

Anvil Plant Hire Limited

Directors' report and financial statements

31st October 1999

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 1999.

Principal activities

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

Business review

The results achieved for the year were as follows:

	1999 £	1998 £
Turnover	<u>2,916,809</u>	<u>2,947,255</u>
Profit on ordinary activities before taxation	345,655	296,243
Taxation	<u>(48,642)</u>	<u>8,985</u>
Profit for the financial year	<u>297,013</u>	<u>305,228</u>

Proposed dividend and transfer to reserves

The Directors do not recommend the payment of a dividend (1998: Nil).

The profit for the year to be transferred to reserves is £297,013 (1998: £305,228).

Directors and directors' interests

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

M.R Lethaby (Appointed 16th February 1999)
D.J. Ward
P.J. Gilham
P.D. Holliday O.B.E.
W.G Gair (Appointed 16th February 1999)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

Mr D.J. Ward, Mr P.D. Holliday, Mr M.R. Lethaby are Director's of the Company's ultimate holding company, Ward Holdings PLC and, accordingly, particulars of their interests in the shares of that Company are included in the Directors' Report of Ward Holdings PLC.

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 75 days

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as Auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



M.R. Lethaby
Secretary

Anvil Plant Hire 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 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

Report of the auditor's to the members of Anvil Plant Hire Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on page 3 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.

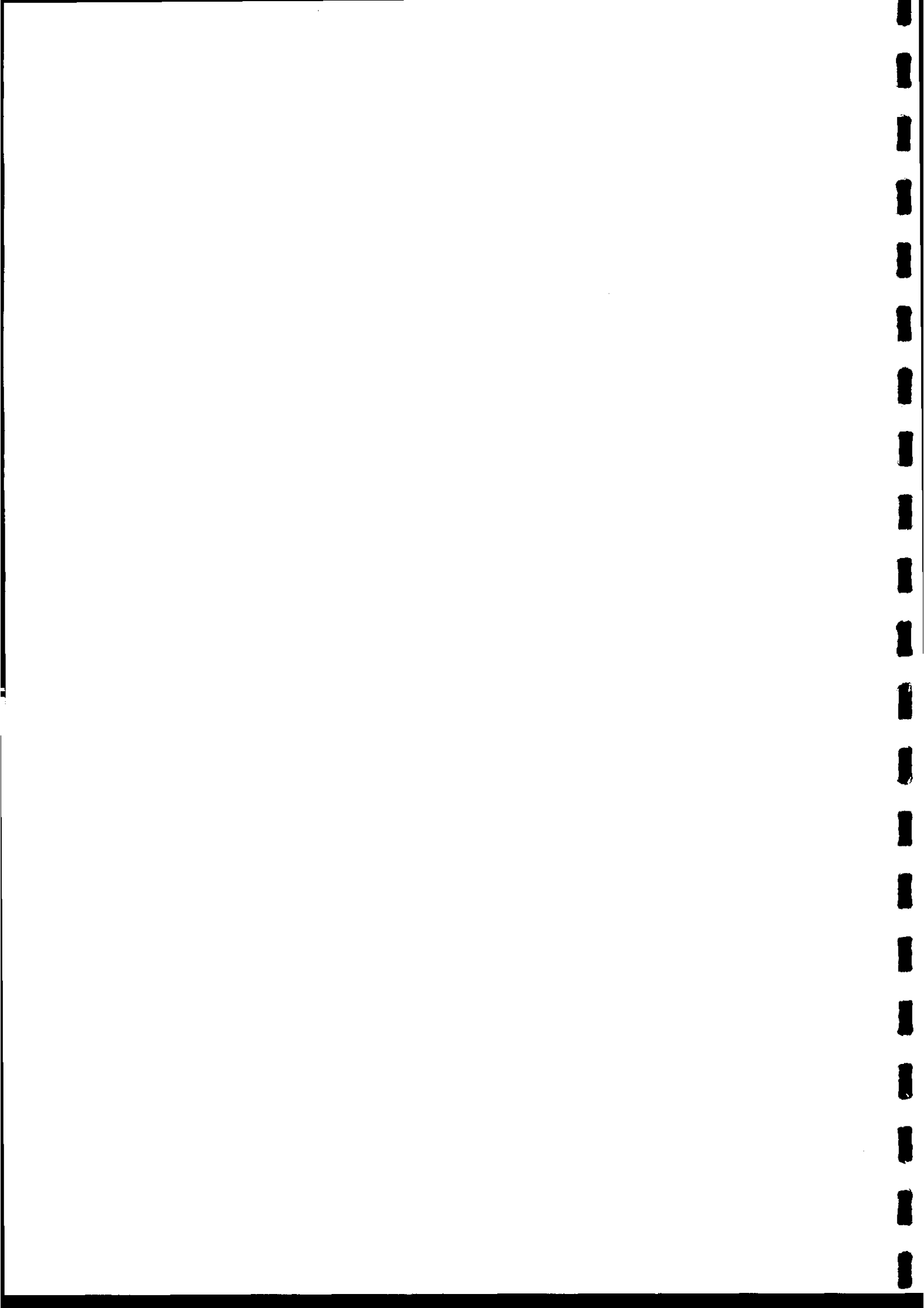
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 October 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

