

30-09-93

No 2532541

BROOMCO (406) LIMITED

ACCOUNTS

31 DECEMBER 1992

M. P. GRIMES & CO.

CHARTERED ACCOUNTANTS

154a Eltham High Street, London, SE9 1BJ

BROOMCO (406) LIMITED

COMPANY INFORMATION

Directors

A S D Lyons
M J Burke
R C Dutton-Forshaw

Secretary

A S D Lyons

Company Number

2532541

Registered Office

334 Athlon Road
Alpertown
Wembley
Middlesex HA0 1ED

Auditors

M P Grimes & Co
Registered Auditors and
Chartered Accountants
154A High Street
Eltham
London SE9 1BJ

Bankers

Bank of Scotland
41/51 Grey Street
Newcastle Upon Tyne NE1 6EE

BROOMCO (406) LIMITEDAUDITORS' REPORTTO THE DIRECTORS OFBROOMCO (406) LIMITED

We have examined the abbreviated accounts on pages 4 to 11 together with the full financial statements of Broomco (406) Limited for the year ending 31 December 1992. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 4 and that the abbreviated accounts have been properly prepared from the full financial statements.

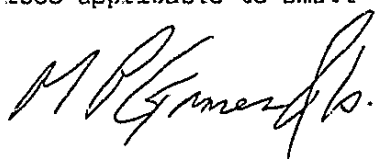
In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Part 1 of Schedule 8 to that Act in respect of the year ended 31 December 1992 and the abbreviated accounts have been properly prepared from the full financial statements.

On 12 May 1993 we reported as auditors of Broomco (406) Limited to the members on the financial statements required by Section 226 of the Companies Act 1985 and our audit opinion was as follows:-

We have audited the financial statements on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

154a Eltham High Street
London SE9 1BJ


M P GRIMES & CO
REGISTERED AUDITORS
AND CHARTERED ACCOUNTANTS

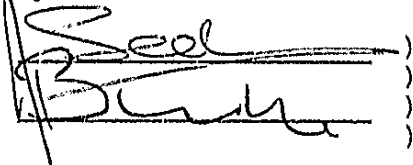
12 May 1993

BALANCE SHEETAS AT 31 DECEMBER 1992

	Note	1992	1991
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	2	393,130	456,781
Intangible Assets	1c	50,000	75,000
Investments	3	4	4
		443,134	531,785
<u>CURRENT ASSETS</u>			
Stocks and Work-in-Progress	1d	196,774	242,842
Debtors and Prepayments	4	409,081	482,130
Cash at Bank and in Hand		336,949	380,484
		942,804	1,105,456
<u>CURRENT LIABILITIES</u>			
<u>Amounts falling due within one year</u>			
Creditors and Accruals	5a	494,676	587,369
<u>NET CURRENT ASSETS</u>		<u>448,128</u>	<u>518,087</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>891,262</u>	<u>1,049,872</u>
<u>LONG TERM LIABILITIES</u>			
<u>Amounts falling due after more than one year</u>			
Subordinated loan Notes	5b	427,500	427,500
Bank Loan	5c	315,625	450,000
		743,125	877,500
		£148,137	£ 172,372
		=====	=====
Financed by:			
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	6	47,500	47,500
Revaluation Reserve	2 & 7	233,778	233,778
Profit and Loss Account (Deficit)	8	(133,141)	(108,906)
		£148,137	£ 172,372
		=====	=====

The Directors have relied on sections 247 to 249 of the Companies Act 1985 entitling the company to deliver abbreviated accounts on the grounds that the company is entitled to the benefit of those sections as a small company.

Approved by the Board of Directors on



Directors

The notes on folios 7 to 11 form part of these financial statements.

REGOMCO (406) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1992

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention. The company has taken advantage of the exemption in FRS1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

(b) Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied to third parties. Exports amount to £675 (1991 £25,225).

(c) Goodwill

Acquired goodwill is written off in equal instalments over its estimated useful economic life. The original cost of goodwill was £100,000 and the current rate of amortisation being 25% per annum.

(d) Stocks and Work in Progress

Stocks and work in progress are stated at the lower of cost and estimated net realisable value. Cost is determined on a first in first out basis. The cost of work in progress and finished goods comprises of materials, direct labour and attributable production costs.

(e) Taxation

The charge for taxation is based on the profit for the year after adjustments are made for disallowed items and any capital allowances claimed. No provision has been made for deferred taxation because of timing differences. The taxation charge of £4,200 has been calculated at the small companies rate of 25% on the adjusted profit for the year.

(f) Pensions

The company does not operate a pension scheme but makes payments on an individual basis to retirement annuity schemes.

(g) Operating Profit

The operating profit is stated after charging:

	<u>1992</u> £	<u>1991</u> £
Depreciation owned Assets	57,240	66,638
Directors Remuneration	22,249	31,397
Auditors Remuneration	4,500	3,500
Loss/(Profit) on Sale of Assets	2,149	(9,399)

BROOMCO (406) LIMITEDNOTES TO THE ACCOUNTS - CONTYEAR ENDED 31 DECEMBER 19921 ACCOUNTING POLICIES CONT(h) Research and Development

Any expenditure on research and development is written off in the year that it is incurred.

