

Reg.

Co. Number: 1071050

**SANDHURST PLANT LIMITED**  
**REPORTS AND ACCOUNTS**  
**FOR THE YEAR ENDED 30TH SEPTEMBER 1998**



## SANDHURST PLANT LIMITED

### REPORT OF THE DIRECTORS

For the year ended 30th September 1998

The directors submit their report and accounts for the year ended 30th September 1998.

#### PRINCIPAL ACTIVITY

The company's principal activity during the year was the sale and hiring out of plant and machinery.

#### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Turnover has increased by 16.3% on the previous year to £6,709,383 of which export sales amounted to £1,024,496.

The trading profit for the year after taxation was £178,668.

The directors recommend that no dividends be paid for the year and that the undistributed profits for the year be carried forward as part of the general reserves of the company.

The movements in fixed assets during the year are shown in note 7 to the accounts.

There have been no important events affecting the company since 30th September 1998, other than that referred to at note 18 to the accounts.

#### DIRECTORS AND THEIR INTERESTS

The directors during the year ended 30th September 1998 were as follows:-

T.W. Dean (Chairman)  
P.L. Dean

None of the directors had an interest in the share capital of the company during the year.

T.W. Dean holds 100 shares of £1 each in the parent company, Sandhurst Group Limited. P.L. Dean has no interest in the share capital of the parent company, Sandhurst Group Limited.

P.L. Dean retires from the board at the Annual General Meeting and, being eligible, offers himself for re-election.

#### 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;
- comply with applicable accounting standards 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 maintaining 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.

SANDHURST PLANT LIMITED

REPORT OF THE DIRECTORS

For the year ended 30th September 1998

(continued)

AUDITORS

A resolution to re-appoint Messrs. Day, Smith & Hunter as auditors will be proposed at the forthcoming Annual General Meeting.

YEAR 2000 SOFTWARE ISSUES

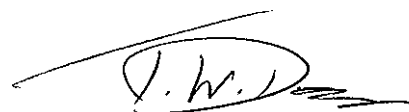
The 'Millennium bug' or 'Year 2000 issue' refers to potential problems in the processing of data or operation of electronic equipment affected by the transition from 1999 to 2000.

The directors fully recognise the potential risks associated with the issue and are taking reasonable steps to ensure that the company is prepared for the transition. The costs associated with the transition are not considered significant.

CLOSE COMPANY

Sandhurst Plant Limited is a close company within the terms of the Income and Corporation Taxes Act 1988.

BY ORDER OF THE BOARD



T.W. DEAN  
Director

REGISTERED OFFICE

Thames House,  
College Road,  
Northfleet,  
Kent.  
DA11 9AU

4th March 1999

## SANDHURST PLANT LIMITED

### AUDITORS' REPORT TO THE SHAREHOLDERS OF SANDHURST PLANT LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared following the accounting policies set out on page 6.

#### **Respective responsibilities of directors and auditors**

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 30th September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



DAY, SMITH & HUNTER  
Chartered Accountants  
Registered Auditors

121-123 Mount Pleasant,  
Tunbridge Wells,  
Kent  
TN1 1QR.

4th March 1999

SANDHURST PLANT LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30th September 1998

	<u>Notes</u>		<u>30.9.1997</u>
Turnover	2	6,709,383	5,768,717
Cost of sales		4,530,152	4,097,802
GROSS PROFIT		2,179,231	1,670,915
Administrative expenses		1,682,297	1,353,696
		496,934	317,219
Other operating income		2,000	-
OPERATING PROFIT	3/4	498,934	317,219
Interest receivable		358	-
		499,292	317,219
Interest payable and similar charges	5	201,268	142,366
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		298,024	174,853
Taxation	6	119,356	9,090
PROFIT FOR THE FINANCIAL YEAR	15	£178,668	£165,763

The company has no recognised gains or losses other than those recognised in the profit and loss account.

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 6 to 11 form part of these accounts.

