

1874794

**ACCOUNTANTS REPORT TO THE SHAREHOLDERS OF  
AIR TOOLS & COMPRESSORS LIMITED**

We report on the accounts for the year ended 31st January 1996 set out on pages 3 to 10.

**Respective responsibilities of director and reporting accountants**

As described on page 5 the company's director is responsible for the preparation of the accounts, and he believes that the company is exempt from an audit.

In accordance with his instructions and in order to assist the director to fulfil his responsibilities we have prepared the accounts on page 3 to 10 from the accounting records and from information and explanations supplied to us.

We have not performed an audit and therefore we do not provide any assurance that the accounts show a true and fair view, which remains the sole responsibility of the director.

It is our responsibility to carry out procedures designed to enable us to report our opinion.

**Basis of opinion**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

**Opinion**

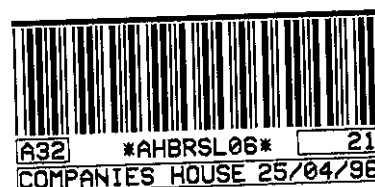
In our opinion:

- a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985.
- b) having regard only to, and on the basis of, the information contained in those accounting records:
  - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

*David M A Cound . C*

David M A Cound & Co  
Chartered Accountants & Registered Auditor  
27 Granby Street  
Loughborough  
Leics  
LE11 3DU

16th April 1996



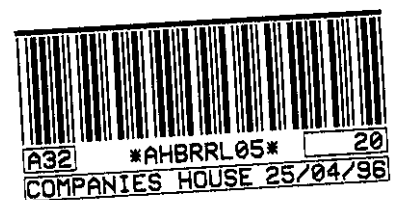
**AIR TOOLS & COMPRESSORS LIMITED**

**COMPANY REGISTERED NUMBER: 01874794**

**ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST JANUARY 1996**



**AIR TOOLS & COMPRESSORS LIMITED**  
**BALANCE SHEET AS AT 31ST JANUARY 1996**

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
FIXED ASSETS			
Tangible Assets	2	83530	17290
CURRENT ASSETS			
Stocks		29348	39543
Debtors		82045	41626
		<u>111393</u>	<u>81169</u>
CREDITORS - Amounts falling due within one year			
	4	<u>118960</u>	<u>76248</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(7567)</u>	<u>4921</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		75963	22211
CREDITORS - Amounts falling due after more than one year			
	4	68768	5626
PROVISIONS FOR LIABILITIES AND CHARGES		<u>-</u>	<u>845</u>
NET ASSETS		<u>£7195</u>	<u>£15740</u>
CAPITAL AND RESERVES			
Called-Up Share Capital	3	100	100
Profit and Loss Account		7095	15640
		<u>£7195</u>	<u>£15740</u>

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**AIR TOOLS & COMPRESSORS LIMITED**

**BALANCE SHEET AS AT 31ST JANUARY 1996**

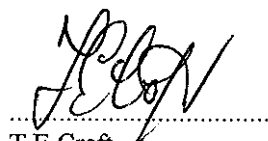
The director is satisfied that the company was entitled to exemption under subsection (2) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The director acknowledges his responsibilities for:

- 1) ensuring that the company keeps accounting records which comply with section 221; and
- 2) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with requirements of this Act relating to accounts, so far as applicable to the company.

The director has taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985, and has done so on the grounds that, in his opinion, the company is entitled to those exemptions as a small company.

The director has taken advantage of the special exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 and has done so on the grounds that, in his opinion, the company is entitled to those exemptions as a small company.



T E Croft  
Director

16th April 1996

**AIR TOOLS & COMPRESSORS LIMITED**

**NOTES TO THE ACCOUNTS - YEAR ENDED 31ST JANUARY 1996**

**1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year and also have been consistently applied within the same accounts.

**a) Basis of Preparation of Financial Statements**

The accounts have been prepared under the historical cost convention and in accordance with the Companies Act 1985.

**b) Depreciation**

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Plant and Machinery	- 15% per annum of net book amount
Office Equipment	- 15% per annum of net book amount
Motor Vehicles	- 25% per annum of net book amount

**c) Stocks**

Stocks have been valued at the lower of cost and net realisable value.

**d) Deferred Taxation**

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

**e) Leasing and Hire Purchase**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**f) Cashflow Statement**

The Company has taken advantage of the exemption in financial reporting statement no. 1 from producing a cash flow statement on the grounds that it is a small company.

**g) Pensions**

The Company has a defined contribution pension scheme. The cost of the contributions made by the Company to the Scheme are charged to profit and loss account as incurred.

**h) Turnover**

The Company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

# AIR TOOLS & COMPRESSORS LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31ST JANUARY 1996

2	<u>FIXED ASSETS</u>	<u>Freehold Property</u>	<u>Plant and Machinery</u>	<u>Office Equipment</u>	<u>Leased Vehicles</u>	<u>Total</u>
	<u>Tangible Assets</u>					
	<u>Cost</u>					
	At 1st February 1995	-	6464	1545	30996	39005
	Additions	68865	1611	45	-	70521
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 31st January 1996	68865	8075	1590	30996	£109526
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>Depreciation</u>					
	At 1st February 1995	-	4086	1025	16604	21715
	Charge for the Year	-	598	85	3598	4281
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 31st January 1996	-	4684	1110	20202	£25996
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Net Book Value at 31st January 1996	68865	3391	480	10794	£83530
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Net Book Value at 31st January 1995	-	2378	520	14392	£17290
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

## 3 CALLED-UP SHARE CAPITAL

	Authorised	Allotted Called-Up & Fully-Paid
Ordinary Shares of £1 each	100	100
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There have been no changes during the year.

## 4 SECURED CREDITORS

Security has been given by the company to secure £74669 (1995: £10280) of the amount shown under creditors:

	1996	1995
Finance Lease and Hire Purchase Creditors	5626	10280
£15000 Bank Loan	14333	-
Bank Commercial Mortgage Loan	54710	-
	<hr/>	<hr/>
	£74669	£10280
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The £15000 bank loan is being repaid by monthly instalments over 7 years from July 1995.

The Commercial Mortgage Bank loan is an interest-only loan and, therefore, it is unlikely that any capital repayments will be made in the next five years.