

# **Webster Drives Limited**

## **Directors' report and financial statements**

**31 March 1995**

Registered number 553051



# Webster Drives Limited

## Directors’ report and financial statements

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# Webster Drives Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 1995.

### Principal activities

The company is principally engaged in the development, manufacture and merchanting of power take-off equipment, ancillary drives and transmissions for commercial vehicles, vehicle hydraulics and lift winding gear.

### Business review

The profit for the financial year was £166,687 (1994: loss of £20,068).

### Research and development

Research and development continues to be directed towards the development of new and existing products. Amounts expended are shown in note 5 to the accounts.

### Proposed dividends and transfer to reserves

An interim dividend of £50,000 was paid during the year (1994: £Nil). The directors recommend the payment of a final dividend of £33,344 (1994: £Nil) and propose the retained profit of £83,343 be transferred to reserves (1994: unrecovered loss of £20,068 be absorbed by the company's reserves brought forward).

### Significant changes in fixed assets

Details of movements in fixed assets are set out in note 9 to the financial statements.

### Directors

The directors who held office during the year were as follows:

B Turner	(Chairman)
D Ball	(Managing Director)
ML Brown	
DW Wyke	(Resigned 23 September 1994)
R Hubball	
KG Hurley	

# Webster Drives Limited

## Directors' report *(continued)*

### Directors' interests

The interests of the directors in office at the year end in the share capital of group undertakings were as follows:

	Ordinary shares of 25p each in Syltone plc			
	Options		Shares	
	31 March 1995	1 April 1994	31 March 1995	1 April 1994
B Turner	45,550	165,650	118,472	27,722
D Ball	20,000	20,000	8,000	8,000
ML Brown	-	-	-	-
R Hubball	-	-	-	-
KG Hurley	5,332	5,332	1,600	1,600


During the year B Turner exercised options to acquire 120,100 shares. No other options were either granted or exercised in the year.

Options are held under the Executive Share Option Scheme and the Employee Sharesave Scheme operated by Syltone plc.

### Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**ML Brown**  
*Secretary*

Folds Road  
Bolton  
Lancashire  
BL1 2FE

21 June 1995

# Webster Drives Limited

## 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 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Peat House  
1 Commercial Street  
Forster Square  
Bradford BD1 4AS

## Auditors' report to the members of Webster Drives Limited

We have audited the financial statements on pages 5 to 15.

### *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.

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG  
Chartered Accountants  
Registered Auditors  
Bradford

21 June 1995

# Webster Drives Limited

## Profit and loss account for the year ended 31 March 1995

	Note	1995 £	1994 £
<b>Turnover</b>	2	2,622,220	2,149,744
Change in stocks of finished goods and work in progress		32,283	83,327
Raw materials and consumables		(1,050,223)	(916,941)
Other external charges		(243,710)	(199,998)
Staff costs	3	(999,797)	(1,001,932)
Depreciation		(87,851)	(117,244)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	5	272,922	(3,044)
Interest payable	6	(20,801)	(27,577)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>		252,121	(30,621)
Taxation (charge)/credit on profit/(loss) on ordinary activities	7	(85,434)	10,553
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>		166,687	(20,068)
Dividends paid and proposed	8	(83,344)	-
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>	16	83,343	(20,068)

A reconciliation of movements in shareholders' funds is given in note 17.

In both the current and preceding year, the company made no material acquisitions and had no discontinued operations.

The financial statements are prepared on an unmodified historical cost basis and there were no recognised gains or losses in the year (1994: *None*) other than those reflected in the profit and loss account above.

# Webster Drives Limited

## Balance sheet at 31 March 1995

	Note	1995 £	£	1994 £	£
<b>Fixed assets</b>					
Tangible assets	9		272,496		250,438
<b>Current assets</b>					
Stocks	10	454,887		413,377	
Debtors	11	656,400		448,263	
			<u>1,111,287</u>		<u>861,640</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,008,317)</u>		<u>(808,825)</u>	
<b>Net current assets</b>			<u>102,970</u>		<u>52,815</u>
<b>Total assets less current liabilities</b>			<u>375,466</u>		<u>303,253</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(42,017)		(49,982)
<b>Provisions for liabilities and charges</b>	14		<u>13,826</u>		<u>10,661</u>
			<u>347,275</u>		<u>263,932</u>
<b>Capital and reserves</b>					
Called up share capital	15		16,950		16,950
Profit and loss account	16		<u>330,325</u>		<u>246,982</u>
<b>Shareholders' funds</b>			<u>347,275</u>		<u>263,932</u>
<b>Analysis of Shareholders' funds</b>					
Equity			335,975		252,632
Non-equity			<u>11,300</u>		<u>11,300</u>
			<u>347,275</u>		<u>263,932</u>

These financial statements were approved by the board of directors on 21 June 1995 and were signed on its behalf by:

D Ball 



# Webster Drives Limited

Director

Notes

(forming part of the financial statements)

## 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

### *Cash flow statement*

Under Financial Reporting Standard No 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a company registered in England and Wales.