7 January 2000



Anvil Plant Hire Limited

Profit and loss account

for the year ended 31 October 1999

	Note	1999 £	1998 £
Turnover arising from continuing operations	<i>1</i>	2,916,809	2,947,255
Cost of sales		<u>(1,478,933)</u>	<u>(1,703,640)</u>
Gross profit		1,437,876	1,243,615
Distribution costs		<u>(258,824)</u>	<u>(261,357)</u>
Administrative expenses		<u>(801,762)</u>	<u>(757,134)</u>
Operating profit arising from continuing operations		377,290	225,124
Profit on sale of fixed assets	<i>2</i>	34,902	126,243
Net Interest payable and similar charges	<i>5</i>	<u>(66,537)</u>	<u>(55,124)</u>
Profit on ordinary activities before taxation	<i>2-4</i>	345,655	296,243
Tax on profit on ordinary activities	<i>6</i>	<u>(48,642)</u>	<u>8,985</u>
Profit for the financial year		297,013	305,228
Retained profit brought forward		<u>1,594,590</u>	<u>1,289,362</u>
Retained profit carried forward		<u>1,891,603</u>	<u>1,594,590</u>

There were no acquisitions or discontinued operations within the Company during 1999 and 1998.

The company has no recognised gains or losses in either 1999 or 1998 other than those reported in the Profit and Loss Account above.

The notes on pages 7 - 13 form part of these financial statements.

Anvil Plant Hire Limited

Balance Sheet

as at 31 October 1999

	Note	1999	1998
		£	£
Fixed assets			
Tangible assets	7	2,158,029	2,191,566
Current assets			
Stocks	8	182,103	147,449
Debtors	9	740,712	657,793
Cash at bank and in hand		481,788	347,972
		<u>1,404,603</u>	<u>1,153,214</u>
Creditors: amount falling due within one year	10	<u>(1,004,949)</u>	<u>(870,545)</u>
Net current assets		<u>399,654</u>	<u>282,669</u>
Total assets less current liabilities		<u>2,557,683</u>	<u>2,472,235</u>
Creditors: Amounts falling due after more than one year	11	<u>(665,980)</u>	<u>(879,545)</u>
Net Assets		<u>1,891,703</u>	<u>1,594,690</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		1,891,603	1,594,590
Shareholders' funds	14	<u>1,891,703</u>	<u>1,594,690</u>

These financial statements were approved by the Board of Directors on 7 January 2000 and were signed on its behalf by:



P.J. Gilham

The notes on pages 7 - 13 form part of these financial statements.

Anvil Plant Hire Limited

Notes

(forming part of the financial statements)

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:

Leasehold land and buildings	-	20% per annum
Plant and Machinery other than compressors	-	10%, 16.7% and 25% per annum
Compressors	-	20% per annum
Small tools and equipment	-	25% and 50% per annum

Hire Purchases

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 on a straight line basis.

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 (continued)

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 £333,354 (1998: £521,631)

All turnover arose within the United Kingdom

2. Profit on ordinary activities before taxation

	1999 £	1998 £
Profit on ordinary activities before taxation is stated after charging/crediting:		
Auditors' remuneration:		
Audit	16,400	10,000
Depreciation charge	432,780	291,592
Hire of plant & machinery	160,377	143,929
Redundancy charges		57,807
Profit on sale of fixed assets	<u>(34,902)</u>	<u>(126,243)</u>

The total amount charged to revenue for the hire of plant and machinery amounted to £293,035 (1998: £293,936 this comprises of depreciation on plant and machinery held under finance leases together with the related finance charges.

