

Registrar of Cos

1856589

C.A. HONEMASTER LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH, 1996



**DIRECTORS AND OFFICERS :**

**DIRECTORS**

F.G. Williams  
P.M. Williams

**SECRETARY**

P.M. Williams

**AUDITORS**

Daw White Murrall,  
Chartered Accountants,  
1-2 George Street,  
Wolverhampton, WV2 4DG.

**REGISTERED OFFICE**

Huntsote Road,  
Kingsditch Trading Estate,  
Cheltenham,  
Glos. GL51 9NW.

**BANKERS**

Midland Bank PLC,  
P.O. Box 33,  
Queen Square,  
Wolverhampton, WV1 1TE.

**COMPANY REGISTRATION NUMBER**

1856589

## REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31st March, 1996.

## RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend.

## REVIEW OF THE BUSINESS

The principal activity of the company during the year has been engineering, specialising in honing.

The directors are satisfied with the results for the year. Since the end of the financial year a new branch in Birmingham has been opened and operates from a factory owned by one of the directors. A honing machine capable of handling large cylinders has been acquired and installed in the Birmingham factory and is currently being commissioned.

## FIXED ASSETS

Changes in the fixed assets are set out in note 7 to the financial statements.

## DIRECTORS AND THEIR SHARE INTERESTS

The directors are shown on page 1. There have been no changes during the year.

The beneficial interests of directors in the shares of the company at the beginning and end of the year were :

Ordinary shares of £1 each

F.G. Williams	55
P.M. Williams	30

**REPORT OF THE DIRECTORS (CONTINUED)**

**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 judgments 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, Messrs. Daw White Murrall, having indicated their willingness, will be proposed for reappointment at the forthcoming annual general meeting.

**BY ORDER OF THE BOARD**



P.M. Williams

**SECRETARY**

Huntsote Road,  
Kingsditch Trading Estate,  
Cheltenham,  
Glos. GL51 9NW.

20th August, 1996.

**DAW WHITE MURRALL**

1-2 George Street,  
Wolverhampton, WV2 4DG.

**AUDITORS REPORT TO THE SHAREHOLDERS OF**

**C.A. HONEMASTER LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of the 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.

It also includes an assessment of the significant estimates and judgments 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.

DAW WHITE MURRALL

1-2 George Street,  
Wolverhampton, WV2 4DG.

AUDITORS REPORT TO THE SHAREHOLDERS OF

C.A. HONEMASTER LIMITED  
(CONTINUED)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st March, 1996, and of its results for the year then ended, and have been properly prepared in accordance with the Companies Act, 1985.

A handwritten signature in cursive script that reads "Daw White Murrall".

DAW WHITE MURRALL  
CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITOR

20th August, 1996.

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 1996

	Notes	1996	1995
Turnover - continuing activities	2	407,089	386,726
Cost of sales		<u>249,063</u>	<u>236,915</u>
<b>GROSS PROFIT</b>		<u>158,026</u>	<u>149,811</u>
Distribution costs		20,951	19,282
Administrative expenses		<u>94,070</u>	<u>65,651</u>
		<u>115,021</u>	<u>84,933</u>
<b>OPERATING PROFIT</b>		43,005	64,878
Interest payable and similar charges		<u>3,161</u>	<u>3,500</u>
Profit on ordinary activities before taxation - continuing activities		39,844	61,378
Tax on ordinary activities	5	<u>10,519</u>	<u>16,018</u>
Profit on ordinary activities after taxation	3	29,325	45,360
Proposed dividend		<u>-</u>	<u>10,000</u>
Retained profit for the year		29,325	35,360
Retained profit brought forward		<u>103,512</u>	<u>68,152</u>
Retained profit carried forward		<u>£132,837</u>	<u>£103,512</u>

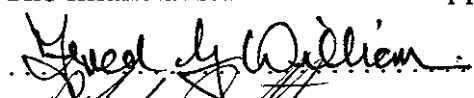

There are no recognised gains or losses other than the profit for the financial year.

## BALANCE SHEET

AS AT 31ST MARCH, 1996

	Notes	1996	1995
<b>FIXED ASSETS</b>			
Tangible assets	7	61,415	42,179
Intangible assets	8	<u>1</u>	<u>1</u>
		<u>61,416</u>	<u>42,180</u>
<b>CURRENT ASSETS</b>			
Stocks		90,406	64,232
Trade debtors		79,359	74,672
Prepayments		4,012	3,491
Cash at bank and in hand		<u>5,533</u>	<u>31,287</u>
		<u>179,310</u>	<u>173,682</u>
<b>CREDITORS - Amounts falling due within one year</b>			
Trade creditors		37,400	30,643
Loans from directors and shareholders		2,809	2,946
Other creditors, including taxation and Social Security		18,614	17,048
Accruals		11,801	11,367
Hire purchase		10,708	6,718
Corporation tax due		8,019	16,381
Proposed dividend		<u>-</u>	<u>10,000</u>
		<u>89,351</u>	<u>95,103</u>
<b>NET CURRENT ASSETS</b>		<b>89,959</b>	<b>78,579</b>
<b>CREDITORS - Amounts falling due after more than one year - hire purchase</b>			
	9	<u>(18,438)</u>	<u>(17,147)</u>
		<u>£132,937</u>	<u>£103,612</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Profit and loss account		<u>132,837</u>	<u>103,512</u>
<b>SHAREHOLDERS FUNDS</b>	12	<u>£132,937</u>	<u>£103,612</u>

The financial statements were approved by the Board on 20th August, 1996.

