

**THE WINGHAM ENGINEERING  
COMPANY LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

28 FEBRUARY 1998

Company No. 29196



**THE WINGHAM ENGINEERING COMPANY LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 28 FEBRUARY 1998

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Company registration number: 29196

Registered office: Unit 8  
Building 2  
Sandwich Industrial Estate  
Sandwich  
KENT  
CT13 9LY

Administrative office: Unit 8  
Building 2  
Sandwich Industrial Estate  
Sandwich  
KENT  
CT13 9LY

Directors: M McGuirk  
G A Ravenscroft  
M G Hart

Secretary: M G Hart

Bankers: Barclays Bank PLC  
9 St Georges Street  
Canterbury  
KENT  
CT1 2JX

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants  
Grant Thornton House  
Melton Street  
Euston Square  
LONDON  
NW1 2EP

# **THE WINGHAM ENGINEERING COMPANY LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 28 FEBRUARY 1998

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# THE WINGHAM ENGINEERING COMPANY LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report and the financial statements for the year ended 28 February 1998.

### Business review

The principal activities remained unchanged and comprise general engineering, property management, plant hire and repair.

The financial results are set out in the profit and loss account. The retained loss for the financial year of £298,660 (1997: profit £149,910) has been deducted from the retained profits brought forward.

### Dividends

The directors recommend a payment in full of the dividend on the 7% £10 preference shares.

During the year a dividend amounting to £645 (1997: £636 proposed and subsequently paid in 1997) was proposed to be paid to the holders of 921 7% £10 preference shares. The holders of 2,574 7% £10 preference shares and the 1% non-cumulative second preference shares of 25p have waived their entitlement to a dividend.

The directors recommend the payment of a dividend for the year on the ordinary shares of £400,000 (1997: £nil).

### Directors

The directors holding office throughout the year are shown in the table below, together with their interests in the 7% preference shares of £10 each which are held to comply with the company's articles of association.

| <u>Name of director</u> | Share interests                   |
|-------------------------|-----------------------------------|
|                         | 1 March 1997 and 28 February 1998 |
| M McGuirk               | 10                                |
| G A Ravenscroft         | 10                                |
| M G Hart                | 10                                |

The directors' interests in the share capital of the parent company are disclosed in the directors' report of that company.

No right to subscribe for shares in or debentures of the company was granted or exercised by the directors.

# THE WINGHAM ENGINEERING COMPANY LIMITED

## REPORT OF THE DIRECTORS

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### Directors' responsibilities for the financial statements

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:

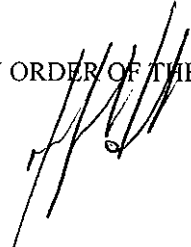
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the 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 keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



M G HART  
Secretary

1998

4 August

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
THE WINGHAM ENGINEERING COMPANY LIMITED**

We have audited the financial statements on pages 4 to 13 which have been prepared under the accounting policies set out on pages 4 and 5.

**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.

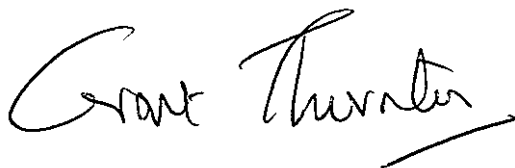
**Basis of opinion**

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 at 28 February 1998 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**LONDON**

*14 August* 1998

# **THE WINGHAM ENGINEERING COMPANY LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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

### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost accounting rules set out in Schedule 4 Companies Act 1985, as modified by the revaluation of investment properties, and in accordance with applicable UK Accounting Standards.

### **DEPRECIATION**

In accordance with Statement of Standard Accounting Practice No. 19, investment properties are stated at their open market value and no depreciation is charged thereon. In the opinion of the directors it is necessary to adopt this accounting policy for the financial statements to show a true and fair view. It is not practicable to quantify the depreciation which would otherwise have been charged. Surpluses and deficits on the revaluation of investment properties are transferred to the revaluation reserve.

Depreciation is provided on the net cost of other fixed assets at rates and on bases designed to write off the assets over their estimated useful lives. The following rates and bases have been applied:

|                                  |                       |
|----------------------------------|-----------------------|
| Plant and machinery              | 2% per month on cost  |
| Fixtures, fittings and equipment | 25% per annum on cost |

### **STOCKS**

Stocks are stated at the lower of cost and net realisable value. Cost comprises material, labour and those overheads directly related to the manufacture of the goods. Net realisable value represents anticipated proceeds after selling costs.

### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the profit and loss account over the period of the lease in equal monthly instalments.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

**THE WINGHAM ENGINEERING COMPANY LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 28 FEBRUARY 1998

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|  | Note | 1998<br>£               | 1997<br>£             |
|--|------|-------------------------|-----------------------|
| <b>Turnover</b>  | 1    | 1,625,950               | 1,164,319             |
| Cost of sales  |      | <u>(1,093,426)</u>      | <u>(738,813)</u>      |
| <b>Gross profit</b>                                    |      | 532,524                 | 425,506               |
| Administrative expenses - (including exceptional item) | 3    | <u>(409,877)</u>        | <u>(266,416)</u>      |
| <b>Operating profit</b>                                |      | 122,647                 | 159,045               |
| Interest payable                                       | 2    | <u>(6,184)</u>          | <u>(2,871)</u>        |
| <b>Profit on ordinary activities before taxation</b>   | 3    | 116,463                 | 156,174               |
| Taxation on profit on ordinary activities              | 4    | <u>(14,478)</u>         | <u>(5,628)</u>        |
| <b>Profit for the financial year</b>                   |      | 101,985                 | 150,546               |
| Dividends  | 5    | <u>(400,645)</u>        | <u>(636)</u>          |
| <b>Retained (loss)/profit for the financial year</b>   |      | <u><u>(298,660)</u></u> | <u><u>149,910</u></u> |
| <b>Statement of retained earnings</b>                  |      |                         |                       |
| Retained profits at 1 March 1997                       |      | 571,652                 | 421,742               |
| Retained (loss)/profit for the financial year          |      | <u>(298,660)</u>        | <u>149,910</u>        |
| <b>Retained profits at 28 February 1998</b>            |      | <u><u>272,992</u></u>   | <u><u>571,652</u></u> |

All transactions arise from continuing operations.

The accompanying accounting policies and notes form an integral part of these financial statements.



# THE WINGHAM ENGINEERING COMPANY LIMITED

## BALANCE SHEET AT 28 FEBRUARY 1998

|  | Note | 1998<br>£        | 1997<br>£        |
|--|------|------------------|------------------|
| <b>Fixed assets</b>  |      |                  |                  |
| Tangible assets  | 6    | <u>1,187,304</u> | <u>1,195,166</u> |
| <b>Current assets</b>  |      |                  |                  |
| Stocks   | 7    | 93,523           | 93,706           |
| Debtors  | 8    | 281,359          | 582,702          |
| Cash at bank and in hand                                       |      | <u>181,762</u>   | <u>115,621</u>   |
|  |      | 556,644          | 792,029          |
| <b>Creditors: amounts falling due within one year</b>          | 9    | <u>(421,756)</u> | <u>(344,921)</u> |
| <b>Net current assets</b>                                      |      | <u>134,888</u>   | <u>447,108</u>   |
| <b>Total assets less current liabilities</b>                   |      | 1,322,192        | 1,642,274        |
| <b>Creditors: amounts falling due after more than one year</b> | 10   | <u>(37,054)</u>  | <u>(58,476)</u>  |
| <b>Net assets</b>  |      | <u>1,285,138</u> | <u>1,583,798</u> |
| <b>Capital and reserves</b>                                    |      |                  |                  |
| Called up share capital  | 11   | 169,520          | 169,520          |
| Revaluation reserve  | 12   | 842,626          | 842,626          |
| Profit and loss account  |      | <u>272,992</u>   | <u>571,652</u>   |
| <b>Shareholders' funds (including non-equity interests)</b>    | 13   | <u>1,285,138</u> | <u>1,583,798</u> |

The financial statements were approved by the Board of Directors on 4/8/ 1998

G A RAVENSCROFT DIRECTOR

The accompanying accounting policies and notes form an integral part of these financial statements.

**THE WINGHAM ENGINEERING COMPANY LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 28 FEBRUARY 1998

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|  | 1998<br>£        | 1997<br>£      |
|--|------------------|----------------|
| Retained (loss)/profit for the financial year              | (298,660)        | 149,910        |
| Unrealised surplus on revaluation of investment properties | <u>-</u>         | <u>77,844</u>  |
| Total recognised gains and losses                          | <u>(298,660)</u> | <u>227,754</u> |

The accompanying accounting policies and notes form an integral part of these financial statements.

