

# **Anvil Plant Hire Limited**

## **Directors' report and financial statements**

**31st October 2001**

**Registered Number: 1119127**



# Anvil Plant Hire Limited

## Directors' report and financial statements

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# **Anvil Plant Hire Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31st October 2001.

### **Principal activities**

The principal activities of the company are the hire and sale of plant and tools.

### **Review of developments and future prospects**

The company generated a pre-tax loss in the year of £85,721 (2000: Profit £224,002). The company has benefited from significant investment over the past few years and the directors remain optimistic about future trading prospects.

### **Proposed dividend and transfer to reserves**

The loss for the year to be transferred to reserves is £334,197 (2000: Profit £242,135). The Directors do not recommend the payment of a dividend (2000: Nil).

### **Directors and directors' interests**

The directors who held office during the year were as follows:

P.D. Holliday O.B.E.	(Chairman)
M.R Lethaby	
P.J. Gilham	(Resigned 5 <sup>th</sup> October 2001 )

Neither of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Mr P.D. Holliday and Mr M.R. Lethaby are director's of the company's ultimate holding company, Ward Homes Group Limited and, accordingly, particulars of their interests in the shares of that Company are included in the Directors' report of Ward Homes Group Limited.

# **Anvil Plant Hire Limited**

## **Directors' report (*continued*)**

### **Employees**

The company gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitude and abilities.

It is the directors' policy to ensure that continued employment is offered to employees who become temporarily or permanently disabled.

The training, career development and promotion of disabled persons employed by the company is an integral part of the personnel policy applicable to all employees.

The company recognises the benefit of keeping employees informed of the progress of the business and of involving them in the company's performance. During the year, information regarding financial and economic factors affecting the performance of the company and other matters of concern to employees was regularly made available.

### **Creditors payment policy**

It is the company's policy to pay all invoices from suppliers according to the agreed terms of payment, upon receipt of a valid invoice. The number of days billings from service suppliers outstanding at the end of the financial year for the Company was 72 days (2000 : 75 days).

### **Auditors**

A resolution to reappoint Deloitte & Touche as auditors will be proposed at the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to be 'M.R. Lethaby', with a long horizontal line extending from the end of the signature.

**M.R. Lethaby**  
Secretary

# **Anvil Plant Hire Limited**

## **Statement of Directors' Responsibilities**

United Kingdom 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, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# Anvil Plant Hire Limited

## Independent Auditors' Report to the Members of Anvil Plant Hire Limited

We have audited the financial statements of Anvil Plant Hire Ltd for the year ended 31 October 2001 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

### Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, 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 31 October 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche**

*Chartered Accountants and*

*Registered Auditors*

*Hill House*

*1 Little New Street*

*London*

*EC4A 3TR*

**27** February 2002

# Anvil Plant Hire Limited

## Profit and loss account

for the year ended 31 October 2001

	Note	2001 £	2000 £
<b>Turnover</b>	1	3,647,418	3,176,781
Cost of sales		<u>(1,950,506)</u>	<u>(1,760,483)</u>
<b>Gross profit</b>		1,696,912	1,416,298
Distribution costs		(325,988)	(312,197)
Administrative expenses *		<u>(1,361,237)</u>	<u>(900,413)</u>
<b>Operating profit</b>		9,687	203,688
Profit on sale of fixed assets	2	39,822	111,227
Net interest payable and similar charges	5	<u>(135,230)</u>	<u>(90,913)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>	2-4	(85,721)	224,002
Tax on profit on ordinary activities	6	<u>(248,476)</u>	<u>18,133</u>
<b>(Loss)/profit for the financial year</b>		(334,197)	242,135
Retained profit brought forward		<u>2,133,738</u>	<u>1,891,603</u>
Retained profit carried forward		<u>1,799,541</u>	<u>2,133,738</u>

All operations are continuing.

The company has no recognised gains or losses in either 2001 or 2000 other than those reported in the Profit and Loss Account above.

\* Administrative expenses include exceptional costs of £367,224 (note 2).

