

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30 SEPTEMBER 1999**

REGISTERED NUMBER: 2350403



**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**COMPANY INFORMATION  
AT 30 SEPTEMBER 1999**

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**DIRECTORS**

R. C. Godley  
M. J. Giles  
N. J. Biggs

**SECRETARY**

R. C. Godley

**REGISTERED OFFICE**

Redfield Road  
Lenton  
Nottingham  
NG7 2UJ

**AUDITORS**

Hobson Phillips & Sharpe  
Chartered Accountants  
Registered Auditors  
Alexandra House  
43 Alexandra Street  
Nottingham  
NG5 1AY

**PRINCIPAL BANKERS**

National Westminster Bank plc  
Smiths Bank Branch  
16 South Parade  
Nottingham NG1 2JX

## **LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

### **DIRECTORS' REPORT**

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The directors present their annual report with the financial statements of the company for the year ended 30 September 1999.

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review was that of suppliers and repairers of welding equipment in conjunction with the supply of associated welding products.

The company has changed its name on 1 October 1999 to Leen Gate Welding Supplies Ltd.

#### **REVIEW OF THE BUSINESS**

The net loss after providing for taxation amounted to £1,974.

The directors are confident that the companys acquisition in the year will return it to profitable trading.

#### **DIRECTORS AND THEIR INTERESTS**

M. J. Karkut held 1,250 £1 ordinary shares in Leen Gate Welding Group Limited, the company's parent company at 1st October 1998 until his retirement on 2nd February 1999.

R. C. Godley held 250 £1 ordinary shares in Leen Gate Welding Group Limited at 30th September 1999 and 1st October 1998.

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

|              |                            | <b>Number of Shares</b> |             |
|--------------|----------------------------|-------------------------|-------------|
|              |                            | <b>1999</b>             | <b>1998</b> |
| R. C. Godley | Ordinary shares of £1 each | -                       | -           |
| M. J. Giles  | Ordinary shares of £1 each | 1,000                   | 1,000       |
| N. J. Biggs  | Ordinary shares of £1 each | 1,000                   | 1,000       |

Directors retired during the year:

M. J. Karkut (retired 2nd February 1999)

#### **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 as at the end of the financial year 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; and
- 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 maintaining 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.

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**DIRECTORS' REPORT**

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**YEAR 2000 SOFTWARE ISSUES**

The directors have undertaken a review of the likely impact of the year 2000 on the company's computer systems and business. Where necessary, appropriate work is in hand to upgrade systems. The directors do not consider that the costs of this work will be material.

**AUDITORS**

The auditors, Hobson Phillips & Sharpe, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

By order of the board:



R. C. Godley  
Secretary

Date: *15 February 2000*

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**AUDITORS' REPORT TO THE SHAREHOLDERS**

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We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described in the directors' report, 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 as to whether 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 affairs of the company as at 30 September 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Hobson Phillips & Sharpe**  
Chartered Accountants  
Registered Auditors  
Alexandra House  
43 Alexandra Street  
Nottingham  
NG5 1AY

Date: 23rd February 2000

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

|   | Notes | 1999<br>£ | 1998<br>£ |
|---|-------|-----------|-----------|
| <b>TURNOVER</b>   |       | 1,094,265 | 996,580   |
| Cost of sales   |       | 822,413   | 761,620   |
| <b>GROSS PROFIT</b>   |       | 271,852   | 234,960   |
| Administrative expenses                                       |       | 267,611   | 225,505   |
| <b>OPERATING PROFIT</b>                                       | 2     | 4,241     | 9,455     |
| Interest payable and similar charges                          | 4     | (4,641)   | (3,023)   |
| <b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | (400)     | 6,432     |
| Tax on (loss) / profit on ordinary activities                 | 7     | (1,574)   | (2,283)   |
| <b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>  |       | (1,974)   | 4,149     |

**Continuing operations**

None of the company's activities were discontinued during the above two financial years.. See note 3 for details of acquisitions.

