

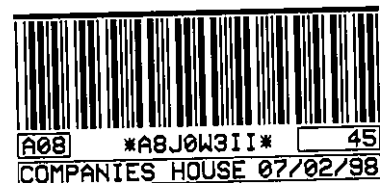
HM PLANT LIMITED

COMPANY REGISTRATION NUMBER : 1082975

DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30th JUNE 1997

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HM PLANT LIMITED

COMPANY INFORMATION

DIRECTORS

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

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 LIMITED

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 5th September 1997 for the following purposes:-

- 1 To reconsider and, if thought fit, adopt the Directors' Report and Audited Accounts for the year ended 30th June 1997
- 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



A. J. Raine  
Director

7th August 1997

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 Company.

# HM PLANT LIMITED

## DIRECTORS' REPORT

The Directors submit their Report and the Audited Financial Statements for the Company for the year ended 30th June 1997.

### 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 £2,375,000. After taxation charge of £674,000 and dividend payments of £1,421,000 the amount transferred to reserves was £280,000 (1996 from reserves £1,276,000).

### 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.

### DIRECTORS AND THEIR INTERESTS

The Directors in office at the end of 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 Share Capital of the company or the ultimate parent company at any time during the year.

The following directors were appointed or resigned during the year

	Appointed	Resigned
A J Sabey	28/08/96	13/11/96
D A Hearne	27/03/97	

HM PLANT LIMITED

DIRECTORS' REPORT  
(Continued)

AUDITORS

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

A handwritten signature in black ink, appearing to read 'A J Raine', written in a cursive style.

A J Raine  
Director

7th August 1997

## HM PLANT 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 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 LIMITED

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 1997 and of the profit for the year then ended <sup>1997</sup> 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.

*7 August 1997*

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HM PLANT LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30th JUNE 1997

		1997	1996
	Notes	£ 000	£ 000
TURNOVER - continuing operations	2	54,271	51,493
Cost of Sales		(48,752)	(45,765)
GROSS PROFIT		5,519	5,728
Distribution Costs		(1,337)	(1,338)
Administrative Expenses		(1,943)	(1,686)
OPERATING PROFIT - continuing operations		2,239	2,704
Income from Shares in group undertakings		-	103
Interest Receivable & Similar Income	5	175	294
Interest Payable & Similar Charges	6	(39)	(41)
Profit on Ordinary Activities Before Taxation	3	2,375	3,060
Taxation on Profit on Ordinary Activities	7	(674)	(999)
Profit on Ordinary Activities After Taxation	17	1,701	2,061
Dividends Paid	8,17	(1,421)	(3,337)
Retained Profit/(Loss) for the Year		280	(1,276)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit attributable to shareholders of the company	280	(1,276)
Unrealised surplus on revaluation of properties	108	-
Total recognised gains and losses related to the year	388	(1,276)



HM PLANT LIMITED  
BALANCE SHEET AS AT 30th JUNE 1997

		1997	1996
	Notes	£ 000	£ 000
FIXED ASSETS			
Tangible Assets	9	1,345	1,328
Investments	10	15	26
CURRENT ASSETS			
Stocks	11	14,632	10,587
Debtors	12	4,721	4,388
Cash at Bank and in Hand		6,202	4,045
		<u>25,555</u>	<u>19,020</u>
CREDITORS : amounts falling due within one year	13	23,989	17,799
NET CURRENT ASSETS		1,566	1,221
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,926</u>	<u>2,575</u>
CREDITORS : amounts falling due after one year	14	272	308
PROVISIONS FOR LIABILITIES AND CHARGES	15	40	41
		<u>2,614</u>	<u>2,226</u>
CAPITAL AND RESERVES			
Called up Share Capital	16	1,350	1,350
Revaluation Reserve	17	258	150
Profit & Loss Account	17	1,006	726
Total Equity Shareholders' Funds		<u>2,614</u>	<u>2,226</u>

The Financial Statements were approved by the Board of Directors at a meeting on 7th August 1997.

