

2153671

KENT WIRE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1994



KENT WIRE LIMITED

YEAR ENDED 31ST DECEMBER 1994

COMPANY NUMBER : 2153671

DIRECTORS

W.D. Grosse (Resigned 23rd January 1995)
D.S. Gray
K. Hutwohl (Resigned 23rd January 1995)
G. Renz (Appointed 23rd January 1995)
J. Sittard (Appointed 23rd January 1995)

COMPANY SECRETARY

W. Richards

REGISTERED OFFICE

Dock No. 1
Chatham Docks
Chatham
Kent

AUDITORS

Touche Ross & Co. and Ernst & Young

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The following does not form part of the statutory financial statements:

16 - 17	Trading and Profit and Loss Account
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KENT WIRE LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1994

The directors present their annual report and audited financial statements for the year ended 31st December 1994.

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 of the company 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;
- 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 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.

Review of the business

The principal activities of the company during the year continued to be that of wire mesh production.

Results, dividends and transfer to reserves

The profit after tax for the year amounted to £965,858, as shown on page 4 and was transferred to reserves.

The directors do not recommend the payment of a dividend (1993 - Nil).

Fixed assets

Information relating to changes in tangible fixed assets is given in note 8 to the accounts.

KENT WIRE LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 1994

Land and buildings

The directors are of the opinion that in aggregate the market value of the land and buildings, assuming continuance of present use, is at least the book value of the assets.

Directors and their interests

The directors during the year under review, none of whom were beneficially interested in the company's shares during the year, were:

W.D. Grosse	(Resigned 23rd January 1995)
D.S. Gray	
K. Hutwohl	(Resigned 23rd January 1995)
G. Renz	(Appointed 23rd January 1995)
J. Sittard	(Appointed 23rd January 1995)

Auditors

Messrs Touche Ross & Co. and Ernst & Young were appointed auditors during the year and are willing to continue in office and offer themselves for re-appointment under the provisions of Section 384(1) of the Companies Act 1985.

Approved by the Board of Directors and
signed on behalf of the Board



Date: 13 DEC 1995

AUDITORS' REPORT TO THE MEMBERS OF

KENT WIRE LIMITED

We have audited the financial statements on pages 4 to 15 which have been prepared under the accounting policies set out on pages 9 to 10.

Respective responsibilities of directors and auditors

As described on page 1 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 31st December 1994 and of its profit for the year then ended and have been prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

Touche Ross & Co.
Chartered Accountants and
Registered Auditors
Cornwallis House
Instone Road
Dartford

18 December 1995

E. A. K. Y.

Ernst & Young
Chartered Accountants and
Registered Auditors
Becket House
Lambeth Palace Road
London

18th December 1995

KENT WIRE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u> £	<u>1993</u> £
TURNOVER - continuing operations	2	19,506,169	15,331,600
Cost of sales		(16,635,738)	(12,816,137)
GROSS PROFIT		2,870,431	2,515,463
Distribution costs		(1,261,745)	(1,101,696)
Administrative expenses		(686,480)	(531,693)
OPERATING PROFIT - continuing operations	3	922,206	882,074
Exceptional Item	5	-	451,931
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		922,206	1,334,005
Interest receivable		57,480	51,080
Interest payable	6	(3,457)	(67)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		976,229	1,385,018
Tax on profit on ordinary activities	7	(10,371)	(12,770)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		965,858	1,372,248
Profit and loss account brought forward		36,824	(1,335,424)
Profit and loss account carried forward		<u>1,002,682</u>	<u>36,824</u>

The company made no recognised gains or losses in the year ended 31st December 1994 and the year ended 31st December 1993 other than the profit as shown above.

There are no movements in shareholders' funds other than the profit for the year.