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 1998

### 1 TURNOVER

Turnover comprises amounts invoiced in respect of goods and services supplied during the year, excluding value added tax. All turnover arose within the United Kingdom.

|                             | 1998<br>£        | 1997<br>£        |
|-----------------------------|------------------|------------------|
| An analysis by activity is: |                  |                  |
| General engineering         | 826,600          | 464,672          |
| Property management income  | 136,277          | 139,512          |
| Plant hire and repairs      | 663,073          | 560,135          |
|                             | <u>1,625,950</u> | <u>1,164,319</u> |

### 2 INTEREST PAYABLE

|  | 1998<br>£    | 1997<br>£    |
|--|--------------|--------------|
| Finance charges in respect of finance leases | <u>6,184</u> | <u>2,871</u> |

### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

|                                 | 1998<br>£        | 1997<br>£      |
|---------------------------------|------------------|----------------|
| (a) An analysis by activity is: |                  |                |
| General engineering             | 22,413           | (17,188)       |
| Property management income      | 133,918          | 138,604        |
| Plant hire and repairs          | 83,247           | 34,758         |
| Exceptional item (see below)    | <u>(123,115)</u> | <u>-</u>       |
|                                 | <u>116,463</u>   | <u>156,174</u> |

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 1998

### PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (CONTINUED)

|   | 1998<br>£       | 1997<br>£       |
|---|-----------------|-----------------|
| (b) the profit is stated after charging/(crediting):    |                 |                 |
| Depreciation on tangible fixed assets                   |                 |                 |
| - owned   | 23,925          | 30,470          |
| - held under finance leases and hire purchase contracts | 37,434          | 16,768          |
| Auditors' remuneration                                  |                 |                 |
| - audit services  | 8,450           | 8,430           |
| - other services  | 1,000           | 1,000           |
| Hire of plant and machinery                             | 52,109          | 32,996          |
| Profit on disposal of fixed assets                      | <u>(18,717)</u> | <u>(11,037)</u> |

The exceptional item of £123,115 (1997: £nil) arises from a provision against amounts due by a group undertaking.

|  | 1998<br>Number | 1997<br>Number |
|--|----------------|----------------|
| (c) Staff. The tables below include directors. |                |                |

The average number of employees during the year was:

|                               |           |           |
|-------------------------------|-----------|-----------|
| Management and administration | 6         | 6         |
| Productions and warehousing   | <u>10</u> | <u>10</u> |
|                               | <u>16</u> | <u>19</u> |

|                    | 1998<br>£      | 1997<br>£      |
|--------------------|----------------|----------------|
| Wages and salaries | 173,392        | 167,431        |
| Social security    | 16,670         | 16,222         |
| Pension costs      | <u>-</u>       | <u>156</u>     |
|                    | <u>190,062</u> | <u>183,809</u> |

The directors received their remuneration from the holding company.

### 4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

|   | 1998<br>£     | 1997<br>£      |
|---|---------------|----------------|
| Taxation based on the year's results:                                 |               |                |
| Corporation tax at 21%/24% (1997: 24%/25%) on the profit for the year | 10,627        | 8,028          |
| Adjustment in respect of prior years                                  | <u>3,851</u>  | <u>(2,400)</u> |
|   | <u>14,478</u> | <u>5,628</u>   |

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 1998

### 5 DIVIDENDS

|  | 1998<br>£      | 1997<br>£  |
|--|----------------|------------|
| Equity dividend proposed of 89p per ordinary share of 5p each (1997: £nil) | 400,000        | -          |
| Preference dividends at 7% proposed  | 645            | 636        |
|  | <u>400,645</u> | <u>636</u> |

Dividends on 2,574 7% £10 preference shares and 448,568 1% non-cumulative second preference shares of 25p have been waived.

### 6 TANGIBLE ASSETS

|                                       | Freehold<br>investment<br>properties<br>£ | Plant and<br>machinery<br>£ | Fixtures,<br>fittings and<br>equipment<br>£ | Total<br>£       |
|---------------------------------------|---|-----------------------------|---|------------------|
| Cost or valuation at 1 March 1997     | 1,035,000                                 | 477,261                     | 125,038                                     | 1,637,299        |
| Additions                             | -   | 39,918                      | 13,950                                      | 53,868           |
| Disposals                             | -   | (49,696)                    | (14,081)                                    | (63,777)         |
| Cost or valuation at 28 February 1998 | <u>1,035,000</u>                          | <u>467,483</u>              | <u>124,907</u>                              | <u>1,627,390</u> |
| Depreciation at 1 March 1997          | -   | 350,526                     | 91,607                                      | 442,133          |
| Disposals                             | -   | (49,696)                    | (13,080)                                    | (62,776)         |
| Charge for the year                   | -   | 41,730                      | 18,999                                      | 60,729           |
| Depreciation at 28 February 1998      | <u>-</u>                                  | <u>342,560</u>              | <u>97,526</u>                               | <u>440,086</u>   |
| Book value:                           |   |                             |   |                  |
| 28 February 1998                      | <u>1,035,000</u>                          | <u>124,923</u>              | <u>27,381</u>                               | <u>1,187,304</u> |
| 28 February 1997                      | <u>1,035,000</u>                          | <u>126,735</u>              | <u>33,431</u>                               | <u>1,195,166</u> |