3. Remuneration of Directors

	1999 £	1998 £
Directors' emoluments:		
As directors	4,500	500
Remuneration as executives	45,606	38,110
	<u>50,106</u>	<u>38,610</u>

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The emoluments, excluding pension contributions, of the highest paid Director was £46,106 (1998: £37,185). The number of directors for whom benefits are accruing under defined contribution schemes is 1 (1998: 1).

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	
	1999	1998
Management	1	1
Administration	5	5
Production and sales	39	42
	<u>45</u>	<u>48</u>

The aggregate payroll costs of these persons were as follows:

	1999	1998
	£	£
Wages and salaries	738,764	826,438
Social Security costs	68,649	76,149
Other pension costs (see note 16)	4,535	6,441
	<u>811,948</u>	<u>909,028</u>

5. Net Interest payable and similar charges

	1999	1998
	£	£
Interest receivable	(8,879)	(8,104)
Interest payable on hire purchase contracts.	<u>75,416</u>	<u>63,228</u>
	<u>66,537</u>	<u>55,124</u>

6. Taxation

	1999	1998
	£	£
UK Corporation Tax at 30.% (1998: 31.%)	65,805	(41,869)
Deferred taxation (See Note 12)	-	51,501
Adjustment in respect of prior years	<u>(17,163)</u>	<u>(647)</u>
	<u>48,642</u>	<u>8,985</u>

Anvil Plant Hire Limited

7. Tangible fixed assets

	Plant and machinery £	Total £
Cost		
At beginning of year	4,549,077	4,549,077
Additions	579,575	579,575
Disposals	(646,751)	(646,751)
At end of year	<u>4,481,901</u>	<u>4,481,901</u>
Depreciation		
At beginning of year	2,357,511	2,357,511
Charge for year	432,780	432,780
On disposals	(466,419)	(466,419)
At end of year	<u>2,323,872</u>	<u>2,323,872</u>
Net book value		
At 31 October 1999	<u>2,158,029</u>	<u>2,158,029</u>
At 31 October 1998	<u>2,191,566</u>	<u>2,191,566</u>

Included in Plant and Machinery are assets held under hire purchase contracts with a cost of £1,904,714 and accumulated depreciation of £661,671 of which £ 293,035 was charged in the year.

8. Stocks

	1999 £	1998 £
Raw materials and consumables	54,532	76,238
Finished goods and goods for resale	<u>127,571</u>	<u>71,211</u>
	<u>182,103</u>	<u>147,449</u>

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

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Notes (continued)