KENT WIRE LIMITED

BALANCE SHEET

31ST DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	8	2,621,706	<u>2,030,018</u>
<u>CURRENT ASSETS</u>			
Stocks	9	2,079,880	2,875,725
Debtors	10	5,209,239	4,182,361
Cash at bank and in hand		<u>1,385,695</u>	<u>670,954</u>
		8,674,814	7,729,040
<u>CREDITORS: Amounts falling due within one year</u>	11	(7,208,091)	(6,393,855)
<u>NET CURRENT ASSETS</u>		<u>1,466,723</u>	<u>1,335,185</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		4,088,429	3,365,203
<u>CREDITORS: Amounts falling due after more than one year</u>	12	(1,578,297)	(1,828,379)
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	14	(7,450)	-
<u>NET ASSETS</u>		<u>2,502,682</u>	<u>1,536,824</u>
<u>CAPITAL AND RESERVES</u>			
Called-up share capital	15	1,500,000	1,500,000
Profit and loss account		<u>1,002,682</u>	<u>36,824</u>
<u>TOTAL EQUITY SHAREHOLDER'S FUNDS</u>		<u>2,502,682</u>	<u>1,536,824</u>

These financial statements were approved by the Board of Directors on: 13 Dec 95

Signed on behalf of the Board

.....)
.....)
.....) Directors
.....)

KENT WIRE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1994

	1994	1993
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 1)	1,532,663	2,064,258
<u>RETURN ON INVESTMENTS AND SERVICING OF FINANCE</u>		
Interest received	57,480	51,080
Interest paid	(193)	(67)
Interest element of finance lease payments	<u>(3,264)</u>	<u>-</u>
<u>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>	54,023	51,013
<u>INVESTING ACTIVITIES</u>		
Purchase of fixed assets	(890,048)	(341,527)
Receipts from sale of fixed assets	<u>22,950</u>	<u>5,000</u>
<u>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</u>	<u>(867,098)</u>	<u>(336,527)</u>
<u>NET CASH INFLOW BEFORE FINANCING</u>	719,588	1,778,744
<u>FINANCING</u>		
Repayments of amounts borrowed	-	(1,181,986)
Repayments of capital element of finance lease payments (Note 3)	<u>(4,846)</u>	<u>-</u>
<u>NET CASH OUTFLOW FROM FINANCING</u>	<u>(4,846)</u>	<u>(1,181,986)</u>
<u>INCREASE IN CASH AND CASH EQUIVALENTS (Note 2)</u>	<u>714,742</u>	<u>596,758</u>

Major non-cash transactions:

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £50,000 (1993 £Nil).

KENT WIRE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1994

NOTES TO THE CASH FLOW STATEMENT

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u> £	<u>1993</u> £
Operating profit	922,206	882,074
Depreciation charges	330,447	288,114
(Profit)/Loss on disposal of fixed assets	(5,037)	13,296
Decrease/(Increase) in stock	795,845	(180,053)
Increase in debtors	(1,026,878)	(1,527,283)
Increase in creditors	<u>516,080</u>	<u>2,588,110</u>
<u>NET CASH FLOW FROM OPERATING ACTIVITIES</u>	<u>1,532,663</u>	<u>2,064,258</u>

2 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1994</u> £	<u>1993</u> £
Balance at 1st January	670,954	74,197
Net Inflow	<u>714,742</u>	<u>596,757</u>
Balance at 31st December	<u>1,385,696</u>	<u>670,954</u>

	<u>1994</u> £	<u>1993</u> £	<u>Change in year</u> £
Cash at bank and in hand	<u>1,385,696</u>	<u>670,954</u>	<u>714,742</u>

3 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	<u>1994</u> £	<u>Loans</u> <u>1993</u> £
Balance brought forward	650,000	1,978,794
Repayments in year	-	(1,181,986)
Non-movement of funds - group debt written off	-	<u>(146,808)</u>
Balance carried forward	<u>650,000</u>	<u>650,000</u>

KENT WIRE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1994

NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

3 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR (CONTINUED)

	Finance Leases	
	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Balance brought forward	-	-
Inception of finance lease contracts	50,000	-
Capital elements of finance lease rental payments	<u>(4,846)</u>	<u>-</u>
Balance carried forward	<u>45,154</u>	<u>-</u>

KENT WIRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

1 ACCOUNTING POLICIES

These accounts are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

(a) Basis of accounting

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

(b) Depreciation

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Short Leasehold Property	- Over the period of the lease
Plant & Equipment	- straight line over 2-10 years
Motor Vehicles	- 25% on cost
Office Equipment & Fixtures	- 15% on cost

(c) Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

(d) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling on the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Significant differences arising due to exchange fluctuations have been reflected in the profit and loss account.

