

MECHAN (MATERIALS HANDLING) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 1982

REGISTERED OFFICE 1.

947728

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1. Principal activity

The company is a manufacturer of crane, and hoists, and is engaged in general engineering. A relatively small factoring trade was also engaged in during the year under review.

2. Fixed assets

The changes during the year in fixed assets are shown on page 7 to the accounts. In the opinion of the directors the market value of the leasehold factory at Poucher Street, Rotherham was at least the amount stated in the balance sheet. This property was acquired in October, 1981 when the leasehold factory at Bland Street, Sheffield was sold, the company's activities thus being transferred.

3. Directors

The directors of the company, who held office in the year, together with details of their shareholdings were as follows:-

	<u>Ordinary £1 shares</u>	
	<u>31.3.82</u>	<u>31.3.81</u>
A. G. Hague (throughout the year)	10,800	11,400
G. Davis (throughout the year)	600	600
J. Dignam (resigned 14.4.81)	-	600
C. Jones (appointed 13.10.81)	-	-

4. Exports

There were no exports in the year under review or in the previous year.

5. Taxation status

The company is a close company as defined by the Income and Corporation Taxes Act 1970.



Poucher Street

Rotherham

S61 2ET

By order of the Board

A. G. Hague

Secretary

21st July, 1982

MECHAN (MATERIALS HANDLING) LIMITEDAUDITORS' REPORT TO THE MEMBERSFOR THE YEAR ENDED 31ST MARCH, 1982

We have audited the accounts on pages 3 to 7 in accordance with approved Auditing Standards.

In our opinion the accounts which have been prepared under the historical cost convention give a true and fair view of the state of the company's affairs at 31st March, 1982 and of its profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1981, in so far as the provisions of those Acts apply to these accounts.

Rodni Vaneberg

Chartered Accountants

11 Paradise Square

Sheffield

S1 2DE

21st July, 1982

MECHAN (MATERIALS HANDLING) LIMITED

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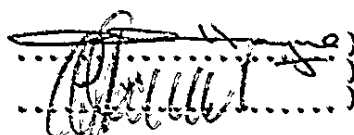
BALANCE SHEET AT 31ST MARCH, 1982

CAPITAL EMPLOYED

<u>Shareholders' funds</u>		<u>31.3.81</u>
Share capital		
ordinary shares of £1 each, authorised, issued and fully paid	12,000	12,000
Reserve account (note 2)	-	15,547
Undistributed profit (accumulated deficit)	2,398	(35,914)
	<u>14,398</u>	<u>(8,367)</u>
<u>Loans (secured)</u>		
Lloyds Bank Limited (note 3)	39,718	-
Norwich General Trust Limited	-	19,818
	<u>39,718</u>	<u>19,818</u>
<u>Deferred taxation reserve (note 4)</u>	11,000	11,000
	<u>£65,116</u>	<u>£22,451</u>

EMPLOYMENT OF CAPITAL

<u>Fixed assets</u>		
Net book amount (page 7)	61,268	55,199
<u>Product development expenditure (note 7)</u>	3,583	-
<u>Current assets</u>		
Stock and work-in-progress (note 1a)	2,778	2,330
Debtors and payments in advance	25,277	16,032
Cash in hand	72	98
	<u>28,127</u>	<u>18,460</u>
<u>Current liabilities</u>		
Bank overdraft (secured) (note 3)	7,698	36,986
Creditors and accrued expenses	20,164	14,222
	<u>(27,862)</u>	<u>(51,208)</u>
<u>Net current liabilities</u>	265	(32,748)
	<u>£65,116</u>	<u>£22,451</u>

 } Directors

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MECHAN (MATERIALS HANDLING) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 1982

		<u>Year Ended 31.3.81</u>
<u>Net trading profit (loss)</u>	4,832	(19,812)
after charging:		
Directors' remuneration (note 6)	11,700	11,190
Directors' pension scheme contributions	700	-
Directors' benefits	375	550
Auditors' remuneration	900	900
Bank interest	3,046	5,256
Invoice discounting charges	-	601
Hire purchase interest	-	478
Hire charges re motor vehicles and equipment	2,835	3,106
Depreciation of fixed assets	4,885	7,812
	<u> </u>	<u> </u>
Loan interest	(5,518)	(4,218)
Interest received	162	7
Transfer from deferred taxation reserve (note 4)	-	2,000
	<u> </u>	<u> </u>
<u>Net loss before extraordinary items</u>	(524)	(22,023)
<u>Extraordinary items</u>		
Surplus on disposals of leasehold buildings and plant (note 5)	25,781	-
Factory removal costs	(2,492)	-
Balance on buildings revaluation reserve released (note 2)	15,547	-
	<u> </u>	<u> </u>
	38,836	-
	<u> </u>	<u> </u>
<u>Profit (loss) after extraordinary items</u>	38,312	(22,023)
Accumulated deficit brought forward	(35,914)	(13,891)
	<u> </u>	<u> </u>
<u>Undistributed profit carried forward</u>	£2,398	£35,914
	<u> </u>	<u> </u>

5.

