

Registrar

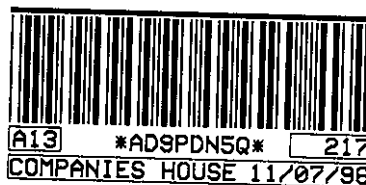
To BE SIGNED

**J V Murcott & Sons Limited**

Report and Accounts

Registered Number: 2677869

31 March 1996



**J V Murcott & Sons Limited**

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Registered Number : 2677869

Directors : Mr J H Hall (Chairman)  
Mrs I M Murcott  
Mr P J Murcott  
Mr A F Murcott  
Mr D V Murcott  
Mr R Murcott  
Mr P W Murcott

Secretary : Mr P J Murcott

Auditors : Goff Haslehurst  
15/17 Belwell Lane  
Four Oaks  
Sutton Coldfield  
B74 4AA

Bankers : Lloyds Bank Plc  
207 High Street  
Erdington  
Birmingham  
B23 6SZ

Solicitors : Wragge & Co  
55 Colmore Row  
Birmingham  
B3 2AS

Registered Office : Grosvenor Works  
Grosvenor Road  
Birmingham  
B6 7LT

## J V Murcott & Sons Limited

### Directors' Report

The directors present their report and accounts for the year ended 31 March 1996.

### Results and Dividends

	£
The profit for the year after taxation amounted to	345,003
This has been dealt with as follows:	
Interim dividend paid 27 March 1996	60,000
Proposed final dividend	20,500
	<hr/>
Transferred to retained profits	264,503
	<hr/>

### Principal Activity and Review of the Business

The company is engaged in the business of manufacturing and machining aluminium pressure diecastings, , primarily for the automotive industry.

Although we have enjoyed a substantial growth in the sales of both castings and tooling, we have experienced a reduction in our profit margins, particularly with tooling. This is a problem which the company is actively addressing.

The year has seen the development of our machining facility which will be fully operational in the coming financial year.

The company is continuing its substantial capital investment programme, in both diecasting plant and CNC machining equipment.

### Fixed Assets

The significant changes in tangible fixed assets during the year are set out in note 10 of the accounts.

### Directors and their Interests

The directors at 31 March 1996 were as follows:

Mr J H Hall  
 Mrs I M Murcott  
 Mr P J Murcott  
 Mr A F Murcott  
 Mr D V Murcott  
 Mr R Murcott  
 Mr P W Murcott

No director had any interest in the shares of the company other than Mr P J Murcott who holds one share as nominee for Varney Murcott Limited.

Directors interests in the shares of the holding company, Varney Murcott Limited are disclosed in the accounts of that company.

## **J V Murcott & Sons Limited**

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### **Directors' Report**

#### **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 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

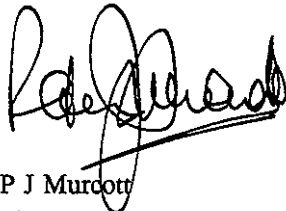
The directors confirm that the accounts comply with the above requirements.

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.

#### **Auditors**

Goff Haslehurst have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'P J Murcott', is written over a horizontal line.

Mr P J Murcott  
Secretary

2 July 1996

## **Goff Haslehurst**

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### **Report of the Auditors to the members of J V Murcott & Sons Limited**

We have audited the accounts on pages 5 to 16, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

#### **Respective responsibilities of directors and auditors**

As described on page 3 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 those 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 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 accounts.

