	129	1
	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

### 17 PROVISION FOR LIABILITIES AND CHARGES - DEFERRED TAXATION

On the basis of the accounting policy no deferred taxation provision is required at 30 September 1993. Full provision for deferred taxation at the UK Corporation tax rate of 33% (1992: 33%) would comprise:

	<u>Group and Company</u>	
	<u>1993</u>	<u>1992</u>
	£'000	£'000
<u>Estimated total contingent liability</u>		
Excess tax allowances over depreciation provisions	35	93
Tax losses and other timing differences	(22)	(19)
Advance corporation tax	<u>(8)</u>	<u>(56)</u>
	5	18
	<u>      </u>	<u>      </u>

### 18 CALLED UP SHARE CAPITAL

	<u>1993</u>	<u>1992</u>
	£'000	£'000
Authorised		
150,000 Ordinary shares of 20p each	30	30
	<u>      </u>	<u>      </u>
Issued		
150,000 Ordinary shares of 20p each, fully paid	30	30
	<u>      </u>	<u>      </u>



# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 19 RESERVES

<u>Group</u>	Revaluation Reserve £'000	Profit and Loss account £'000
At 30 September 1992	2	3,285
Profit for year	-	194
Write off purchased goodwill	-	(657)
At 30 September 1993	2	2,822

<u>Company</u>	Revaluation reserve £'000	Profit and loss account £'000
At 30 September 1992	2	3,285
Profit for the year	-	194
Write off purchased goodwill	-	(657)
At 30 September 1993	2	2,822

### 20 CAPITAL COMMITMENTS

	<u>Group and Company</u>	
	<u>1993</u>	<u>1992</u>
	£'000	£'000
Contracted for but not yet provided	-	58
Authorised by Directors but not contracted for	4	-
	4	58

# DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

## NOTES TO THE ACCOUNTS (continued)

### 21 OPERATING LEASES

The Company's and Group's annual commitments under operating leases were as set out below.

	<u>Plant and machinery</u>	
	<u>1993</u>	<u>1992</u>
	£'000	£'000
Operating leases which expire:		
Within one year	56	5
Between one and five years	<u>28</u>	<u>46</u>
	84	51
	<u>      </u>	<u>      </u>

### 22 CONTINGENT LIABILITIES

	<u>1993</u>	<u>1992</u>
	£'000	£'000
Agreement with Humberclyde Finance Limited in respect of dealer stock financing facilities	1,171	1,054
Letter of set-off to Lloyds Bank Plc in respect of Dutton Forshaw (Machinery) Limited and its subsidiaries	5,532	871
Group VAT scheme	<u>      </u>	<u>1,958</u>
	6,703	3,883
	<u>      </u>	<u>      </u>

### 23 PENSIONS

The Group is a member of the Lontho Automotive and Machinery Group Pension Plan. The Scheme is a defined benefit scheme for all eligible employees, the assets of which are held in separate trustee administered, funds.

The pension cost is assessed in accordance with the advice of independent qualified actuaries. The latest actuarial assessment of the Scheme was at 1 October 1991, details of which are contained in the accounts of Dutton Forshaw Machinery Limited the immediate holding company.

On the recommendation of the actuaries, Group contributions to the Scheme remain suspended. The total pension cost for the Group was £67,000 (1992: £58,000) and a provision of £331,000 (1992: £284,000) is included in creditors, being the difference between the pension cost, calculated in accordance with Statement of Standard Accounting Practice No 24, and the amount funded.

## DUTTON FORSHAW (LAND MACHINERY) LIMITED AND SUBSIDIARIES

### NOTES TO THE ACCOUNTS (continued)

#### 24 PARENT UNDERTAKINGS

Dutton Forshaw (Machinery) Limited, a company which is registered in England is the smallest group to consolidate these accounts.

Lonrho Plc, a company which is registered in England is the ultimate parent company and is the parent undertaking of the largest group to consolidate these accounts.

Copies of the group accounts of Lonrho Plc may be obtained from the Company Secretary, Lonrho Plc, Cheapside House, 138 Cheapside, London EC2V 6BL.

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