(i) 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 rates ruling on the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

2 TANGIBLE FIXED ASSETS

	<u>Total</u>	<u>Leases</u>	<u>Plant and Machinery</u>	<u>Caravan</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>
	£	£	£	£	£	£
<u>Cost or Revaluation</u>						
at 1 January 1992	523,418	1	510,000	1	4,660	8,756
Additions	4,368	-	3,368	-	1,000	-
.(Withdrawn re Sales)	(12,320)	-	(12,320)	-	-	-
<u>Cost, or Revaluation at 31 December 1992</u>	<u>515,466</u>	<u>1</u>	<u>501,048</u>	<u>1</u>	<u>5,660</u>	<u>8,756</u>
<u>Depreciation</u>						
At 1 January 1992	66,637	-	63,750	-	700	2,187
Charge for the period	57,240	-	54,854	-	744	1,642
(Withdrawn re Sales)	(1,541)	-	(1,541)	-	-	-
<u>Depreciation at 31 December 1992</u>	<u>122,336</u>	<u>-</u>	<u>117,063</u>	<u>-</u>	<u>1,444</u>	<u>3,829</u>
<u>Net Book Value at 31 December 1992</u>	<u>£393,130</u>	<u>£1</u>	<u>£383,985</u>	<u>£1</u>	<u>£4,216</u>	<u>£4,927</u>
	=====	==	=====	==	=====	=====
<u>at 31 December 1991</u>	<u>£456,781</u>	<u>£1</u>	<u>£446,250</u>	<u>£1</u>	<u>£3,960</u>	<u>£6,569</u>
	=====	==	=====	==	=====	=====

Depreciation is calculated to write off the cost of fixed assets over their estimated useful economic life on a reducing balance basis. The principal rates used are:

Plant and Machinery	12.5%
Fixtures and Fittings	15%
Motor Vehicles	25%

The Plant and Machinery was valued on an open market basis on 8 August 1989 by Messrs Norman Levy Associates Overseas Inc.

BROGMO (406) LIMITEDNOTES TO THE ACCOUNTS - CONTDYEAR ENDED 31 DECEMBER 19922 TANGIBLE FIXED ASSETS - CONTD

Depreciation has been provided on the revalued element of fixed assets.

The amount of depreciation attributable to the revalued proportion of fixed assets was as follows:-

	<u>1992</u> £	<u>1991</u> £
Plant and Machinery	£25,569 =====	£29,222 =====

No adjustment has been made to the revaluation reserve in respect of assets sold during the year.

The professional valuation amounted to £775,000. In the opinion of the directors having regard to the current market conditions a more conservative valuation of £505,000 is appropriate. The valuation gives rise to a revaluation reserve of £233,778 above acquisition costs. It is not considered necessary to make any provision for taxation in respect of the revaluation reserve.

3 INVESTMENTS

The company has two wholly owned subsidiary agency companies as shown below:

Engineering and Developments (Lymington) Limited

Two £1 Ordinary Shares

Visual Planning Systems Limited

Two £1 Ordinary Shares

The companies did not trade in the period under review. Both companies were incorporated in England.

4 DEBTORS

Bad debts are written off and appropriate provision is made for any amounts the collection of which appears doubtful.

	<u>1992</u> £	<u>1991</u> £
Due after more than one year	-	-
Due within one year		
Trade Debtors	381,841	445,139
Other Debtors	10,000	10,000
Prepayments and accrued income	17,240	26,991
	<u>£409,081</u> =====	<u>£482,130</u> =====

BROOMCO (406) LIMITED

NOTES TO THE ACCOUNTS - CONTD

YEAR ENDED 31 DECEMBER 1992

5(a) CREDITORS: Amounts falling due within one year.

	<u>1992</u>	<u>1991</u>
	£	£
Bank Loan (Secured)	84,375	-
Bank Overdrafts (Secured)	217,594	391,265
Trade Creditors	70,233	135,074
Corporation Tax	4,200	-
Other Taxation and Social Security Costs	78,127	25,698
Accruals	15,147	10,332
Other	25,000	25,000
	<u>£494,676</u>	<u>£587,369</u>
	=====	=====

(b) Bank Facilities

The Bank of Scotland has provided an original term loan of £450,000 with a two year capital repayment holiday. The loan is repayable over 8 years in 16 half yearly instalments of £28,125. The company has a facility of repaying the whole or part of the loan in £50,000 tranches without penalties.

In March 1992 the company repaid £50,000 leaving a balance of £400,000 at December 1992 and after the year end, 21 January 1993 a further £28,125 was repaid. Two further sums of £28,125 will be paid in 1993.

The company did not renew the overdraft facility in September 1992 as it was anticipated that there would be a substantial net cash balance on current account under a set off arrangement.

The Bank has been granted a full interlocking security by way of Debenture (First, Fixed and Floating) together with cross letters of guarantees and letters of offset in respect of all borrowings.

(c) Subordinated Loan

The company has issued loan notes to Directors and Shareholders totalling £427,500 on an unsecured, interest free basis. The loan notes are not redeemable without prior written consent of the Bank of Scotland.

6 SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
<u>Authorised</u>		
500,000 Ordinary Shares of 25p each	£125,000	£125,000
	=====	=====
<u>Issued</u>		
190,000 Ordinary Shares of 25p each	£ 47,500	£ 47,500
	=====	=====

BROOKWOOD (496) LIMITED

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NOTES TO THE ACCOUNTS - CONTD

YEAR ENDED 31 DECEMBER 1992

7 REVALUATION RESERVE

	<u>1992</u>	<u>1991</u>
Opening and Closing Balance	£233,778 =====	£233,778 =====

8 PROFIT AND LOSS ACCOUNT

	<u>1992</u> £	<u>1991</u> £
Balance at 1 January 1992	(108,906)	-
(Deficit) retained for the year	(24,235)	(108,906)
	=====	=====
Balance at 31 December 1992	£(133,141) =====	£(108,906) =====

9 CONTINGENT LIABILITIES

The company had no contingent liabilities for the year under review.

10 CAPITAL COMMITMENTS

The company had no material capital commitments in respect of the year under review and had not contracted for any at present for the following year.