# Anvil Plant Hire Limited

## Balance Sheet

as at 31 October 2001

	Note	2001		2000	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		2,687,893		3,140,196
<b>Current assets</b>					
Stocks	8	125,368		142,771	
Debtors	9	868,169		706,515	
Cash at bank and in hand		456,264		354,977	
		<u>1,449,801</u>		<u>1,204,263</u>	
<b>Creditors: amount falling due within one year</b>	10	<u>(1,282,387)</u>		<u>(1,372,618)</u>	
<b>Net current assets/(liabilities)</b>			<u>167,414</u>		<u>(168,355)</u>
<b>Total assets less current liabilities</b>			2,855,307		2,971,841
<b>Creditors: Amounts falling due after more than one year</b>	11		(860,292)		(838,003)
<b>Provision for liabilities and charges</b>	12		(195,374)		
<b>Net Assets</b>			<u>1,799,641</u>		<u>2,133,838</u>
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Profit and loss account			<u>1,799,541</u>		<u>2,133,738</u>
<b>Equity shareholders' funds</b>	14		<u>1,799,641</u>		<u>2,133,838</u>

These financial statements were approved by the Board of Directors on 16 February 2002 and were signed on its behalf by:



M.R. Lethaby



# Anvil Plant Hire Limited

## Notes to the accounts

Year ended 31 October 2001

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	Between 10% and 50% per annum
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#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the hire purchase is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within Creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments under the sum of digits method.

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

#### *Pensions costs*

Contributions to defined benefit pension schemes are charged to the profit and loss account on a basis that spreads the expected cost of providing pensions over the remaining service lives of current employees in the schemes. Contributions to defined contribution schemes are charged directly to the profit and loss account.

#### *Stocks*

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

# Anvil Plant Hire Limited

## Notes to the accounts (continued)

Year ended 31 October 2001

### 1. Accounting policies (continued)

#### *Deferred taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Turnover*

Turnover represents the amounts (excluding Value Added Tax) derived from plant and equipment hired during the year, and includes amounts receivable from fellow subsidiaries of £182,172 (2000: £171,111)

All turnover arose within the United Kingdom.

### 2. Profit on ordinary activities before taxation

	2001 £	2000 £
(Loss)/Profit on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation charge	684,920	602,695
Operating Lease charges		
- Plant & Machinery	42,044	28,883
- Other	181,423	107,520
Exceptional Items *	367,224	-
Profit on sale of fixed assets	<u>(39,822)</u>	<u>(111,227)</u>

Auditors remuneration was borne by the ultimate parent company in both the current and preceding year.

\* The exceptional items relate to a £276,539 impairment charge arising from the board's review of the carrying value of assets and reorganisation costs of £90,685.

### 3. Remuneration of Directors

	2001 £	2000 £
Directors' emoluments:		
As directors	<u>50,446</u>	<u>52,613</u>

The number of directors for whom benefits are accruing under defined contribution schemes is 1 (2000: 1).

# Anvil Plant Hire Limited

## Notes to the accounts *(continued)*

Year ended 31 October 2001

### 4. Staff numbers and costs

The average number of persons employed by the company (including Directors) during the year, analysed by category, was as follows:

	Number of employees	
	2001 No.	2000 No.
Management	2	2
Administration	5	6
Production and sales	41	40
	<u>48</u>	<u>48</u>

The aggregate payroll costs of these persons were as follows:

	2001 £	2000 £
Wages and salaries	813,388	811,078
Social Security costs	71,684	73,337
Other pension costs (see note 16)	5,800	5,019
	<u>890,872</u>	<u>889,434</u>

### 5. Net interest payable and similar charges

	2001 £	2000 £
Interest receivable	(9,395)	(16,857)
Interest payable on hire purchase contracts.	144,625	107,770
	<u>135,230</u>	<u>90,913</u>

### 6. Taxation

	2001 £	2000 £
UK Corporation Tax charge/(credit) at 30% (2000: 30%)	53,102	(25,491)
Deferred taxation (See Note 12)	(74,626)	-
Adjustment in respect of prior years	-	-
Corporation Tax	-	-
Deferred Tax	270,000	7,358
	<u>248,476</u>	<u>(18,133)</u>

# Anvil Plant Hire Limited

## Notes to the accounts *(continued)*

Year ended 31 October 2001

### 7. Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At beginning of year	5,347,130
Additions	687,929
Disposals	(522,873)
At end of year	<u>5,512,186</u>
<b>Depreciation</b>	
At beginning of year	2,206,934
Charge for year	684,920
Impairment of fixed assets	276,539
On disposals	(344,100)
At end of year	<u>2,824,293</u>
<b>Net book value</b>	
At 31 October 2001	<u>2,687,893</u>
At 31 October 2000	<u>3,140,196</u>

Included in Plant and Machinery are assets held under hire purchase contracts with a cost of £3,051,923 (2000: £2,744,823) and accumulated depreciation of £982,235 (2000 £718,517) of which £444,883 (2000: £264,405) was charged in the year.