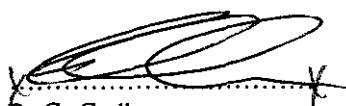
**Total recognised gains and losses**

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED****BALANCE SHEET  
AT 30 SEPTEMBER 1999**

|  | Notes | £         | 1999<br>£ | £         | 1998<br>£ |
|--|-------|-----------|-----------|-----------|-----------|
| <b>FIXED ASSETS</b>  |       |           |           |           |           |
| Intangible assets  | 8     |           | 73,750    |           | -         |
| Tangible assets  | 9     |           | 57,466    |           | 25,167    |
|  |       |           | 131,216   |           | 25,167    |
| <b>CURRENT ASSETS</b>  |       |           |           |           |           |
| Stocks   | 10    | 123,007   |           | 97,162    |           |
| Debtors  | 11    | 467,330   |           | 257,341   |           |
| Cash at bank and in hand                                       |       | 1,166     |           | 828       |           |
|  |       | 591,503   |           | 355,331   |           |
| <b>CREDITORS: amounts falling due within one year</b>          | 12    | (587,795) |           | (250,895) |           |
| <b>NET CURRENT ASSETS</b>                                      |       |           | 3,708     |           | 104,436   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       |           | 134,924   |           | 129,603   |
| <b>CREDITORS: amounts falling due after more than one year</b> | 13    |           | (9,951)   |           | (2,656)   |
| <b>NET ASSETS</b>  |       |           | 124,973   |           | 126,947   |
| <b>CAPITAL AND RESERVES</b>                                    |       |           |           |           |           |
| Called up share capital  | 17    |           | 10,000    |           | 10,000    |
| Profit and loss account  | 18    |           | 114,973   |           | 116,947   |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>                               | 19    |           | 124,973   |           | 126,947   |

Approved by the board of directors on 15 February 2000 and signed on its behalf by:



R. C. Godley  
Director



## **LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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#### **1. STATEMENT OF ACCOUNTING POLICIES**

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

##### **Cash flow**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

##### **Turnover**

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

##### **Depreciation of tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

|                       |                      |
|-----------------------|----------------------|
| Plant and machinery   | 20% reducing balance |
| Fixtures and fittings | 15% reducing balance |
| Motor vehicles        | 25% reducing balance |

##### **Stocks**

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

Net realisable value is based on estimated selling price less further costs to completion and disposal.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

##### **Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

##### **Pension costs**

The company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999****2. OPERATING PROFIT**

| Operating profit                    | 1999<br>£ | 1998<br>£ |
|-------------------------------------|-----------|-----------|
| After charging:                     |           |           |
| Depreciation of fixed assets        | 9,469     | 4,080     |
| Depreciation of leased assets       | 8,583     | 4,197     |
| Loss on disposal of tangible assets | 1,578     | 2,307     |
| Amortisation of intangible assets   | 1,250     | -         |
| Auditors' remuneration              | 2,800     | 2,950     |
| Operating lease rentals             |           |           |
| Land and buildings                  | 12,322    | 10,000    |
| Motor vehicles                      | 10,853    | 3,038     |

**3. ACQUISITIONS & FAIR VALUES**

|                         | 1999            |                   | Total<br>£ |
|-------------------------|-----------------|-------------------|------------|
|                         | Continuing<br>£ | Acquisitions<br>£ |            |
| Gross profit            | 216,919         | 54,933            | 271,852    |
| Cost of sales           | (720,393)       | (102,020)         | (822,413)  |
| Administration expenses | (236,611)       | (31,000)          | (267,611)  |

|                         | 1998            |                   | Total<br>£ |
|-------------------------|-----------------|-------------------|------------|
|                         | Continuing<br>£ | Acquisitions<br>£ |            |
| Gross profit            | 234,960         | -                 | 234,960    |
| Cost of sales           | (761,620)       | -                 | (761,620)  |
| Administration expenses | (225,505)       | -                 | (225,505)  |

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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**3. ACQUISITIONS & FAIR VALUES - (continued)**

The turnover for the period relating to acquisitions amounts to £156,953.