#### **Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Goff Haslehurst  
Certified Accountants  
Registered Auditor  
Sutton Coldfield

2 July 1996

**J V Murcott & Sons Limited****Profit and Loss Account  
for the year ended 31 March 1996**

	Notes	1996 £	1995 £
<b>Turnover</b>	2	14,710,211	11,216,191
<b>Operating Costs</b>	3	14,237,197	10,651,318
		<hr/>	<hr/>
<b>Operating Profit</b>	4	473,014	564,873
Other income	6	35,914	46,020
		<hr/>	<hr/>
		508,928	610,893
Interest payable	7	4,516	312
		<hr/>	<hr/>
<b>Profit on Ordinary Activities Before Taxation</b>		504,412	610,581
Taxation on profit on ordinary activities	8	159,409	214,013
		<hr/>	<hr/>
<b>Profit on Ordinary Activities After Taxation</b>		345,003	396,568
Dividends	9	80,500	80,500
		<hr/>	<hr/>
<b>Profit Transferred to Reserves</b>	19	264,503	316,068
		<hr/> <hr/>	<hr/> <hr/>

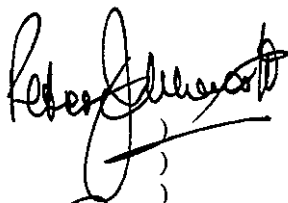
**Statement of Total Recognised Gains and Losses**

There are no recognised gains or losses other than the profit attributable to the members of the company of £345,003 in the year ended 31 March 1996 and of £396,568 in the year ended 31 March 1995.

**J V Murcott & Sons Limited****Balance Sheet  
at 31 March 1996**

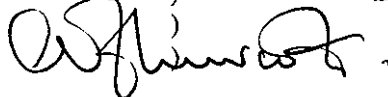
	Notes	1996 £	1995 £
<b>Fixed Assets</b>			
Tangible assets	10	4,211,997	2,937,657
		<hr/>	<hr/>
<b>Current Assets</b>			
Stocks	11	833,735	775,708
Debtors	12	2,521,877	2,864,165
Cash at bank and in hand	13	656,424	1,113,519
		<hr/>	<hr/>
		4,012,036	4,753,392
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	14	2,560,423	2,418,259
		<hr/>	<hr/>
<b>Net Current Assets</b>		1,451,613	2,335,133
		<hr/>	<hr/>
<b>Total Assets Less Current Liabilities</b>		5,663,610	5,272,790
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	16	3,746,262	3,728,250
		<hr/>	<hr/>
<b>Provision for Liabilities and Charges</b>	17	454,655	346,350
		<hr/>	<hr/>
<b>Total Assets Less Liabilities</b>		1,462,693	1,198,190
		<hr/>	<hr/>
<b>Capital and Reserves</b>			
Called up share capital	18	2	2
Profit and loss account	19	1,462,691	1,198,188
		<hr/>	<hr/>
		1,462,693	1,198,190
		<hr/>	<hr/>

Mr P J Murcott



Directors

Mr A F Murcott



2 July 1996

**J V Murcott & Sons Limited****Statement of Cashflows  
for the year ended 31 March 1996**

	Notes	1996 £	1995 £
<b>Net Cash Inflow from Operating Activities</b>	4c	1,484,602	505,556
<b>Returns on Investments and Servicing of Finance</b>			
Interest received		36,154	47,932
Interest paid		(555)	(312)
Dividends paid		(80,500)	(80,500)
Interest element of finance lease payments		(3,961)	-
<b>Net Cash Outflow from Returns on Investments and Servicing of Finance</b>		(48,862)	(32,880)
<b>Taxation</b>			
Corporation tax paid (including advance corporation tax)		(176,155)	(238,572)
<b>Investing Activities</b>			
Payments to acquire tangible fixed assets		(1,716,722)	(819,322)
Receipts from sales of tangible fixed assets		15,351	23,393
<b>Net Cash Outflow from Investing Activities</b>		(1,701,371)	(795,929)
<b>Net Cash Outflow before Financing</b>		(441,786)	(561,825)
<b>Financing</b>			
Repayments of capital element of finance lease rental payments	15	15,309	-
<b>Net Cash Outflow from Financing</b>		15,309	-
<b>Decrease in Cash and Cash Equivalents</b>	13	(457,095)	(561,825)
		(441,786)	(561,825)



## J V Murcott & Sons Limited

### Notes to the Accounts

31 March 1996

#### 1. Accounting Policies

##### Accounting convention

The accounts are prepared under the historical cost convention.