Signed on behalf of the Board of Directors



A J Raine (Director)

## 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.

### (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
Short Leasehold buildings	- Over the remaining term of the lease.
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 and trade investments 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 LIMITED

## NOTES TO THE ACCOUNTS 30th JUNE 1997

### (g) Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transaction. 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:

	1997	1996
	£ 000	£ 000
United Kingdom	51,319	47,269
Europe	2,880	4,119
Other	72	105
	<u>54,271</u>	<u>51,493</u>

## 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

Auditors' Remuneration - audit fees	15	13
Depreciation on owned assets	98	88
Depreciation on leased assets	33	36
Operating Lease Charges	256	235
Profit on sale of Fixed Assets	7	47

HM PLANT LIMITED

NOTES TO THE ACCOUNTS 30th JUNE 1997

	1997	1996
	£ 000	£ 000
<b>4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES</b>		
Staff Costs (including Directors)		
Wages and Salaries	2,113	1,974
Social Security Costs	128	130
Other Pension Costs	8	8
	<u>2,249</u>	<u>2,112</u>
 The average weekly number of employees (including directors) during the year was made up as follows:	 No.	 No.
Office and Management	69	70
Assembly	42	39
	<u>111</u>	<u>109</u>
 DIRECTORS' EMOLUMENTS	 £ 000	 £ 000
Emoluments (excluding pension contributions but including benefits in kind)	197	168
Contributions to defined contribution pension schemes	2	2
	<u>199</u>	<u>170</u>
 The Chairman and two other directors were paid by Halliard Ltd.	 1997	 1996
The number of directors who are members of:		
defined contribution scheme	<u>1</u>	<u>1</u>

No directors received awards under share option schemes and other long-term incentive schemes.

## HM PLANT LIMITED

## NOTES TO THE ACCOUNTS 30th JUNE 1997

	1997	1996
	£ 000	£ 000
5 INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank Interest	84	271
Interest from Group Undertakings	91	12
Exchange Gains	-	11
	<u>175</u>	<u>294</u>
6 INTEREST PAYABLE AND SIMILAR CHARGES		
Interest on other loans	23	31
Finance charge on leased assets	7	10
Bank overdraft and short term loan interest	9	-
	<u>39</u>	<u>41</u>
The above includes interest in respect of borrowings repayable after five years	<u>23</u>	<u>31</u>
7 TAXATION		
Corporation Tax based on the results for the year at the rate of 32.5% (1996 33.0%)	778	975
Deferred Tax	(1)	41
Over Provision in prior years	(103)	(17)
	<u>674</u>	<u>999</u>
8 DIVIDENDS		
First and final (£1.05 per share) (1996 - £2.47 per share)	<u>1,421</u>	<u>3,337</u>

HM PLANT LIMITED

NOTES TO THE ACCOUNTS 30th JUNE 1997

9 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Short 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 1996	850	51	599	387	93	314	2,294
Additions	-	18	22	1	3	-	44
Reclassification	(5)	5	-	-	-	-	-
Disposals	-	(28)	-	-	(30)	-	(58)
Revaluation	100	-	-	-	-	-	100
At 30th June 1997	945	46	621	388	66	314	2,380
<b>DEPRECIATION</b>							
At 1st July 1996	12	31	294	292	84	253	966
Charge for Year	9	4	56	25	2	35	131
Disposals	-	(28)	-	-	(26)	-	(54)
Revaluation	(8)	-	-	-	-	-	(8)
At 30th June 1997	13	7	350	317	60	288	1,035
<b>NET BOOK VALUE</b>							
At 1st July 1996	838	20	305	95	9	61	1,328
At 30th June 1997	932	39	271	71	6	26	1,345

Equivalent Historic Cost Information

Cost	733
Accumulated Depn.	20

The net book value of fixed assets includes £28,000 (1996 £36,000) in respect of assets held under finance leases and hire purchase contracts.

