

Company No: 1126497

**NETWORK PLANT LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 1997**



## Network Plant Limited

### Directors

Sir John Wickerson, LLB (Chairman)  
D.E. Beardsmore, CEng AMCST FICE FCIQB FRSA  
G.D. Bell, FCMA FIMgt FInstD FFB  
R.C. Gardner MInstD  
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 31 December 1997.

#### 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 £302,657 (1996: £244,933). The directors do not recommend the payment of a dividend for the year (1996: £200,000). The surplus of £302,657 (1996: £44,933 after deduction of the dividend for the year) has been transferred to reserves.

#### Directors

##### 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, 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 1997.

The interest of the remaining director in the share capital of MANSELL plc at the beginning and end of the year was as follows:-

	<u>Ordinary shares of 25p each</u>	
	<u>31 December 1997</u>	<u>1 January 1997</u>
R.C. Gardner	10,000	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 1997	Granted during the year	At 31 December 1997	Exercise price
MANSELL Executive Share Option Scheme	25,000	-	25,000	50p

The options are normally exercisable between 13 November 1992 and 13 November 1999.

Network Plant Limited

Report of the Directors (continued)

	At 1 January 1997	Granted during the year	At 31 December 1997	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

The directors to retire by rotation are Mr D.E. Beardsmore and Mr P.H. Coats who, being eligible, will offer themselves 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

  
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**

**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 1997 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 1998

**Network Plant Limited**

**Profit and loss account  
for the year ended 31 December 1997**

	<u>Note</u>	<u>1997</u>	<u>1996</u>
<b>Turnover</b>	1(b)	4,859,825	4,092,410
<b>Cost of sales</b>	2	2,888,042	2,579,078
		<hr/>	<hr/>
<b>Gross profit</b>		1,971,783	1,513,332
<b>Administration expenses</b>	2	1,527,126	1,243,199
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	3	444,657	270,133
<b>Tax on profit on ordinary activities</b>	4	142,000	25,200
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		302,657	244,933
<b>Dividends: nil (1996: 88.9p per share)</b>		-	200,000
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>	11	£ 302,657	£ 44,933
		<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 1997**

	Note	<u>1997</u>	<u>1996</u>
<b>Tangible fixed assets</b>	5	1,474,372	1,503,626
		<hr/>	<hr/>
<b>Current assets</b>			
Stocks	6	821,100	657,371
Debtors	7	551,862	447,079
		<hr/>	<hr/>
		1,372,962	1,104,450
<b>Creditors, amounts falling due within one year</b>	8	(2,026,955)	(2,090,354)
		<hr/>	<hr/>
<b>Net current liabilities</b>		(653,993)	(985,904)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		820,379	517,722
<b>Provisions for liabilities and charges</b>	9	(209,245)	(209,245)
		<hr/>	<hr/>
		£ 611,134	£ 308,477
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	225,000	225,000
Profit and loss account	11	386,134	83,477
		<hr/>	<hr/>
		£ 611,134	£ 308,477
		<hr/>	<hr/>

These financial statements were approved by the Board on 8 April 1998

*John Wickerson*

SIR JOHN WICKERSON  
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, including £72,678 (1996: £61,192) in respect of the services of one of the directors. 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 £338,213 (1996: £247,618) and after profit on the sale of fixed assets of £86,645 (1996: £59,444).

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

	<u>1997</u>	<u>1996</u>
United Kingdom corporation tax based on the profits for the year as adjusted for taxation purposes at a rate of 31.5% (1996: 33%)	142,000	59,000
Over provision in prior year	-	(20,000)
Prior year group relief	-	(13,800)
	<hr/>	<hr/>
	£ 142,000	£ 25,200
	<hr/>	<hr/>



**Network Plant Limited**  
**Notes to the financial statements**

**5. Tangible fixed assets**

	<u>Plant and machinery</u>
<b>Cost:</b>	
At 1 January 1997	2,927,866
Additions	503,896
Disposals	(506,451)
	<hr/>
At 31 December 1997	2,925,311
	<hr/>
<b>Depreciation:</b>	
At 1 January 1997	1,424,240
Charge for year	338,213
On disposal	(311,514)
	<hr/>
At 31 December 1997	1,450,939
	<hr/>
<b>Net book value:</b>	
At 31 December 1997	£ 1,474,372
	<hr/> <hr/>
At 31 December 1996	£ 1,503,526
	<hr/> <hr/>

**6. Stocks**

	<u>1997</u>	<u>1996</u>
Raw materials and consumables	£ 821,100	£ 657,371
	<hr/>	<hr/>

**7. Debtors**

All amounts falling due within one year

Trade debtors	551,862	446,154
Prepayments	-	925
	<hr/>	<hr/>
	£ 551,862	£ 447,079
	<hr/> <hr/>	<hr/> <hr/>

**Network Plant Limited**

**Notes to the financial statements**

	<u>1997</u>	<u>1996</u>
8. <b>Creditors - amounts falling due within one year</b>		
Accruals and deferred income	-	14,532
Corporation tax	142,000	59,000
Due to group companies	1,884,955	2,016,822
	<hr/>	<hr/>
	£ 2,026,955	£ 2,090,354
	<hr/>	<hr/>
9. <b>Provisions for liabilities and charges</b>		
Deferred taxation:		
Fixed asset timing differences	£ 209,245	£ 209,245
	<hr/>	<hr/>
10. <b>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.		
11. <b>Reserves</b>		<u>Profit and loss account</u>
At 1 January 1997		83,477
Retained profit for the year		302,657
		<hr/>
At 31 December 1997		£ 386,134
		<hr/>
12. <b>Reconciliation of movements in equity shareholders funds</b>		
	<u>1997</u>	<u>1996</u>
Profit for the financial year	302,657	244,933
Dividend	-	200,000
	<hr/>	<hr/>
	302,657	44,933
Opening shareholders' funds	308,477	263,544
	<hr/>	<hr/>
Closing shareholders' funds	£ 611,134	£ 308,477
	<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.