9. Debtors

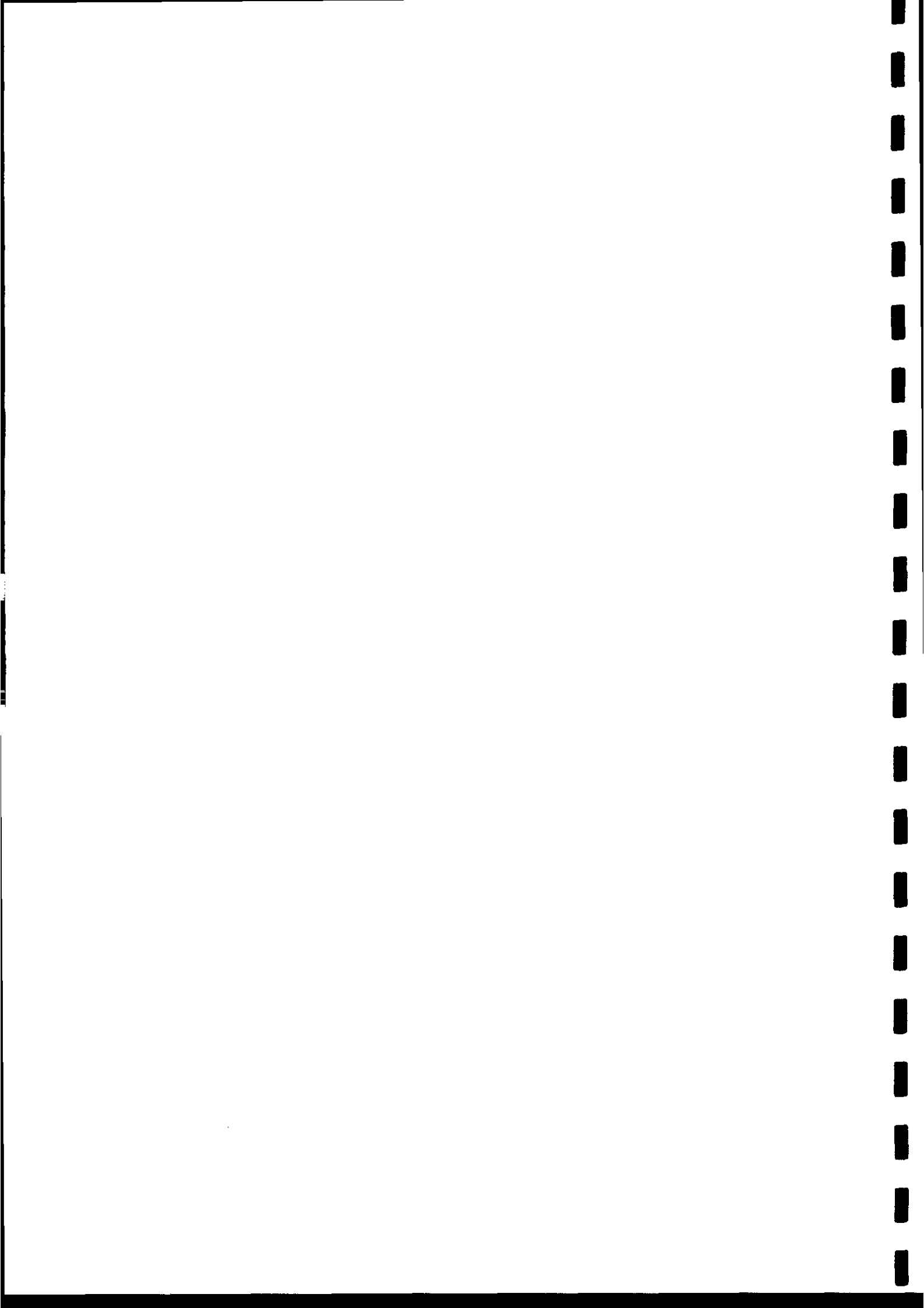
	1999 £	1998 £
Trade debtors	669,585	594,975
Amounts owed by Group undertakings	11,095	23,502
Other debtors	-	65
Prepayments and accrued income	60,032	39,251
	<u>740,712</u>	<u>657,793</u>

10. Creditors: amounts falling due within one year

	£	1999 £	£	1998 £
Trade Creditors		272,053		213,581
Amounts owed to Group undertakings		88,425		90,265
Hire Purchase contracts		383,403		354,365
Other creditors	56,242		42,516	
Other taxes and social security	104,131		84,955	
		<u>160,373</u>		<u>127,471</u>
Accruals and deferred income		100,695		84,863
		<u>1,004,949</u>		<u>870,545</u>

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

	1999 £	1998 £
Hire Purchase Contracts due in two to five years	665,980	879,545
	<u>665,980</u>	<u>879,545</u>



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Notes (continued)

12. Deferred taxation

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

	1999		1998	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Accelerated capital allowances	-	196,000	-	171,000

Capital expenditure, in the foreseeable future, will be greater than the annual depreciation charge, therefore no provision has been made for deferred taxation.

13. Share Capital

	1999	1998
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. Reconciliation of movements in shareholders' funds

	1999	1998
	£	£
Profit for the financial year	297,013	305,228
Opening shareholders' funds	<u>1,594,690</u>	<u>1,289,462</u>
Closing shareholders' funds	<u>1,891,703</u>	<u>1,594,690</u>

15. Contingent liabilities

The company is party to a multilateral guarantee secured by fixed and floating charges in respect of amounts due on bank overdrafts by the Ward Holdings PLC Group of Companies up to a maximum of £25,000,000 of which £ Nil (1998: £Nil) was outstanding as at 31 October 1999.

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Notes (continued)

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 most recent actuarial valuation of the defined benefit part of this scheme was at 1 July 1999 and this indicated that the Scheme's assets of £1,379,000 exceeded the liabilities of the fund at that date equivalent to a funding level of 137%. 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 £10,300. This shortfall will be supported prior to the statutory date.

The pension charge under the funded defined contribution scheme for the year was £Nil (1998: £2,716).

The group also operates an insured defined contribution scheme for which the pension charge for the year under review £4,535 (1998: £3,996).

17. Ultimate Parent Company

The Company is a subsidiary undertaking of Ward Holdings PLC registered in England and Wales, the head of the only group for which group financial statements are drawn up and of which the company is a member.

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

18. 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 Holdings PLC, whose accounts are publicly available.