

Company Registration No. 1253354 (England and Wales)

NETWORK PLANT (MIDLANDS) LIMITED

(FORMERLY AXIS PLANT HIRE LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE THIRTEEN MONTH PERIOD ENDED 31 DECEMBER 1999



NETWORK PLANT (MIDLANDS) LIMITED

COMPANY INFORMATION

Directors	S.J. Waite	(Appointed 6 April 2000)
	D.E. Beardsmore	(Appointed 31 March 1999)
	P.H. Coats	(Appointed 31 March 1999)
	R.C. Gardner	(Appointed 31 March 1999)
	D.S. Hurcomb	(Appointed 31 March 1999)
	B.S. Pow	(Appointed 20 May 1999)
Secretary	R. Cordeschi	
Company number	1253354	
Registered office	Roman House Grant Road Croydon Surrey CR9 6BU	
Auditors	Ollis & Co., Chartered Accountants Nelson House, 2 Hamilton Terrace Leamington Spa Warwickshire CV32 4LY	
Business address	Collins Road, Heathcote Industrial Estate, Warwick Warwickshire CV34 6TF	
Bankers	Barclays Bank plc 21 Birmingham Road Sutton Coldfield West Midlands	

NETWORK PLANT (MIDLANDS) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 13

NETWORK PLANT (MIDLANDS) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 1999

The directors present their report and financial statements for the period ended 31 December 1999.

Principal activities

The principal activity of the company continued to be that of plant hire contractors.

Change Of Name

The company changed its name from Axis Plant Hire Limited to Network Plant (Midlands) Limited on 30 April 1999.

Directors

The following directors have held office during the period:

S.J. Waite	(Appointed 6 April 2000)
M.J. Ford	(Resigned 24 March 1999)
R.E.W. Oliver	(Resigned 31 March 1999)
Mrs. L. Ford	(Resigned 31 March 1999)
D.E. Beardsmore	(Appointed 31 March 1999)
P.H. Coats	(Appointed 31 March 1999)
R.C. Gardner	(Appointed 31 March 1999)
D.S. Hurcomb	(Appointed 31 March 1999)
B.S. Pow	(Appointed 20 May 1999)

Directors' interests

At 31 December 1999, Mr D.E. Beardsmore, Mr P.H. Coats Mr D.S. Hurcomb and S.J. Waite were also directors of the ultimate 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 period ended 31 December 1999.

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

	Ordinary shares of 25p each	
	31 December 1999	31 March 1999
R.C. Gardner	39,500	35,000
B.S. Pow	-	-

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

	31 March 1999	Exercised during the period	31 December 1999	Exercise price
The MANSELL Company Share Option Scheme	25,000	-	25,000	32p
The options are normally exercisable between 28 June 1999 and 28 June 2006.				
The MANSELL Savings Related Share Option Scheme	4,500	4,500	-	26p
The options are normally exercisable between 1 September 1999 and 28 February 2000.				

NETWORK PLANT (MIDLANDS) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 1999

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

Auditors

The company will by elective resolution at the next annual general meeting dispense with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. The auditors, Ollis & Co., Chartered Accountants, have indicated that they are willing to continue in office and a resolution in relation to their reappointment will be put to the next annual general meeting.

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;
- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



R. Cordeschi

Secretary

6 April 2000

NETWORK PLANT (MIDLANDS) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF NETWORK PLANT (MIDLANDS) LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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.

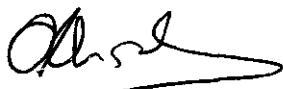
Basis of opinion

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 December 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Ollis & Co., Chartered Accountants

6 April 2000

Chartered Accountants
Registered Auditor

Nelson House, 2 Hamilton Terrace
Leamington Spa
Warwickshire
CV32 4LY

NETWORK PLANT (MIDLANDS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 1999

