

**NETWORK PLANT LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 1998**



## **Network Plant Limited**

### **Directors**

Sir John Wickerson, LLB (Chairman)  
D.E. Beardsmore, CEng AMCT FICE FCIQB FRSA  
R.C. Gardner MInstD  
P.H. Coats, CA FCT  
D.S. Hurcomb BSc ACA

### **Secretary and Registered Office**

R. Cordeschi ACIS  
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 31 December 1998.

#### **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 £429,668 (1997: £302,657). The surplus of £114,668 (1997: £302,657) after deduction of the dividend for the year of £315,000 (1997: £nil) has been transferred to reserves.

#### **Directors**

Mr D.S. Hurcomb was appointed as a director on 1 February 1999 and Mr G.D. Bell resigned as a director on 3 February 1999.

#### **Interests in the group**

Sir John Wickerson, Mr. D.E. Beardsmore, Mr. G.D. Bell and Mr. P.H. Coats were, at 31 December 1998, directors of the parent company, MANSELL plc, 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 31 December 1998.

The interests of the remaining directors in the share capital of MANSELL plc during the year were as follows:-

	<u>Ordinary shares of 25p each</u>	
	<u>31 December 1998</u>	<u>1 January 1998</u>
R.C. Gardner	35,000	10,000

In addition, Mr R.C. Gardner has been granted options over the ordinary shares of 25p each of MANSELL plc as follows:

	At 1 January 1998	Exercised during the year	At 31 December 1998	Exercise price
MANSELL Executive Share Option Scheme	25,000	25,000	-	50p

The options were exercisable between 13 November 1992 and 13 November 1999.

**Network Plant Limited**

**Report of the Directors (continued)**

	At 1 January 1998	Granted during the year	At 31 December 1998	Exercise price
<b>Directors (continued)</b>				
Interests in the group (continued)				
R.C. Gardner (continued)				
The MANSELL Company Share Option Scheme The options are normally exercisable between 28 June 1999 and 28 June 2006.	25,000	-	25,000	32p
The MANSELL Savings Related Share Option Scheme The options are normally exercisable between 1 September 1999 and 28 February 2000.	4,500	-	4,500	26p

No director had any direct interest in the share capital of the company at any time during the year.

**Retirement of Directors**

Mr D.S. Hurcomb will retire at the annual general meeting and being eligible will offer himself for re-appointment. The director to retire by rotation is Mr R.C. Gardner who, being eligible, will offer himself for re-appointment at the annual general meeting.

**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



R. Cordeschi

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**

**Auditors' report**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and in accordance with 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**

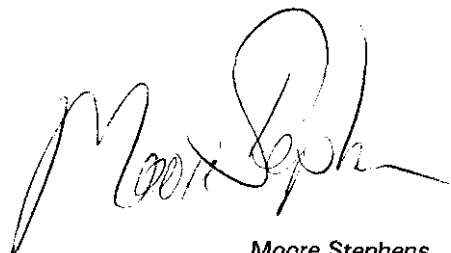
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, and of whether the accounting policies are appropriate to the company's 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 31 December 1998 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

8 April 1999

**Network Plant Limited**

**Profit and loss account  
for the year ended 31 December 1998**

	<u>Note</u>	<u>1998</u>	<u>1997</u>
<b>Turnover</b>	1(b)	5,937,988	4,859,825
<b>Cost of sales</b>	2	3,350,041	2,888,042
		<hr/>	<hr/>
<b>Gross profit</b>		2,587,947	1,971,783
<b>Administration expenses</b>	2	1,939,015	1,527,126
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	3	648,932	444,657
<b>Tax on profit on ordinary activities</b>	4	219,264	142,000
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		429,668	302,657
<b>Dividends: £1.40 per share (1997: nil)</b>		315,000	-
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>	11	£ 114,668	£ 302,657
		<hr/> <hr/>	<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 December 1998**

