

# Potain (UK) Limited

Registered No. 707803

## DIRECTORS

W E Freake

V Combet (French)

J M Desmolles (French)

G A Roletti (French)

M R Taylor Thomas FCA

## SECRETARY

Mincing Lane Corporate Services Limited

## AUDITORS

Ernst & Young

Becket House

1 Lambeth Palace Road

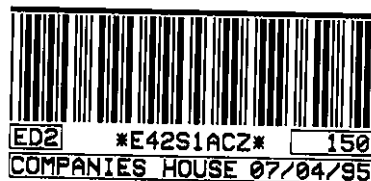
London SE1 7EU

## REGISTERED OFFICE

Horton Close

West Drayton

Middlesex UB7 8JA



The directors present their report together with the audited accounts of the company for the year ended 31 December 1994.

**RESULTS AND DIVIDENDS**

The company made a profit of £331,387 (1993 – profit of £297,860) in the year.

The directors do not recommend the payment of a dividend.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activities of the company are the supply of submersible and centrifugal pumps, and the sale and after sales service and hire of tower cranes.

The company has encountered difficult trading conditions throughout the year particularly as a result of the UK recession and the resulting decline in the civil engineering industry in which a substantial part of the company's activities are carried out.

**FUTURE DEVELOPMENTS**

The directors intend to continue their efforts to seek new customers for the company's products.

**DIRECTORS AND THEIR INTERESTS**

The directors who held office throughout the year are listed on page 1.

None of the directors held any beneficial interests in the ordinary share capital of the company.

**FIXED ASSETS**

Movements in fixed assets are shown in note 8 to these accounts.

**AUDITORS**

On 7 January 1993 Potain (UK) Limited elected under section 386 of Companies Act 1985 to dispense with the obligation to appoint auditors annually.

By order of the board



Director

15 MAR 1995

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the accounts comply with the above requirements.

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 accounts 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.

## REPORT OF THE AUDITORS

to the members of Potain (UK) Limited

We have audited the accounts on pages 5 to 16, which have been prepared under the historical cost convention as modified by the revaluation of land and buildings and on the basis of the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

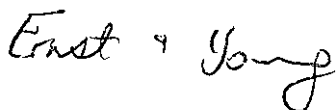
### Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
London

16 March 1995

Potain (UK) Limited

**PROFIT AND LOSS ACCOUNT**

for the year ended 31 December 1994

	Notes	1994 £	1993 £
<b>TURNOVER</b>			
Cost of sales	1&2	2,954,302 (2,115,859)	2,701,209 (2,136,012)
Gross profit		838,443	565,197
Distribution costs		(119,534)	(125,115)
Administration expenses		(317,089)	(294,400)
		(436,623)	(419,515)
<b>OPERATING PROFIT</b>			
Other income	3	401,820	145,682
Interest payable	5	-	225,820
	6	(30,433)	(73,642)
		(30,433)	152,178
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			
Tax on profit on ordinary activities	7	371,387 (40,000)	297,860 -
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>			
Balance brought forward - 1 January 1994		331,387	297,860
		55,670	(242,190)
Carried forward - 31 December 1994		387,057	55,670

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the profit attributable to the company of £331,387 for the year ended 31 December 1994 and the profit of £297,860 for the year ended 31 December 1993.

Potain (UK) Limited

BALANCE SHEET

at 31 December 1994

	Notes	1994 £	1993 £
<b>FIXED ASSETS</b>			
Tangible assets			
Investments	8	601,933	572,100
	9	-	-
		<u>601,933</u>	<u>572,100</u>
<b>CURRENT ASSETS</b>			
Stocks			
Debtors and prepayments	10	441,966	219,818
Bank and cash balances	11	389,057	246,708
	12	2,594	24,065
		<u>833,617</u>	<u>490,591</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(506,298)	(427,891)
<b>NET CURRENT ASSETS</b>		<u>327,319</u>	<u>62,700</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>929,252</u>	<u>634,800</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14	(167,488)	(204,423)
		<u>761,764</u>	<u>430,377</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital			
Revaluation reserves	15	115,000	115,000
Profit and loss account	16	259,707	259,707
	16	387,057	55,670
		<u>761,764</u>	<u>430,377</u>