##### Depreciation

Depreciation has been calculated by reference to the expected useful lives of the assets and is based on cost at the following rates and on a straight line basis other than motor vehicles which are on reducing balance basis.

Leasehold improvements	-	Over term of lease
Production plant and machinery	-	5 to 10 years
Fixtures, fittings and motor vehicles	-	3 to 10 years

##### Stocks and work in progress

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials and consumables	-	purchase cost on a first in, first out basis.
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

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

##### Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

The advance corporation tax relating to dividends provided in the accounts which have been paid subsequent to the balance sheet date is deducted from the provision for deferred taxation and included under current liabilities.

##### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

##### Leasing commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

##### Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

# J V Murcott & Sons Limited

## Notes to the Accounts

31 March 1996

### 2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, the manufacture of highly intricate aluminium pressure diecastings, die tools and engineering.

The analysis of turnover by geographical market is given below:

	1996 £	1995 £
United Kingdom	14,626,871	10,940,718
EC	7,660	68,017
Rest of world	75,680	207,456
	<u>14,710,211</u>	<u>11,216,191</u>

### 3. Operating Costs

	1996 £	1995 £
(Increase)/decrease in stocks of finished goods and work in progress	(187,138)	2,621
Raw materials and consumables	7,123,775	4,788,345
Other external charges	794,962	627,097
Staff costs		
- wages and salaries	3,435,327	2,560,414
- social security costs	324,505	235,248
- other pension costs	106,298	93,739
Depreciation of owned fixed assets	528,244	490,506
Depreciation of assets held under finance leases and hire purchase contracts	15,278	-
Other operating charges	2,095,946	1,853,348
	<u>14,237,197</u>	<u>10,651,318</u>

### 4. Operating Profit

(a) This is stated after charging/(crediting)

	1996 £	1995 £
Auditors remuneration	6,775	8,325
Operating lease rentals		
- plant and machinery	55,899	44,778
- land and buildings	217,300	230,050
Licence fee	15,000	15,000
(Gains)/losses on foreign currency translations	(8,466)	4,474
	<u></u>	<u></u>

(b) Directors' remuneration

Fees	14,208	9,897
Other emoluments (including pension contributions)	128,787	124,969
	<u>142,995</u>	<u>134,866</u>

**J V Murcott & Sons Limited****Notes to the Accounts****31 March 1996****4. Operating Profit (continued)**

Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1996	1995
	No.	No.
Nil	4	3
£ 5,001 - £10,000	-	1
£10,001 - £15,000	1	-
£15,001 - £20,000	-	1
£40,001 - £45,000	-	2
£50,001 - £55,000	2	-
	<u>7</u>	<u>7</u>

The emoluments, excluding pension contributions, of the chairman were £14,208 (1995 £9,897) and those of the highest paid director were £54,748 (1995 £43,370).

**(c) Reconciliation of operating profit to net cash inflow from operating activities**

	1996	1995
	£	£
Operating profit	473,014	564,873
Depreciation	543,522	490,506
Increase in stocks	(58,027)	(230,762)
Decrease/(increase) in debtors	396,290	(849,126)
Increase in creditors	119,218	538,769
Loss/(profit) on sale of tangible fixed assets	10,585	(8,704)
	<u>1,484,602</u>	<u>505,556</u>

**5. Staff Numbers**

The average number of persons employed by the company, including directors, during the year was as follows:

	1996	1995
	No.	No.
Management	24	19
Administration	9	9
Production	185	140
	<u>218</u>	<u>168</u>

**6. Other Income**

	1996	1995
	£	£
Interest on cash deposits	35,914	46,020

**J V Murcott & Sons Limited**

## Notes to the Accounts

31 March 1996

**7. Interest Payable**

	1996 £	1995 £
On finance lease	3,961	-
On bank overdraft	555	312
	<u>4,516</u>	<u>312</u>

