

# **Anvil Plant Hire Limited**

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

**31st October 2000**

**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 2000.

### **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 profit in the year of £224,002 (1999: £345,655). Pre-tax profit was affected by the cost of depot refurbishment undertaken during the year. Following this expenditure and significant investment in new plant the directors are optimistic about future trading prospects.

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

The profit for the year to be transferred to reserves is £242,135 (1999: £297,013). The Directors do not recommend the payment of a dividend (1999: 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	
D.J. Ward	(Resigned 11 <sup>th</sup> July 2000 )
W.G Gair	(Resigned 11 <sup>th</sup> July 2000 )

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 P.D. Holliday and Mr M.R. Lethaby are directors 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 75 days

### **Auditors**

KPMG Audit Plc resigned as auditors on 5 October 2000. Deloitte & Touche were appointed to fill the casual vacancy and have indicated their willingness to continue in office as auditors. Accordingly, a resolution to reappoint them will 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; and
- 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 auditors to the members of Anvil Plant Hire Limited

We have audited the financial statements on pages 5 to 13, which have been prepared under the accounting policies set out on pages 7 and 8.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

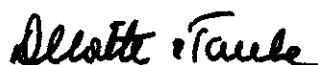
### Basis of opinion

We conducted our audit in accordance with 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 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 2000 and of its profit 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*

**18** January 2001

# Anvil Plant Hire Limited

## Profit and loss account

for the year ended 31 October 2000

	Note	2000 £	1999 £
<b>Turnover</b>	1	3,176,781	2,916,809
Cost of sales		<u>(1,760,483)</u>	<u>(1,478,933)</u>
<b>Gross profit</b>		1,416,298	1,437,876
Distribution costs		(312,197)	(258,824)
Administrative expenses		<u>(900,413)</u>	<u>(801,762)</u>
<b>Operating profit</b>		203,688	377,290
Profit on sale of fixed assets	2	111,227	34,902
Net interest payable and similar charges	5	<u>(90,913)</u>	<u>(66,537)</u>
<b>Profit on ordinary activities before taxation</b>	2-4	224,002	345,655
Tax credit/(charge) on profit on ordinary activities	6	<u>18,133</u>	<u>(48,642)</u>
<b>Profit for the financial year</b>	14	242,135	297,013
Retained profit brought forward		<u>1,891,603</u>	<u>1,594,590</u>
Retained profit carried forward		<u>2,133,738</u>	<u>1,891,603</u>

All operations are continuing.

The company has no recognised gains or losses in either 2000 or 1999 other than those reported in the Profit and Loss Account above.

# Anvil Plant Hire Limited

## Balance Sheet

as at 31 October 2000

	Note	2000		1999	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		3,140,196		2,158,029
<b>Current assets</b>					
Stocks	8	142,771		182,103	
Debtors	9	706,515		740,712	
Cash at bank and in hand		354,977		481,788	
		<u>1,204,263</u>		<u>1,404,603</u>	
<b>Creditors: amount falling due within one year</b>	10	<u>(1,372,618)</u>		<u>(1,004,949)</u>	
<b>Net current (liabilities)/ assets</b>			<u>(168,355)</u>		<u>399,654</u>
<b>Total assets less current liabilities</b>			2,971,841		2,557,683
Creditors: Amounts falling due after more than one year	11		(838,003)		(665,980)
<b>Net assets</b>			<u>2,133,838</u>		<u>1,891,703</u>
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Profit and loss account			<u>2,133,738</u>		<u>1,891,603</u>
<b>Equity shareholders' funds</b>	14		<u>2,133,838</u>		<u>1,891,703</u>

These financial statements were approved by the Board of Directors on 17 January 2001 and were signed on its behalf by:



P.J. Gilham



# Anvil Plant Hire Limited

## Notes to the accounts

Year ended 31 October 2000

### 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
Computers, fixtures and fittings	-	25% and 50% per annum

#### *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 2000

### 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 £171,111 (1999: £333,354)

All turnover arose within the United Kingdom

### 2. Profit on ordinary activities before taxation

	2000 £	1999 £
<b>Profit on ordinary activities before taxation is stated after charging/(crediting):</b>		
Auditors' remuneration	-	16,400
Depreciation charge	602,695	432,780
Hire of plant & machinery	170,295	160,377
Profit on sale of fixed assets	(111,227)	(34,902)

Auditor's remuneration has been borne by the parent company in the current financial year.

