

Number: 2422319

MAIN MAN SUPPLIES LIMITED

ACCOUNTS  
31 December 1998



MAIN MAN SUPPLIES LIMITED

COMPANY INFORMATION

Directors: D A Williams  
P J Howles  
A W Cook  
M A Brooker  
M W West

Secretary: Mrs E C Williams

Registered Office: Unit 15, Charlton Drive  
Corngreaves Trading Estate  
Cradley Heath  
West Midlands  
B64 7BJ

Registered Number: 02422319 England & Wales

Auditor: Norman C.Sands BSc FCA  
Chartered Accountant and  
Registered Auditor  
333 Hagley Road  
Pedmore  
Stourbridge  
DY9 0RF

ANNUAL REPORT AND ACCOUNTS  
31 December 1998

	Page
Report of the Directors	1 & 2
Auditors Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	7 to 14

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The following pages do not form part of the statutory accounts:-

Detailed Profit and Loss Account 15 & 16

REPORT OF THE DIRECTORS

The directors present their report together with the accounts of the company for the year ended 31 December 1998.

PRINCIPAL ACTIVITY

The principal activity of the company is the sale of protective clothing and industrial consumables.

REVIEW OF THE BUSINESS

A summary of the results of the years trading is given on page 4 of the accounts. The results for the year are considered to be satisfactory.

DIVIDEND

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year and their interest in the share capital of the company were as follows:-

	31 December 1998	31 December 1997
D A Williams	9,800	9,800
P J Howles	100	100
A W Cook		
M A Brooker		
M W West		

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

REPORT OF THE DIRECTORS (continued)

FIXED ASSETS

Details of the movement in fixed assets is given in note 9 to the accounts.

AUDITOR

The auditor, Norman C.Sands, Chartered Accountant, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Board of Directors:

...*E. Williams*...  
MRS E C WILLIAMS  
Secretary

Approved by the Board: 20 March 1999

REPORT OF THE AUDITOR TO MAIN MAN SUPPLIES LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985

I have examined the abbreviated accounts on pages 4 to 14 together with the accounts of Main Man Supplies Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1998.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

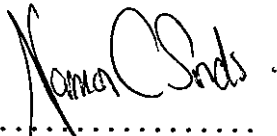
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the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

**BASIS OF OPINION**

I have carried out the procedures I considered necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of my work for the purpose of this report does not include examining or dealing with events after the date of my report on the full accounts.

**OPINION**

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 4 to 14 have been properly prepared in accordance with that provision.



.....  
NORMAN C. SANDS FCA  
Chartered Accountant and  
Registered Auditor

333 Hagley Road  
Pedmore  
Stourbridge  
DY9 0RF

21 March 1999

MAIN MAN SUPPLIES LIMITED

Page 4

PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 1998

	Note	1998 £	1997 £
<u>GROSS PROFIT</u>	2	1,625,157	1,349,545
Administrative expenses		(1,131,231)	(934,315)
Distribution costs		(131,721)	(130,099)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	3	362,205	285,131
Profit on disposal of assets		22,628	16,011
Bank interest received	6	-	3
Interest payable	7	(158,679)	(141,399)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		226,154	159,746
Taxation	8	(48,395)	(35,840)
		<hr/>	<hr/>
<u>PROFIT FOR THE FINANCIAL YEAR</u> <u>AFTER TAXATION, RETAINED</u>	18	£177,759	£123,906

TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses either in the current year or the preceding year other than those recorded in the profit and loss account.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

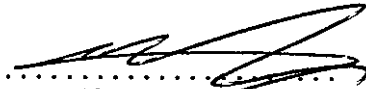
The notes on pages 7 to 14 form part of these accounts.

BALANCE SHEET  
31 December 1998

	Note	1998		1997	
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible assets	9		301,854		263,064
<u>CURRENT ASSETS</u>					
Stocks	10	973,623		975,214	
Debtors	11	2,378,001		2,255,423	
Cash at bank and in hand		31		2,693	
		3,351,655		3,233,330	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	12	(2,935,892)		(2,979,209)	
<u>NET CURRENT ASSETS</u>			415,763		254,121
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			717,617		517,185
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	13		(80,726)		(61,653)
<u>PROVISION FOR LIABILITIES AND CHARGES - deferred taxation</u>	16		(4,400)		(800)
<u>NET ASSETS</u>			£632,491		£454,732
<u>CAPITAL AND RESERVES</u>					
CALLED UP SHARE CAPITAL	17		10,000		10,000
PROFIT AND LOSS ACCOUNT	18		622,491		444,732
<u>SHAREHOLDERS FUNDS</u>	19		£632,491		£454,732

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The accounts were approved by the board of directors on 20 March 1999 and were signed on its behalf by:

  
 .....  
 D A Williams  
 Director

The notes on pages 7 to 14 form part of these accounts.

