

HM PLANT LIMITED

COMPANY REGISTRATION NUMBER : 1082975

DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th JUNE 1996

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HM PLANT LTD

DIRECTORS

G J Hall  
S R Hanney  
J J Jones  
D A Trunks  
M Crozier  
B Warren  
A J Raine

SECRETARY

D A Trunks

AUDITORS

DELOITTE & TOUCHE  
Chartered Accountants  
Queen Anne House  
69-71 Queen Square  
BRISTOL  
BS1 4JP

REGISTERED OFFICE

36/38 Castlefields Industrial Estate  
Bridgwater  
Somerset  
TA6 4DH

HM PLANT LTD

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of HM Plant Limited will be held at 36/38 Castlefields Industrial Estate, Bridgwater, Somerset TA6 4DH, on 29th August 1996 for the following purposes:—

- 1 To reconsider and, if thought fit, adopt the Directors' Report and Audited Accounts for the year ended 30th June 1996.
- 2 To re—appoint Deloitte & Touche as auditors and to authorise the Directors to fix their remuneration.
- 3 To transact any other business which may be dealt with at an Annual General Meeting.

By Order of the Board

D. A. Trunks  
Secretary

5th August 1996

Note: A member entitled to vote at the meeting may appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a member of the the Company.

## HM PLANT LTD

### DIRECTORS' REPORT

The Directors submit their Report and the Audited Financial Statements for the Company for the year ended 30th June 1996.

#### RESULTS AND DIVIDENDS

The results of the Company for the year are set out on page 7.

The profit for the year before tax was £3,060,000. After taxation charge of £999,000 and dividend payments of £3,337,000 the amount transferred from reserves was £1,276,000 (1995 to reserves £2,244,000).

#### PRINCIPAL ACTIVITY

The Company's main activities during the year continued to be the manufacture and marketing of Construction Equipment.

#### REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The Directors consider the performance of the company to be highly satisfactory and that the company is well placed to continue to achieve such results.

#### FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the Accounts.

#### DIRECTORS AND THEIR INTERESTS

The Directors who served throughout the year were as set out on page 1.

Messrs G J Hall, J J Jones and S R Hanney are directors of the ultimate parent company and their interests are disclosed in that company's accounts. No other directors had any interests in the Shares Capital of the company or the parent company at any time during the year.

HM PLANT LTD

DIRECTORS' REPORT  
(Continued)

AUDITORS

On 1st February 1996 our auditors changed the name under which they practice to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



D A Trunks  
Secretary

5th August 1996

HM PLANT LTD

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 as at the end of the financial year 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;

prepare the financial statements on a 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. 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.

AUDITORS' REPORT TO THE MEMBERS OF

HM PLANT LTD

We have audited the Financial Statements set out on Pages 7 to 16 which have been prepared under the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

As described on page 5 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 affairs of the Company as at 30 June 1996 and of the profit for the year then ended have been properly prepared in accordance with the Companies Act 1985.

Queen Anne House  
69-71 Queen Square  
BRISTOL  
BS1 4JP

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*Deloitte & Touche*

DELOITTE & TOUCHE  
Chartered Accountants  
and Registered Auditors.

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*7 August 1996*

HM PLANT LTD  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED 30th JUNE 1996

		1996	1995
	Notes	£ 000	£ 000
TURNOVER – continuing operations	2	51,493	53,028
Cost of Sales		(45,765)	(46,500)
GROSS PROFIT		<hr/> 5,728	<hr/> 6,528
Distribution Costs		(1,338)	(1,194)
Administrative Expenses		(1,686)	(2,006)
OPERATING PROFIT – continuing operations		<hr/> 2,704	<hr/> 3,328
Income from Shares in group undertakings		103	–
Interest Receivable & Similar Income	5	294	448
Interest Payable & Similar Charges	6	(41)	(25)
Profit on Ordinary Activities Before Taxation	3	<hr/> 3,060	<hr/> 3,751
Taxation on Profit on Ordinary Activities	7	(999)	(1,271)
Profit on Ordinary Activities After Taxation	17	<hr/> 2,061	<hr/> 2,480
Dividends Paid	8,17	(3,337)	(236)
Retained (Loss)/Profit for the Year		<hr/> <u>(1,276)</u>	<hr/> <u>2,244</u>

There are no recognised gains or losses for either the current or prior year other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses is presented.



HM PLANT LTD  
BALANCE SHEET AS AT 30th JUNE 1996

		1996	1995
	Notes	£ 000	£ 000
FIXED ASSETS			
Tangible Assets	9	1,328	1,273
Investments	10	26	26
CURRENT ASSETS			
Stocks	11	10,587	7,630
Debtors	12	4,388	4,115
Cash at Bank and in Hand		4,045	11,361
		<u>19,020</u>	<u>23,106</u>
CREDITORS : amounts falling due within one year	13	17,799	20,539
NET CURRENT ASSETS		1,221	2,567
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,575</u>	<u>3,866</u>
CREDITORS : amounts falling due after one year	14	308	364
PROVISIONS FOR LIABILITIES AND CHARGES	15	41	—
		<u>2,226</u>	<u>3,502</u>
CAPITAL AND RESERVES			
Called up Share Capital	16	1,350	1,350
Revaluation Reserve	17	150	191
Profit & Loss Account	17	726	1,961
Total Equity Shareholders' Funds		<u>2,226</u>	<u>3,502</u>

The Financial Statements were approved by the Board of Directors at a meeting on 5th August 1996

Signed on behalf of the Board of Directors

.....*A J Raine*.....

