

# Hamilton Jet (UK) Limited

## FINANCIAL STATEMENTS

for the year ended

31 March 1998



# Hamilton Jet (UK) Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

D W Eaton	
J J Walsh	(New Zealand)
K F Whiteley	(New Zealand)
M J Hamilton	(New Zealand)

### SECRETARY

P C Moore

### COMPANY NUMBER

02960419 (England and Wales)

### REGISTERED OFFICE

Unit 3E  
The Birches Industrial Estate  
East Grinstead  
West Sussex  
RH19 1XZ

### AUDITORS

Baker Tilly  
Chartered Accountants  
12 Gleneagles Court  
Brighton Road  
Crawley  
West Sussex  
RH10 6AD

### BANKERS

Lloyds Bank Plc  
1-3 London Road  
East Grinstead  
West Sussex  
RH19 1AH

# Hamilton Jet (UK) Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Hamilton Jet (UK) Limited for the year ended 31 March 1998.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of trading in, and servicing of, waterjet propulsion systems, marine hydraulic steering gear and engine controls.

### REVIEW OF THE BUSINESS

The directors are satisfied with the levels of trading achieved during the year and anticipate modest growth over the next financial year.

### RESULTS AND DIVIDENDS

The trading profit for the year after taxation was £62,837.

The directors do not recommend the payment of a dividend and propose that the profit for the year after taxation of £62,837 (1997: £41,570) to be transferred to reserves.

### DIRECTORS

The following directors have held office since 1 April 1997:

D W Eaton  
J J Walsh  
K F Whiteley  
M J Hamilton

J J Walsh retires and being eligible, offers himself for re-election.

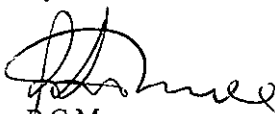
### DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

None of the directors held a beneficial interest in the shares of the company. Their interests in the shares of the ultimate parent company, C W F Hamilton & Co Limited, a company incorporated in New Zealand, are disclosed in the financial statements of that company.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board on 31 May 1998

  
P C Moore  
Secretary

# Hamilton Jet (UK) Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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Company law requires directors to prepare 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 those financial statements, directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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 MEMBERS OF HAMILTON JET (UK) LIMITED

We have audited the financial statements on pages 5 to 13.

### **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.

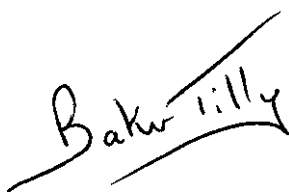
### **Basis of opinion**

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 at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
12 Gleneagles Court  
Brighton Road  
Crawley  
West Sussex  
RH10 6AD

29 June 1998

# Hamilton Jet (UK) Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 1998

	Notes	1998 £	1997 £
TURNOVER	1	784,470	628,603
Cost of sales		488,462	364,778
Gross profit		296,008	263,825
Other operating expenses (net)	2	212,639	203,126
OPERATING PROFIT		83,369	60,699
Investment income	3	744	955
		84,113	61,654
Interest payable	4	6,419	6,584
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	77,694	55,070
Taxation	7	14,857	13,500
RETAINED PROFIT FOR THE YEAR	14	62,837	41,570

The operating profit for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

# Hamilton Jet (UK) Limited

## BALANCE SHEET

31 March 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	8	35,924	19,850
CURRENT ASSETS			
Stocks	9	209,419	181,554
Debtors	10	93,703	100,757
Cash at bank and in hand		41,913	47,162
		345,035	329,473
CREDITORS: Amounts falling due within one year	11	146,509	155,764
NET CURRENT ASSETS		198,526	173,709
TOTAL ASSETS LESS CURRENT LIABILITIES		234,450	193,559
CREDITORS: Amounts falling due after more than one year	12	(87,787)	(109,733)
		146,663	83,826
CAPITAL AND RESERVES			
Called up share capital	13	25,000	25,000
Profit and loss account	14	121,663	58,826
		146,663	83,826

Approved by the board on

31<sup>st</sup> May 1998

D W EATON



Director

# Hamilton Jet (UK) Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

### TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Improvements to leasehold premises	over the term of the lease
Office equipment	20% per annum reducing balance method
Fixtures and fittings	25% per annum reducing balance method
Motor vehicles	25% per annum reducing balance method

### STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

### FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at rates of exchange prevailing at the date of transactions. Translation differences are taken to the profit and loss account.

