

**M P I SERVICES (UK) LTD**

**Company Reg No 2590501**

**ACCOUNTS FOR THE YEAR ENDED**

**30 NOVEMBER 1996**

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**EDWARDS & KEEPING**

**Chartered Accountants**

Unity Chambers

34 High East Street

Dorchester

Dorset

DT1 1HA



## M P I SERVICES (UK) LTD

### DIRECTORS' REPORT

The Directors present their Report and Accounts of the Company for the year ended 30 November 1996.

#### Principal Activity

The Company's principal activity continued to be Mechanical and Electrical Engineering and Contracting.

#### Directors

The Directors who served during the year and their interests in the shares of the Company were as follows:-

	<u>At 30/11/95</u> <u>&amp; 30/11/96</u>
G Chapman	250
J Tye	250
Mrs K S Chapman	250
Mrs S Tye	250

#### Statement of Directors' Responsibilities in respect of the Accounts

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 these Accounts the Directors are required to:-

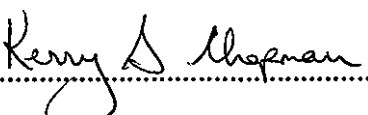
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

#### Small Company Exemptions

The directors have taken advantage of the exemptions conferred by Part 2 of Schedule 8 to the Companies Act 1985.

By Order of the Board

  
.....  
K S Chapman  
Secretary

AUDITORS' REPORT TO THE MEMBERS OF

M P I SERVICES (UK) LTD

We have audited the Accounts on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1, the Company's Directors are responsible for the preparation of the Accounts. It is our responsibility to form an independent opinion, based on our audit, on these Accounts 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 Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Accounts 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 Accounts are free from material mis-statement, 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 Accounts.

Opinion

In our opinion the Accounts give a true and fair view of the state of the Company's affairs as at 30 November 1996 and of its Profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to Small Companies.

Edwards & Keeping

Chartered Accountants &  
Registered Auditors

Edwards and Keeping  
Chartered Accountants  
Unity Chambers  
34 High East Street  
Dorchester  
Dorset  
DT1 1HA

15 May 1997

M P I SERVICES (UK) LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 1996

	<u>Note</u>	<u>Current Year</u>	<u>Previous Year</u>
Turnover	2	£353,993	£316,288
Change in Work in Progress		£69,746	(£66,640)
Raw Materials and Consumables		70,920	273,781
Staff Costs		108,462	66,936
Other Operating Charges		<u>25,121</u>	<u>22,208</u>
		274,249	296,285
<u>Operating Profit</u>	3	79,744	20,003
Bank Interest Receivable		<u>1,826</u>	<u>833</u>
<u>Profit on Ordinary Activities before Taxation</u>		81,570	20,836
Tax on Profit on Ordinary Activities		<u>19,849</u>	<u>5,209</u>
<u>Profit for the financial year</u>		61,721	15,627
Dividends			<u>12,800</u>
<u>Profit Retained for the Financial Year</u>		61,721	2,827
Balance on Profit and Loss Account brought forward		<u>35,183</u>	<u>32,356</u>
<u>Balance on Profit and Loss Account carried forward</u>		<u>£96,904</u>	<u>£35,183</u>

The Company has no recognised gains or losses for 1996 or 1995 other than the profit for those years

M P I SERVICES (UK) LTD

BALANCE SHEET AS AT 30 NOVEMBER 1996

	<u>Note</u>	<u>30/11/96</u>	<u>30/11/95</u>
<u>Current Assets</u>			
Work in Progress		£719	£70,465
Trade Debtors		59,246	119,042
Other Debtors	4	2,098	39,103
Cash at Bank		147,786	33,401
		<u>£209,849</u>	<u>£262,011</u>
<u>Creditors - Amounts falling due within one year</u>			
Bank Overdraft		36,895	47,359
Trade Creditors		41,854	108,693
Current Corporation Tax		16,649	8,409
Accruals and Deferred Income		16,547	48,567
Proposed Final Dividend			12,800
		<u>111,945</u>	<u>225,828</u>
		<u>£97,904</u>	<u>£36,183</u>
<u>Capital and Reserves</u>			
Called Up Share Capital	5	£1,000	£1,000
Profit and Loss Account		96,904	35,183
		<u>£97,904</u>	<u>£36,183</u>
<u>Shareholders Funds</u>	6	<u>£97,904</u>	<u>£36,183</u>

The Directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the Company is entitled to the benefit of those exemptions as a small company.

These Accounts were approved by the Directors on..... 9 MAY 1997.....

..... G. Chasme ..... Director

# M P I SERVICES (UK) LTD

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1996

### 1. Accounting Policies

#### (a) Accounting Convention

The Accounts are prepared in accordance with the historical cost convention.

#### (b) Work in Progress

Work in Progress is stated at the lower of cost of direct materials and labour and estimated net realisable value.

### 2. Turnover

Turnover, which is stated net of Value Added Tax, represents amounts invoiced to third parties.

Turnover relates entirely to the Company's continuing principal activity as set out in the Directors' Report.

### 3. Operating Profit

1996

1995

This is stated after charging:-

Directors' Remuneration

£12,700

£12,080

Auditors' Remuneration

1,500

### 4. Other Debtors

Included in Other Debtors in 1995 was Advance Corporation Tax of £3,200 recoverable after more than one year.

### 5. Share Capital

#### Authorised, Allotted, Called Up and Fully Paid

1,000 Ordinary Shares of £1 each

1,000

1,000

### 6. Reconciliation of Shareholders Funds

At 1 December 1995

£36,183

£33,356

Profit for the Year

61,721

2,827

At 30 November 1996

£97,904

£36,183

### 7. Related Parties

All the Company's Directors are also shareholders and directors of Manor Marine Ltd and partners in an unincorporated business, both of which trade with the Company. The value of purchases of subcontract labour from these related parties was £37,306 (1995 - Nil) and £58,456 (1995 - £54,856) respectively.

The Company also incurred Administration Charges of £20,000 (1995 - £16,000) from the unincorporated business. In addition the Company purchases goods on behalf of the unincorporated business and these are invoiced to the partnership at cost. These recharges are treated as a reduction of purchases and are therefore not reflected in the Company's Accounts.

At the Balance Sheet date the amount due from Manor Marine Ltd was £3,833 (1995 - £38,948 due to Manor Marine Ltd) and the net amount due from the unincorporated business was £32,651 (1995 - £4,580).

M P I SERVICES (UK) LTD

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1996 (CONTINUED)

8. Post Balance Sheet Event

On 11 April 1997 the Company entered into a ten year lease for workshop premises and offices currently used by Manor Marine Ltd, the directors and shareholders of which are the same as the Company's. The rent is £40,000 pa for the period to 30 September 1997 and £75,000 pa thereafter.