Certain freehold land and buildings which had a book value of £417,000 were valued on the basis of existing use by Innes England, Chartered surveyors and Alder King, Consultant Surveyors on 15th May 1997 at a total value of £525,000.

HM PLANT LIMITED

NOTES TO THE ACCOUNTS 30th JUNE 1997

10 INVESTMENTS HELD AS FIXED ASSETS

	Shares in Subsidiary Undertakings	Trade Investment	Total
	£ 000	£ 000	£ 000
At 1st July 1996	26	-	26
Additions	-	15	15
Group Transfers	(26)	-	(26)
At 30th June 1997	-	15	15

During the year the shares in Carlton Plant Services were transferred to the Ultimate Parent Undertaking.

<u>Name of Trade Investment</u>	<u>Country of Registration</u>	<u>Class of Share</u>	<u>Proportion Held</u>	<u>Nature of Business</u>
Bureau Commercial Marketing	France	Ordinary	11.1%	Construction Services
		1997		1996
		£ 000		£ 000

11 STOCKS

Finished Goods and Goods for Resale	14,595	10,537
Work In Progress	37	50
	<u>14,632</u>	<u>10,587</u>

12 DEBTORS

Trade Debtors	1,563	1,644
Amounts owed by Group undertakings	2,588	2,218
Other Debtors	51	53
Prepayments & Accrued Income	519	473
	<u>4,721</u>	<u>4,388</u>

Of the Amounts owed by Group undertakings £1,812,669 is due in more than one year.

13 CREDITORS : amounts falling due  
within one year

Trade Creditors	22,248	15,286
Amounts owed to Group undertakings	291	675
Corporation Tax	778	1,063
Other Taxes & social security costs	-	227
Other Creditors	385	365
Accruals	287	183
	<u>23,989</u>	<u>17,799</u>

HM PLANT LIMITED

NOTES TO THE ACCOUNTS 30th JUNE 1997

	1997	1996
	£ 000	£ 000
14 CREDITORS : amounts falling due after one year		
Obligations under Finance Leases	-	14
Mortgage Loan 1 to 2 years	24	29
Mortgage Loan 2 to 5 years	85	103
Mortgage Loan over 5 years	163	162
	<u>272</u>	<u>308</u>

The mortgage loan is secured on freehold property. The term of the loan is ten years fixed for the first seven at 8.2%. The obligations under finance leases are secured on the related assets.

15 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation	Provided		Potential	
	1997	1996	1997	1996
	£ 000	£ 000	£ 000	£ 000
Accelerated Capital Allowances	<u>40</u>	<u>41</u>	-	-

The movement in the deferred tax provision is shown in note 7.

	1997	1996
	£ 000	£ 000
16 SHARE CAPITAL		
Authorised:		
1,350,000 Ordinary Shares of £1	<u>1,350</u>	<u>1,350</u>
Called Up, Allotted and Fully Paid:		
1,350,000 Ordinary Shares of £1	<u>1,350</u>	<u>1,350</u>



HM PLANT LIMITED

NOTES TO THE ACCOUNTS 30th JUNE 1997

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

	Called up share capital £'000	Revaluation Reserve £'000	Profit & Loss £'000	Total £'000	1996 Total £'000
Balance at beginning of year	1,350	150	726	2,226	3,502
Profit for the year	-	-	1,701	1,701	2,061
Dividends	-	-	(1,421)	(1,421)	(3,337)
Revaluation of Properties	-	108	-	108	-
Balance at end of year	1,350	258	1,006	2,614	2,226

18 POST BALANCE SHEET EVENT

On 1st July 1997 the company paid a dividend of £200,000

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. The company has taken advantage of the exemption contain in Financial Reporting Standard No. 8 from the requirement to disclose related party transactions within the group.

20 OPERATING LEASE COMMITMENTS

	Land & Buildings £ 000	Other £ 000
Annual commitments under leases expiring:		
within one year	-	29
between two to five years	20	23
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 £3,997,113

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 £8,296. Contributions totalling £1,144 were payable to the fund at the year end and are included in creditors.