

Anvil Plant Hire Limited

Directors' report and financial statements

31st October 1995

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 1995.

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:

	1995 £	1994 £
Turnover	<u>2,728,125</u>	<u>2,603,546</u>
Profit/(loss) on ordinary activities before taxation	220,446	247,833
Taxation	<u>(43,784)</u>	<u>(42,602)</u>
Profit/(loss) for the financial year	<u>176,662</u>	<u>205,231</u>

Proposed dividend and transfer to reserves

The Directors do not recommend the payment of a dividend (1994: Nil).

The profit for the year to be transferred to reserves is £176,662 (1994: £205,231).

Significant changes in fixed assets

Details of changes in fixed assets during the year are shown in Note 6 to the Financial Statements

Anvil Plant Hire Limited

Directors' report

Directors and directors' interests

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

P.B. Saville	(Chairman)
D.W. Pead	(Appointed 20th May 1995)
G.W. May	(Resigned 14th June 1995)

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.W. Pead is a Director of the Company's ultimate holding company, Ward Holdings PLC and, accordingly, particulars of his interests in the shares of that Company are included in the Directors' Report of Ward Holdings PLC.

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.

Anvil Plant Hire Limited

Directors' report *(continued)*

Auditors

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

By order of the Board



C.E. Lawton
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.



Barham Court
Teston
Maidstone
Kent ME18 5BZ

Auditors' report to the members of Anvil Plant Hire Limited.

We have audited the financial statements on pages 6 to 15.

Respective responsibilities of directors and auditors

As described on page 4 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
Registered Auditors

15 February 1996

Anvil Plant Hire Limited

Profit and loss account

for the year ended 31 October 1995

	Note	1995 £	1994 £
Turnover arising from continuing operations	1	2,728,125	2,603,546
Cost of sales		<u>(1,695,252)</u>	<u>(1,531,657)</u>
Gross profit		1,032,873	1,071,889
Distribution costs		(231,179)	(214,479)
Administrative expenses		<u>(715,693)</u>	<u>(757,188)</u>
Operating profit/(loss) arising from continuing operations		86,001	100,222
Profit on sale of fixed assets	2	89,448	106,759
Other interest receivable and similar income		<u>44,997</u>	<u>40,852</u>
Profit/(loss) on ordinary activities before taxation	2-4	220,446	247,833
Tax on profit/(loss) on ordinary activities	5	<u>(43,784)</u>	<u>(42,602)</u>
Profit/(loss) for the financial year		176,662	205,231
Retained profit brought forward		<u>957,070</u>	<u>751,839</u>
Retained profit carried forward		<u>1,133,732</u>	<u>957,070</u>

There were no acquisitions or discontinued operations within the Company during 1995 and 1994.

The company has no recognised gains or losses in either 1995 or 1994 other than those reported in the Profit and Loss Account above.

Anvil Plant Hire Limited

Balance Sheet

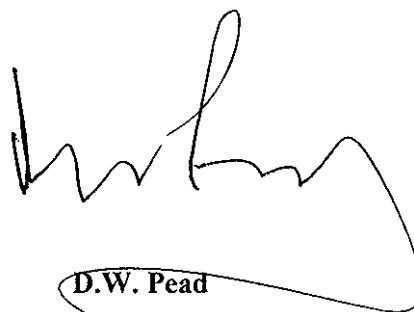
as at 31 October 1995

	Note	1995	1994
		£	£
Fixed assets			
Tangible assets	6	974,771	685,512
Current assets			
Stocks	7	210,543	222,480
Debtors	8	426,591	511,360
Cash at bank and in hand		419,698	524,181
		<u>1,056,832</u>	<u>1,258,021</u>
Creditors: amount falling due within one year	9	<u>(877,554)</u>	<u>(986,363)</u>
Net current assets		<u>179,278</u>	<u>271,658</u>
Total assets less current liabilities		1,154,049	957,170
Provisions for liabilities and charges			
Deferred taxation	10	<u>(20,217)</u>	<u>-</u>
Net assets		<u>1,133,832</u>	<u>957,170</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		<u>1,133,732</u>	<u>957,070</u>
Shareholders' funds	12	<u>1,133,832</u>	<u>957,170</u>

These financial statements were approved by the Board of Directors on 15th February 1996 and were signed on its behalf by:



P.B. Saville



D.W. Pead

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, 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	-	16.7% and 25% per annum
Compressors	-	20% per annum
Small tools and equipment	-	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 lease 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 or the term of the lease, whichever is shorter. 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.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

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.

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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 £827,312 (1994: £644,038)

All turnover arose within the United Kingdom

Anvil Plant Hire Limited

Notes (Continued)

2. Profit/(Loss) on ordinary activities before taxation.

	1995 £	1994 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit	6,600	7,600
Depreciation and other amounts written off tangible fixed assets.		
Owned	258,683	205,495
Plant hire	<u>211,906</u>	<u>167,419</u>
After crediting:		
Profit on sale of fixed assets	<u>89,448</u>	<u>106,759</u>

The total amount charged to revenue for the hire of plant and machinery amounted to £218,185 (1994: £174,581). This comprises rentals payable under operating leases as well as depreciation on plant and machinery held under finance leases together with the related finance charges.

