

# **Anvil Plant Hire Limited**

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

**31st October 1998**

**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 1998.

### 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:

	1998 £	1997 £
Turnover	2,947,255	2,547,945
Profit on ordinary activities before taxation	296,243	173,500
Taxation	8,985	(55,861)
Profit for the financial year	305,228	117,639

### Proposed dividend and transfer to reserves

The Directors do not recommend the payment of a dividend (1997: Nil).

The profit for the year to be transferred to reserves is £305,228 (1997: £117,639).

### Directors and directors' interests

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

D.J. Ward	
D.W. Pead	(Resigned 31 December 1997)
P.J. Gilham	
P.D. Holliday	(Appointed 2 February 1998)

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 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 80 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 1998 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*

**28** January 1999

# Anvil Plant Hire Limited

## Profit and loss account

for the year ended 31 October 1998

	Note	1998 £	1997 £
<b>Turnover arising from continuing operations</b>	<i>1</i>	2,947,255	2,547,945
Cost of sales		<u>(1,703,640)</u>	<u>(1,580,687)</u>
<b>Gross profit</b>		1,243,615	967,258
Distribution costs		(261,357)	(201,810)
Administrative expenses		<u>(757,134)</u>	<u>(686,492)</u>
<b>Operating profit arising from continuing operations</b>		225,124	78,956
Profit on sale of fixed assets	<i>2</i>	126,243	122,864
Net Interest payable and similar charges	<i>5</i>	<u>(55,124)</u>	<u>(28,320)</u>
<b>Profit on ordinary activities before taxation</b>	<i>2-4</i>	296,243	173,500
Tax on profit on ordinary activities	<i>6</i>	<u>8,985</u>	<u>(55,861)</u>
<b>Profit for the financial year</b>		305,228	117,639
Retained profit brought forward		<u>1,289,362</u>	<u>1,171,723</u>
Retained profit carried forward		<u>1,594,590</u>	<u>1,289,362</u>

There were no acquisitions or discontinued operations within the Company during 1998 and 1997.

The company has no recognised gains or losses in either 1998 or 1997 other than those reported in the Profit and Loss Account above.

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

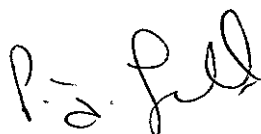
# Anvil Plant Hire Limited

## Balance Sheet

as at 31 October 1998

	Note	1998		1997	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		2,191,566		1,716,634
<b>Current assets</b>					
Stocks	8	147,449		164,366	
Debtors	9	657,793		656,417	
Cash at bank and in hand		<u>347,972</u>		<u>66,724</u>	
		1,153,214		887,507	
<b>Creditors: amount falling due within one year</b>	10	<u>(870,545)</u>		<u>(635,508)</u>	
<b>Net current assets</b>			<u>282,669</u>		<u>251,999</u>
<b>Total assets less current liabilities</b>			<u>2,472,235</u>		<u>1,968,633</u>
<b>Creditors: Amounts falling due after more than one year</b>	11		(879,545)		(627,670)
<b>Provisions for liabilities and charges</b>					
Deferred taxation	12		-		(51,501)
<b>Net assets</b>			<u>1,594,690</u>		<u>1,289,462</u>
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Profit and loss account			<u>1,594,590</u>		<u>1,289,362</u>
<b>Shareholders' funds</b>	14		<u>1,594,690</u>		<u>1,289,462</u>

These financial statements were approved by the Board of Directors on 28 January 1999 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

The useful economic life of certain large plant and machinery has been extended from six to ten years. The net book value at 1 November 1997 is being written off over the remaining extended economic lives of the assets, reducing the years depreciation charge by £162,000.

#### *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 (1997: £521,631)

All turnover arose within the United Kingdom

### 2. Profit on ordinary activities before taxation

	1998 £	1997 £
<b>Profit on ordinary activities before taxation is stated after charging/crediting:</b>		
Auditors' remuneration:		
Audit	10,000	6,600
Depreciation charge	291,592	364,019
Hire of plant & machinery	143,929	151,343
Redundancy charges	57,807	-
Profit on sale of fixed assets	(126,243)	(122,864)

The total amount charged to revenue for the hire of plant and machinery amounted to £293,936 (1997: £155,815). This comprises of depreciation on plant and machinery held under finance leases together with the related finance charges.