MECHAN (MATERIALS HANDLING) LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MARCH, 1982

		<u>Year</u> <u>Ended</u> <u>31.3.81</u>
<u>Source of funds</u>		
Generated from operations		
Items not involving the movement of funds		
Depreciation of fixed assets and loss on disposals	4,885	7,812
Transfer from deferred taxation reserve	-	(2,000)
	<u>4,885</u>	<u>5,812</u>
Funds from other sources		
Proceeds of sales of fixed assets	69,322	2,695
Net increase in amount due to loan creditors	19,900	80
	<u>89,222</u>	<u>2,775</u>
	<u>94,107</u>	<u>8,587</u>
<u>Application of funds</u>		
Net loss before extraordinary items	524	22,023
Purchases of fixed assets	54,495	1,246
Product development expenditure	3,583	-
Factory removal costs	2,492	-
Net decrease in amount owing to hire purchase creditors	-	4,040
	<u>(61,094)</u>	<u>(27,309)</u>
<u>Net inflow (outflow) of funds</u>	<u>£33,013</u>	<u>(£18,722)</u>
reflected by:		
Increase (decrease) in current assets	9,667	(49,454)
Decrease in current liabilities	23,346	30,732
	<u>£33,013</u>	<u>(£18,722)</u>

MECHAN (MATERIALS HANDLING) LIMITED

6a.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 1982

1. Accounting policies

- a. Stock and work-in-progress have been valued at the lower of cost and net realisable value. Cost includes overhead charges where appropriate.
- b. Depreciation has been calculated on consistent bases to write off the relevant fixed assets over their estimated useful lives.

The rates used are:-

Plant and machinery 20% reducing balance

Office equipment 15% reducing balance

The leasehold buildings are being written off over 71 years at £737 per year. The period of 71 years approximates to the remaining period of the lease which will expire in the year ending 31st March, 2053. In addition £1,738 legal charges incurred in connection with the acquisition have been written off this year.

2. Reserve account

The sum of £15,547 standing to the credit of this account at 31st March, 1981 arose on revaluation of the leasehold buildings at 31st March, 1978. In view of the disposal of the buildings in question in the year under review on which a surplus arose the reserve account balance has therefore been released to profit and loss account.

3. Bank loan and overdraft

	<u>31.3.82</u>	<u>31.3.81</u>
The aggregate was:-		
Loan	39,718	-
Overdraft	7,698	36,986
	<hr/>	<hr/>
	£47,416	£36,986
	<hr/>	<hr/>

The balance on the loan account is repayable on demand.

MECHAN (MATERIALS HANDLING) LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31ST MARCH, 1982

4. Taxation

No provision for corporation tax is made in respect of the year in view of loss relief available from earlier years. The deferred taxation reserve takes account of the deferment to later years of corporation tax liabilities as a consequence of capital allowances claimed exceeding depreciation charged in the accounts and this amount was calculated to be £11,000 at 31st March, 1981. In view of the fact that for tax purposes a loss balance still exists at 31st March, 1982 it is not considered necessary to augment this reserve balance further at present.

No provision has been made for taxation on the surplus arising on the disposal of the leasehold property at Bland Street as roll-over relief is being claimed.

5. Surplus on disposals of fixed assets

Leasehold buildings	25,602
Plant	179
	<hr/>
	£25,781
	<hr/>

6. Directors' emoluments

	<u>Year Ended</u>	
	<u>31.3.82</u>	<u>31.3.81</u>
	<u>£</u>	<u>£</u>
Aggregate emoluments	12,775	11,740
Including taxable benefits	375	550

7. Product development expenditure

It is expected that sales arising from this expenditure will accrue in the ensuing year and it is intended to write off this expenditure over the next three accounting years.

8. Capital expenditure commitments not provided for in the accounts

There were no such commitments at 31st March, 1982 nor at 31st March, 1981.

MECHAN (MATERIALS HANDLING) LIMITED

SCHEDULE OF FIXED ASSETS AT 31ST MARCH, 1982

	<u>Leasehold buildings (long lease)</u>	<u>Plant and machinery</u>	<u>Office equipment fixtures and fittings</u>	<u>Total 31.3.82</u>	<u>Total 31.3.81</u>
Cost to 31.3.81	-	28,332	1,543	29,875	36,074
Valuation to 31.3.81	45,000	-	-	45,000	45,000
Additions at cost	53,955	540	-	54,495	1,246
Disposal at valuation	(45,000)	-	-	(45,000)	-
Disposals at cost	-	(70)	(35)	(105)	(7,445)
Cost 31.3.82	53,955	28,802	1,508	84,265	74,875
Depreciation 31.3.81	1,500	17,252	924	19,676	16,614
Depreciation on disposals	(1,500)	(47)	(17)	(1,564)	(2,708)
Charge for the year	2,475	2,320	90	4,285	5,770
Depreciation 31.3.82	(2,475)	(19,525)	(997)	(22,997)	(19,676)
Net book amount 31.3.82	£51,480	£9,277	£511	£61,268	£55,199