CASH FLOW STATEMENT  
for the year ended 31 December 1998

	Note	1998 £	1997 £
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	21	399,261	36,893
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>			
Interest received		-	3
Interest paid		(158,679)	(141,398)
		(158,679)	(141,395)
<u>TAXATION</u>			
Corporation tax paid		(36,500)	(37,430)
<u>INVESTING ACTIVITIES</u>			
Payments to acquire tangible fixed assets		(186,143)	(138,876)
Receipts from sales of tangible fixed assets		66,125	24,300
<u>NET CASH OUTFLOW FROM INVESTING OPERATIONS</u>		(120,018)	(114,576)
<u>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</u>		84,064	(256,508)
<u>FINANCING</u>			
Hire purchase		19,073	3,136
<u>NET CASH INFLOW FROM FINANCING</u>		19,073	3,136
<u>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>		£103,137	£(253,372)
<u>CHANGES IN CASH AND CASH EQUIVALENTS DURING YEAR</u>			
Balance at 1 January 1998:			
Cash in hand		2,693	690
Bank overdraft and discounting account		(1,630,259)	(1,374,884)
<u>NET CASH INFLOW/(OUTFLOW)</u>		(1,627,566)	(1,374,194)
		103,137	(253,372)
Balance at 31 December 1998	22	£(1,524,429)	£(1,627,566)



NOTES TO THE ACCOUNTS  
31 December 1998

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

(a) BASIS OF ACCOUNTING

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

(b) TURNOVER

Turnover represents the invoiced value of goods sold to third parties, excluding VAT

(c) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:-

Leasehold improvements	- over the remaining period of the lease
Fixtures, fittings and equipment	- 20% on cost
Motor vehicles	- 25% on cost

(d) STOCKS

Stock is valued at the lower of weighted average cost and net realisable value, after making due allowance for obsolete and slow moving items.

(e) TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing difference between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

(f) LEASED ASSETS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated in accordance with the company policy. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding liability in the balance sheet.

NOTES TO THE ACCOUNTS31 December 19982 GROSS PROFIT

Gross profit comprises turnover and other operating income, less cost of sales.

3 OPERATING PROFIT

The operating profit is arrived at after charging:-

	1998 £	1997 £
Depreciation - owned assets	37,461	32,162
Depreciation - assets held under hire		
purchase or finance leases	66,395	60,527
Staff costs (see note 4)	761,501	637,478
Operating lease rentals - property	77,022	65,851
- vehicles/equipment	12,060	12,748
Auditors remuneration	2,250	2,000
	<hr/>	<hr/>

4 STAFF COSTS

	1998 £	1997 £
Wages and salaries	687,479	574,107
Social security costs	63,494	52,660
Other pension costs	10,528	10,711
	<hr/>	<hr/>
	£761,501	£637,478
	<hr/>	<hr/>

The average weekly number of employees during the year was:-

	Number of employees	
Office and management	16	14
Warehouse and sales	36	32
	<hr/>	<hr/>
	52	46
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS  
31 December 1998

5 DIRECTORS REMUNERATION

	1998 £	1997 £
Fees as directors	181,123	141,012
Other emoluments including pension contributions	37,462	38,921
	<hr/>	<hr/>
	£218,585	£179,933
	<hr/>	<hr/>

The emoluments of the chairman, excluding pension contributions, were £42,456 (1997 £40,531). The emoluments of the highest paid director were £46,619.

The emoluments, excluding pension contributions, of the other directors were within the following ranges:

	Number of directors	
£25,001 - £30,000		1
£30,001 - £35,000		2
£35,001 - £40,000	1	
£40,001 - £45,000	2	

6 INTEREST RECEIVED

	1998 £	1997 £
Interest on bank deposit account	£-	£3
	<hr/>	<hr/>

7 INTEREST PAYABLE

	1998 £	1997 £
Bank overdraft and bank discounting account interest	143,622	131,294
Finance lease interest	15,057	10,105
	<hr/>	<hr/>
	£158,679	£141,399
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS31 December 19988 TAXATION

	1998 £	1997 £
Corporation tax at 21% (1997 21.7%) on the adjusted profit for the year	44,795	36,500
Underprovision for previous year	-	3
Transfer to/(from) deferred taxation	3,600	(663)
	<hr/>	<hr/>
	£48,395	£35,840
	<hr/>	<hr/>

