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COMPANY NUMBER 02072866
ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF
MAXITool LTD

The following reproduces the text of the report prepared for the purposes of Section 249A(2) Companies Act 1985 in respect of the Company's annual accounts, from which the annexed abbreviated accounts have been prepared.

We have examined, without carrying out an audit, the annexed accounts for the year ended 28th February, 1995.

Respective responsibilities of directors and reporting accountants

As described on the Balance Sheet the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and based on our examination to report our opinion, as set out below, to the shareholders.

Basis of opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and



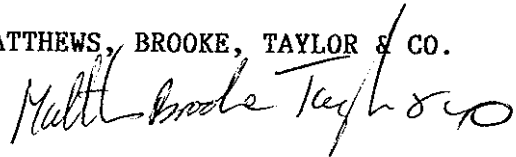
- (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

3 Wards End

HALIFAX

12th May, 1995

MATTHEWS, BROOKE, TAYLOR & CO.

A handwritten signature in dark ink, appearing to read 'Matthew Brooke Taylor', is written over the printed name of the firm.

Chartered Accountants

MAXITOOOL LTD
BALANCE SHEET
as at 28th February 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
<u>FIXED ASSETS</u>			
Tangible Assets	3	561743	359318
<u>CURRENT ASSETS</u>			
<u>Debtors:</u>			
All falling due within One Year	6	15940	43479
<u>CREDITORS:</u>			
Amounts falling Due within One Year	7	<u>166785</u>	<u>117341</u>
<u>NET CURRENT ASSETS</u>		<u>(150845)</u>	<u>(73862)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		410898	285456
<u>CREDITORS:</u>			
Amounts falling Due After more than One Year	8	170938	86436
<u>NET ASSETS</u>		<u>239960</u>	<u>199020</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	2	100	100
Profit & Loss Account		239860	198920
<u>SHAREHOLDERS FUNDS</u>	10	<u>239960</u>	<u>199020</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(2) of the companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the company as at 28th February, 1995 and of its profit for the year then ended in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

In preparing these abbreviated accounts the directors have taken advantage of the exemptions conferred by Schedule 8 Part III A of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a small company and is entitled to make use of the exemptions.

In preparing the accounts the directors have taken advantage of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

The abbreviated accounts were approved by the board on 12th May, 1995 and signed on its behalf.

A handwritten signature in dark ink, appearing to read 'P. G. Turner', is written above the printed name.

P. G. Turner Director

MAXITool LTD

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28th February 1995

1. Accounting Policies

a) Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

b) Turnover

Turnover comprises the share of profit and salary earned by the company as acting partner in the business of P. G. Turner Fork Lift Truck Engineers.

c) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Plant & Machinery	20% Reducing Balance
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d) Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

e) Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, 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 near future.

f) Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. <u>Called Up Share Capital</u>	<u>1995</u>	<u>1994</u>
<u>Authorised</u>		
Ordinary Shares of £1 each	1000	1000
<u>Issued</u>		
Ordinary Shares of £1 each	100	100
3. <u>Tangible Fixed Assets</u>	<u>Plant & Machinery</u>	
Cost at 1.3.94	616766	
<u>Additions</u>	348831	
<u>Disposals</u>	(13980)	
	<u>951617</u>	
Depreciation at 1.3.94	257448	
Charge for Year	140429	
Eliminated on Disposals	<u>(8003)</u>	
	<u>389874</u>	
<u>Net Book Values:</u>		
28.2.95	<u>561743</u>	
28.2.94	<u>359318</u>	

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

Plant & Machinery	<u>405373</u>
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4. <u>Taxation</u>	<u>1995</u>	<u>1994</u>
UK Current year taxation		
UK Corporation tax at 25%		
(1994 - 25%)	<u>8062</u>	<u>10118</u>

5. Staff Costs

Staff costs were as follows:-

Wages & Salaries	2864	5626
Social Security Costs	484	2318
Pension Costs	<u>1020</u>	<u>1020</u>
	<u>4368</u>	<u>8964</u>

6. Debtors

Capital Account Balance -		
P. G. Turner	<u>15940</u>	<u>43479</u>

7. Creditors - Amounts falling due within one year

Bank Loans and Overdrafts	6202	6879
Net Obligations under Finance		
Lease and Hire Purchase		
Contracts	150489	96730
Trade Creditors	-	-
Social Security and Other		
Taxes	484	2313
Corporation Tax	8064	10119
Accruals and Deferred Income	<u>1546</u>	<u>1300</u>
	<u>166785</u>	<u>117341</u>

The bank loans and overdraft are secured by a fixed and floating charge over the company's assets. The finance leases are secured on the assets concerned.

8. Creditors - Amounts falling due after more than one year

Net Obligations under Finance		
Lease and Hire Purchase		
Contracts	<u>170938</u>	<u>86436</u>

The finance leases are secured on the assets concerned and are repayable in instalments in between two and five years.

9. Interest Payable

On Bank Loans	769	513
On Finance Leases and Hire		
Purchase Contracts	<u>25005</u>	<u>18542</u>
	<u>25774</u>	<u>19055</u>

10. Movement on Shareholders Funds

Profit for the Year	40941	71281
Opening Shareholders Funds	<u>199019</u>	<u>127739</u>
Closing Shareholders Funds	<u>239960</u>	<u>199020</u>