

1

Registered number 920001



DATE: 07/07/94

# Thomas Matthews (Pumps) Limited

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors responsibilities	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes	6-12

# Thomas Matthews (Pumps) Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1993.

### Principal activities

The principal activity of the company is the distribution of general pumps, involving sales, service, installation and repairs of fluid handling equipment.

### Business review

The loss for the year before taxation was £61,049.

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Significant changes in fixed assets

The movements in fixed assets during the year are set out in note 8 to the accounts.

### Directors and directors' interests

The directors who have served during the year were as follows:

A Verder  
J Kok

The directors who held office at the end of the financial year had no interests in the ordinary shares of the company.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



J Kok  
Director

White House Street  
Jack Lane  
LEEDS  
LS10 1AD

18 March 1994

# Thomas Matthews (Pumps) Limited

## Statement of directors' responsibilities

Company law requires the 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 for that period. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

**Auditors' report to the members of Thomas Matthews (Pumps) Limited**

We have audited the financial statements on pages 4 to 12.

*Respective responsibilities of directors and auditors*

As described on page 2 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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Peat Marwick*

**KPMG Peat Marwick**  
Chartered Accountants  
Registered Auditors

18 March 1994

# Thomas Matthews (Pumps) Limited

## Profit and loss account for the year ended 31 December 1993

	Note	Continuing operations	
		1993	Five months ended 31 December 1992
		£	£
Turnover	2	1,429,037	727,203
Cost of sales		(1,275,379)	(627,813)
<b>Gross profit</b>		<b>363,658</b>	<b>99,390</b>
Distribution costs		(29,957)	(17,761)
Administrative expenses		(376,944)	(156,714)
<b>Trading loss</b>		<b>(43,243)</b>	<b>(75,085)</b>
Interest payable and similar charges	6	(17,806)	(4,962)
<b>Loss on ordinary activities before taxation</b>	2-5	<b>(61,049)</b>	<b>(80,047)</b>
Tax on loss on ordinary activities	7	-	-
<b>Retained loss for the financial period after taxation</b>		<b>(61,049)</b>	<b>(80,047)</b>
Retained loss brought forward		(91,142)	(11,095)
<b>Retained loss carried forward</b>		<b>(152,191)</b>	<b>(91,142)</b>

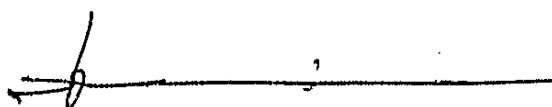
The company has no gains or losses other than those recognised through the profit and loss account for the accounting period.

# Thomas Matthews (Pumps) Limited

## Balance sheet at 31 December 1993

	Note	1993 £	1992 £
<b>Fixed assets</b>			
Tangible assets	8	42,711	59,533
<b>Current assets</b>			
Stocks	9	95,348	167,124
Debtors	10	393,181	429,030
Cash at bank and in hand		1,906	368
		<u>490,435</u>	<u>596,522</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(567,708)</u>	<u>(733,949)</u>
<b>Net current liabilities</b>		<u>(77,273)</u>	<u>(137,427)</u>
<b>Total assets less current liabilities</b>		<u>(34,562)</u>	<u>(77,894)</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(110,000)</u>	<u>(5,619)</u>
<b>Net liabilities</b>		<u>(144,562)</u>	<u>(83,513)</u>
<b>Capital and reserves</b>			
Called up share capital	13	6,000	6,000
Capital reserve		1,629	1,629
Profit and loss account		<u>(152,191)</u>	<u>(91,142)</u>
		<u>(144,562)</u>	<u>(83,513)</u>

These financial statements were approved by the board of directors on 18 March 1994 and were signed on its behalf by:

  
A Verder  
Director

# Thomas Matthews (Pumps) Limited

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The financial statements have been prepared on a going concern basis which assumes the company will continue to trade, given the continued support of the parent company. If the company were unable to trade, adjustments would have to be made to reduce the value of assets to their recoverable amount and to provide for any liabilities which might arise.

#### *Fixed assets and depreciation*

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by the reducing balance method over their estimated useful economic lives as follows:

Fixtures and fittings	-	15% per annum
Motor vehicles	-	25% per annum
Plant and machinery	-	10% per annum

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

#### *Taxation*

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Instalments under such leases, net of finance charges, are included with credit. Rental charges are apportioned between the finance element, which is charged to the profit and loss account, and a capital element which reduces the outstanding obligation for future instalments.

All other leases are treated as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.



# Thomas Matthews (Pumps) Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### *Financial Reporting Standard 1*

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

### 2 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods to customers during the period, and is wholly attributable to sales in the United Kingdom.

### 3 Loss on ordinary activities before taxation

	1993	Five months ended 31 December 1992
	£	£
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
- audit services	4,000	4,000
Depreciation and other amounts written off tangible fixed assets	9,721	5,241
Hire of equipment	-	276
	<hr/>	<hr/>

### 4 Remuneration of directors

	1993	Five months ended 31 December 1992
	£	£
Directors' emoluments:		
As directors	-	4,756
	<hr/>	<hr/>

The emoluments, excluding pension contributions, of the chairman were £Nil (1992: £Nil).