		13 Months ended 31 December 1999 £	12 Months ended 30 November 1998 £
	Notes		
Turnover		843,260	993,716
Cost of sales		(400,320)	(615,736)
Gross profit		442,940	377,980
Administrative expenses		(410,300)	(283,021)
Operating profit	2	32,640	94,959
Profit on sale of property	2	144,134	-
Profit on ordinary activities before interest		176,774	94,959
Other interest receivable and similar income	3	403	6
Interest payable and similar charges	4	(14,896)	(23,640)
Profit on ordinary activities before taxation		162,281	71,325
Tax on profit on ordinary activities	5	(5,901)	(3,235)
Profit on ordinary activities after taxation		156,380	68,090
Dividends	6	(7,614)	(32,000)
Retained profit for the period	15	148,766	36,090

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

NETWORK PLANT (MIDLANDS) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	7		706,363		909,016
Current assets					
Stocks		18,676		20,037	
Debtors	8	276,127		195,229	
Cash at bank and in hand		400		412	
		<u>295,203</u>		<u>215,678</u>	
Creditors: amounts falling due within one year	9	<u>(257,399)</u>		<u>(209,814)</u>	
Net current assets			37,804		5,864
Total assets less current liabilities			<u>744,167</u>		<u>914,880</u>
Creditors: amounts falling due after more than one year	10		(13,089)		(181,302)
Accruals and deferred income	12		(30,503)		(31,168)
			<u>700,575</u>		<u>702,410</u>
Capital and reserves					
Called up share capital	14		500		500
Revaluation reserve	15		-		151,381
Profit and loss account	15		700,075		550,529
Shareholders' funds - equity interests	16		<u>700,575</u>		<u>702,410</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 6 April 2000



P.H. Coats
Director

NETWORK PLANT (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Straight line over fifty years
Plant and machinery	20% Reducing balance
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

NETWORK PLANT (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1999

2	Operating profit	1999	1998
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	112,399	103,977
	Operating lease rentals		
	- Plant and machinery	29,594	16,610
	- Land & Buildings	33,750	-
	Auditors' remuneration	1,000	1,000
	Directors' emoluments	34,093	79,744
		<u> </u>	<u> </u>

The profit on sale of property shown in the profit and loss account arose on the sale of the company's property at Collins Road, Heathcote Industrial Estate, Warwick and Bromford Lane, Erdington, Birmingham.

3	Other interest receivable and similar income	1999	1998
		£	£
	Bank interest	403	6
		<u> </u>	<u> </u>

4	Interest payable	1999	1998
		£	£
	Hire purchase interest	10,433	7,691
		<u> </u>	<u> </u>

5	Taxation	1999	1998
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 30% (1998 - 21%)	5,901	3,235
		<u> </u>	<u> </u>

If provision were to be made for deferred taxation on the basis of the full potential liability, the tax charge for the period would increase by £84,818 (1998 - £22,854).

6	Dividends	1999	1998
		£	£
	Ordinary proposed dividend	7,614	32,000
		<u> </u>	<u> </u>
	Ordinary dividends per share	15.23	64.00
		<u> </u>	<u> </u>

NETWORK PLANT (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1999

7 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 December 1998	480,000	1,378,905	1,858,905
Additions	-	446,540	446,540
Disposals	(480,000)	(147,952)	(627,952)
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1999	-	1,677,493	1,677,493
	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 December 1998	11,600	905,663	917,263
Disposals	(13,533)	(45,449)	(58,982)
Charge for the period	1,933	110,916	112,849
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1999	-	971,130	971,130
	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 December 1999	-	706,363	706,363
	<u>-</u>	<u>-</u>	<u>-</u>
At 30 November 1998	468,400	440,616	909,016
	<u>-</u>	<u>-</u>	<u>-</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 1999	64,422	5,586	70,008
	<u>-</u>	<u>-</u>	<u>-</u>
At 30 November 1998	96,950	82,488	179,438
	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation charge for the period			
31 December 1999	17,818	2,031	19,849
	<u>-</u>	<u>-</u>	<u>-</u>
30 November 1998	33,308	35,390	68,698
	<u>-</u>	<u>-</u>	<u>-</u>