### 3. Remuneration of Directors

	2000 £	1999 £
<b>Directors' emoluments:</b>		
As directors	52,613	50,106

The emoluments, excluding pension contributions, of the highest paid Director were £50,587 (1999: £46,106). The number of directors for whom benefits are accruing under defined contribution schemes is 1 (1999: 1). The emoluments of other directors have been borne by the parent company in both the current and preceding financial year.

# Anvil Plant Hire Limited

## Notes to the accounts (continued)

Year ended 31 October 2000

### 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	
	2000 No.	1999 No.
Management	2	1
Administration	6	5
Production and sales	40	39
	<u>48</u>	<u>45</u>

The aggregate payroll costs of these persons were as follows:

	2000 £	1999 £
Wages and salaries	811,078	738,764
Social Security costs	73,337	68,649
Other pension costs (see note 16)	5,019	4,535
	<u>889,434</u>	<u>811,948</u>

### 5. Net interest payable and similar charges

	2000 £	1999 £
Interest receivable	(16,857)	(8,879)
Interest payable on hire purchase contracts.	107,770	75,416
	<u>90,913</u>	<u>66,537</u>

### 6. Taxation

	2000 £	1999 £
UK Corporation Tax credit/(charge) at 30% (1999: 31%)	(25,491)	65,805
Deferred taxation (See Note 12)	-	-
Adjustment in respect of prior years	7,358	(17,163)
	<u>(18,133)</u>	<u>48,642</u>

Taxation in the current year is disproportionately low due to unprovided capital allowances in excess of depreciation.

# Anvil Plant Hire Limited

## Notes to the accounts (continued)

Year ended 31 October 2000

### 7. Tangible fixed assets

	Plant and machinery £
<b>Cost</b>	
At beginning of year	4,481,901
Additions	1,867,665
Disposals	(1,002,436)
At end of year	<u>5,347,129</u>
<b>Depreciation</b>	
At beginning of year	2,323,872
Charge for year	602,695
On disposals	(719,634)
At end of year	<u>2,206,933</u>
<b>Net book value</b>	
At 31 October 2000	<u>3,140,196</u>
At 31 October 1999	<u>2,158,029</u>

Included in Plant and Machinery are assets held under hire purchase contracts with a cost of £2,744,823 (1999: £1,904,714) and accumulated depreciation of £718,517 (1999: £661,671) of which £ 264,405 (1999: £ 293 035) was charged in the year.

### 8. Stocks

	2000 £	1999 £
Raw materials and consumables	42,617	54,532
Finished goods and goods for resale	100,154	127,571
	<u>142,771</u>	<u>182,103</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 2000

### 9. Debtors

	2000 £	1999 £
Trade debtors	605,975	669,585
Amounts owed by Group undertakings	48,322	11,095
Prepayments and accrued income	52,218	60,032
	<u>706,515</u>	<u>740,712</u>

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

	2000 £	1999 £
Trade creditors	325,784	272,053
Amounts owed to Group undertakings	157,508	88,425
Hire purchase contracts	467,212	383,403
Other creditors	52,825	56,242
Other taxes and social security	23,176	104,131
Accruals and deferred income	346,113	100,695
	<u>1,372,618</u>	<u>1,004,949</u>

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

	2000 £	1999 £
Hire purchase contracts due in two to five years	<u>838,003</u>	<u>665,980</u>

# Anvil Plant Hire Limited

## Notes to the accounts (continued)

Year ended 31 October 2000

### 12. Deferred taxation

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

	2000		1999	
	Provided £	Unprovided £	Provided £	Unprovided £
Accelerated capital allowances	-	289,488	-	196,000

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

### 13. Share Capital

	2000 £	1999 £
<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

	2000 £	1999 £
Profit for the financial year	242,135	297,013
Opening shareholders' funds	1,891,703	1,594,690
Closing shareholders' funds	2,133,838	1,891,703

### 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 £34.1m of which £24.4m was outstanding as at 31 October 2000.

# Anvil Plant Hire Limited

## Notes to the accounts *(continued)*

*Year ended 31 October 2000*

### 16. Pension Scheme

The group operates an insured defined contribution scheme for which the pension charge for the year under review was £5,019 (1999: £ 4,535).

### 17. 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.

### 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 Homes Group Limited.