9 TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures and equipment £	Leasehold improvements £	Total £
<u>COST</u>				
At 1 January 1998	315,170	106,915	8,632	430,717
Additions	162,890	23,253	-	186,143
Disposals	(100,622)	(587)	-	(101,209)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	377,438	129,581	8,632	515,651
	<hr/>	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>				
At 1 January 1998	120,740	42,312	4,601	167,653
Charge for year	80,221	22,399	1,236	103,856
On disposals	(57,712)	-	-	(57,712)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	143,249	64,711	5,837	213,797
	<hr/>	<hr/>	<hr/>	<hr/>
<u>NET BOOK VALUE</u>				
At 31 December 1998	234,189	64,870	2,795	£301,854
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	194,430	64,603	4,031	£263,064
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of motor vehicles includes £221,879 (1997 £187,241) in respect of assets held under finance leases. The depreciation charge for the year in respect of these assets was £66,395 (1997 £60,527).

NOTES TO THE ACCOUNTS31 December 199810 STOCKS

	1998 £	1997 £
Goods for resale	£973,623	£975,214

The replacement cost of the above stocks would not be significantly different from the value stated.

11 DEBTORS

	1998 £	1997 £
Trade debtors	2,335,802	2,230,962
Prepayments	42,199	24,461
	<hr/>	<hr/>
	£2,378,001	£2,255,423

12 CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	1998 £	1997 £
Trade creditors	1,135,430	1,129,130
Social security and other taxes	117,671	98,790
Obligations under finance leases (note 14)	78,763	71,804
Other creditors	1,000	1,000
Accruals	33,772	11,726
	<hr/>	<hr/>
Bank overdraft and discounting account	1,366,636	1,312,450
Corporation tax	1,524,461	1,630,259
	44,795	36,500
	<hr/>	<hr/>
	£2,935,892	£2,979,209

13 CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	1998 £	1997 £
Obligations under finance leases (note 14)	£80,726	£61,653

NOTES TO THE ACCOUNTS  
31 December 1998

14 OBLIGATIONS UNDER HIRE PURCHASE AND  
FINANCE LEASES

	1998 £	1997 £
Gross obligations repayable:		
- within one year	90,077	82,256
- between one and five years	92,040	70,647
	<hr/> £182,117	<hr/> £152,903
Finance charges repayable:		
- within one year	11,314	10,452
- between one and five years	11,314	8,994
	<hr/> £22,628	<hr/> £19,446
Net obligations repayable:		
- within one year	78,763	71,804
- between one and five years	80,726	61,653
	<hr/> £159,489	<hr/> £133,457

15 SECURED DEBTS

The following secured debts are included within creditors:

	1998 £	1997 £
Bank overdraft and discounting account	1,524,461	1,630,259
Obligations under hire purchase and finance leases	159,489	133,457
	<hr/> £1,683,950	<hr/> £1,763,716

16 PROVISION FOR LIABILITIES AND  
CHARGES - deferred taxation

	1998 £	1997 £
Accelerated capital allowances	£4,400	£800

The above figures represent the potential liability. There are no amounts not provided.

NOTES TO THE ACCOUNTS  
31 December 1998

17 CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised:		
20,000 Ordinary shares of £1 each	20,000	20,000
Allotted, issued and fully paid:		
10,000 Ordinary shares of £1 each	10,000	10,000

18 PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
Balance at 1 January 1998	444,732	320,826
Retained profit for the year	177,759	123,906
Balance at 31 December 1998	£622,491	£444,732

19 RECONCILIATION OF MOVEMENT ON  
SHAREHOLDERS FUNDS

	1998 £	1997 £
Profit for the year after taxation	177,759	123,906
Opening shareholders funds at 1 January 1998	454,732	330,826
Closing shareholders funds at 31 December 1998	£632,491	£454,732

20 COMMITMENTS - OPERATING LEASES

	1998 £	1997 £
Annual commitments at 31 December 1998 for land and buildings are as follows:-		
Expiring within one year	-	5,650
Expiring between two and five years	77,500	66,200
Annual commitments at 31 December 1998 for vehicles and equipment are as follows:-		
Expiring between two and five years	9,568	6,250

NOTES TO THE ACCOUNTS31 December 199821 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £	1997 £
Operating profit	384,834	301,143
Depreciation charges	103,856	92,689
Profit on sale of tangible fixed assets	(22,628)	(16,011)
Decrease/(increase) in stocks	1,591	(276,860)
Increase in debtors	(122,578)	(337,095)
Increase in creditors	54,186	273,027
	<hr/>	<hr/>
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	<u>£399,261</u>	<u>£36,893</u>

22 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	1998 £	1997 £
Cash in hand	32	2,693
Bank overdraft and discounting account	(1,524,461)	(1,630,259)
	<hr/>	<hr/>
Balance at 31 December 1998	<u>£(1,524,429)</u>	<u>£(1,627,566)</u>