(e) Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

KENT WIRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

(f) Assets held under finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their estimated useful lives. The finance charges are allocated over the primary period of the lease or hire purchase contract having regard to the capital element outstanding on the sum of digits basis.

Hire charges incurred under operating leases are charged to the profit and loss account in equal instalments over the period of the lease.

(g) Pension contributions

The company makes contributions into employees' personal pension schemes as part of their remuneration packages. Contributions are charged to the profit and loss account on an accruals basis.

2 TURNOVER

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

Geographical analysis of turnover is as follows:

	<u>1994</u> £	<u>1993</u> £
United Kingdom	17,462,688	12,598,738
Overseas - Within EC	854,963	987,379
- Outside EC	1,188,518	1,745,483
	<u>19,506,169</u>	<u>15,331,600</u>

3 OPERATING PROFIT

Operating profit is stated after charging:

	<u>1994</u> £	<u>1993</u> £
Cost of sales including:		
Depreciation - owned assets	234,218	203,884
- leased assets	4,764	-
(Profit)/Loss on disposal of fixed assets	<u>(3,371)</u>	<u>6,200</u>
Selling and distribution costs including:		
Operating lease rentals for plant and machinery	23,309	9,740
Depreciation	<u>15,279</u>	<u>11,595</u>
Administrative expenses including:		
Depreciation	76,186	72,635
(Profit)/loss on disposal of fixed assets	(1,666)	7,096
Non-audit remuneration of auditors	-	41,455
Auditors' remuneration	<u>20,000</u>	<u>9,020</u>

KENT WIRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

4 STAFF COSTS

The cost of employing staff, including directors, was:

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Wages and salaries	1,074,501	918,106
Social security costs	86,739	81,857
Pension costs	27,580	9,620
	<u>1,188,820</u>	<u>1,009,583</u>

The directors received no emoluments during the year (1993 - Nil).

The average weekly number of employees during the year was:

	<u>1994</u>	<u>1993</u>
Directors and Office	7	5
Sales	4	5
Production	35	32
	<u>46</u>	<u>42</u>

5 EXCEPTIONAL ITEMS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Interest payable to group companies credited back	-	305,123
Amount owed to group companies written off	-	146,808
	<u>-</u>	<u>451,931</u>

6 INTEREST PAYABLE

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
On bank loans, overdrafts and other loans wholly repayable within five years:		
Bank overdraft interest	193	67
Finance lease and hire purchase contracts payable by instalments	3,264	-
	<u>3,457</u>	<u>67</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
UK corporation tax at 25% on the profit for the year	8,226	12,770
Transfer to deferred taxation	7,450	-
Over provided in previous years	(5,305)	-
	<u>10,371</u>	<u>12,770</u>

The tax charge is disproportionate to the profit for the year due to certain expenses being disallowable for tax purposes and the availability of trading losses brought forward of £827,107.

KENT WIRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

8

TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Plant & Equipment £	Motor Vehicles £	Office Equipment & Fixtures £	Total £
<u>COST</u>					
At 1st January 1994	1,011,652	2,352,816	49,158	53,949	3,467,575
Additions at cost	183,274	701,446	39,870	15,458	940,048
Applicable to disposals	-	(47,216)	(37,158)	-	(84,374)
At 31st December 1994	<u>1,194,926</u>	<u>3,007,046</u>	<u>51,870</u>	<u>69,407</u>	<u>4,323,249</u>
<u>DEPRECIATION</u>					
At 1st January 1994	197,837	1,182,663	32,374	24,683	1,437,557
Charge for the year	51,009	254,261	12,137	13,040	330,447
Released by disposals	-	(37,587)	(28,874)	-	(66,461)
At 31st December 1994	<u>248,846</u>	<u>1,399,337</u>	<u>15,637</u>	<u>37,723</u>	<u>1,701,543</u>
<u>NET BOOK VALUE</u>					
At 31st December 1994	<u>946,080</u>	<u>1,607,709</u>	<u>36,233</u>	<u>31,684</u>	<u>2,621,706</u>
At 31st December 1993	<u>813,815</u>	<u>1,170,153</u>	<u>16,784</u>	<u>29,266</u>	<u>2,030,017</u>

The net book value of plant and equipment includes £45,236 (1993 - Nil) in respect of assets held under finance leases and hire purchase contracts.