### PENSIONS CONTRIBUTIONS

The costs of providing pensions for employees are charged in the profit and loss account upon payment.

### OPERATING LEASES

All leases are operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

### TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

# Hamilton Jet (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1998

### 1 TURNOVER

The company's turnover was all derived from its principal activity. Sales were made in the following geographical markets:

	1998 £	1997 £
United Kingdom	594,674	488,147
Europe	149,265	116,209
Other	16,513	14,618
	<u>760,452</u>	<u>618,974</u>
Commission earned	24,018	9,629
	<u>784,470</u>	<u>628,603</u>

### 2 OTHER OPERATING EXPENSES (NET)

Administration expenses

	1998 £	1997 £
Administration expenses	212,639	203,126
	<u>212,639</u>	<u>203,126</u>

### 3 INVESTMENT INCOME

Bank interest receivable

	1998 £	1997 £
Bank interest receivable	744	955
	<u>744</u>	<u>955</u>

### 4 INTEREST PAYABLE

Interest on holding company loan

	1998 £	1997 £
Interest on holding company loan	6,419	6,584
	<u>6,419</u>	<u>6,584</u>

### 5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation and amounts written off tangible fixed assets:

Charge for the year:

owned assets

Profit on disposals

Operating lease rentals:

Plant and machinery

Land and buildings

Auditors' remuneration

	1998 £	1997 £
owned assets	4,043	4,460
Profit on disposals	2,723	-
Operating lease rentals:		
Plant and machinery	1,424	1,410
Land and buildings	14,000	14,000
Auditors' remuneration	3,900	4,400
	<u>26,090</u>	<u>26,270</u>

# Hamilton Jet (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1998

6	EMPLOYEES	1998 No.	1997 No.
	The average weekly number of persons (including directors) employed by the company during the year was:		
	Selling and distribution	6	6
		<u>1998</u> £	<u>1997</u> £
	Staff costs for the above persons:		
	Wages and salaries	121,519	111,520
	Social security costs	10,676	9,835
	Other pension costs	5,637	5,637
		<u>137,832</u>	<u>126,992</u>
		<u>1998</u> £	<u>1997</u> £
	DIRECTORS' REMUNERATION		
	Emoluments	46,733	46,400
	Other emoluments (including pension contributions and benefits in kind)	8,857	8,677
		<u>55,590</u>	<u>55,077</u>
		<u>1998</u> £	<u>1997</u> £
7	TAXATION		
	Based on the profit for the year:		
	UK corporation tax at 21% (1997 24%)	15,157	13,500
	Over provided in previous year	(300)	-
		<u>14,857</u>	<u>13,500</u>

# Hamilton Jet (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1998

### 8 TANGIBLE FIXED ASSETS

	<i>Leasehold Improvements</i> £	<i>Office equipment</i> £	<i>Fixtures &amp; fittings</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost					
1 April 1997	5,200	8,329	3,711	12,553	29,793
Additions	-	4,417	750	17,577	22,744
Disposals	-	-	-	(6,958)	(6,958)
31 March 1998	<u>5,200</u>	<u>12,746</u>	<u>4,461</u>	<u>23,172</u>	<u>45,579</u>
Depreciation					
1 April 1997	500	2,755	1,652	5,036	9,943
Charged in the year	204	1,424	531	1,884	4,043
Disposals	-	-	-	(4,331)	(4,331)
31 March 1998	<u>704</u>	<u>4,179</u>	<u>2,183</u>	<u>2,589</u>	<u>9,655</u>
Net book value					
31 March 1998	<u>4,496</u>	<u>8,567</u>	<u>2,278</u>	<u>20,583</u>	<u>35,924</u>
31 March 1997	<u>4,700</u>	<u>5,574</u>	<u>2,059</u>	<u>7,517</u>	<u>19,850</u>

