

1663906

INDUSTRIAL MACHINERY  
SUPPLIES LIMITED

REPORTS AND ABBREVIATED  
FINANCIAL STATEMENTS FOR  
THE YEAR ENDED  
31 DECEMBER 1998



# **INDUSTRIAL MACHINERY SUPPLIES LIMITED**

## **Reports and Abbreviated Financial Statements for the Year Ended 31 December 1998**

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# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Company Information

Directors	K E Gee R M M Van Weerdenburg T Van der Ploeg
Secretary	K E Gee
Bankers	Barclays Bank Plc Bishop Meadow Road Loughborough LEICESTERSHIRE LE11 ORB
Auditors	BDO Stoy Hayward Park House 102-108 Above Bar SOUTHAMPTON SO14 7NH
Registered Office	Park House 102-108 Above Bar SOUTHAMPTON SO14 7NH
Company Registration Number	1668906

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Report of the Directors

The directors present their report and the abbreviated financial statements for the year ended 31 December 1998.

## Principal Activity

The principal activity of the company is the import and distribution of commercial vehicle components.

## Business Review

A summary of the results of the year's trading is given on page 6 of the abbreviated financial statements.

The directors consider the state of the company's affairs to be satisfactory and in line with expectations.

## Post Balance Sheet Events

After the year end the assets, liabilities and trading of ICS Black Box (UK) Limited were purchased by the company. Full details are given in Note 19.

## Results and dividends

The profit for the year, after taxation was £381,360.

The directors do not recommend the payment of a dividend.

## Year 2000 Issues

The company has considered the risks and uncertainties posed by the advent of the Year 2000. A full assessment of its operations has been made, including relationships with key customers and suppliers. The impact on the business is considered to be minimal. Necessary steps to upgrade systems have been commenced. The costs involved are not expected to be material to the business.

## Directors

The directors of the company during the year, together with their beneficial interests in the issued share capital were as follows:

		Ordinary Shares of £1 each	
		31 December 1998	31 December 1997
K E Gee		1,000	1,000
H J L Kappen	(resigned 4 January 1999)	-	-
E W Brongersma	(resigned 4 January 1999)	-	-

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Report of the Directors (continued)

### Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements the directors are required to:

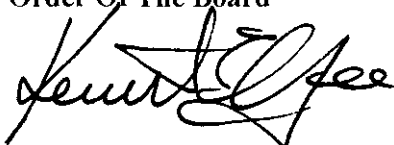
- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare the 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.

### Auditors

The auditors, Lyon Pilcher, changed their name to BDO Stoy Hayward on 1 January 1999. BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

By Order Of The Board



K E Gee, Secretary

Southampton

20.11.99.

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Auditors' report to Industrial Machinery Supplies Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 6 to 14, together with the financial statements of the company for the year ended 31 December 1998 prepared under Section 226 of the Companies Act 1985.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

### Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

### Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985 and the abbreviated financial statements on pages 6 to 14 are properly prepared in accordance with that provision.



**BDO Stoy Hayward**  
Registered Auditors

Southampton  
h.s.a.a.

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Profit and Loss Account for the Year Ended 31 December 1998

	Notes	1998 £	1997 £
<b>Gross profit</b>		1,226,487	1,211,820
Distribution costs		109,369	98,061
Administrative expenses		728,329	720,123
		837,698	818,184
<b>Operating profit</b>	1	388,789	393,636
Provision against group company loan		110,128	(110,128)
<b>Profit on ordinary activities before interest and other income</b>		498,917	283,508
Income from participating interest		62,104	50,000
Other interest receivable and similar income		25,071	8,341
		586,092	341,849
Interest payable and similar charge	4	63,562	70,094
<b>Profit on ordinary activities before taxation</b>		522,530	271,755
Taxation	5	141,170	124,760
<b>Retained profit for the year</b>	16	£381,360	£146,995

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

A separate Statement of Movements on Shareholders' Funds is not provided as there are no changes apart from the profit for the year.