KENT WIRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

9	<u>STOCKS</u>	<u>1994</u> £	<u>1993</u> £
	Raw materials and consumables	1,554,356	1,123,411
	Work in progress	31,293	30,725
	Goods for resale	494,231	1,721,589
		<u>2,079,880</u>	<u>2,875,725</u>
10	<u>DEBTORS</u>	<u>1994</u> £	<u>1993</u> £
	Trade debtors	5,178,636	3,975,944
	Other debtors	3,055	155,836
	Prepayments and accrued income	27,548	50,581
		<u>5,209,239</u>	<u>4,182,361</u>
11	<u>CREDITORS: Amounts falling due within one year</u>	<u>1994</u> £	<u>1993</u> £
	Loans	650,000	650,000
	Obligations under finance leases and hire purchase contracts	6,857	-
	Trade creditors	537,928	444,920
	Amounts owed to parent company	5,186,934	5,078,777
	U.K. corporation tax	15,690	12,770
	Tax and social security costs	748,972	139,830
	Other creditors	2,630	10,318
	Accruals and deferred income	59,080	57,240
		<u>7,208,091</u>	<u>6,393,855</u>

The terms of interest and repayment of the loan shown above are that the loan is interest free and repayable on demand.

12	<u>CREDITORS: Amounts falling due after more than one year</u>	<u>1994</u> £	<u>1993</u> £
	Obligations under finance leases and hire purchase contracts	38,297	-
	Amounts owed to parent company	1,540,000	1,828,379
		<u>1,578,297</u>	<u>1,828,379</u>
		<u>1994</u> £	<u>1993</u> £
	Amounts payable by instalments between one and five years hence:		
	Finance lease and hire purchase contracts	<u>38,297</u>	<u>-</u>

KENT WIRE LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST DECEMBER 199413 LEASE COMMITMENTSNet obligations under finance leases and hire purchase contracts

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Minimum lease payments due:		
Within one year	13,600	-
1-2 years	13,600	-
2-3 years	13,600	-
3-4 years	13,600	-
4-5 years	9,066	-
Gross obligations	63,466	-
Less: finance charges allocated to future periods	(18,312)	-
Net obligations	<u>45,154</u>	<u>-</u>

Annual commitments under operating leases

	<u>Land & Buildings</u>	<u>Other Assets</u>	<u>Land & Buildings</u>	<u>Other Assets</u>
	<u>1994</u>	<u>1994</u>	<u>1993</u>	<u>1993</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Operating leases expiring:				
After 2-5 years	-	13,572	-	8,444
After 5 years	127,024	-	128,000	-
Annual commitments at 31st December 1994	<u>127,024</u>	<u>13,572</u>	<u>128,000</u>	<u>8,444</u>

14 PROVISIONS FOR LIABILITIES AND CHARGES

<u>Deferred taxation:</u>	<u>Provided</u>	<u>Unprovided</u>	<u>Provided</u>	<u>Unprovided</u>
	<u>1994</u>	<u>1994</u>	<u>1993</u>	<u>1993</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Accelerated				
Capital Allowances	7,450	110,052	-	168,558
Losses	-	-	-	(168,558)
	<u>7,450</u>	<u>110,052</u>	<u>-</u>	<u>-</u>

15 <u>CALLED-UP SHARE CAPITAL</u>	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
	<u>1994</u>	<u>1994</u>	<u>1993</u>	<u>1993</u>
		<u>£</u>		<u>£</u>
Authorised:				
Ordinary shares				
of £1 each	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
Issued and fully paid:				
Ordinary shares				
of £1 each	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>

16 <u>CAPITAL AND OTHER COMMITMENTS</u>	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Capital and other commitments:		
Contracted for but not provided for	97,062	364,641
Authorised but not contracted for	72,938	447,559
	<u>170,000</u>	<u>812,200</u>

KENT WIRE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1994

17 ULTIMATE PARENT COMPANY

The directors consider that the ultimate parent company of this company is Ispat Hamburger Stahlwerke GmbH which is incorporated in Germany. Copies of the Group accounts are not available to the general public.

18 RELATED PARTY TRANSACTIONS

During the year the director D S Gray, esq., transacted with the company in his personal capacity under Gray Associates and with a company in which he is a director and shareholder.

