

THE WINGHAM ENGINEERING  
COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
28 FEBRUARY 1995

Registered Number 29196



THE WINGHAM ENGINEERING COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 1995

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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 Ravencroft  
M G Hart

Secretary: M G Hart

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

Auditors: Grant Thornton  
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 1995

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**THE WINGHAM ENGINEERING COMPANY LIMITED**

**REPORT OF THE DIRECTORS**

The directors present their report and the financial statements for the year ended 28 February 1995.

**Business review**

The principal activities remained unchanged and comprise general engineering and the management of its freehold site at Wingham.

The financial results are set out in the profit and loss account. The retained profit for the financial year of £145,825 (1994: £108,030) has been added to 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 (1994: £645) was 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.

**Tangible fixed assets**

Changes in tangible fixed assets are shown in note 5 to the financial statements.

**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>	<u>Share interests</u>
	<u>1.3.1994 and 28.2.1995</u>
M McGuirk	10
G A Ravenscroft	10
M G Hart	10

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

**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 and 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;

THE WINGHAM ENGINEERING COMPANY LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

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Directors' responsibilities (continued)

- 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 re-appointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to be 'M G Hart', written over several horizontal lines.

M G HART  
Secretary

23 August 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF**

**THE WINGHAM ENGINEERING COMPANY LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on pages 1 and 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 28 February 1995 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads "Grant Thornton". A horizontal line is drawn underneath the signature.

GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

LONDON  
23 August 1995

THE WINGHAM ENGINEERING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 28 FEBRUARY 1995

	<u>Note</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Turnover	1	580,066	538,487
Cost of sales		(289,513)	(272,573)
Gross profit		290,553	265,914
Administrative expenses		(135,760)	(144,877)
Profit on ordinary activities before taxation	2	154,793	121,037
Taxation on profit on ordinary activities	3	(8,323)	(12,362)
Profit for the financial year		146,470	108,675
Dividends	4	(645)	(645)
Retained profit for the financial year		145,825	108,030

STATEMENT OF RETAINED EARNINGS

Retained profits at 1 March 1994	111,999	3,969
Retained profit for the financial year	145,825	108,030
Retained profits at 28 February 1995	257,824	111,999

All transactions arise from continuing operations.

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

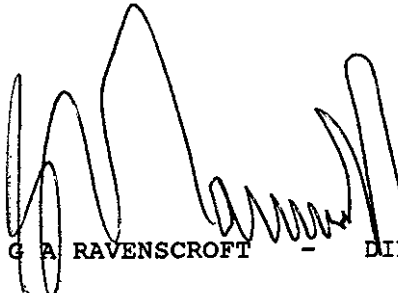
THE WINGHAM ENGINEERING COMPANY LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 1995

	Note	1995 £	1994 £
FIXED ASSETS			
Tangible assets	5	966,774	963,980
Investment	6	910	910
		-----	-----
		967,684	964,890
		-----	-----
CURRENT ASSETS			
Stocks	7	49,253	100,822
Debtors	8	244,523	262,542
Cash at bank and in hand		68,809	103,458
		-----	-----
		362,585	466,822
CREDITORS: Amounts falling due within one year	9	(138,143)	(385,411)
		-----	-----
NET CURRENT ASSETS		224,442	81,411
		-----	-----
NET ASSETS		1,192,126	1,046,301
		=====	=====
CAPITAL AND RESERVES			
Called-up share capital	10	169,520	169,520
Revaluation reserve	11	764,782	764,782
Profit and loss account		257,824	111,999
		-----	-----
SHAREHOLDERS' FUNDS	12	1,192,126	1,046,301
		=====	=====

Approved and signed on behalf of the Board of Directors  
on 23 August 1995

  
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

YEAR ENDED 28 FEBRUARY 1995

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Profit for the financial year	146,470	108,675
Unrealised surplus on revaluation of freehold investment property	-	5,000
	-----	-----
Total recognised gains and losses	146,470 =====	113,675 =====

THE WINGHAM ENGINEERING COMPANY LIMITED

STATEMENT OF ACCOUNTING POLICIES

YEAR ENDED 28 FEBRUARY 1995

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

(a) 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. The company is exempt from producing a cash flow statement.

(b) Group financial statements

Consolidated financial statements of the company and its subsidiary undertaking have not been prepared as the company is itself a wholly owned subsidiary undertaking of another company.

(c) 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 practical to quantify the depreciation which would otherwise have been charged.

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 - operator controlled	3% per month on cost
Plant and machinery - not requiring operator	2% per month on cost
Fixtures, fittings and equipment	25% per annum on cost

(d) Stocks

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

(e) Deferred taxation

Provision for deferred taxation is made in the financial statements using the liability method on all material timing differences, unless it can be demonstrated with reasonable probability that such timing differences will not reverse in the foreseeable future.

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1995

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.