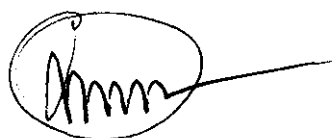
# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Balance Sheet as at 31 December 1998

	Notes	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	6	182,327	86,296
Investments	7	-	-
		<hr/> 182,327	<hr/> 86,296
<b>Current assets</b>			
Stocks	8	504,013	646,651
Debtors	9	1,949,133	2,163,995
Cash at bank and in hand		173,811	306,329
		<hr/> 2,626,957	<hr/> 3,116,975
<b>Creditors: amounts falling due within one year</b>	10	(1,272,420)	(2,061,563)
		<hr/> 1,354,537	<hr/> 1,055,412
<b>Net current assets</b>			
		<hr/> 1,536,864	<hr/> 1,141,708
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	11	(680,167)	(666,000)
<b>Provisions for liabilities and charges</b>	13	(9,827)	(10,198)
		<hr/> £846,870	<hr/> £465,510
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	15	10,000	10,000
Profit and loss account	16	836,870	455,510
		<hr/> £846,870	<hr/> £465,510
<b>Equity shareholders' funds</b>			

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

The financial statements were approved by the Board of Directors on: 22.4.99  
and are signed on its behalf by:



R M M Van Weerdenburg, Director

## **INDUSTRIAL MACHINERY SUPPLIES LIMITED**

### **Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The company and its subsidiary comprise a medium group, which is held by an EC parent. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group financial statements. The financial statements therefore present information about the company as an individual undertaking and not about its group. Also the company has taken advantage of the exemption provided by Section 228 of the Companies Act 1985 not to disclose details of its subsidiary undertaking reserves.

### **Cash flow statement**

The company has taken advantage of the exemption conferred by FRS 1 (revised) not to prepare a cash flow statement, as its parent's consolidated financial statements are publicly available.

### **Turnover**

Turnover represents the value, exclusive of Value Added Tax, of goods invoiced in the UK and Eire during the year.

### **Depreciation**

Depreciation is calculated to write off the cost of fixed assets in equal annual instalments over their estimated useful lives, using the following rates:

Plant and equipment	10% - 20%
Office equipment	10% - 33 <sup>1</sup> / <sub>3</sub> %
Motor vehicles	25% - 33 <sup>1</sup> / <sub>3</sub> %

### **Stocks**

Stocks are stated in the balance sheet at the lower of cost and net realisable value.

### **Deferred taxation**

Deferred taxation arises when items are recognised for tax purposes in periods that differ from the periods in which the items are recognised for accounting purposes. The company provides for deferred taxation at the current rates of tax on timing differences except where it can be reasonably demonstrated that no corporation tax liabilities will arise.

### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate prevailing at the date of the transaction.

### **Pension costs**

The company makes payments to individual employees personal defined contribution pension schemes. Contributions payable to the schemes are charged to the profit and loss account in the period to which they relate.

### **Operating leases**

Annual rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

## **INDUSTRIAL MACHINERY SUPPLIES LIMITED**

### **Accounting policies (continued)**

#### **Leased Assets**

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as payable to the lessors. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 1998

### 1 Operating profit

	1998 £	1997 £
Operating profit is stated after charging/(crediting):		
Depreciation of tangible fixed assets held under HP agreements	7,311	-
Depreciation of owned tangible fixed assets	60,713	41,066
Auditors' remuneration	8,500	8,500
Operating lease rentals – land and building	74,567	75,127
Profit on sale of fixed assets	(12,500)	-
Foreign currency losses/(gains)	51,730	(48,624)

### 2 Staff costs

Staff costs consist of:

	1998 £	1997 £
Wages and salaries	374,618	348,631
Social security costs	37,748	36,941
Other pension costs	10,718	18,209
Medical insurance	4,979	3,464
	<u>£428,063</u>	<u>£407,245</u>

The average number of employees (including directors) during the year was:

	1998 Number	1997 Number
Sales	6	5
Administration	11	10
Warehouse	4	3
Technical	2	3
	<u>23</u>	<u>21</u>

### 3 Directors

Directors' emoluments consist of:

	1998 £	1997 £
Emoluments	67,867	64,435
Contributions towards defined contributions pension schemes	6,072	6,072
	<u>£73,939</u>	<u>£70,507</u>

One director was a member of the company's defined contribution pension scheme (1997: one).

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 1998 (continued)

### 4 Interest payable

	1998 £	1997 £
Interest payable to parent company	62,819	70,094
Hire purchase interest	743	-
	<u>£63,562</u>	<u>£70,094</u>

### 5 Taxation

	1998 £	1997 £
UK Corporation tax	141,232	124,786
Over provision in respect of prior years	(62)	(26)
	<u>£141,170</u>	<u>£124,760</u>