In his personal capacity he provided management services, specialist engineering services and labour for a foreign operation on behalf of the company in the sum of £128,214 (1993: £112,000), and sold fixed assets to the company in the sum of £24,000 (1993: £Nil).

During the year the company sold coil to companies connected with the director in the sum of £170,907 (1993: £72,000).

During the year the company purchased raw material from it's parent company in the sum £13,443,373 (1993: £9,995,000).

19 CONTINGENT LIABILITY

There is an ongoing dispute with a director of the company which is currently being resolved by lawyers. The cost of this dispute to the company may be of the order of £750,000.

KENT WIRE LIMITEDTRADING AND PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1994

	1994	1993
£	£	£
Sales - Mesh and Scrap	16,051,997	11,665,122
Sales - Hard Drawn Wire and Accessories	<u>3,454,172</u>	<u>3,666,478</u>
	19,506,169	<u>15,331,600</u>
Opening Stock	2,845,000	2,670,437
Opening Work in Progress	30,725	25,235
Purchases	13,946,602	11,511,475
Power	132,605	114,218
Direct Wages	676,169	620,438
Sub contractors	194,642	110,168
Employers NI	64,850	61,887
Plant maintenance	464,516	318,076
Consultancy	-	85
Carriage and packing	124,898	49,759
Depreciation:		
Plant & Equipment	238,982	203,884
(Profit)/Loss on disposal of fixed assets	<u>(3,371)</u>	<u>6,200</u>
	18,715,618	15,691,862
Closing Stock	(2,048,587)	(2,845,000)
Closing Work in Progress	<u>(31,293)</u>	<u>(30,725)</u>
Cost of Sales	<u>16,635,738</u>	<u>12,816,137</u>
Gross Profit	2,870,431	2,515,463
Other Income:		
Deposit interest receivable	<u>57,480</u>	<u>51,080</u>
	2,927,911	<u>2,566,543</u>
<u>Distribution and Selling Expenses:</u>		
Salaries	171,103	156,785
Employers NIC	17,628	17,064
Motor Expenses	20,078	15,899
Travel	27,141	33,248
Entertaining	8,262	1,275
Advertising	7,715	3,605
Carriage	855,100	724,785
Sales Commissions	73,784	90,889
Materials Testing	4,973	3,863
Depreciation:		
Plant & Equipment	15,279	11,595
Hire of Equipment	23,309	9,740
Repairs and Consumables	<u>37,373</u>	<u>32,948</u>
	<u>1,261,745</u>	<u>1,101,696</u>
	1,666,166	<u>1,464,847</u>

KENT WIRE LIMITEDTRADING AND PROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1994

	<u>1994</u>	<u>1993</u>
	£	£
<u>Administrative Expenses:</u>		
Rent	87,940	85,972
Rates	63,111	63,884
Service Charge	4,534	4,708
Entry to Berth Charges	46,857	45,357
Hire Charges	-	858
Property repairs and maintenance	-	270
Salaries	32,587	30,715
Employers NI	4,261	2,906
Pension contributions	21,519	9,620
Legal fees	38,710	12,331
Audit fees	24,320	9,020
Accountancy fees	46,587	42,045
Insurance	55,248	48,285
Telephone, Postage & Stationery	33,074	34,962
<u>Depreciation:</u>		
Short Leasehold Property	51,009	50,367
Motor Vehicles	12,137	12,290
Office Equipment & Fixtures	13,040	9,978
Profit or loss on disposal of fixed assets	(1,666)	7,096
Computer costs	12,214	8,895
Protective Clothing	6,587	10,060
Miscellaneous expenses	15,151	13,592
Subscriptions	-	7,496
Administration and management charge	33,114	6,114
Bad debts	61,778	2,516
	<u>662,112</u>	<u>519,337</u>
	1,004,054	945,510
<u>Finance Expenses:</u>		
Loss on foreign exchange	21,257	9,552
Bank charges	3,111	2,804
Bank overdraft interest	193	67
Hire purchase interest	3,264	-
Interest paid to group companies	-	(451,931)
	<u>27,825</u>	<u>(439,508)</u>
Net profit before taxation	<u>976,229</u>	<u>1,385,018</u>