Approved by the Board on 15<sup>th</sup> March 1995

Markel Taylor-Thompson

Director

Potain (UK) Limited

STATEMENT OF CASH FLOWS

for the year ended 31 December 1994

	Notes	1994 £	1993 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3b	138,116	157,039
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(30,433)	(45,186)
Interest element of finance lease rental payments		-	-
Interest received		-	-
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(30,433)	(45,186)
TAXATION			
Corporation tax paid		-	-
Corporation tax received		-	-
TAX PAID		-	-
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets	9	(44,568)	(6,000)
Receipts from sales of tangible fixed assets		1,750	105,304
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(42,818)	99,304
NET CASH INFLOW BEFORE FINANCING		64,865	211,157
FINANCING			
Repayment of borrowings		33,155	20,000
Repayments of capital element of finance lease rentals		-	1,581
NET CASH OUTFLOW FROM FINANCING		33,155	21,581
INCREASE IN CASH AND CASH EQUIVALENTS	12	31,710	189,576
		64,865	211,157

NOTES TO THE ACCOUNTS

at 31 December 1994

1. ACCOUNTING POLICIES

*Basis of accounting*

The accounts have been prepared under the historical cost convention, as modified to include the revaluation of the freehold properties.

*Turnover*

Turnover represents the amount receivable for goods sold and services provided to customers excluding value added tax.

*Depreciation and amortisation of tangible fixed assets*

Depreciation and amortisation is provided in order to write off the cost of an asset evenly over its estimated useful life on the following bases:

Leasehold property	—	over the period of the lease
Plant and machinery	—	over 5 years
Fixtures and equipment	—	over 5 years
Computer equipment	—	over 4 years
Motor vehicles	—	over 4 to 5 years

No depreciation is provided on freehold land.

*Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost comprises the purchase price and all transport and handling costs. Net realisable value is the estimated selling price less all further costs to be incurred prior to sale, including selling and distribution costs.

*Investments*

Fixed asset investments are shown at cost less amounts written off.

*Translation of foreign currency transactions*

Assets and liabilities expressed in foreign currencies are converted to sterling at the appropriate rates in force at the year end.

Any gain or loss resulting from changes in exchange rates is taken to the profit and loss account as it arises.

*Deferred taxation*

Deferred taxation is provided at current rates on the excess of the book value over the value for taxation purposes of fixed assets eligible for taxation allowances. No provision has been made for corporation tax on capital gains on the sale of the freehold properties at their revalued amounts, since the directors believe this does not constitute a timing difference. The tax has therefore not been quantified.

*Leases*

Assets acquired under finance leases, including hire purchase, are treated as tangible fixed assets. The related borrowing is shown under creditors and the interest element of repayments is charged to the profit and loss account over the period of the lease. Rentals payable under operating leases are charged to the profit and loss account as incurred.



# Potain (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 2. TURNOVER

(a) An analysis of turnover by activity is as follows:

	1994 £000	1993 £000
Pumps	1,703	1,717
Cranes	1,251	984
	<u>2,954</u>	<u>2,701</u>

(b) An analysis of the operating profit by class of business is:

	1994 £000	1993 £000
Pumps	274	141
Cranes	275	143
	<u>549</u>	<u>284</u>
Indirect administration costs	(147)	(138)
	<u>402</u>	<u>146</u>

(c) An analysis of turnover by geographical market is given below:

	1994 £000	1993 £000
United Kingdom	2,560	1,386
Other EC Countries	26	371
Outside EC	368	944
	<u>2,954</u>	<u>2,701</u>

# Potain (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 3. OPERATING PROFIT

(a) The operating profit is stated after charging/(crediting):

	1994	1993
	£	£
Depreciation and amortisation of tangible fixed assets	14,735	29,706
Operating lease rentals	28,440	25,566
Profit on disposal of tangible fixed assets	(1,750)	(10,477)
Auditors' remuneration	12,000	9,000

(b) Reconciliation of operating profit to net cash inflow from operating activities

	1994	1993
	£	£
Operating profit	401,820	145,682
Provisions released	-	225,820
Depreciation	14,735	29,707
(Profit) on disposal of tangible fixed assets	(1,750)	(10,477)
(Increase)/decrease in debtors	(142,349)	41,215
(Increase)/decrease in stocks	(222,148)	85,271
Increase/(decrease) in creditors	87,808	(360,179)
Net cash inflow from operating activities	138,116	157,039