A J Raine (Director)

## NOTES TO THE ACCOUNTS 30th JUNE 1996

## 1 ACCOUNTING POLICIES

## (a) Accounting Convention

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable Accounting Standards. The company is exempt from its obligation to prepare and deliver group accounts by S228 CA 1985. The accounts present information about the company as an individual undertaking and not about the group.

## (b) Depreciation

In accordance with SSAP12, no depreciation is provided on freehold land. Depreciation is provided on all other tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold Buildings	– Over 66 years
Plant & Machinery	– Over 10 years
Fixtures & Fittings	– Over 10 years
Motor Vehicles	– Over 4 years
Computers	– Over 5 years

## (c) Investments

Investments in subsidiary undertakings are stated at cost.

## (d) Stocks

Stocks are stated at the lower of cost and net realisable value.

Costs include all direct costs incurred in bringing the stocks into their present location and condition, including where appropriate, a proportion of directly attributable overheads.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

## (e) Deferred Taxation

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and accounting purposes, except where it is probable that a liability will not crystallise.

## (f) Pension Costs

The company participates in the Halliard Group defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

HM PLANT LTD

NOTES TO THE ACCOUNTS 30th JUNE 1996

(g) Foreign Exchange

Foreign Currency balances are translated into Sterling at the rates ruling at the Balance Sheet date, the differences arising being taken to the Profit and Loss Account.

(h) Finance Leased Assets

Assets held under finance leases are treated as Tangible Fixed Assets and depreciation is provided accordingly. The Capital element of future payments is included under Creditors. Interest is calculated and charged on a reducing balance basis.

(i) Operating Lease Rentals

Rentals under operating leases are charged to the Profit and Loss Account in equal annual amounts over the lease term.

2 TURNOVER

Turnover represents the invoiced amount of goods sold and services provided during the year stated net of value added tax.

An analysis of turnover by geographical market is given below:

	1996	1995
	£ 000	£ 000
United Kingdom	47,269	50,308
Europe	4,119	2,584
Other	105	136
	<u>51,493</u>	<u>53,028</u>

3 PROFIT ON ORDINARY ACTIVITIES  
BEFORE TAXATION

This is stated after charging:

Auditors' Remuneration – audit fees	13	20
Depreciation on owned assets	88	100
Depreciation on leased assets	36	41
Hire of Plant and Machinery	32	68
Other Operating Lease Charges	203	210
Profit on sale of Fixed Assets	47	3

HM PLANT LTD

NOTES TO THE ACCOUNTS 30th JUNE 1996

	1996	1995
	£ 000	£ 000
4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES		
Staff Costs (including Directors)		
Wages and Salaries	1,974	1,813
Social Security Costs	130	176
Other Pension Costs	8	10
	<u>2,112</u>	<u>1,999</u>

The average weekly number of employees (including directors) during the year was made up as follows:

	No.	No.
Office and Management	70	68
Assembly	39	37
	<u>109</u>	<u>105</u>

DIRECTORS	£ 000	£ 000
Emoluments (including pension contributions)	170	176
Highest Paid Director (excluding pension contributions)	46	51

The number of other directors whose emoluments (excluding pension contributions) fell within the following ranges were:

£	No.	No.
35,001 – 40,000	1	1
40,001 – 45,000	2	2

The Chairman and two other directors were paid by Halliard Ltd.

## HM PLANT LTD

## NOTES TO THE ACCOUNTS 30th JUNE 1996

	1996	1995
	£ 000	£ 000
5 INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank Interest	271	394
Interest from Group Undertakings	12	24
Interest on Debt Collection	—	2
Exchange Gains	11	28
	<u>294</u>	<u>448</u>
6 INTEREST PAYABLE AND SIMILAR CHARGES		
Interest on other loans	31	15
Finance charge on leased assets	10	10
	<u>41</u>	<u>25</u>
The above includes interest in respect of borrowings repayable after five years	<u>31</u>	<u>15</u>
7 TAXATION		
Corporation Tax based on the results for the year at the rate of 33.0%	975	1,271
Deferred Tax	41	—
Over Provision in prior years	(17)	—
	<u>999</u>	<u>1,271</u>
8 DIVIDENDS		
First and final (£2.47 per share)	<u>3337</u>	<u>236</u>

HM PLANT LTD

NOTES TO THE ACCOUNTS 30th JUNE 1996

9 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Leasehold Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Computer Equipment	Total
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
<b>COST/VALUATION</b>							
At 1st July 1995	845	47	425	383	118	313	2,131
Additions	154	4	174	4	—	1	337
Disposals	(149)	—	—	—	—	—	(149)
Group Transfers	—	—	—	—	(25)	—	(25)
At 30th June 1996	850	51	599	387	93	314	2,294
<b>DEPRECIATION</b>							
At 1st July 1995	10	28	253	267	86	214	858
Charge for Year	9	3	41	25	7	39	124
Disposals	(7)	—	—	—	—	—	(7)
Group Transfers	—	—	—	—	(9)	—	(9)
At 30th June 1996	12	31	294	292	84	253	966
<b>NET BOOK VALUE</b>							
At 1st July 1995	835	19	172	116	32	99	1,273
At 30th June 1996	838	20	305	95	9	61	1,328

Equivalent Historic Cost Information

Cost	751
Accumulated Depn.	43

The net book value of fixed assets includes £36,000 (1995 £114,000) in respect of assets held under finance leases and hire purchase contracts.