Administrative expenses relating to the acquisition are based upon the directors best estimate of the acquired costs.

On 16 July 1999 the company entered into a purchase agreement to acquire a business and certain assets for the consideration of £170,934 operating from the Rotherham depot of Wilkinson Welding Limited.

In the directors opinion the book values of the acquired assets equated to their fair values at date of acquisition. The cost of assets acquired were stock £51,769, tangible fixed assets £31,369, purchased goodwill £75,000 and other assets of £12,796.

Under FRS6 the business combination constitutes a substantial acquisition by Leen Gate Welding Supplies (Doncaster) Limited.

The trading results of the acquired depot in the six months from its previous financial year end to May 1999 were turnover £267,131, gross profit £95,373 less direct site overheads of £92,107. The depots net trading contribution for this six month period was £3,266 (1997 - £19,080).

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

|  | 1999<br>£    | 1998<br>£    |
|--|--------------|--------------|
| On bank loans and overdrafts                     | 1,345        | 2,487        |
| Lease finance charges and hire purchase interest | 909          | 536          |
| Other interest                                   | 2,387        | -            |
|  | <u>4,641</u> | <u>3,023</u> |

**5. INFORMATION ON DIRECTORS AND EMPLOYEES**

|                       | 1999<br>£      | 1998<br>£      |
|-----------------------|----------------|----------------|
| <b>Staff costs</b>    |                |                |
| Wages and salaries    | 130,256        | 107,144        |
| Social security costs | 13,493         | 11,977         |
| Other pension costs   | 5,519          | 4,604          |
|                       | <u>149,268</u> | <u>123,725</u> |

|   | 1999<br>No. | 1998<br>No. |
|---|-------------|-------------|
| The average number of employees during the year was made up as follows: |             |             |
| Management and sales  | <u>9</u>    | <u>7</u>    |

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**5. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)**

|  | 1999<br>£           | 1998<br>£           |
|--|---------------------|---------------------|
| <b>Directors' emoluments</b>   |                     |                     |
| Emoluments   | 60,114              | 62,078              |
| Pension contributions to money purchase (defined contribution) schemes       | 2,208               | 2,138               |
|  | <u>62,322</u>       | <u>64,216</u>       |
|  | <b>1999<br/>No.</b> | <b>1998<br/>No.</b> |
| During the year the following number of directors:                           |                     |                     |
| Accrued benefits under money purchase (defined contribution) pension schemes | <u>2</u>            | <u>2</u>            |

**6. PENSION COSTS**

**Money purchase (defined contribution) pension scheme**

The company operates a money purchase (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 £5,519 (1998: £4,604).

**7. TAX ON LOSS ON ORDINARY ACTIVITIES**

|                                      | 1999<br>£    | 1998<br>£    |
|--------------------------------------|--------------|--------------|
| The taxation charge comprises:       |              |              |
| Corporation tax at 30% (1998 - 31%)  | 1,585        | 2,283        |
| Adjustment in respect of prior years | (11)         | -            |
|                                      | <u>1,574</u> | <u>2,283</u> |

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**8. INTANGIBLE FIXED ASSETS**

|                        | <b>Goodwill<br/>£</b> |
|------------------------|-----------------------|
| <b>Cost:</b>           |                       |
| Additions              | 75,000                |
| <b>Amortisation:</b>   |                       |
| Charge for year        | 1,250                 |
| <b>Net book value:</b> |                       |
| At 30 September 1999   | 73,750                |