### 4. WAGES AND SALARIES

	1994	1993
	£	£
Costs arising during the year amounted to:		
Wages and salaries	262,300	263,623
Social security costs	28,689	27,585
Pension costs	9,093	9,085
	300,082	300,293

Directors' remuneration:

	1994	1993
	£	£
Emoluments in respect of:		
Remuneration	68,423	63,434
Pension costs	2,588	2,588
	71,011	66,022

# Potain (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 4. WAGES AND SALARIES (continued)

The above emoluments include amounts (other than pension costs) paid to:

	1994 £	1993 £
Highest paid director	35,949	36,176
Chairman	—	—

The emoluments, other than pensions costs, of the directors fell within the following ranges:

	No.	No.
£nil — £5,000	3	3
£20,001 — £25,000	—	—
£25,001 — £30,000	—	1
£30,001 — £35,000	1	—
£35,001 — £40,000	1	1

The average weekly number of employees (including executive directors) was as follows:

	No.	No.
Works	11	12
Selling and distribution	4	4
Administration	5	4
	20	20

### 5. OTHER INCOME

	1994 £	1993 £
Release of provision for settled Raynesway case	—	100,017
Release of time barred provision against Claessen Sales	—	95,000
Other provisions released	—	30,803
	—	225,820

### 6. INTEREST PAYABLE

	1994 £	1993 £
On bank overdrafts repayable within five years	15,088	45,142
On bank loans (see note 14)	15,345	28,500
	30,433	73,642

# Potain (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation on the profit on ordinary activities is as follows:

	1994 £	1993 £
Corporation tax at 33%	40,000	-

### 8. TANGIBLE FIXED ASSETS

	Freehold properties £	Plant and machinery £	Fixtures and equipment £	Motor vehicles £	Hire equipment £	Total £
Cost or valuation:						
At 31 December 1993	550,000	94,826	249,781	68,916	21,361	984,884
Additions in year	-	-	21,370	23,198	-	44,568
Disposals in year	-	-	-	(18,563)	-	(18,563)
At 31 December 1994	550,000	94,826	271,151	73,551	21,361	1,010,889
Depreciation and amortisation:						
At 31 December 1993	-	93,312	239,983	58,228	21,261	412,784
Eliminated on disposal	-	-	-	(18,563)	-	(18,563)
Provided during the year	-	1,392	4,920	8,423	-	14,735
At 31 December 1994	-	94,704	244,903	48,088	21,261	408,956
Net book value:						
At 31 December 1994	550,000	122	26,248	25,463	100	601,933
At 31 December 1993	550,000	1,514	9,798	10,688	100	572,100

The historical cost of the freehold properties is £290,293. The properties are stated at valuation carried out by members of the Royal Institute of Chartered Surveyors.

# Potain (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 9. INVESTMENTS

	1994	1993
	£	£
Shares in subsidiary undertakings at cost	11,997	11,997
Less: Amounts written off	(11,997)	(11,997)
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>

At 31 December 1994 the company owned the entire issued share capital of the following subsidiary undertakings, all of which are registered in England.

<i>Company</i>	<i>Principal Activity</i>
Record Potain Limited:	Sale and after sale service of tower cranes
Claessen Pumps Limited:	Supply of submersible and centrifugal pumps
Claessen Sales Limited:	Sale and after sales service of mechanical handling equipment

The above subsidiaries are all dormant.

At 31 December 1994 the company owned 510 ordinary shares of IR £1 representing 51% of the total equity of the following subsidiary undertaking, which is incorporated in Eire.