	Note	<u>1998</u>	<u>1997</u>
<b>Tangible fixed assets</b>	5	2,114,023	1,474,372
		<hr/>	<hr/>
<b>Current assets</b>			
Stocks	6	1,142,183	821,100
Debtors	7	669,649	551,862
		<hr/>	<hr/>
		1,811,832	1,372,962
<b>Creditors, amounts falling due within one year</b>	8	(2,990,808)	(2,026,955)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(1,178,976)	(653,993)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		935,047	820,379
Provisions for liabilities and charges	9	(209,245)	(209,245)
		<hr/>	<hr/>
		£ 725,802	£ 611,134
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	225,000	225,000
Profit and loss account	11	500,802	386,134
		<hr/>	<hr/>
		£ 725,802	£ 611,134
		<hr/>	<hr/>

These financial statements were approved by the Board on 8 April 1999



P. H. COATS  
Director

## Network Plant Limited

### Notes to the financial statements

#### 1. Principal accounting policies

##### (a) Basis of accounting

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

##### (b) Turnover

Turnover is the invoiced value of sales excluding VAT.

##### (c) Depreciation

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

##### (d) 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.

##### (e) 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. 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 £396,884 (1997: £338,213) and after profit on the sale of fixed assets of £63,445 (1997: £86,645).

#### 4. Tax on profit on ordinary activities

	<u>1998</u>	<u>1997</u>
United Kingdom corporation tax based on the profits for the year as adjusted for taxation purposes at a rate of 31% (1997: 31.5%)	208,500	142,000
Under provision in prior year	10,764	-
	<hr/>	<hr/>
	£ 219,264	£ 142,000
	<hr/>	<hr/>



**Network Plant Limited**

**Notes to the financial statements**

5.	<b>Tangible fixed assets</b>		<u>Plant and machinery</u>
	<b>Cost:</b>		
	At 1 January 1998		2,925,311
	Additions		1,124,387
	Disposals		(273,507)
			<hr/>
	At 31 December 1998		3,776,191
			<hr/>
	<b>Depreciation:</b>		
	At 1 January 1998		1,450,939
	Charge for year		396,884
	On disposal		(185,655)
			<hr/>
	At 31 December 1998		1,662,168
			<hr/>
	<b>Net book value:</b>		
	At 31 December 1998		£ 2,114,023
			<hr/> <hr/>
	At 31 December 1997		£ 1,474,372
			<hr/> <hr/>
6.	<b>Stocks</b>		
		<u>1998</u>	<u>1997</u>
	Raw materials and consumables	£ 1,142,183	£ 821,100
		<hr/> <hr/>	<hr/> <hr/>
7.	<b>Debtors</b>		
	All amounts falling due within one year		
	Trade debtors	£ 669,649	£ 551,862
		<hr/> <hr/>	<hr/> <hr/>

**Network Plant Limited**

**Notes to the financial statements**

	<u>1998</u>	<u>1997</u>
<b>8. Creditors - amounts falling due within one year</b>		
Dividend payable	315,000	-
Corporation tax	208,500	142,000
Due to group companies	2,467,308	1,884,955
	<hr/>	<hr/>
	£ 2,990,808	£ 2,026,955
	<hr/>	<hr/>
<b>9. Provisions for liabilities and charges</b>		
Deferred taxation:		
Fixed asset timing differences	£ 209,245	£ 209,245
	<hr/>	<hr/>
<b>10. Called up share capital</b>		
Ordinary shares of £1 each		
Authorised	£ 500,000	£ 500,000
	<hr/>	<hr/>
Allotted, called up and fully paid	£ 225,000	£ 225,000
	<hr/>	<hr/>
All shares rank equally in respect of all shareholder rights.		
<b>11. Reserves</b>		<u>Profit and loss account</u>
At 1 January 1998		386,134
Retained profit for the year		114,668
		<hr/>
At 31 December 1998		£ 500,802
		<hr/>
<b>12. Reconciliation of movements in equity shareholders' funds</b>		
	<u>1998</u>	<u>1997</u>
Profit for the financial year	429,668	302,657
Dividend	(315,000)	-
	<hr/>	<hr/>
	114,668	302,657
Opening shareholders' funds	611,134	308,477
	<hr/>	<hr/>
Closing shareholders' funds	£ 725,802	£ 611,134
	<hr/>	<hr/>

**Network Plant Limited**

**Notes to the financial statements**

**13. Ultimate parent company**

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