

Company No 2532541

BROOMCO (406) LIMITED

ACCOUNTS

31 DECEMBER 1993

M. P. GRIMES & CO.

CHARTERED ACCOUNTANTS

154a Eltham High Street, London, SE9 1BJ



BROOKCO (406) LIMITED

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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
Alperton
WEMBLEY
Middlesex HA0 1ED

Auditors

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

Bankers

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 DECEMBER 1993

Company law requires the directors to prepare the 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 these 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;

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

AUDITORS REPORT

TO THE DIRECTORS

We have examined the abbreviated accounts on pages 6 to 11 together with the full financial statements of Broomco (406) Limited for the year ended 31 December 1993. 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 6 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under Sections 246 to 248 of the Companies Act 1985 to the exemption conferred by Section A of Part 3 of Schedule 8 to that Act in respect of the year ended 31 December 1993 and the abbreviated accounts have been properly prepared from the full financial statements.

On 22 March 1994 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 report was as follows:

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention (as modified by the revaluation of fixed assets) and the accounting policies on page 7.

RESPECTIVE RESPONSIBILITIES OF 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 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 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

154A Eltham High Street
Eltham
London SE9 1BJ

22 March 1994


M P GRIMES & CO
Chartered Accountants

Registered Auditor

BROOMCO (406) LIMITED

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PROFIT AND LOSS ACCOUNTYEAR ENDED 31 DECEMBER 1993

	Note	£	1993	£	1992	£
Turnover	1b & 2		1,686,243		1,408,749	
Cost of Sales			1,192,195		994,287	
Gross Profit			494,048		414,462	
Goodwill written off	1d	25,000		25,000		
Administrative costs etc		382,216		367,063		
Interest payable Bank Loan		28,979		47,831		
Interest payable etc Overdraft		32,375		19,073		
			468,570		458,967	
Exceptional items			25,478		(44,505)	
(Redundancy and related costs)			-		(4,663)	
			25,478		49,168	
Interest receivable etc			38,609		29,133	
Profit/(Loss) on ordinary activities before taxation			64,087		(20,035)	
Taxation on profits from ordinary activities and adjustments for previous years	1f & 8		20,500		4,200	
Profit/(Loss) on ordinary activities after taxation			43,587		(24,235)	
(Deficit) brought forward			(133,141)		(108,906)	
(Deficit) carried forward			£(89,554)		£(133,141)	

There were no recognised gains and losses in the period under review other than those recognised in the profit and loss account. The surplus on revaluation arising on the acquisition of the assets is shown on the Balance Sheet as a Revaluation Reserve of £233,778 which has remained unaltered during the current year.

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

BROOMCO (406) LIMITED

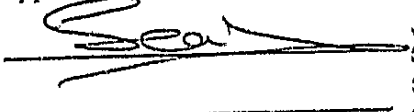
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BALANCE SHEET**AS AT 31 DECEMBER 1993**

	Note	1993	1992
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	1c & 9	379,470	393,130
Intangible Assets	1d	25,000	50,000
Investments	11	4	4
		<hr/>	<hr/>
		404,474	443,134
<u>CURRENT ASSETS</u>			
Stocks and Work-in-Progress	1e	166,179	196,774
Debtors and Prepayments	6	568,436	409,081
Cash at Bank and in Hand		114,495	336,949
		<hr/>	<hr/>
		849,110	942,804
<u>CURRENT LIABILITIES</u>			
<u>Amounts falling due within one year</u>			
Creditors and Accruals	7a	374,985	494,676
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		474,125	448,128
		<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		£878,599	£891,262
		=====	=====
<u>LONG TERM LIABILITIES</u>			
<u>Amounts falling due after more than one year</u>			
Subordinated Loan Notes	7c	427,500	427,500
Bank Loan	7b	259,375	315,625
		<hr/>	<hr/>
		686,875	743,125
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	13	47,500	47,500
Revaluation Reserve	9 & 10	233,778	233,778
Profit and Loss Account (Deficit)	14	(89,554)	(133,141)
		<hr/>	<hr/>
		£878,599	£891,262
		=====	=====

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 22 March 1994

 Directors

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

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 1993

1 ACCOUNTING POLICIES

(a) Basis of accounting

There have been no material changes in accounting policies during the year. The financial statements have been prepared under the historical cost convention and include results of the company's operations as indicated in the directors report all of which are continuing.

The company has taken advantage of the exemption in FRS7 from the requirement to prepare a cash flow statement on the grounds that it is a small company and include results of the company's operations as indicated in the directors report all of which are continuing.

(b) Turnover

Turnover is represented by the total of invoiced amounts for goods and services adjusted for accruals net of value added tax. Exports amount to £Nil (1992 £675).

(c) Tangible Fixed Assets and Depreciation

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

Depreciation is provided for at rates calculated to write off the cost or revaluation of fixed assets, less their estimated residual value, over their expected useful lives, on a reducing balance basis.

The rates used were:

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

(d) 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.

(e) Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

(f) Deferred Taxation

No provision is made for timing differences between the treatment of certain items for taxation and accounting purposes.

(g) Research and Development

Any expenditure on research and development will be written off as it is incurred.

(h) Pensions

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

(i) Foreign Currencies

No transactions took place.