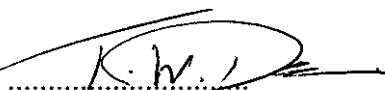
# SANDHURST PLANT LIMITED

## BALANCE SHEET

As at 30th September 1998

	<u>Notes</u>		<u>30.9.1997</u>
FIXED ASSETS			
Tangible fixed assets	7	1,500,967	808,959
CURRENT ASSETS			
Stocks	8	887,695	789,511
Debtors (amounts falling due within one year)	9	1,265,182	1,073,763
Trade debtors subject to financing (amounts falling due within one year)	9	118,730	141,491
Debtors (amounts falling due after more than one year)	9	600,000	750,000
Cash at bank and in hand		394	74,788
		<u>2,872,001</u>	<u>2,829,553</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank loans and overdrafts	11	624,694	515,805
Creditors	10	1,881,704	1,673,203
		<u>2,506,398</u>	<u>2,189,008</u>
NET CURRENT ASSETS		<u>365,603</u>	<u>640,545</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,866,570	1,449,504
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Bank loan	11	(60,000)	-
Hire purchase and finance leases	12	(135,616)	(20,265)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	(146,743)	(83,696)
NET ASSETS		<u>£1,524,211</u>	<u>£1,345,543</u>
CAPITAL AND RESERVES			
Called up share capital	14	10	10
Profit and loss account	15	1,524,201	1,345,533
SHAREHOLDERS' FUNDS	15	<u>£1,524,211</u>	<u>£1,345,543</u>

Approved by the board of directors on *4th March 1999*

  
T.W. DEAN

The notes on pages 6 to 11 form part of these accounts.

SANDHURST PLANT LIMITED

NOTES TO THE ACCOUNTS

30th September 1998

1. ACCOUNTING POLICIES

a) Accounting convention

The accounts are prepared under the historical cost convention and incorporate the results of the activity described in the directors' report which is continuing.

b) Cash flow

The accounts do not include a cash flow statement because the company is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

c) Turnover represents the invoiced value of plant sold and hired during the year, net of value added tax.

d) Stocks

Stocks consist of goods for resale and spare parts and are valued at the lower of cost and net realisable value.

e) Depreciation

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:-

Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% straight line
Plant and equipment	-	approximately 25% on written down value

f) Deferred taxation

Deferred taxation is provided at year end rates where corporation tax is deferred as a result of certain fixed assets being written down more rapidly for tax purposes than in the accounts, and other short term timing differences.

g) Foreign currencies

Transactions in foreign currencies are translated into sterling at rates of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

h) Hire purchase contracts and finance leases

Hire purchase contracts and finance leases are capitalised at their estimated fair value at the date of inception of each contract or lease. The finance charges are allocated over the period of the agreement by applying a constant rate of charge on the outstanding balance.

SANDHURST PLANT LIMITED

NOTES TO THE ACCOUNTS

30th September 1998

(continued)

1. ACCOUNTING POLICIES (continued)

i) Leases

Operating leases - Accounting as lessee

Rentals payable under operating leases are charged on a straight line basis over the lease term.

Operating leases - Accounting as lessor

Assets held for use in operating leases are included as a separate category in fixed assets at cost and are depreciated over their useful economic lives.

Rental income from operating leases is recognised on a straight line basis over the term of the lease.

j) Pension costs

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

2. TURNOVER AND PROFIT BEFORE TAXATION

Turnover and profit before taxation were entirely derived from the company's principal activity. Turnover arose in the following geographical areas:

	<u>30.9.1998</u>	<u>30.9.1997</u>
United Kingdom	5,684,887	4,960,011
Europe	924,086	723,617
Rest of the World	100,410	85,089
	<u>£6,709,383</u>	<u>£5,768,717</u>

