

Company No: 1126497

NETWORK PLANT LIMITED
REPORT AND FINANCIAL STATEMENTS
31st DECEMBER 1995



Network Plant Limited

Directors

Sir John Wickerson, LLB (Chairman)
 R.C. Gardner MinstD
 G.D. Bell, FCMA FIMgt FinstD FFB
 D.E. Beardsmore, CEng AMCST FICE FRSA
 P.H. Coats, CA FCT

Secretary and Registered Office

P.H. Coats, CA FCT
 Roman House, 13/27 Grant Road, Croydon, Surrey, CR9 6BU

Auditors

Moore Stephens
 Chartered Accountants
 St. Paul's House, Warwick Lane, London, EC4P 4BN

Report of the Directors

The directors submit their report and the audited financial statements for the year ended 31st December 1995.

Review of Activities

The company's principal activities are plant hire and the maintenance and repair of plant, tools and vehicles.

Profit and Loss Account

The profit for the year after taxation amounted to £38,544 (1994: £1,161,368). The profit of £38,544 after payment of a final dividend of £Nil, (1994: deficiency of £202,793 after payment of an interim dividend of £1,364,161) has been transferred to reserves.

Directors

Board Changes

Mr. P.J. Norman resigned as a director on 5th May 1995 and Mr. P.H. Coats was appointed as a director on 8th June 1995.

Interests in the Group

Sir John Wickerson, Mr. D.E. Beardsmore, Mr. G.D. Bell and Mr. P.H. Coats are directors of the parent company, R. Mansell Limited, and their interests in the group, as defined by the Companies Act 1985, are set out in the directors' report attached to the financial statements of that company for the year ended 31st December 1995.

The interests of the remaining directors in the share capital of R. Mansell Limited at the beginning and end of the year were as follows:-

	<u>31.12.95</u>		<u>1.1.95</u>	
	<u>Shares of 25p each</u>		<u>Shares of 25p each</u>	
	<u>Ordinary</u>	<u>Preferred</u> <u>Ordinary</u>	<u>Ordinary</u>	<u>Preferred</u> <u>Ordinary</u>
R.C. Gardner	10,000	-	10,000	-

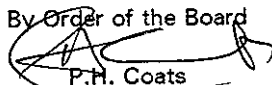
Network Plant Limited**Report of the Directors (continued)****Directors (continued)****Retirement of Directors**

In accordance with the Articles of Association, Mr. P.H. Coats and Mr. R.C. Gardner will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

Auditors

The auditors, Moore Stephens, are willing to continue in office. A resolution for their re-appointment and authorising the directors to fix their remuneration will be submitted to the Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to be 'P.H. Coats', written over a horizontal line.

P.H. Coats

Company Secretary

Network Plant 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 of the company 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 keeping 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Network Plant Limited**Report of the Auditors**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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, 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 statement 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 31st December 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,
Warwick Lane,
London,
EC4P 4BN.



Moore Stephens
Registered Auditors
Chartered Accountants

11th April 1996

Network Plant Limited
Profit and Loss Account
For the year ended 31st December 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
Turnover	1(c)	3,370,510	3,273,843
Cost of sales	2	2,196,573	1,931,685
		<hr/>	<hr/>
Gross Profit		1,173,937	1,342,158
Administration expenses/(income)	2	1,115,393	(345,285)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	58,544	1,687,443
Tax on profit on ordinary activities	4	20,000	526,075
		<hr/>	<hr/>
Profit for the Financial Year		38,544	1,161,368
Dividend paid		-	1,364,161
		<hr/>	<hr/>
Retained profit/(loss) for the Financial Year	11	38,544	£ (202,793)
		<hr/>	<hr/>

The company has no recognised gains or losses other than those included in the profit and loss account

Network Plant Limited

Balance Sheet at 31st December 1995

	<u>Note</u>	<u>31.12.95</u>	<u>1.1.95</u>
Tangible Fixed Assets	5	1,166,367	1,137,228
		<hr/>	<hr/>
Current Assets			
Stocks	6	669,639	593,239
Debtors	7	399,472	275,031
Cash at bank and in hand		-	9,226
		<hr/>	<hr/>
		1,069,111	877,496
Creditors, amounts falling due within one year	8	(1,762,689)	(1,580,479)
		<hr/>	<hr/>
Net Current Liabilities		(693,578)	(702,983)
		<hr/>	<hr/>
Total Assets Less Current Liabilities		472,789	434,245
Provisions for liabilities and charges	9	(209,245)	(209,245)
		<hr/>	<hr/>
Capital and Reserves		£ 263,544	£ 225,000
		<hr/>	<hr/>
Called up share capital	10	225,000	225,000
Profit and loss account	11	38,544	-
		<hr/>	<hr/>
		£ 263,544	£ 225,000
		<hr/>	<hr/>

These financial statements were approved by the Board on 11 April 1996

John Wickerson
 SIR JOHN WICKERSON
 Director

Network Plant Limited

Notes to the Financial Statements - 31st December 1995

1. Principal Accounting Policies

(a) **Basis of Accounting**

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

(b) **Accounting Date**

The annual financial statements are drawn up to the Sunday before the first Wednesday in the following January.