Included within plant and machinery and fixtures, fittings and equipment at 28 February 1998 are assets held under finance lease agreements with a net book value of £125,680 (1997: £112,804). The depreciation charged on these assets during the year was £37,434 (1997: £16,768).

The investment properties are stated at open market value as valued by Cluttons, Chartered Surveyors, as at July 1996. If land and buildings had not been revalued they would have been stated at a cost of £209,958.

If the investment properties had been sold at their revalued amounts at the balance sheet date, there would have been a maximum corporation tax liability of approximately £175,000 (1997: £175,000). As there is no intention to sell the properties in the foreseeable future, no provision for deferred tax has been made.

**THE WINGHAM ENGINEERING COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 28 FEBRUARY 1998

**7 STOCKS**

|                                     | 1998<br>£     | 1997<br>£     |
|-------------------------------------|---------------|---------------|
| Raw materials and consumables       | 61,523        | 61,779        |
| Finished goods and goods for resale | <u>32,000</u> | <u>31,927</u> |
|                                     | <u>93,523</u> | <u>93,706</u> |

**8 DEBTORS**

|                                    | 1998<br>£      | 1997<br>£      |
|------------------------------------|----------------|----------------|
| Trade debtors                      | 234,117        | 285,840        |
| Amounts owed by group undertakings | 16,158         | 294,535        |
| Other debtors                      | 278            | -              |
| Prepayments and accrued income     | <u>30,806</u>  | <u>2,327</u>   |
|                                    | <u>281,359</u> | <u>582,702</u> |

**9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | 1998<br>£      | 1997<br>£      |
|---|----------------|----------------|
| Trade creditors   | 166,733        | 174,363        |
| Amounts owed to group undertakings                      | 139,695        | 55,598         |
| Corporation tax   | 10,627         | 8,028          |
| Other taxes and social security                         | 31,384         | 18,207         |
| Proposed dividend                                       | 645            | 636            |
| Other creditors   | 893            | 6,649          |
| Accruals and deferred income                            | 18,973         | 33,690         |
| Current portion of finance leases liabilities (note 10) | <u>52,806</u>  | <u>47,750</u>  |
|   | <u>421,756</u> | <u>344,921</u> |

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 1998

### 10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

|  | 1998<br>£       | 1997<br>£       |
|--|-----------------|-----------------|
| Finance leases liabilities                         | 89,860          | 106,226         |
| Less: amounts falling due within one year (note 9) | <u>(52,806)</u> | <u>(47,750)</u> |
| Amounts falling due in the second to fifth years   | <u>37,054</u>   | <u>58,476</u>   |

All amounts due under finance leases agreements are secured on the assets acquired in the relevant leases.

### 11 SHARE CAPITAL

|  | 1998<br>£      | 1997<br>£      |
|--|----------------|----------------|
| Authorised:  |                |                |
| 3,495 7% preference shares of £10 each                         | 34,950         | 34,950         |
| 448,568 1% non-cumulative second preference shares of 25p each | 112,142        | 112,142        |
| 2,758,168 ordinary shares of 5p each                           | <u>137,908</u> | <u>137,908</u> |
|  | <u>285,000</u> | <u>285,000</u> |
| Allotted, issued and fully paid:                               |                |                |
| 3,495 7% preference shares of £10 each                         | 34,950         | 34,950         |
| 448,568 1% non-cumulative second preference shares of 25p each | 112,142        | 112,142        |
| 448,568 ordinary shares of 5p each                             | <u>22,428</u>  | <u>22,428</u>  |
|  | <u>169,520</u> | <u>169,520</u> |

### 12 REVALUATION RESERVE

|                     | 1998<br>£      | 1997<br>£      |
|---------------------|----------------|----------------|
| At 1 March 1997     | 842,626        | 764,782        |
| Revaluation in year | <u>-</u>       | <u>77,844</u>  |
| At 28 February 1998 | <u>842,626</u> | <u>842,626</u> |