NETWORK PLANT (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1999

8	Debtors	1999	1998
		£	£
	Trade debtors	250,106	171,595
	Other debtors	26,021	23,634
		<u>276,127</u>	<u>195,229</u>
		<u><u>276,127</u></u>	<u><u>195,229</u></u>
9	Creditors: amounts falling due within one year	1999	1998
		£	£
	Bank loans and overdrafts	16,777	34,426
	Net obligations under hire purchase contracts	34,945	62,341
	Trade creditors	128,622	41,791
	Taxation and social security	12,739	30,243
	Other creditors	64,316	41,013
		<u>257,399</u>	<u>209,814</u>
		<u><u>257,399</u></u>	<u><u>209,814</u></u>

NETWORK PLANT (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1999

10 Creditors: amounts falling due after more than one year	1999	1998
	£	£
Bank loans	-	99,674
Net obligations under finance leases and hire purchase agreements	13,089	81,628
	<u>13,089</u>	<u>181,302</u>
Analysis of loans		
Wholly repayable within five years	50,000	110,849
Included in current liabilities	(50,000)	(11,175)
	<u>-</u>	<u>99,674</u>
Loan maturity analysis		
Between one and two years	50,000	-
Between two and five years	-	57,639
In five years or more	-	53,210
	<u>-</u>	<u>-</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	39,703	71,724
Repayable between one and five years	14,891	93,986
	<u>54,594</u>	<u>165,710</u>
Finance charges and interest allocated to future accounting periods	(6,560)	(21,741)
	<u>48,034</u>	<u>143,969</u>
Included in liabilities falling due within one year	(34,945)	(62,341)
	<u>13,089</u>	<u>81,628</u>

The aggregate amount of creditors for which security has been given amounted to £64,811 (1998 - £278,069).

Barclays Bank Plc has an unlimited guarantee dated 22nd December 1999 in respect of other companies in the group.

NETWORK PLANT (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1999

11 Provisions for liabilities and charges

Deferred tax is provided at 30% (1998 - 21%) analysed over the following timing differences:

	Not provided		Provided	
	1999	1998	1999	1998
	£	£	£	£
Accelerated capital allowances	84,818	22,854	-	-

12 Accruals and deferred income

	Government grants £
Balance at 1 December 1998	31,169
Amortisation in the period	(666)
Balance at 31 December 1999	30,503

13 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,013 (1998 - £21,604).

14 Share capital

	1999	1998
	£	£
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
Allotted, called up and fully paid		
500 Ordinary shares of £ 1 each	500	500

NETWORK PLANT (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1999

15 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 December 1998	151,381	550,529
Retained profit for the period	-	148,766
Transfer from revaluation reserve to profit and loss account	(150,601)	780
Depreciation written back	(780)	-
Balance at 31 December 1999	-	700,075

16 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial period	156,380	68,090
Dividends	(7,614)	(32,000)
Movements on other reserves	(150,601)	-
Net addition to shareholders' funds	(1,835)	36,090
Opening shareholders' funds	702,410	666,320
Closing shareholders' funds	700,575	702,410

17 Financial commitments

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 1999 £	1998 £
Expiry date:		
Between two and five years	45,000	-

18 Transactions with directors

The profit on sale of property shown in the profit and loss account arose on the sale of the company's property to the former directors Mr. M.J. Ford and Mr. R.E.O. Oliver at an open market price of £460,000.

19 Ultimate parent undertaking

The ultimate parent undertaking is MANSELL Plc, a company registered in England & Wales.

NETWORK PLANT (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 1999

20 Related party transactions

MANSELL Plc own 100% of the Ordinary Shares in Network Plant (Midlands) Limited.

During the period Network Plant (Midlands) Limited made purchases of £781 from and sales of £29,620 to MANSELL Plc. A balance of £781 was owed to and a balance of £28,982 was owed from MANSELL Plc at the period end in respect of these transactions. During the period Network Plant (Midlands) Limited received a loan from MANSELL Plc. A loan of £50,000 was outstanding at the period end.