### 9 STOCKS

Goods for resale

1998	1997
£	£
209,419	181,554

Closing stock of £209,726 (1997: £181,554) excludes consignment stock held on behalf of the company's ultimate parent company, CWF Hamilton & Co Limited, which amounted to £2,019.

### 10 DEBTORS

Due within one year:

Trade debtors

Other debtors

Prepayments and accrued income

1998	1997
£	£
82,411	92,078
5,562	6,221
5,730	2,458
<u>93,703</u>	<u>100,757</u>

# Hamilton Jet (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1998

	1998	1997
	£	£
11 CREDITORS: Amounts falling due within one year		
Trade creditors	77,191	58,552
Corporation tax	15,157	13,500
Other taxation and social security costs	4,051	4,088
Amount due to ultimate parent company	9,194	49,006
Accruals and deferred income	40,916	30,618
	<u>146,509</u>	<u>155,764</u>

	1998	1997
	£	£
12 CREDITORS: Amounts falling due in more than one year		
Amount due to ultimate parent company	87,787	109,733
	<u>87,787</u>	<u>109,733</u>

	1998	1997
	£	£
Repayable by instalments:		
Amount due to ultimate parent company		
between 2 and 5 years:	43,893	-
after 5 years	43,894	-
unspecified	-	109,733
	<u>87,787</u>	<u>109,733</u>

During the year the loan from the ultimate parent company was secured by a fixed and floating charge over the property and assets of the company. Interest is charged at 6% and the loan is now repayable by instalments (1997: unsecured and repayment was not specified).

	1998	1997
	£	£
13 SHARE CAPITAL		
Authorised:		
25,000 ordinary shares of £1 each	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
Allotted, issued and fully paid:		
25,000 ordinary shares of £1 each	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

# Hamilton Jet (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1998

	1998 £	1997 £
14 PROFIT AND LOSS ACCOUNT		
1 April 1997	58,826	17,256
Profit for the financial year	62,837	41,570
	<hr/>	<hr/>
31 March 1998	121,663	58,826
	<hr/>	<hr/>

	1998 £	1997 £
15 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS		
Profit after taxation	62,837	41,570
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Net addition to shareholders' funds	62,837	41,570
Opening shareholders' funds	83,826	42,256
	<hr/>	<hr/>
Closing shareholders' funds	146,663	83,826
	<hr/>	<hr/>

### 16 PROVISION FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the unprovided potential liability are as follows:

	<i>Amount Provided</i>		<i>Unprovided Liability</i>	
	1998	1997	1998	1997
Excess of tax allowance over depreciation	NIL	NIL	2,311	911
	<hr/>	<hr/>	<hr/>	<hr/>

# Hamilton Jet (UK) Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1998

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### 17 COMMITMENTS UNDER OPERATING LEASES

At 31 March 1998 the company had annual commitments under non-cancellable operating leases as follows:

	1998 £	1997 £
Plant and machinery expiring in the first year	-	-
expiring between one and five years	1,431	1,410
Land and buildings expiring after five years	14,000	14,000
	<hr/>	<hr/>
	15,431	15,410
	<hr/>	<hr/>

### 18 PENSION CONTRIBUTIONS

The company operates a defined contribution pension scheme whose assets are held separately in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £5,636.

### 19 RELATED PARTY TRANSACTIONS

During the year the company purchased goods for resale from its ultimate parent company at a cost of £231,614 (1997 : £91,038).

### 20 ULTIMATE PARENT COMPANY

The directors consider the company's ultimate parent company to be C W F Hamilton & Co Limited, a company incorporated in New Zealand.