**9. TANGIBLE FIXED ASSETS**

|                        | <b>Land and<br/>buildings<br/>£</b> | <b>Plant and<br/>machinery<br/>£</b> | <b>Fixtures<br/>and fittings<br/>£</b> | <b>Motor vehicles<br/>£</b> | <b>Total<br/>£</b> |
|------------------------|-------------------------------------|--------------------------------------|--|-----------------------------|--------------------|
| <b>Cost:</b>           |                                     |                                      |  |                             |                    |
| At 1 Oct. 98           | 4,266                               | 4,000                                | 9,853                                  | 38,990                      | 57,109             |
| Additions              | -                                   | 15,759                               | 5,178                                  | 35,741                      | 56,678             |
| Disposals              | -                                   | -                                    | -                                      | (15,000)                    | (15,000)           |
| At 30 Sep. 99          | 4,266                               | 19,759                               | 15,031                                 | 59,731                      | 98,787             |
| <b>Depreciation:</b>   |                                     |                                      |  |                             |                    |
| At 1 Oct. 98           | 4,265                               | 3,464                                | 6,422                                  | 17,791                      | 31,942             |
| Charge for year        | -                                   | 3,259                                | 2,140                                  | 12,652                      | 18,051             |
| On disposals           | -                                   | -                                    | -                                      | (8,672)                     | (8,672)            |
| At 30 Sep. 99          | 4,265                               | 6,723                                | 8,562                                  | 21,771                      | 41,321             |
| <b>Net book value:</b> |                                     |                                      |  |                             |                    |
| At 30 Sep. 99          | 1                                   | 13,036                               | 6,469                                  | 37,960                      | 57,466             |
| At 30 Sep. 98          | 1                                   | 536                                  | 3,431                                  | 21,199                      | 25,167             |

|  | <b>1999<br/>£</b> | <b>1998<br/>£</b> |
|--|-------------------|-------------------|
| <b>Analysis of net book value of land and buildings:</b> |                   |                   |
| Tenant's improvements to property                        | 1                 | 1                 |

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

|                         | <b>1999<br/>£</b> | <b>1998<br/>£</b> |
|-------------------------|-------------------|-------------------|
| <b>Net book values:</b> |                   |                   |
| Motor vehicles          | 25,750            | 12,593            |

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999****10. STOCKS**

|                                     | <b>1999</b>    | <b>1998</b>   |
|-------------------------------------|----------------|---------------|
|                                     | <b>£</b>       | <b>£</b>      |
| Finished goods and goods for resale | <u>123,007</u> | <u>97,162</u> |

**11. DEBTORS**

|                                    | <b>1999</b>    | <b>1998</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>£</b>       | <b>£</b>       |
| Trade debtors                      | 445,773        | 238,505        |
| Amounts owed by group undertakings | 12,617         | 18,274         |
| Other debtors                      | 8,940          | 562            |
|                                    | <u>467,330</u> | <u>257,341</u> |

**12. CREDITORS: amounts falling due within one year**

|  | <b>1999</b>    | <b>1998</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Bank loans and overdrafts  | 93,914         | 8,658          |
| Net obligations under finance leases and hire purchase contracts | 8,179          | 7,664          |
| Trade creditors  | 182,727        | 91,538         |
| Amounts owed to group undertakings                               | 265,230        | 119,606        |
| Corporation tax  | 1,585          | 2,292          |
| Other taxes and social security costs                            | 30,162         | 11,472         |
| Other creditors  | 5,998          | 9,665          |
|  | <u>587,795</u> | <u>250,895</u> |

Bank overdrafts amounting to £93,914 (1998 £8,658) are secured by a charge over book debts.

**13. CREDITORS: amounts falling due after more than one year**

|  | <b>1999</b>  | <b>1998</b>  |
|--|--------------|--------------|
|  | <b>£</b>     | <b>£</b>     |
| Net obligations under finance leases and hire purchase contracts | <u>9,951</u> | <u>2,656</u> |

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

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**14. BORROWINGS**

|  | <b>1999</b>   | <b>1998</b>  |
|--|---------------|--------------|
|  | <b>£</b>      | <b>£</b>     |
| <b>The company's borrowings are repayable as follows</b> |               |              |
| Up to one year and on demand                             | <u>93,914</u> | <u>8,658</u> |