**8. Taxation on Profit on Ordinary Activities**

	1996 £	1995 £
Based on the profit for the year:		
Corporation tax at 33 %	44,000	160,000
Deferred taxation	116,615	44,859
	<u>160,615</u>	<u>204,859</u>
Adjustments relating to prior years:		
Corporation tax	7,104	9,154
Deferred taxation	(8,310)	-
	<u>159,409</u>	<u>214,013</u>

**9. Dividends**

	1996 £	1995 £
Interim paid 27 March 1996	60,000	60,000
Final proposed	20,500	20,500
	<u>80,500</u>	<u>80,500</u>

**J V Murcott & Sons Limited**

Notes to the Accounts  
31 March 1996

**10. Tangible Fixed Assets**

	Leasehold improvements £	Production plant and machinery £	Assets in the course of construction £	Fixtures fittings and motor vehicles £	Total £
Cost:					
At 1 April 1995	259,895	6,056,800	368,223	419,095	7,104,013
Additions	35,424	378,197	1,332,940	106,237	1,852,798
Disposals	-	(101,073)	-	(11,500)	(112,573)
Write-offs	-	(125,932)	-	-	(125,932)
Transfers	24,210	344,013	(368,223)	-	-
	<u>319,529</u>	<u>6,552,005</u>	<u>1,332,940</u>	<u>513,832</u>	<u>8,718,306</u>
Depreciation:					
At 1 April 1995	18,670	3,898,670	-	249,016	4,166,356
Provided during the year	13,676	464,457	-	65,389	543,522
Disposals	-	(75,138)	-	(2,500)	(77,638)
Write-offs	-	(125,931)	-	-	(125,931)
	<u>32,346</u>	<u>4,162,058</u>	<u>-</u>	<u>311,905</u>	<u>4,506,309</u>
Net book value:					
At 31 March 1996	287,183	2,389,947	1,332,940	201,927	4,211,997
	<u>241,225</u>	<u>2,158,130</u>	<u>368,223</u>	<u>170,079</u>	<u>2,937,657</u>

The net book value of fixtures and fittings above includes an amount of £37,422 (1995 : Nil) in respect of assets held under finance leases and hire purchase contracts.

**11. Stocks**

	1996 £	1995 £
Raw materials	167,001	294,921
Work in progress	319,739	158,665
Finished goods	333,719	307,655
Other	13,276	14,467
	<u>833,735</u>	<u>775,708</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

	1996 £	1995 £
Work in progress consists of:		
Costs to date	331,614	170,540
Applicable payments on account	(11,875)	(11,875)
	<u>319,739</u>	<u>158,665</u>

**J V Murcott & Sons Limited**

Notes to the Accounts  
31 March 1996

<b>12. Debtors</b>	1996 £	1995 £
Trade debtors	2,411,209	2,810,690
Other debtors	60,462	8,716
Prepayments and accrued income	50,206	44,759
	<u>2,521,877</u>	<u>2,864,165</u>
<b>13. Cash and Cash Equivalents</b>		
Cash at bank and in hand	1996 £	1995 £
At 1 April	1,113,519	1,675,344
Net cash outflow	(457,095)	(561,825)
At 31 March	<u>656,424</u>	<u>1,113,519</u>
<b>14. Creditors: amounts falling due within one year</b>	1996 £	1995 £
Obligations under finance leases and hire purchase contracts (note 15)	16,679	-
Trade creditors	1,755,159	1,447,077
Corporation tax	42,786	167,836
Other taxation and social security	111,216	183,672
Other creditors	219,043	253,117
Proposed dividend	20,500	20,500
Amount due to parent company	60,000	60,000
Accruals and deferred income	109,123	137,216
Creditors for tangible fixed assets	225,917	148,841
	<u>2,560,423</u>	<u>2,418,259</u>
<b>15. Obligations Under Finance Leases and Hire Purchase Contracts</b>		
The maturity of these amounts is as follows:	1996 £	1995 £
Amounts payable:		
within one year	21,000	-
within two to five years	22,750	-
	<u>43,750</u>	<u>-</u>
Less: Finance charges allocated to future periods	(9,059)	-
	<u>34,691</u>	<u>-</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations	16,679	-
Non-current obligations	18,012	-
	<u>34,691</u>	<u>-</u>