# THE WINGHAM ENGINEERING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 28 FEBRUARY 1998

### 13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

|   | 1998<br>£               | 1997<br>£               |
|---|-------------------------|-------------------------|
| Profit for the financial year                   | 101,985                 | 150,546                 |
| Dividends                                       | (400,645)               | (636)                   |
|   | <u>(298,660)</u>        | <u>149,910</u>          |
| Revaluation in the year                         | -                       | 77,844                  |
| Net (reduction)/addition to shareholders' funds | (298,660)               | 227,754                 |
| Opening shareholders' funds                     | <u>1,583,798</u>        | <u>1,356,044</u>        |
| Closing shareholders' funds                     | <u><u>1,285,138</u></u> | <u><u>1,583,798</u></u> |
| Attributable to:                                |                         |                         |
| Equity shareholders                             | 1,138,046               | 1,436,706               |
| Non-equity shareholders:                        |                         |                         |
| 7% preference shares                            | 34,950                  | 34,950                  |
| 1% non-cumulative second preference shares      | <u>112,142</u>          | <u>112,142</u>          |
|   | <u><u>1,285,138</u></u> | <u><u>1,583,798</u></u> |

### 14 CONTINGENT LIABILITIES

The company has given an unlimited guarantee to secure bank borrowings of group undertakings. At 28 February 1998 these borrowings amounted to £1,157,000 (1997: £835,000).

### 15 CAPITAL COMMITMENTS

There were no capital commitments at 28 February 1998 or at 28 February 1997.

### 16 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The ultimate controlling party is M McGuirk, a director and majority shareholder of Ramac Holdings Limited.

As a wholly owned subsidiary of Ramac Holdings Limited, the company is exempt from the requirements of Financial Reporting Standard No.8 to disclose transactions with other members of the group headed by Ramac Holdings Limited. Group accounts are available from Companies House.



# THE WINGHAM ENGINEERING COMPANY LIMITED

## OPERATING STATEMENT

For the year ended 28 FEBRUARY 1998

|  | 1998<br>£ | 1998<br>£        | 1997<br>£ | 1997<br>£        |
|--|-----------|------------------|-----------|------------------|
| <b>Manufacturing</b>                                     |           |                  |           |                  |
| <b>Turnover</b>  |           | 826,600          |           | 464,672          |
| <b>Cost of work done</b>                                 |           |                  |           |                  |
| Materials  | 623,244   |                  | 306,177   |                  |
| Wages and allied costs                                   | 27,510    |                  | 27,728    |                  |
| Plant hire   | 13,023    |                  | 9,865     |                  |
| Works expenses   | 3,278     |                  | 2,606     |                  |
| Transport and warehouse costs                            | 13,221    |                  | 8,656     |                  |
| Plant depreciation                                       | 2,644     |                  | 2,449     |                  |
|  |           | <u>(682,920)</u> |           | <u>(357,481)</u> |
| <b>Manufacturing profit</b>                              |           | <u>143,680</u>   |           | <u>107,191</u>   |
| <b>Rents</b>   |           |                  |           |                  |
| Gross rents  |           | 136,277          |           | 139,512          |
| Repairs to buildings                                     |           | <u>(2,359)</u>   |           | <u>(908)</u>     |
|  |           | <u>133,918</u>   |           | <u>138,604</u>   |
| <b>Gross operating profit</b>                            |           | 277,598          |           | 245,795          |
| <b>Overhead expenses</b>                                 |           |                  |           |                  |
| Statement attached                                       |           | <u>(244,242)</u> |           | <u>(124,379)</u> |
| <b>Profit on ordinary activities<br/>before taxation</b> |           | <u>33,356</u>    |           | <u>121,416</u>   |