# Thomas Matthews (Pumps) Limited

## Notes (continued)

### 4 Remuneration of directors (continued)

The emoluments, excluding pension contributions, of the directors (including the chairman) were within the following ranges:

	Number of directors	
	1993	Five months ended 31 December 1992
£0 - £5,000	<u>2</u>	<u>6</u>

### 5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	1993	Five months ended 31 December 1992
Office and management	12	11
Workshop	-	6
Stores and distribution	<u>1</u>	<u>3</u>
	<u>13</u>	<u>20</u>

The aggregate payroll costs of these persons were as follows:

	1993	Five months ended 31 December 1992
	£	£
Wages and salaries	207,745	103,311
Social security costs	17,442	10,075
Pension costs	<u>7,102</u>	<u>-</u>
	<u>232,289</u>	<u>112,386</u>

# Thomas Matthews (Pumps) Limited

## Notes (continued)

### 6 Interest payable and similar charges

	1993	Five months ended 31 December 1992
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years	15,336	3,158
Finance charges payable in respect of hire purchase contracts	2,470	1,804
	<u>17,806</u>	<u>4,962</u>

### 7 Taxation

Taxation losses amounting to approximately £170,000 (1992: £110,000) are carried forward and can be utilised against future trading profits of the company.

### 8 Tangible fixed assets

	Motor vehicles £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At beginning of year	48,544	26,118	34,812	109,474
Disposals	(16,910)	-	-	(16,910)
At end of year	<u>31,634</u>	<u>26,118</u>	<u>34,812</u>	<u>92,564</u>
<b>Depreciation</b>				
At beginning of year	22,888	8,922	18,131	49,941
Charge for year	4,639	2,444	2,638	9,721
Disposals	(9,809)	-	-	(9,309)
At end of year	<u>17,718</u>	<u>11,366</u>	<u>20,769</u>	<u>49,853</u>
<b>Net book value</b>				
At 31 December 1993	<u>13,916</u>	<u>14,752</u>	<u>14,043</u>	<u>42,711</u>
At 31 December 1992	<u>25,656</u>	<u>17,196</u>	<u>16,681</u>	<u>59,533</u>

Included in the total net book value of motor vehicles is £8,134 (1992: £19,940) in respect of assets held under hire purchase contracts. Depreciation for the period on these assets was £2,710 (1992: £6,647).

# Thomas Matthews (Pumps) Limited

## Notes (continued)

9	Stocks	1993 £	1992 £
	Work in progress	7,000	8,469
	Finished goods and goods for resale	88,348	158,655
		<u>95,348</u>	<u>167,124</u>

10	Debtors	1993 £	1992 £
	Trade debtors	304,990	399,905
	Amounts owed by group undertakings	46,694	21,758
	Other debtors	35,947	625
	Prepayments and accrued income	5,550	6,742
		<u>393,181</u>	<u>429,030</u>
	The amounts owed by group undertakings comprise:		
	Parent and fellow subsidiary undertakings	<u>46,694</u>	<u>21,758</u>

11	Creditors: amounts falling due within one year	1993 £	1992 £
	Bank loans and overdrafts	-	82,161
	Obligations under hire purchase contracts	4,281	9,390
	Trade creditors	214,503	301,932
	Amounts owed to group undertakings	334,075	310,968
	Other creditors including taxation and social security:		
	Other taxes and social security	10,250	21,869
	Accruals and deferred income	4,599	7,629
		<u>567,708</u>	<u>733,949</u>

The bank overdraft is secured by debenture, dated 29 September 1980, on the assets of the company.

The amounts owed by group undertakings comprise:		
Parent and fellow subsidiary undertakings	<u>334,075</u>	<u>310,968</u>

# Thomas Matthews (Pumps) Limited

## Notes (continued)

### 12 Creditors: amounts falling due after more than one year

	1993 £	1992 £
Amounts owed to group undertakings	110,000	-
Obligations under finance leases and hire purchase contracts	-	5,619
	<u>110,000</u>	<u>5,619</u>
 The amounts owed to group undertakings comprise: Parent and fellow subsidiary undertakings	 <u>110,000</u>	 <u>-</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	1993 £	1992 £
Within one year	4,281	9,390
In the second to fifth years	-	5,619
	<u>4,281</u>	<u>15,009</u>

### 13 Called up share capital

	1993 £	1992 £
<i>Authorised, allotted, called up and fully paid</i> Ordinary shares of £1 each	<u>6,000</u>	<u>6,000</u>

### 14 Contingent liabilities

The company has given an unlimited guarantee to Barclays Bank Plc in respect of the liability of Pumping Services (G.B.) Limited, which at 31 December 1993 amounted to £585,670 (1992: £463,297).

# Thomas Matthews (Pumps) Limited

## Notes *(continued)*

### 15 Ultimate parent company

The company is a subsidiary undertaking of Verder Holdings (UK) Limited, a company registered in England and Wales. The financial statements of the company can be obtained from Company House.

The ultimate parent company of the group to which the company belongs is Beheermaatschappij AF Verder BV, a company registered in The Netherlands. The financial statements of the company can be obtained from their registered office:

Utrechtseweg 4A  
NL 3450 AA Vleuten  
The Netherlands