### *Depreciation*

Depreciation is provided by the company to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

Short leasehold	
improvements	- over the residue of the lease
Plant and equipment	- 4 to 10 years
Motor vehicles	- 4 years

Short leasehold improvements are depreciated over the remaining period of the lease.

### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost includes an appropriate allocation of overheads.

### *Deferred taxation*

No provision is made for deferred taxation unless there is a reasonable probability that a liability will arise in the foreseeable future. Full recognition is made of the deferred tax asset relating to the pension cost provision made in accordance with Statement of Standard Accounting Practice No 24.

### *Research and development*

Expenditure on research and development is written off as incurred.

# Webster Drives Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Pension costs*

The expected cost of pensions is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees. Variations from the regular cost are spread over the expected service lives of current employees in the scheme. Pension costs are assessed in accordance with the advice of an independent qualified actuary.

#### *Foreign exchange*

Foreign currency assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Gains or losses arising in the ordinary course of business are dealt with in arriving at trading profit.

#### *Leased assets*

Rentals under operating leases are charged against profits as incurred.

### 2 Turnover

Turnover represents the invoiced value of goods sold and services provided in the year, stated exclusive of value added tax.

The geographical analysis of turnover, which arises from the principal activity of the company is as follows:

	1995 £	1994 £
United Kingdom	2,466,157	2,001,419
North America	4,351	2,762
Other	151,712	145,563
	<u>2,622,220</u>	<u>2,149,744</u>

### 3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	Number of employees 1995	1994
Management and administration	23	25
Manufacturing and development	32	36
	<u>55</u>	<u>61</u>

# Webster Drives Limited

## Notes (continued)

### 3 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	1995 £	1994 £
Wages and salaries	888,693	838,569
Social security costs	65,487	71,036
Other pension costs (note 18)	45,617	62,013
Redundancy costs	-	30,314
	<u>999,797</u>	<u>1,001,932</u>

### 4 Remuneration of directors

	1995 £	1994 £
Directors' emoluments:		
Remuneration as executives	182,056	151,312
Pension contributions	20,194	15,357
	<u>202,250</u>	<u>166,669</u>

The emoluments, excluding pension contributions, of the Chairman were £Nil (1994: £nil) and those of the highest paid director were £56,177 (1994: £46,752).

The emoluments, excluding pension contributions, of the directors (including the chairman and the highest paid director) were within the following ranges:

	Number of directors	
	1995	1994
£0 - £ 5,000	1	1
£10,001 - £15,000	1	2
£25,001 - £30,000		1
£30,001 - £35,000	1	2
£35,001 - £40,000	1	-
£40,001 - £45,000	1	-
£45,001 - £50,000	-	1
£50,001 - £55,000	1	-
	<u>1</u>	<u>-</u>

# Webster Drives Limited

## Notes (continued)

### 5 Operating profit

	1995 £	1994 £
<i>Operating profit/(loss) is stated after charging:</i>		
Payments under operating leases:		
Plant and machinery	9,677	9,564
Other leases	25,685	20,098
Auditors' remuneration:		
Audit	4,200	4,000
Other services	2,833	977
Research and development costs	56,797	47,296
	<u>          </u>	<u>          </u>

### 6 Interest payable

	1995 £	1994 £
On bank loans and overdrafts and other loans wholly repayable within five years	<u>20,801</u>	<u>27,577</u>

### 7 Taxation

	1995 £	1994 £
UK Corporation tax at 33 % (1994: 33%) on the profit/(loss) for the year on ordinary activities	89,081	1,972
Group relief receivable	-	-
Deferred tax (note 14)	(3,165)	(11,558)
Adjustments relating to earlier years	(482)	(967)
	<u>85,434</u>	<u>(10,553)</u>

### 8 Dividend

	1995 £	1994 £
Ordinary shares:		
Interim dividend paid	50,000	-
Final dividend proposed	33,344	-
	<u>83,344</u>	<u>-</u>

# Webster Drives Limited

## Notes (continued)

### 9 Tangible fixed assets

	Short leasehold improvements £	Plant, equipment and vehicles £	Total £
<b>Cost</b>			
At beginning of year	9,672	1,600,773	1,610,445
Additions	-	115,308	115,308
Disposals	-	(36,233)	(36,233)
	<hr/>	<hr/>	<hr/>
At end of year	9,672	1,679,848	1,689,520
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At beginning of year	9,672	1,350,335	1,360,007
Charge for year	-	87,851	87,851
On disposals	-	(30,834)	(30,834)
	<hr/>	<hr/>	<hr/>
At end of year	9,672	1,407,352	1,417,024
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 March 1995	-	272,496	272,496
	<hr/>	<hr/>	<hr/>
At 31 March 1994	-	250,438	250,438
	<hr/>	<hr/>	<hr/>