**15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

|  | <b>1999</b>    | <b>1998</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| <b>The company's net obligations are repayable as follows:</b> |                |                |
| Within one year or on demand                                   | 8,179          | 7,664          |
| In two to five years   | <u>9,951</u>   | <u>2,656</u>   |
|  | 18,130         | 10,320         |
| Included in current liabilities                                | <u>(8,179)</u> | <u>(7,664)</u> |
|  | <u>9,951</u>   | <u>2,656</u>   |

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired

**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**16. RELATED PARTY DISCLOSURES**

The following transactions with related parties occurred during the year.

| Related parties                  | Sales   | Purchases | Management &<br>Administration charges |
|----------------------------------|---------|-----------|--|
| Intermediate parent undertakings | £Nil    | £Nil      | £8,000                                 |
| Fellow subsidiary undertakings   | £28,506 | £178,091  | £Nil                                   |

All purchases and sales of goods to group companies are at cost.

The company purchased office equipment for £2,696 during the year from its intermediate parent undertaking.

The company has leased two motor vehicles during the year from its intermediate parent undertaking at a cost of £6,400.

At 30th September 1999 there were the following balances with related parties:

|   |          |
|---|----------|
| Amounts owed by fellow subsidiary undertakings  | £12,617  |
| Amounts owed to fellow subsidiary undertakings  | £90,140  |
| Amounts owed to intermediate parent undertaking | £175,090 |

**17. SHARE CAPITAL**

|  | 1999<br>£ | 1998<br>£ |
|--|-----------|-----------|
| <b>Authorised:</b>                         |           |           |
| <b>Equity interests:</b>                   |           |           |
| Ordinary shares of £1 each                 | 20,000    | 20,000    |
| <b>Allotted, called up and fully paid:</b> |           |           |
| <b>Equity interests:</b>                   |           |           |
| Ordinary shares of £1 each                 | 10,000    | 10,000    |

**18. PROFIT AND LOSS ACCOUNT**

|   | 1999<br>£ | 1998<br>£ |
|---|-----------|-----------|
| Retained profit as at 1 October 1998    | 116,947   | 112,798   |
| (Loss) / profit for the year            | (1,974)   | 4,149     |
| Retained profit as at 30 September 1999 | 114,973   | 116,947   |



**LEEN GATE WELDING SUPPLIES (DONCASTER) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                              | <b>1999</b>    | <b>1998</b>    |
|------------------------------|----------------|----------------|
|                              | <b>£</b>       | <b>£</b>       |
| (Loss) / profit for the year | (1,974)        | 4,149          |
| Opening shareholders' funds  | 126,947        | 122,798        |
| Closing shareholders' funds  | <u>124,973</u> | <u>126,947</u> |
| Represented by:-             |                |                |
| Equity interests             | <u>124,973</u> | <u>126,947</u> |

**20. CONTINGENT LIABILITIES**

The company has entered into an agreement with the minority ordinary shareholders whereby upon death, retirement or termination of employment of the shareholders the company (or its parent company) shall repurchase the ordinary shares at a price as determined by the Articles of Association.

**21. REVENUE COMMITMENTS**

At the year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

|   | <b>Land and buildings</b> |               | <b>Other</b>  |              |
|---|---------------------------|---------------|---------------|--------------|
|   | <b>1999</b>               | <b>1998</b>   | <b>1999</b>   | <b>1998</b>  |
|   | <b>£</b>                  | <b>£</b>      | <b>£</b>      | <b>£</b>     |
| Within one year                             | 23,800                    | 10,000        | 6,849         | 2,470        |
| More than one year and less than five years | -                         | -             | 17,112        | -            |
|   | <u>23,800</u>             | <u>10,000</u> | <u>23,961</u> | <u>2,470</u> |

**22. ULTIMATE PARENT COMPANY**

The company is an 80% owned subsidiary of Leen Gate Welding Group Ltd, a company registered in England and Wales.

The ultimate parent company is The BOC Group plc, a company registered in England and Wales.