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
An analysis by activity is:		
General engineering	439,279	404,580
Rental income	140,787	133,907
	-----	-----
	580,066	538,487
	=====	=====

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(a) An analysis by activity is:

General engineering	13,531	(9,986)
Net rental income	141,262	131,023
	-----	-----
	154,793	121,037
	=====	=====

(b) The profit is stated after charging/(crediting):

Depreciation on tangible fixed assets	7,001	8,519
Auditors' remuneration - audit services	2,546	3,841
- other services	500	500
Hire of plant and machinery	9,295	11,944
Net rental income	(141,262)	(131,023)
Profit on disposal of fixed assets	-	(872)
	=====	=====

Number of staff

(c) Staff. The table below includes directors:

Management and administration	6	6
Production and warehousing	4	4
	---	---
	10	10
	===	===

	<u>£</u>	<u>£</u>
Wages and salaries	67,422	63,098
Social security	7,361	7,502
Other pension costs	156	156
	-----	-----
	74,939	70,756
	=====	=====

The directors received their remuneration from the holding company.

THE WINGHAM ENGINEERING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 28 FEBRUARY 1995

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
<b>3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>		
Taxation based on the year's results:		
Corporation tax at 25% (1994: 25%) on the profit for the year	8,217	7,000
Adjustment in respect of prior years	106	5,362
	-----	-----
	8,323	12,362
	=====	=====

**4. DIVIDENDS**

Preference dividends at 7% proposed	645	645
	===	===

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

	<u>Freehold investment property</u> <u>£</u>	<u>Plant and machinery</u> <u>£</u>	<u>Fixtures, fittings and equipment</u> <u>£</u>	<u>Total</u> <u>£</u>
<b>5. TANGIBLE ASSETS</b>				
Cost or valuation at 1 March 1994	957,156	29,609	45,245	1,032,010
Additions	-	9,795	-	9,795
Disposals	-	(8,842)	(10,457)	(19,299)
	-----	-----	-----	-----
Cost or valuation at 28 February 1995	957,156	30,562	34,788	1,022,506
	=====	=====	=====	=====
Depreciation at 1 March 1994	-	29,591	38,439	68,030
Disposals	-	(8,842)	(10,457)	(19,299)
Charge for the year	-	1,435	5,566	7,001
	-----	-----	-----	-----
Depreciation at 28 February 1995	-	22,184	33,548	55,732
	=====	=====	=====	=====
Book value:				
28 February 1995	957,156	8,378	1,240	966,774
	=====	=====	=====	=====
28 February 1994	957,156	18	6,806	963,980
	=====	=====	=====	=====

The investment property is stated at open market value as prepared by Cluttons, Chartered Surveyors as at July 1994. If land and buildings had not been revalued they would have been stated at a cost of £209,958.

If the investment property had been sold at its revalued amount at the balance sheet date, there would have been a maximum corporation tax liability of approximately £284,009. As there is no intention to sell the property in the foreseeable future, no provision for deferred tax has been made.

**THE WINGHAM ENGINEERING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED 28 FEBRUARY 1995**

**6. INVESTMENT**

The company beneficially owns the whole of the issued share capital of Torque Tools (Tohnichi) Limited a company registered in England and Wales and which does not trade.

**7. STOCKS**

The basis of valuation is set out in the statement of accounting policies.

The total comprises:

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Raw materials and consumables	25,030	23,572
Finished goods	24,223	77,250
	-----	-----
	49,253	100,822
	=====	=====

**8. DEBTORS**

Trade debtors	35,847	76,655
Amounts owed by group undertakings	186,022	184,883
Other debtors	365	150
Prepayments and accrued income	22,289	854
	-----	-----
	244,523	262,542
	=====	=====

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

Trade creditors	23,225	17,533
Amounts owed to group undertakings	87,119	322,815
Corporation tax	8,217	7,000
Other taxes and social security	6,675	15,820
Other creditors	680	6,277
Proposed dividend	645	645
Accruals and deferred income	11,582	15,321
	-----	-----
	138,143	385,411
	=====	=====

**10. SHARE CAPITAL**

Authorised:

7% preference shares of £10 each	34,950	34,950
1% Non-cumulative second preference shares of 25p each	112,142	112,142
Ordinary shares of 5p each	137,908	137,908
	-----	-----
	285,000	285,000
	=====	=====

Issued and fully paid:

7% preference shares of £10 each	34,950	34,950
1% Non-cumulative second preference shares of 25p each	112,142	112,142
Ordinary shares of 5p each	22,428	22,428
	-----	-----
	169,520	169,520
	=====	=====

**THE WINGHAM ENGINEERING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**YEAR ENDED 28 FEBRUARY 1995**

	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
<b>11. REVALUATION RESERVE</b>		
At 1 March 1994	764,782	759,782
Revaluation surplus in year	-	5,000
	-----	-----
At 28 February 1995	764,782	764,782
	=====	=====
 <b>12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>		
Profit for the financial year	146,470	108,675
Revaluation surplus in year	-	5,000
Dividends	(645)	(645)
	-----	-----
Net addition to shareholders' funds	145,825	113,030
Opening shareholders' funds	1,046,301	933,271
	-----	-----
Closing shareholders' funds	1,192,126	1,046,301
	=====	=====

**13. ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking is Ramac Holdings Limited, a company registered in England and Wales.

**14. CONTINGENT LIABILITIES**

The company has given an unlimited guarantee to secure bank borrowings of group undertakings. At 28 February 1995 these borrowings amounted to £582,000 (1994: £740,000.)

**15. CAPITAL COMMITMENTS**

There were no capital commitments at 28 February 1995 or at 28 February 1994.