NOTES TO THE ACCOUNTS (CONT'D)YEAR ENDED 31 DECEMBER 19932 TURNOVER AND RESULTS

The turnover and profits of the company arise wholly from the company's ordinary activities which are carried on in the United Kingdom.

3 OPERATING RESULTS

Operating profit is stated after charging:-

	<u>1993</u> £	<u>1992</u> £
Depreciation	55,122	57,240
Directors Remuneration	20,000	20,000
Auditors Remuneration	6,000	6,000
	=====	=====

4 STAFF COSTS

Staff cost including directors remuneration were as follows:-

	<u>1993</u>	<u>1992</u>
Salaries, Wages and Social Security Costs	£862,082 =====	£511,046 =====
Average number of employees		
Sales, Technical and Administration	8	7
Factories	45	23

5 DIRECTORS REMUNERATION

	<u>1993</u>	<u>1992</u>
Director's total emoluments	£22,990 =====	£22,770 =====
Highest Paid Director	£22,990 =====	£22,770 =====

6 DEBTORS

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

	<u>1993</u> £	<u>1992</u> £
Payable within one year		
Trade debtors	543,698	381,841
Other debtors	10,475	10,000
Prepayments and accrued income	14,263	17,240
	=====	=====
	£568,436	£409,081
	=====	=====

NOTES TO THE ACCOUNTS (CONT'D)YEAR ENDED 31 DECEMBER 19937(a) CREDITORS:

Amounts falling due within one year	<u>1993</u>	<u>1992</u>
	£	£
Bank Loan (Secured)	56,250	84,375
Bank Overdrafts (Secured)	35,358	217,594
Trade Creditors	106,605	70,233
Corporation Tax	18,750	4,200
Other Taxation and Social Security Costs	86,227	78,127
Accruals	46,795	15,147
Other	25,000	25,000
	<u>£374,985</u>	<u>£494,676</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 as from December 1992 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. So far the company has repaid one tranche of £50,000 and five instalments of £28,125. Two further sums of £28,125 will be paid in 1994.

The company has not renewed its overdraft facility as it is anticipated that there would be an 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.

NOTES TO THE ACCOUNTS (CONT'D)

YEAR ENDED 31 DECEMBER 1993

8 TAXATION

Provision for UK taxation is made on the basis of the taxable profit calculated at the small company's rate (25%).

	<u>1993</u>	<u>1992</u>
	£	£
Provision for UK Corporation Tax	18,750	4,200
Adjustments for previous years	1,750	-
	<u>£20,500</u>	<u>£4,200</u>
	=====	=====

9 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 at 1 January 1993</u>	515,466	1	501,048	1	5,660	8,756
Additions	41,462	-	38,415	-	3,047	-
(Withdrawn re Sales)	-	-	-	-	-	-
<u>Cost or Revaluation at 31 December 1993</u>	556,928	1	539,463	1	8,707	8,756
<u>Depreciation</u>						
At 1 January 1993	122,336	-	117,063	-	1,444	3,829
Charge for the period	55,122	-	52,800	-	1,090	1,232
(Withdrawn re Sales)	-	-	-	-	-	-
<u>Depreciation at 31 December 1993</u>	177,458	-	169,863	-	2,534	5,061
<u>Net Book Value at 31 December 1993</u>	£379,470	£1	£369,600	£1	£6,173	£3,695
	=====	==	=====	==	=====	=====
<u>at 31 December 1992</u>	£393,130	£1	£383,985	£1	£4,216	£4,927
	=====	==	=====	==	=====	=====

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

The professional valuation amounted to £775,000. In the opinion of the directors having regard to the then current market conditions a more conservative valuation of £505,000 was considered appropriate. The valuation gave 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.

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>1993</u>	<u>1992</u>
	£	£
Plant and Machinery	£22,373	£25,569
	=====	=====

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

NOTES TO THE ACCOUNTS (CONT'D)YEAR ENDED 31 DECEMBER 199310 REVALUATION RESERVE

	<u>1993</u>	<u>1992</u>
Opening and Closing Balance	£233,778	£233,778
	=====	=====

11 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.

12 TRANSACTIONS WITH DIRECTORS

There are no material transactions during the year.

13 SHARE CAPITAL

	<u>1993</u>	<u>1992</u>
Authorised:		
500,000 Ordinary Shares of 25p each	£125,000	£125,000
	=====	=====
Issued:		
190,000 Ordinary Shares of 25p each	£ 47,500	£ 47,500
	=====	=====

14 PROFIT AND LOSS ACCOUNT

	<u>1993</u>	<u>1992</u>
	£	£
Balance at 1 January 1993	(133,141)	(108,906)
Profit/(Deficit) retained for the year	43,587	(24,235)
	=====	=====
Balance at 31 December 1993	£(89,554)	£(133,141)
	=====	=====

15 CONTINGENT LIABILITIES

The company had no contingent liabilities not provided for in these accounts.

16 CAPITAL COMMITMENTS

There are no material capital commitments not provided for in these accounts.

17 POST BALANCE SHEET EVENTS

The directors consider that there were no material events that have occurred since 31 December 1993, other than the decision to repay £28,000 of the subordinated loan notes. Consent has been granted by the Bank of Scotland on 18 February 1994.