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

# THE WINGHAM ENGINEERING COMPANY LIMITED

## STATEMENT OF OVERHEAD EXPENSES

For the year ended 28 FEBRUARY 1998

|  | 1998    | 1998    | 1997    | 1997    |
|--|---------|---------|---------|---------|
|  | £       | £       | £       | £       |
| <b>Establishment</b>   |         |         |         |         |
| Rent and rates   | 3,977   |         | 3,835   |         |
| Light and heat   | (2,449) |         | (4,050) |         |
|  |         | 1,528   |         | (215)   |
| <b>Administration</b>  |         |         |         |         |
| Salaries and allied costs  | 17,464  |         | 16,332  |         |
| Motor running expenses   | 10,123  |         | 7,687   |         |
| Legal and professional   | (3,733) |         | 9,774   |         |
| Telephone, printing, postage and stationery                      | 4,520   |         | 5,328   |         |
| Travel expenses  | 6,128   |         | 4,414   |         |
| Insurance  | 1,881   |         | 624     |         |
| General expenses   | 2,449   |         | 3,023   |         |
| Management charge  | 54,000  |         | 46,000  |         |
| Audit and accountancy  | 4,450   |         | 4,430   |         |
| Internal accounting charges                                      | 5,000   |         | 5,000   |         |
| Pensions to former employees                                     | -       |         | 156     |         |
| Advertising  | 17,918  |         | 17,711  |         |
|  |         | 120,200 |         | 120,479 |
| <b>Finance</b>   |         |         |         |         |
| Bad debts  | 4,776   |         | 7,386   |         |
| Exceptional items - provision against inter-company indebtedness | 123,115 |         | -       |         |
| Depreciation   | 140     |         | -       |         |
| Profit on disposal of fixed assets                               | (799)   |         | (950)   |         |
| Discounts received   | (4,578) |         | (3,131) |         |
| Investment written off   | -       |         | 810     |         |
|  |         | 122,514 |         | 4,115   |
|  |         | 244,242 |         | 124,379 |

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

**THE WINGHAM ENGINEERING COMPANY LIMITED**  
**TRADING AS OAKS PLANT HIRE**

**OPERATING STATEMENT**

For the year ended 28 FEBRUARY 1998

|  | 1998<br>£            | 1997<br>£            |
|--|----------------------|----------------------|
| <b>Turnover</b>                                      | 663,073              | 560,135              |
| <b>Cost of work done</b>                             |                      |                      |
| Material and plant repairs                           | 99,692               | 102,332              |
| Wages and allied costs                               | 145,088              | 139,593              |
| Plant hire   | 43,905               | 23,131               |
| Plant depreciation                                   | 39,086               | 27,944               |
| Site expenses  | 7,336                | 7,767                |
| Transportation costs                                 | 917                  | 733                  |
| Purchases for resale                                 | 90,041               | 85,138               |
| Profit on disposal of fixed assets                   | <u>(17,918)</u>      | <u>(6,214)</u>       |
| <b>Gross operating profit</b>                        | (254,926)            | (179,711)            |
| <b>Overhead expenses</b>                             |                      |                      |
| Statement attached                                   | <u>(171,679)</u>     | <u>(144,953)</u>     |
| <b>Profit on ordinary activities before taxation</b> | <u><u>83,247</u></u> | <u><u>34,758</u></u> |

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**THE WINGHAM ENGINEERING COMPANY LIMITED**  
**TRADING AS OAKS PLANT HIRE**

**STATEMENT OF OVERHEAD EXPENSES**

For the year ended 28 FEBRUARY 1998

|   |                | 1998           | 1997           |
|---|----------------|----------------|----------------|
|   | £              | £              | £              |
| <b>Establishment</b>                        |                |                |                |
| Rent and rates                              | 28,256         | 27,588         |                |
| Light and heat                              | 4,212          | 4,108          |                |
| Repairs and renewals                        | <u>1,734</u>   | <u>-</u>       |                |
|   |                | 34,202         | 31,696         |
| <b>Administration</b>                       |                |                |                |
| Motor expenses                              | 34,313         | 26,829         |                |
| Legal and professional                      | 1,917          | 1,531          |                |
| Telephone, printing, postage and stationery | 6,372          | 5,468          |                |
| Insurance                                   | 4,350          | 4,351          |                |
| General expenses                            | 4,441          | 2,948          |                |
| Management charge                           | 50,500         | 46,500         |                |
| Audit and accountancy                       | 5,000          | 5,000          |                |
| Advertising                                 | <u>4,779</u>   | <u>4,889</u>   |                |
|   |                | 111,672        | 97,516         |
| <b>Finance</b>                              |                |                |                |
| Bad debts                                   | 2,000          | 1,279          |                |
| Depreciation                                | 18,859         | 16,845         |                |
| Profit on disposal of fixed assets          | -              | (3,873)        |                |
| Finance lease charges                       | 6,184          | 2,871          |                |
| Discounts received                          | <u>(1,238)</u> | <u>(1,381)</u> |                |
|   |                | <u>25,805</u>  | <u>15,741</u>  |
|   |                | <u>171,679</u> | <u>144,953</u> |

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