### 3. Remuneration of Directors

	1998 £	1997 £
Directors' emoluments:		
As directors	500	494
Remuneration as executives	38,110	49,793
	<u>38,610</u>	<u>50,287</u>

The emoluments, excluding pension contributions, of the highest paid Director was £37,185 (1997: £41,105). The number of directors for whom benefits are accruing under defined contribution schemes is 1 (1997: 2).

# Anvil Plant Hire Limited

## 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	
	1998	1997
Management	1	1
Administration	5	12
Production and sales	42	40
	<u>48</u>	<u>53</u>

The aggregate payroll costs of these persons were as follows:

	1998	1997
	£	£
Wages and salaries	826,438	748,725
Social Security costs	76,149	69,071
Other pension costs (see note 16)	6,441	9,087
	<u>909,028</u>	<u>826,883</u>

### 5. Net Interest payable and similar charges

	1998	1997
	£	£
Interest receivable	(8,104)	(798)
Interest payable on hire purchase contracts.	<u>63,228</u>	<u>29,118</u>
	<u>55,124</u>	<u>28,320</u>

### 6. Taxation

	1998	1997
	£	£
UK Corporation Tax at 31.0% (1997: 31.8%)	(41,869)	(36,230)
Deferred taxation (See Note 12)	51,501	(8,374)
Adjustment in respect of prior years	<u>(647)</u>	<u>100,465</u>
	<u>8,985</u>	<u>55,861</u>

# Anvil Plant Hire Limited

## Notes (continued)

### 7. Tangible fixed assets

	Short leasehold land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At beginning of year	8,000	4,139,784	4,147,784
Additions	-	970,794	970,794
Disposals	(8,000)	(561,501)	(569,501)
At end of year	-	4,549,077	4,549,077
<b>Depreciation</b>			
At beginning of year	8,000	2,423,150	2,431,150
Charge for year	-	291,592	291,592
On disposals	(8,000)	(357,231)	(365,231)
At end of year	-	2,357,511	2,357,511
<b>Net book value</b>			
At 31 October 1998	-	2,191,566	2,191,566
At 31 October 1997	-	1,716,634	1,716,634

Included in Plant and Machinery are assets held under hire purchase contracts with a cost of £1,724,574 and accumulated depreciation of £368,636 of which £234,372 was charged in the year.

### 8. Stocks

	1998 £	1997 £
Raw materials and consumables	76,238	86,793
Finished goods and goods for resale	71,211	77,573
	147,449	164,366

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

# Anvil Plant Hire Limited

## Notes (continued)

### 9. Debtors

	1998 £	1997 £
Trade debtors	594,975	517,694
Amounts owed by Group undertakings	23,502	66,778
Other debtors	65	66
Prepayments and accrued income	39,251	71,879
	<u>657,793</u>	<u>656,417</u>

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

	£	1998 £	£	1997 £
Trade Creditors		213,581		212,605
Amounts owed to Group undertakings		90,265		84,571
Hire Purchase contracts		354,365		203,826
Other creditors	42,516		4,435	
Other taxes and social security	84,955		56,597	
		<u>127,471</u>		<u>61,032</u>
Accruals and deferred income		84,863		73,474
		<u>870,545</u>		<u>635,508</u>

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

	1998 £	1997 £
Hire Purchase Contracts due in two to five years	879,545	627,670
	<u>879,545</u>	<u>627,670</u>

# Anvil Plant Hire Limited

## Notes (continued)

### 12. Deferred taxation

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

	1998		1997	
	Provided £	Unprovided £	Provided £	Unprovided £
Accelerated capital allowances	-	-	51,501	-
	-	-	51,501	-

### 13. Share Capital

	1998 £	1997 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100

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

	1998 £	1997 £
Profit for the financial year	305,228	117,639
Opening shareholders' funds	1,289,462	1,171,823
Closing shareholders' funds	1,594,690	1,289,462

### 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 £12,500,000 of which £ Nil (1997: £Nil) was outstanding as at 31 October 1998.

# Anvil Plant Hire Limited

## 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 1997 and this indicated that the Scheme's assets of £1.49 million exceeded the liabilities of the fund at that date equivalent to a funding level of 112.3%. 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 was £2,716 (1997: £3,196).

The group also operates an insured defined contribution scheme for which the pension charge for the year under review was £3,996 (1997: £5,891).

### 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.