(c) **Turnover**

Turnover is the invoiced value of sales excluding VAT.

(d) **Depreciation**

The cost of fixed assets is depreciated by equal annual instalments over their expected lives of between four and twelve years.

(e) **Deferred taxation**

Provision for deferred taxation is made except where it can be shown that the taxation deferred will not be payable in the foreseeable future.

(f) **Stocks**

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

2. Cost of Sales and Administration Expenses

These consist of charges and transfers from the parent Company and incorporate all staff costs, including £38,591 and £55,121 in respect of the services of Mr. R.C. Gardner for 1994 and 1995 respectively. No directors are remunerated directly by the Company. Administrative expenses include a contribution towards head office expenses which is based on the use made of head office facilities and the company's ability to make such a contribution.

3. Profit on Ordinary Activities Before Taxation

Profit on ordinary activities before taxation is stated after charging depreciation on tangible fixed assets amounting to £193,291 (1994: £198,957) and after crediting a release of surplus depreciation of £ Nil (1994: £580,407) and profit on the sale of fixed assets of £93,653 (1994: £67,671).

4. Tax on Profit on Ordinary Activities

	<u>1995</u>	<u>1994</u>
United Kingdom corporation tax based on the profits for the year as adjusted for taxation purposes at a rate of 33% (1994 :33%)	20,000	316,830
Deferred tax	-	209,245
	<hr/>	<hr/>
	£ 20,000	£ 526,075
	<hr/>	<hr/>

Network Plant Limited

Notes to the Financial Statements - 31st December 1995
(Continued)

5. Tangible Fixed Assets

Plant and
Machinery

Cost	
At 2nd January 1995	2,223,198
Additions	268,867
Disposals	(62,861)
	<hr/>
At 31st December 1995	2,429,204
	<hr/>
Depreciation	
At 2nd January 1995	1,085,970
Charge for year	193,291
On disposal	(16,424)
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At 31st December 1995	1,262,837
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Written down value	
At 31st December 1995	£ 1,166,367
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At 2nd January 1995	£ 1,137,228
	<hr/>

6. Stocks

	<u>1995</u>	<u>1994</u>
Raw materials and consumables	£ 699,639	£ 593,239
	<hr/>	<hr/>

7. Debtors

All amounts falling due within one year

Trade debtors	381,127	275,031
Prepayments	18,345	-
	<hr/>	<hr/>
	£ 399,472	£ 275,031
	<hr/>	<hr/>

Network Plant Limited

Notes to the Financial Statements - 31st December 1995
(Continued)

	<u>1995</u>	<u>1994</u>
8. Creditors - Amounts falling due within one year		
Bank overdraft	356	-
Accruals and deferred income	82,831	-
Corporation tax	20,000	-
Due to group companies	1,659,502	1,263,649
Group relief payable	-	316,830
	<u>£ 1,762,689</u>	<u>£ 1,580,479</u>
9. Provisions For Liabilities and Charges		
Deferred Taxation		
At 2nd January 1995	209,245	-
Arising on the release of surplus depreciation	-	209,245
	<u>£ 209,245</u>	<u>£ 209,245</u>
At 31st December 1995	<u>£ 209,245</u>	<u>£ 209,245</u>
10. Called Up Share Capital		
Ordinary shares of £1 each		
Authorised	£ 500,000	£ 500,000
	<u>£ 500,000</u>	<u>£ 500,000</u>
Allotted, called up and fully paid	£ 225,000	£ 225,000
	<u>£ 225,000</u>	<u>£ 225,000</u>
All shares rank equally in respect of all shareholder rights.		
11. Reserves		
	<u>Profit and</u>	
	<u>Loss Account</u>	
At 2nd January 1995	-	
Retained profit for the year	38,544	
	<u>38,544</u>	
At 31st December 1995	<u>£ 38,544</u>	
12. Reconciliation of Movements In Equity Shareholders Funds		
	<u>1995</u>	<u>1994</u>
Profit for the Financial Year	38,544	1,161,368
Dividend	-	(1,364,161)
	<u>38,544</u>	<u>(202,793)</u>
Opening shareholders' funds	<u>225,000</u>	<u>427,793</u>
Closing shareholders' funds	<u>£ 263,544</u>	<u>£ 225,000</u>
13. Ultimate Holding Company		

The company is a wholly-owned subsidiary of R. Mansell Limited, which is incorporated in Great Britain. Copies of the group accounts may be obtained from the Company Secretary, R. Mansell Limited, Roman House, Grant Road, Croydon CR9 6BU.