### 6 Tangible fixed assets

	Motor Vehicles £	Plant and Equipment £	Office Equipment £	Total £
<b>Cost</b>				
At 1 January 1998	153,450	71,158	170,775	395,383
Additions in year	139,438	955	26,082	166,475
Disposals	(42,393)	-	(2,420)	(44,813)
	<u>250,495</u>	<u>72,113</u>	<u>194,437</u>	<u>517,045</u>
<b>At 31 December 1998</b>				
<b>Depreciation</b>				
At 1 January 1998	121,890	52,839	134,358	309,087
Provided	46,637	4,979	16,408	68,024
Eliminated	(42,393)	-	-	(42,393)
	<u>126,134</u>	<u>57,818</u>	<u>150,766</u>	<u>334,718</u>
<b>At 31 December 1998</b>				
<b>Net Book Value</b>				
At 31 December 1998	<u>£124,361</u>	<u>£14,295</u>	<u>£43,671</u>	<u>£182,327</u>
At 31 December 1997	<u>£31,560</u>	<u>£18,319</u>	<u>£36,417</u>	<u>£86,296</u>

Included within the net book value of motor vehicles is an amount of £26,189 (1997: £Nil) in respect of assets held under hire purchase contracts.

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 1998 (continued)

### 7 Fixed asset investments

	1998 £	1997 £
Unlisted investments:		
Shares in subsidiary At 31 December 1998 and 31 December 1997	1	1
Provision against investment At 31 December 1998 and 31 December 1997	(1)	(1)
	<u>£-</u>	<u>£-</u>

The company owns 100% of the £1 ordinary share capital of ICS Black Box (UK) Limited a company incorporated in England. The nominal value of the shareholding is £245,000.

### 8 Stocks

	1998	1997
Finished goods for resale	<u>£504,013</u>	<u>£646,651</u>

### 9 Debtors

	1998 £	1997 £
Trade debtors	1,406,697	1,892,828
Amounts owed by group undertakings	490,977	174,613
Other debtors	21,706	67,843
Prepayments	29,753	28,711
	<u>£1,949,133</u>	<u>£2,163,995</u>

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 1998 (continued)

### 10 Creditors: Amounts falling due within one year

	1998 £	1997 £
Obligations under hire purchase contracts	10,000	-
Trade creditors	436,805	801,263
Amounts owed to group undertakings	420,745	831,413
Social security and other taxes	217,008	310,491
Accruals and deferred income	48,638	39,679
	<hr/>	<hr/>
	1,133,196	1,982,846
Corporation tax	139,224	78,717
	<hr/>	<hr/>
	£1,272,420	£2,061,563
	<hr/>	<hr/>

Obligations under hire purchase contracts are secured on the assets concerned.

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

	1998 £	1997 £
Amounts owed to group undertakings	666,000	666,000
Obligations under hire purchase contracts	14,167	-
	<hr/>	<hr/>
	£680,167	£666,000
	<hr/>	<hr/>

Obligations under hire purchase contracts are secured on the assets concerned.

There are no stated terms for repayment of the group debt. The company is charged interest at 5%.

### 12 Borrowings

	1998 £	1997 £
Analysis of repayments of obligations under hire purchase contracts		
Amounts due:		
Within 1 year	10,000	-
Within 1 to 2 years	10,000	-
Within 2 to 5 years	4,167	-
	<hr/>	<hr/>
	£24,167	£-
	<hr/>	<hr/>

### 13 Provision for liabilities and charges

	1998	1997
Provision for warranty claims	£9,827	£10,198
	<hr/>	<hr/>

# INDUSTRIAL MACHINERY SUPPLIES LIMITED

## Notes to the Financial Statements for the Year Ended 31 December 1998 (continued)

### 14 Deferred taxation

There was no deferred tax provided or unprovided at either 31 December 1998 or 31 December 1997.

### 15 Called up share capital

	1998	1997
Authorised: 10,000 ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Allotted, issued and fully paid: 10,000 ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>

### 16 Profit and loss account

	1998 £	1997 £
Retained profit at 1 January 1998	455,510	308,515
Profit for the year	381,360	146,995
Retained profit at 31 December 1998	<u>£836,870</u>	<u>£455,510</u>

### 17 Contingent liability

The company's assets are pledged as guarantee against its ultimate holding company's liabilities.

### 18 Immediate and ultimate holding company

The company's immediate holding company is Continental Banden Groep BV, a company incorporated in the Netherlands.

The company's ultimate holding company is Pon Holdings BV, which is also incorporated in the Netherlands.

Group financial statements are available from

Nijverheidsweg 50  
Postbus 11  
The Netherlands

### 19 Post Balance Sheet Events

On 1 January 1999 the assets and liabilities of ICS Black Box (UK) Limited, a subsidiary of the company, were purchased by Industrial Machinery Supplies Limited at market value. From this date the trading activities of ICS Black Box (UK) Limited were also transferred to Industrial Machinery Supplies Limited.