### 8. Stocks

	2001 £	2000 £
Raw materials and consumables	46,093	42,617
Finished goods and goods for resale	<u>79,275</u>	<u>100,154</u>
	<u>125,368</u>	<u>142,771</u>

There is no material difference between the replacement cost of stocks and their book value.

# Anvil Plant Hire Limited

## Notes to the accounts (continued)

Year ended 31 October 2001

### 9. Debtors

	2001 £	2000 £
Trade debtors	730,441	605,975
Amounts owed by Group undertakings	101,347	48,322
Prepayments and accrued income	36,381	52,218
	<hr/>	<hr/>
	868,169	706,515

### 10. Creditors: amounts falling due within one year

	2001 £	2000 £
Trade Creditors	314,003	325,784
Amounts owed to Group undertakings	144,586	157,508
Hire Purchase contracts	517,912	467,212
Other creditors	88,376	34,087
Corporation tax	34,838	18,738
Other taxes and social security	22,805	23,176
Accruals and deferred income	159,867	346,113
	<hr/>	<hr/>
	1,282,387	1,372,618

### 11. Creditors: Amounts falling due after more than one year

	2001 £	2000 £
Hire purchase contracts due in two to five years	860,292	838,003
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# Anvil Plant Hire Limited

## Notes to the accounts (*continued*)

Year ended 31 October 2001

### 12. Deferred taxation

The amounts provided for deferred taxation and the amounts not provided are set out below

	2001		2000	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Accelerated capital allowances	195,374	-	-	289,488

### 13. Share Capital

	2001	2000
	£	£
<i>Authorised</i>		
100 Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100

### 14. Reconciliation of movements in shareholders' funds

	2001	2000
	£	£
Loss for the financial year	(334,197)	242,135
Opening shareholders' funds	2,133,838	1,891,703
Closing shareholders' funds	1,799,641	2,133,838

### 15. Contingent liabilities

The company is party to a multilateral guarantee secured by fixed and floating charges in respect of amounts due on bank loans and overdrafts by Ward Homes Group Limited and its subsidiaries up to a maximum of £43.6m of which £30.6m was outstanding as at 31 October 2001.

# Anvil Plant Hire Limited

## Notes to the accounts (continued)

Year ended 31 October 2001

### 16. Pension Scheme

The Ward Holdings PLC Pension and Life Assurance Scheme was restructured in April 1993.

In respect of service from that date the Scheme now operates as a funded defined contribution scheme. For service to that date, benefits are provided on a funded defined benefit basis. The scheme is administered by Trustees who are independent of the group's finances and the contributions payable are age related. The deficit has been fully provided in the group's accounts, where the disclosures required by FRS 17, retirement benefits, are also given.

The most recent actuarial valuation of the defined benefit part of this scheme was at July 1999 and this indicated that the Scheme's assets of £1,890,500 exceeded the liabilities of the fund at that date equivalent to a funding level of 110%. The assumption which has the most significant effect on the results of the valuation is that relating to the rate of return on investments. It was assumed that the return would be equivalent to a rate of interest of 9 per cent per annum. Valuing the liabilities on the statutory Minimum Funding Requirements (MFR) basis, there is a shortfall of £266,596. This shortfall will be supported prior to the statutory date.

The group also operates an insured defined contribution scheme for which the company's pension charge for the year under review was £5,800 (2000 £5,019).

### 17. Operating lease commitments

At 31 October 2001 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £'000	Other £'000	Total £'000
Leases which expire:			
Within one year	-	-	-
Within two to five years	31	35	66
Greater than five years	79	-	79
	<u>110</u>	<u>35</u>	<u>145</u>

### 18. Ultimate Parent Company

The Company is a subsidiary undertaking of Ward Homes Group Limited registered in England and Wales, for which group financial statements are drawn up and of which the company is a member. The ultimate controlling parties are the Phildrew Ventures Fifth Fund LP, the Phildrew Ventures Fifth Fund B LP and Phildrew 2000 LP, who, in aggregate control over 50% of the voting rights of Ward Homes Group Limited.

Copies of the group financial statements can be obtained from 2 Ash Tree Lane, Chatham, Kent.

### 19. Statement on Related Party Transactions

The Company is exempt from the requirements of the Financial Reporting Standard 8 ("Related Party Disclosures") insofar as it refers to transactions with fellow Group companies, as it is a wholly-owned subsidiary of Ward Homes Group Limited.