<i>Company</i>	<i>Principal activity</i>
Potain (Ireland) Limited:	Sale and after sale service of tower cranes

### 10. STOCKS

	1994	1993
	£	£
Goods held for resale	441,966	219,818
	<u>          </u>	<u>          </u>

### 11. DEBTORS AND PREPAYMENTS

	1994	1993
	£	£
Due within one year:		
Trade debtors	346,240	221,448
Due from subsidiary undertakings	11,469	2,855
Other debtors	589	3,650
Prepayments and accrued income	30,759	18,755
	<u>          </u>	<u>          </u>
	389,057	246,708
	<u>          </u>	<u>          </u>

# Potain (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 12. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the balance sheet and changes during the current and previous year:

	1994 £	1993 £	Change in year £
Cash at bank and in hand	2,594	24,065	(21,471)
Bank overdraft	(169,381)	(222,562)	53,181
	<u>(166,787)</u>	<u>(198,497)</u>	<u>31,710</u>
	1993 £	1992 £	Change in year £
Cash at bank and in hand	24,065	21,320	2,745
Bank overdraft	(222,562)	(409,393)	186,831
	<u>(198,497)</u>	<u>(388,073)</u>	<u>189,576</u>

### 13. CREDITORS: amounts falling due within one year:

	1994 £	1993 £
Trade creditors	194,415	74,103
Current corporation tax	40,000	—
Other taxes and social security	26,986	40,939
Sundry creditors and accruals	44,493	63,044
	<u>305,894</u>	<u>178,086</u>
Bank overdraft (secured)	169,381	222,562
Bank loan (secured) (see note 14)	31,023	27,243
	<u>506,298</u>	<u>427,891</u>

# Potain (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 14. CREDITORS: amounts falling due after more than one year:

	1994	1993
	£	£
Bank loan repayable by instalments:		
Within 2-5 years	163,473	154,270
After 5 years	4,015	50,153
	<u>167,488</u>	<u>204,423</u>

The company's bankers have a mortgage debenture being a fixed charge over the company's freehold properties and a floating charge over all other assets of the company and its subsidiary undertaking.

The bank loan is repayable by equal monthly instalments (including interest) for 15 years from February 1985, and bears interest at 9½% per annum.

#### Loans:

	1994	1993
	£	£
Loans within one year - brought forward	27,243	23,464
Loans after one year - brought forward	204,423	228,202
Drawn down	-	-
Repaid	(33,155)	(20,000)
	<u>198,511</u>	<u>231,666</u>
Being:		
Loans within one year - carried forward	31,023	27,243
Loans after one year - carried forward	167,488	204,423
	<u>198,511</u>	<u>231,666</u>

### 15. SHARE CAPITAL

	1994	1993
	No.	No.
Authorised: ordinary shares of £1 each	200,000	200,000
	£	£
Allotted, called up and fully paid:		
115,000 ordinary shares of £1 each	<u>115,000</u>	<u>115,000</u>

# Potain (UK) Limited

## NOTES TO THE ACCOUNTS

at 31 December 1994

### 16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i> £	<i>Revaluation reserve</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 January 1993	115,000	259,707	(242,190)	132,517
Profit for the year	—	—	297,860	297,860
At 1 January 1994	115,000	259,707	55,670	430,377
Profit for the year	—	—	331,387	331,387
At 31 December 1994	<u>115,000</u>	<u>259,707</u>	<u>387,057</u>	<u>761,764</u>

### 17. CAPITAL COMMITMENTS

There were no capital expenditure commitments either authorised by the directors but not contracted for, or contracted for but not provided for in the accounts at 31 December 1994 (1993 – £nil).

### 18. PENSION COMMITMENTS

The company operates a pension and life assurance scheme to provide deferred benefits for employees of the group. Contributions by the company to the scheme, based upon the remuneration of the scheme members, are paid into an external fund and are charged in the profit and loss account as incurred.

### 19. OPERATING LEASES

	<i>1994</i> £	<i>1993</i> £
The group has a commitment to pay rentals in respect of operating leases expiring as follows:		
Within 1 year	25,468	23,842
Within 2-5 years	24,100	37,199
After 5 years	—	—
	<u>49,568</u>	<u>61,041</u>

### 20. PARENT UNDERTAKING

The company is a wholly owned subsidiary of Potain SA, a company incorporated in France. The ultimate parent undertaking is Legris Industries SA, a company incorporated in France. The results for the year have been included in the group accounts prepared by these companies. Copies are available from the registered office noted on page 1.

### 21. SUBSIDIARY UNDERTAKING

The company has a subsidiary undertaking, Potain (Ireland) Limited, a company incorporated in Ireland. The company is not required to prepare group accounts in accordance with section 228 of the Companies Act 1985. The accounts present information about the company as an individual undertaking and not about its group.