3. OPERATING PROFIT

This is stated after charging/(crediting):-

	<u>30.9.1998</u>	<u>30.9.1997</u>
Cost of sales:		
Depreciation of tangible fixed assets:		
Owned assets	149,913	150,143
Assets held under hire purchase and finance leases	12,440	13,058
Profit on disposal of hire fleet	(156,780)	(187,003)
Administration expenses:		
Depreciation of tangible fixed assets:		
Owned assets	14,883	41,706
Assets held under hire purchase and finance leases	79,040	34,072
(Profit)/loss on disposal of fixed assets	(5,121)	3,040
Directors' emoluments (including pension contributions and benefits in kind)	132,382	106,586
Auditors' remuneration	8,050	7,200
Operating lease rentals - land and buildings	60,202	57,000
Other operating income:		
Rents receivable	<u>(2,000)</u>	<u>-</u>



# SANDHURST PLANT LIMITED

## NOTES TO THE ACCOUNTS

30th September 1998

(continued)

### 4. STAFF COSTS (including directors)

	<u>30.9.1998</u>	<u>30.9.1997</u>
Wages and salaries	757,128	610,201
Social security costs	77,249	63,633
Other pension costs	23,266	16,182
	<u>£857,643</u>	<u>£690,016</u>

The company operates a defined contribution pension scheme and the assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

The average number of employees was as follows:

	<u>Number</u>	<u>Number</u>
Directors	2	2
Administration	8	4
Selling and distribution	29	27
	<u>39</u>	<u>33</u>

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>30.9.1998</u>	<u>30.9.1997</u>
Bank charges and interest	66,799	48,026
Finance charges on assets held under hire purchase contracts and finance leases	16,155	40,464
Invoice discounting interest	164,914	106,999
Interest on late payment of corporation tax	105	-
Exchange differences	(46,705)	(53,123)
	<u>£201,268</u>	<u>£142,366</u>

### 6. TAXATION

	<u>30.9.1998</u>	<u>30.9.1997</u>
Corporation tax at 31%/21% based on the profit for the year	48,917	12,215
Deferred taxation	63,047	(3,125)
Underprovision in respect of previous year	7,392	-
	<u>£119,356</u>	<u>£9,090</u>

The corporation tax charge for the year ended 30th September 1997 was reduced due to capital losses brought forward and utilised against gains on disposals of assets from the hire fleet.

SANDHURST PLANT LIMITED

NOTES TO THE ACCOUNTS

30th September 1998

(continued)

7. TANGIBLE FIXED ASSETS

	Plant and equipment (hire fleet for use in operating leases) Motor vehicles & fixtures & fittings			Total
<u>Cost</u>				
At 1st October 1997	849,920	268,158	32,683	1,150,761
Additions	948,758	337,547	43,682	1,329,987
Disposals	(455,595)	(82,575)	-	(538,170)
At 30th September 1998	1,343,083	523,130	76,365	1,942,578
<u>Depreciation</u>				
At 1st October 1997	183,671	139,612	18,519	341,802
Charge for the year	162,353	84,449	9,474	256,276
Disposals	(112,796)	(43,671)	-	(156,467)
At 30th September 1998	233,228	180,390	27,993	441,611
<u>Net book value</u>				
At 30th September 1998	£1,109,855	£342,740	£48,372	£1,500,967
At 30th September 1997	£666,249	£128,546	£14,164	£808,959

Assets held under finance leases and hire purchase contracts included above:-

	Plant and equipment (hire fleet for use in operating leases) Motor vehicles & fixtures & fittings			Total
<u>Net book value</u>				
At 30th September 1998	£145,043	£302,772	£-	£447,815
At 30th September 1997	£29,633	£83,199	£-	£112,832

8. STOCKS

	<u>30.9.1998</u>	<u>30.9.1997</u>
Goods for resale	540,311	495,284
Spare parts	347,384	294,227
	<u>£887,695</u>	<u>£789,511</u>

SANDHURST PLANT LIMITED

NOTES TO THE ACCOUNTS

30th September 1998

(continued)