### 10 Stocks

	1995 £	1994 £
Raw materials and consumables	136,730	127,503
Work in progress	246,181	244,064
Finished goods and goods for resale	71,976	41,810
	<hr/>	<hr/>
	454,887	413,377
	<hr/>	<hr/>

# Webster Drives Limited

## Notes (continued)

### 11 Debtors

	1995 £	1994 £
Trade debtors	461,326	306,540
Amounts owed by parent and fellow subsidiary undertakings	161,832	122,500
Prepayments and accrued income	33,242	19,223
	<u>656,400</u>	<u>448,263</u>

### 12 Creditors: amounts falling due within one year

	1995 £	1994 £
Bank overdraft (unsecured)	294,872	430,991
Trade creditors	355,545	195,750
Amounts owed to parent and fellow subsidiary undertakings	72,975	87,570
Other creditors including taxation and social security:		
Corporation tax	89,081	1,972
Other taxes and social security	27,042	24,164
	<u>116,123</u>	<u>26,136</u>
Accruals and deferred income	135,458	68,378
Proposed dividend	33,344	
	<u>1,008,317</u>	<u>808,825</u>

### 13 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Pension costs (note 18)	<u>42,017</u>	<u>49,982</u>

# Webster Drives Limited

## Notes (continued)

### 14 Provisions for liabilities and charges

	Deferred taxation £
At beginning of year	(10,661)
Credit for the year in the profit and loss account (note 7)	(3,165)
	<hr/>
At end of year	(13,826)
	<hr/>

The amounts provided for deferred taxation at 33% (1994: 33%) represent the full potential liability and are as follows:

	1995 £	1994 £
Accelerated capital allowances	44	5,833
Provision for pension costs	(13,870)	(16,494)
	<hr/>	<hr/>
	(13,826)	(10,661)
	<hr/>	<hr/>

### 15 Called up share capital

	1995 £	1994 £
<i>Authorised</i>		
<i>Equity</i>		
17,400 ordinary shares of 50p each	8,700	8,700
<i>Non-equity</i>		
11,300 deferred shares of £1 each	11,300	11,300
	<hr/>	<hr/>
	20,000	20,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
<i>Equity</i>		
11,300 ordinary shares of 50p each	5,650	5,650
<i>Non-equity</i>		
11,300 deferred shares of £1 each	11,300	11,300
	<hr/>	<hr/>
	16,950	16,950
	<hr/>	<hr/>

The deferred shares have no rights to a dividend and have restricted rights in the return of capital. In the event of a poll, each ordinary share represents 5,000 votes to a deferred share's one vote.

# Webster Drives Limited

## Notes (continued)

### 16 Profit and loss account

	£
At beginning of year	246,982
Retained profit for the financial year	83,343
	<hr/>
At end of year	<u>330,325</u>

### 17 Reconciliation of movements in shareholders' funds

	1995 £	1994 £
Profit/(loss) for the financial year	166,687	(20,068)
Dividends proposed	(83,344)	-
	<hr/>	<hr/>
Retained profit/(loss) for the financial year	83,343	(20,068)
Opening shareholders' funds	263,932	284,000
	<hr/>	<hr/>
Closing shareholders' funds	<u>347,275</u>	<u>263,932</u>

### 18 Pensions

The company participates in the group funded defined benefit scheme operated by Syltone plc. Contributions to the scheme are based on pension costs across the group as a whole. Particulars of the most recent actuarial valuation of the group's scheme are contained in the financial statements of Syltone plc.

### 19 Operating lease commitments

	1995 £	1994 £
Property rentals on leases terminating: In more than five years	25,685	20,098
Equipment rentals on leases terminating: In two to five years	9,677	9,677
	<hr/>	<hr/>
	<u>35,362</u>	<u>29,775</u>



# Webster Drives Limited

## Notes *(continued)*

### 20 Contingent liabilities

The company has guaranteed the bank borrowings of certain group undertakings which at 31 March 1995 amounted to £2,314,811 (1994: £2,016,513). The company has guaranteed the VAT liability of certain group undertakings which at 31 March 1995 amounted to £257,324 (1994: £261,628).

### 21 Ultimate parent company

The ultimate parent company is Syltone plc, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the group accounts can be obtained from 10 Park Gate, Bradford, BD1 5BS.