 ) F.G. Williams  
 ) P.M. Williams

DIRECTORS



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 1996**

**1. ACCOUNTING POLICIES**

**a. Accounting convention**

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

**b. Depreciation**

Depreciation of fixed assets is provided at rates calculated to write off the cost of the assets over the term of their useful lives. The rates in use for the various classes of assets are as follows :

Plant and equipment      - 12 1/2% on cost.

Motor vehicles              - 25% on reducing value.

**c. Stocks**

Stocks, including work in progress, are stated at the lower of cost and net realisable value.

**d. Deferred taxation**

Deferred taxation is provided at anticipated tax rates on differences arising from the inclusion of income and expenditure in taxation computations in periods different from which they are included in the financial statements.

**e. Hire purchase**

Additions to fixed assets purchased under hire purchase and lease purchase contracts are capitalised at cost. Interest payable during the accounting period is charged in the trading account.

**2. TURNOVER**

Turnover represents the amounts derived from the provision of goods and services within the company's ordinary activities after deducting value added tax.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 3. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

	1996	1995
Profit on ordinary activities after taxation is after charging :		
Directors emoluments	72,063	48,249
Auditors remuneration	750	500
Depreciation of fixed assets	18,883	14,835
Losses on sales of fixed assets	238	923
Interest on bank overdraft	12	770
Hire purchase interest	3,149	2,730
	<u>          </u>	<u>          </u>

## 4. EMPLOYEE INFORMATION

	1996	1995
Employee costs for the year :		
Wages and salaries (excluding directors)	76,615	72,831
Social Security costs (including directors)	15,098	12,274
	<u>          </u>	<u>          </u>
	£91,713	£85,105
	<u>          </u>	<u>          </u>

Average number of persons employed (excluding directors) :

Production	4	4
	<u>      </u>	<u>      </u>

## 5. TAX ON ORDINARY ACTIVITIES

	1996	1995
Corporation tax @ 25%	10,519	16,381
Movement on deferred taxation (note 10)	-	(363)
	<u>          </u>	<u>          </u>
	£10,519	£16,018
	<u>          </u>	<u>          </u>

## 6. TRANSACTIONS WITH DIRECTORS

None of the directors has any material interests, direct or indirect, in any contract entered into by the company.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 7. TANGIBLE FIXED ASSETS

	Plant and equipment	Motor vehicles	Total
Cost			
At 31st March, 1995	100,404	49,503	149,907
Additions	19,977	22,180	42,157
Disposals	-	(17,015)	(17,015)
	<u>120,381</u>	<u>54,668</u>	<u>175,049</u>
At 31st March, 1996			
Depreciation			
At 31st March, 1995	84,841	22,887	107,728
Charge for year	7,829	11,054	18,883
Disposals	-	(12,977)	(12,977)
	<u>92,670</u>	<u>20,964</u>	<u>113,634</u>
At 31st March, 1996			
Net book values			
At 31st March, 1996	<u>£27,711</u>	<u>£33,704</u>	<u>£61,415</u>
At 31st March, 1995	<u>£15,563</u>	<u>£26,616</u>	<u>£42,179</u>

Included in tangible assets are motor vehicles (cost £54,668 net book values £33,704), which are the subject of hire purchase agreements.

## 8. INTANGIBLE ASSETS

	1996	1995
GOODWILL - cost on acquisition of business	<u>£1</u>	<u>£1</u>

## 9. CREDITORS - Amounts falling due after more than one year

	1996	1995
Hire purchase repayable between one and two years	10,708	6,718
Hire purchase repayable between two and five years	7,730	10,429
	<u>£18,438</u>	<u>£17,147</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 10. PROVISIONS FOR LIABILITIES AND CHARGES

	1996	1995
Deferred taxation : balance at commencement of year	-	363
movement for year	-	(363)
	<u>-</u>	<u>(363)</u>
balance at end of year	<u>£Nil</u>	<u>£Nil</u>

As at 31st March, 1996 there was no deferred taxation liability.

## 11. CALLED UP SHARE CAPITAL

	Authorised	Allotted, issued and fully paid
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

## 12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1996	1995
Profit for the financial year	29,325	45,360
Dividend	-	10,000
	<u>29,325</u>	<u>35,360</u>
Net addition to shareholders' funds	29,325	35,360
Opening shareholders' funds	<u>103,612</u>	<u>68,252</u>
Closing shareholders' funds	<u>£132,937</u>	<u>£103,612</u>

## 13. CAPITAL COMMITMENTS

There were no capital commitments at 31st March, 1996 (1995 : £Nil). However, subsequent to the year end a new branch has been opened, and capital expenditure in the region of £50,000 has been incurred.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**14. CONTINGENT LIABILITIES**

There are no contingent liabilities known to the directors.

**15. BANK OVERDRAFT FACILITY**

The company did not have an overdraft at 31st March, 1996, but there is a bank overdraft facility which is secured by a fixed and floating charge on the company assets and is guaranteed by a director.