3. Remuneration of Directors

	1995 £	1994 £
Directors' emoluments:		
As directors	811	1,000
Remuneration as executives	68,203	74,536
	<u>69,014</u>	<u>75,536</u>

The emoluments, excluding pension contributions, of the Chairman who was also the highest paid Director was £40,578 (1994: £38,903).

The emoluments, excluding pension contributions, of the Directors (including the chairman and highest paid Director) were within the following ranges:

			Number of Directors	
			1995	1994
0	-	£5,000	1	-
£15,001	-	£20,000	1	-
£25,001	-	£30,000	-	1
£35,001	-	£40,000	-	1
£40,001	-	£45,000	1	-

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Notes (continued)

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	
	1995	1994
Management	2	2
Administration	14	16
Production and sales	45	40
	<hr/> 61	<hr/> 58

The aggregate payroll costs of these persons were as follows:

	1995 £	1994 £
Wages and salaries	735,366	707,925
Social Security costs	69,936	72,448
Other pension costs (see note 14)	17,674	17,168
	<hr/> 822,976	<hr/> 797,541

5. Taxation

	1995 £	1994 £
UK Corporation Tax at 33% (1994: 33%)	23,567	42,602
Deferred taxation (See Note 10)	20,217	-
Adjustment in respect of prior years	-	-
	<hr/> 43,784	<hr/> 42,602

The tax charge represents the payment made by the company for Group Relief surrendered from other group companies.

Anvil Plant Hire Limited

Notes (continued)

6. Tangible fixed assets

	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost			
At beginning of year	8,000	3,701,892	3,709,892
Additions	--	604,099	604,099
Disposals	--	(398,236)	(398,236)
At end of year	<u>8,000</u>	<u>3,907,755</u>	<u>3,915,755</u>
Depreciation			
At beginning of year	8,000	3,016,380	3,024,380
Charge for year	--	258,683	258,683
On disposals	--	(342,079)	(342,079)
At end of year	<u>8,000</u>	<u>2,932,984</u>	<u>2,940,984</u>
Net book value			
At 31 October 1995	<u>Nil</u>	<u>974,771</u>	<u>974,771</u>
At 31 October 1994	<u>Nil</u>	<u>685,512</u>	<u>685,512</u>

Anvil Plant Hire Limited

Notes (continued)

7. Stocks

	1995 £	1994 £
Raw materials and consumables	136,238	140,590
Finished goods and goods for resale	<u>74,305</u>	<u>81,890</u>
	<u>210,543</u>	<u>222,480</u>

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

8. Debtors

	1995 £	1994 £
Trade debtors	346,123	434,275
Amounts owed by parent and fellow subsidiary undertakings	8,841	8,201
Other debtors	-	1,150
Prepayments and accrued income	<u>71,627</u>	<u>67,734</u>
	<u>426,591</u>	<u>511,360</u>

9. Creditors: amounts falling due within one year

	£	1995 £	£	1994 £
Trade Creditors		135,315		166,110
Amounts owed to parent and fellow subsidiary undertakings		670,453		633,780
Other creditors including taxation and social security				
Other taxes and social security	51,467		76,062	
Other creditors	<u>156</u>		<u>156</u>	
		51,623		76,218
Accruals and deferred income		<u>20,163</u>		<u>110,255</u>
		<u>877,554</u>		<u>986,363</u>

Anvil Plant Hire Limited

Notes (continued)

10 Deferred taxation

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

	1995		1994	
	Provided £	Unprovided £	Provided £	Unprovided £
Accelerated capital allowances	4,131	-	-	-
Short term timing differences	16,086	-	-	-
	<u>20,217</u>	<u>-</u>	<u>-</u>	<u>-</u>

11 Share Capital

	1995 £	1994 £
<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>

12 Reconciliation of movements in Shareholders' funds

	1995 £	1994 £
Profit/(loss) for the financial year	176,662	205,231
Opening shareholders' funds	957,170	751,939
	<u>1,133,832</u>	<u>957,170</u>
Closing Shareholders' funds		

13. 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 £2,000,000 of which £247,985 (1994: £Nil) was outstanding as at 31 October 1995.

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Notes (continued)

14. 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 will now operate 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 April 1993 and this indicated that the transfer value to the new scheme exceeded the liabilities of the fund at that date. 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.

The pension charge for the year £12,128 (1994: £11,745).

Prior to 6 April 1993 the company also operated a rebate only contracted-out money purchase scheme to enable staff members to contract out of the State Earnings Related Pension Scheme. This arrangement ceased on 5th April 1993 and since that date members have only been able to contract out of the State Earnings Related Pension Scheme by effecting individual appropriate personal pensions.

The group also operates an insured defined contribution scheme for which the pension charge for the year under review was £5,546 (1994: £5,423).

15 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.