The Freehold land and buildings were revalued by Bracketts, Chartered surveyors and Alder King, Consultant Surveyors on 9th February 1993 at a total cost of £150,000.

HM PLANT LTD

NOTES TO THE ACCOUNTS 30th JUNE 1996

	1996	1995
	£ 000	£ 000
10 INVESTMENTS		
Shares in subsidiary undertakings at cost	26	26

<u>Name of undertaking</u>	<u>Country of Registration</u>	<u>Class of Share</u>	<u>Proportion Held</u>	<u>Nature of Business</u>
Carlton Plant Services Limited	England	Ordinary	100%	Construction Services

In the directors' opinion the aggregate value of the shares in and the amounts owing from the subsidiary is not less than their book value.

11 STOCKS

Finished Goods and Goods for Resale	10,537	7,579
Work In Progress	50	51
	<u>10,587</u>	<u>7,630</u>

12 DEBTORS

Trade Debtors	1,644	1,756
Amounts owed by Group undertakings	2,218	2,051
Other Debtors	53	50
Prepayments & Accrued Income	473	258
	<u>4,388</u>	<u>4,115</u>

Of the Amounts owed by Group undertakings £250,000 is due in more than one year.

13 CREDITORS : amounts falling due within one year

Trade Creditors	15,286	18,173
Amounts owed to Group undertakings	675	151
Corporation Tax	1,063	1,355
Other Taxes & social security costs	227	153
Other Creditors	365	357
Accruals	183	350
	<u>17,799</u>	<u>20,539</u>

HM PLANT LTD

NOTES TO THE ACCOUNTS 30th JUNE 1996

	1996	1995
	£ 000	£ 000
14 CREDITORS : amounts falling due after one year		
Obligations under Finance Leases	14	47
Mortgage Loan 1 to 2 years	29	27
Mortgage Loan 2 to 5 years	103	96
Mortgage Loan over 5 years	162	194
	<u>308</u>	<u>364</u>

The mortgage loan is secured on freehold property. The obligations under finance leases are secured on the related leased assets.

15 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation

	Provided		Potential	
	1996	1995	1996	1995
	£ 000	£ 000	£ 000	£ 000
Accelerated Capital Allowances	41	—	—	42
Other Short-term timing differences	—	—	—	(93)
Deferred tax provision/(asset)	<u>41</u>	<u>—</u>	<u>—</u>	<u>(51)</u>

16 SHARE CAPITAL

Authorised:

1,350,000 Ordinary Shares of £1	<u>1,350</u>	<u>1,350</u>
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Called Up, Allotted and Fully Paid:

1,350,000 Ordinary Shares of £1	<u>1,350</u>	<u>1,350</u>
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# HM PLANT LTD

## NOTES TO THE ACCOUNTS 30th JUNE 1996

### 17 COMBINED RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND MOVEMENTS IN RESERVES

	Called up share capital £'000	Profit & Loss £'000	Revaluation Reserve £'000	Total £'000	1995 Total £'000
Balance at beginning of year	1,350	1,961	191	3,502	1,258
Profit for the year	—	2,061	—	2,061	2,480
Dividends	—	(3,337)	—	(3,337)	(236)
Realisation of Revaluation	—	41	(41)	—	—
Balance at end of year	1,350	726	150	2,226	3,502

### 18 POST BALANCE SHEET EVENT

On 31st July 1996 the company paid a dividend of £850,000. Dividends of £250,000 were received from the Company's subsidiary.

### 19 ULTIMATE PARENT UNDERTAKING

The entire issued share capital of the company is held by Halliard Limited a company registered in England. Copies of the group financial statements of Halliard Limited are available from the Company Secretary, Halliard Limited, 38 Castlefield Industrial Estate, Bridgwater, Somerset, TA6 4DH.

### 20 OPERATING LEASE COMMITMENTS

	Land & Buildings £ 000	Other £ 000
Annual commitments under leases expiring:		
within one year	—	7
between two to five years	20	96
after five years	170	—

### 21 CONTINGENT LIABILITIES

The company has given cross guarantees to its bankers on behalf of the other members of the group whereby the assets of the company stand as security. At the balance sheet date this contingent liability amounted to £2,531,209

### 22 PENSION SCHEME

The company does not operate its own independent pension fund but participates in the Halliard Group defined contribution pension scheme. 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 and amounted to £8,409. Contributions totalling £1,095 were payable to the fund at the year end and are included in creditors.