9. DEBTORS

	<u>30.9.1998</u>	<u>30.9.1997</u>
Amounts falling due within one year:-		
Trade debtors not subject to financing	850,172	632,575
Amounts due from group undertakings	388,651	385,180
Other debtors	11,509	15,785
Prepayments	14,850	40,223
	<u>1,265,182</u>	<u>1,073,763</u>
Amounts falling due after more than one year:-		
Amounts due from group undertakings	600,000	750,000
	<u>£1,865,182</u>	<u>£1,823,763</u>

Trade debtors subject to financing which totalled £118,730 at 30th September 1998 (1997: £141,491) represent invoiced sales discounted in the ordinary course of business, subject to strictly limited recourse so that the cash received by the company on discounting is not returnable, and carries interest at a rate equivalent to 2% per annum over LIBOR. The company is not required to make good any losses as detailed in the invoice discounting agreement.

10. CREDITORS

	<u>30.9.1998</u>	<u>30.9.1997</u>
Trade creditors	1,214,962	1,118,395
Hire purchase and finance leases	207,035	89,858
Corporation tax	48,917	12,215
Other taxation and social security	209,417	151,447
Amounts owed to group undertakings	131,659	213,407
Other creditors	18,587	18,487
Accruals	51,127	69,394
	<u>£1,881,704</u>	<u>£1,673,203</u>

11. BANK LOANS AND OVERDRAFTS

Bank loans and overdrafts are secured by a mortgage debenture over the assets of the company. The bank loan is wholly repayable within two years and bears interest at 2.5% over the bank's base rate.

	<u>30.9.1998</u>	<u>30.9.1997</u>
Amounts due:-		
One year or less or on demand	624,694	515,805
Between one and two years	60,000	-
	<u>£684,694</u>	<u>£515,805</u>

12. HIRE PURCHASE AND FINANCE LEASES

All hire purchase and finance lease agreements are repayable within five years. The current portion is shown in creditors falling due within one year.

SANDHURST PLANT LIMITED

NOTES TO THE ACCOUNTS

30th September 1998

(continued)

13. DEFERRED TAXATION

Deferred taxation is fully provided as follows:

	<u>30.9.1998</u>	<u>30.9.1997</u>
Accelerated capital allowances at 1st October 1997	83,696	86,821
Transfer from/(to) profit and loss account	63,047	(3,125)
Accelerated capital allowances at 30th September 1998	<u>£146,743</u>	<u>£83,696</u>

14. SHARE CAPITAL

	<u>30.9.1998</u>	<u>30.9.1997</u>
Authorised:		
100 ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
Allotted, issued and fully paid:		
10 ordinary shares of £1 each	<u>£10</u>	<u>£10</u>

15. RECONCILIATION OF MOVEMENTS  
IN SHAREHOLDERS' FUNDS

	Share capital	Profit and loss account	Total shareholders' funds
Balance at 1st October 1997	10	1,345,533	1,345,543
Profit for the year	-	178,668	178,668
Balance at 30th September 1998	<u>£10</u>	<u>£1,524,201</u>	<u>£1,524,211</u>

16. CONTROLLING PARTIES

(i) The ultimate parent company is Sandhurst Group Limited, which is incorporated in the United Kingdom.

(ii) The ultimate controlling party is Mr. T. W. Dean, one of the company's directors.

17. RELATED PARTY TRANSACTIONS

The company is exempt from disclosing transactions with fellow group undertakings, in accordance with FRS 8.

18. POST BALANCE SHEET EVENTS

The company has agreed a £350,000 sale and hire purchase back facility with a leasing company and entered into a hire purchase contract for £103,000 since the balance sheet date, in relation to a part of its hire fleet.

19. CONTINGENT LIABILITIES

The company is subject to a composite bank guarantee executed on 1st March 1995 with Sandhurst Manufacturing Company Limited and Sandhurst Group Limited. The total combined liability of these companies to the bank at 30th September 1998 amounted to £940,731 (1997 - £524,168).