**J V Murcott & Sons Limited**

Notes to the Accounts  
31 March 1996

**15. Obligations Under Finance Leases and Hire Purchase Contracts (Continued)**

Analysis of changes in finance leases and hire purchase contracts during the current and previous years:

	1996 £	1995 £
At 1 April	-	-
Inception of finance lease contracts	50,000	-
Capital element of finance lease rental payments	(15,309)	-
	<hr/>	<hr/>
At 31 March 1996	34,691	-
	<hr/>	<hr/>

**16. Creditors: amounts falling due after more than one year**

	1996 £	1995 £
Subordinated loan	3,728,250	3,728,250
Obligations under finance leases and hire purchase contracts (note 15)	18,012	-
	<hr/>	<hr/>
	3,746,262	3,728,250
	<hr/>	<hr/>

The company acquired the business and certain trading assets of Grosvenor Murcott Limited on 1 April 1992 and the subordinated loan represents the agreed consideration. The loan is unsecured, payable on demand at any time after 5 years or on the commencement of the winding up of the company whichever is the earlier. The annual rate of interest is 1.25% above base rate. The directors of Grosvenor Murcott Limited have waived all interest payable on this loan for the year ended 31 March 1996.

**17. Provision for Liabilities and Charges**

Deferred taxation

Provision has been made in full on all timing differences at the estimated rate at which they will reverse being 33% and comprises.

	Accelerated capital allowances £	Other timing differences £	Advance corporation tax £	Total £
At 1 April 1995	350,883	592	(5,125)	346,350
Profit and loss account	108,384	(79)	-	108,305
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1996	459,267	513	(5,125)	454,655
	<hr/>	<hr/>	<hr/>	<hr/>

**J V Murcott & Sons Limited**

Notes to the Accounts  
31 March 1996

**18. Share Capital**

	Authorised 1996 and 1995 £	Allotted, Called up and fully paid 1996 and 1995 No.	£
Ordinary shares of £1 each	1,000	2	2
	<u>          </u>	<u>          </u>	<u>          </u>

**19. Reserves**

	Profit and loss account £
At 1 April 1995	1,198,188
Retained profit for the year	264,503
	<u>          </u>
At 31 March 1996	1,462,691
	<u>          </u>

**20. Reconciliation of Shareholders Funds**

	1996 £	1995 £
At 1 April 1995	1,198,190	882,122
Profit for the year	345,003	396,568
Dividends	(80,500)	(80,500)
	<u>          </u>	<u>          </u>
At 31 March 1996	1,462,693	1,198,190
	<u>          </u>	<u>          </u>

**21. Capital Commitments**

	1996 £	1995 £
Contracted	1,554,839	275,000
Authorised by the directors but not contracted	-	551,000
	<u>          </u>	<u>          </u>
	1,554,839	826,000
	<u>          </u>	<u>          </u>

**22. Pension Commitments**

The company operates a defined contribution pension scheme covering certain of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge for the year was £106,298 (1995 - £93,739).



## J V Murcott & Sons Limited

Notes to the Accounts  
31 March 1996

### 23. Other Financial Commitments

At 31 March 1996 the company has annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 1996 £	Other 1996 £	Land and buildings 1995 £	Other 1995 £
Operating leases which expire				
Within one year	-	-	-	5,524
Within two to five years	-	82,482	-	29,038
Over five years	270,050	-	270,050	-
	<u>270,050</u>	<u>82,482</u>	<u>270,050</u>	<u>34,562</u>

### 24. Ultimate Holding Company

J V Murcott & Sons Limited is a wholly owned subsidiary of Varney Murcott Limited, a company registered in England and Wales.