

REGISTER

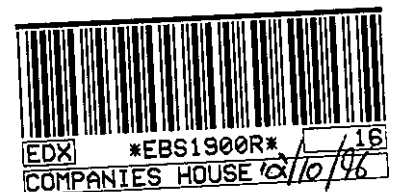
**WEBSTER & HORSFALL LIMITED**

**ACCOUNTS**

**YEAR ENDED 31ST DECEMBER 1995**

(As abbreviated by section 246, Companies Act 1985)

Registered no. 35630



**WENHAM MAJOR  
CHARTERED ACCOUNTANTS  
BIRMINGHAM**

# **WEBSTER & HORSFALL LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 1995**

<b>CONTENTS</b>	<b>PAGE</b>
Directors' report	1
Auditors' report	3
Accounting policies	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	10 to 15

## **COMPANY INFORMATION**

### **DIRECTORS:**

Col J H C Horsfall  
J M C Horsfall  
C A L C Horsfall  
P J C Robinson  
G H G C Horsfall  
C A C Horsfall  
B P Knox-Peebles  
C W Bragg  
W I Lawrie

### **SECRETARY:**

W I Lawrie

### **REGISTERED OFFICE:**

Hay Mills  
Birmingham  
B25 8DW

### **AUDITORS:**

Wenham Major  
89 Cornwall Street  
Birmingham  
B3 3BY

### **BANKERS:**

National Westminster Bank Plc  
Bennetts Hill Branch  
Birmingham Business Centre  
8 Bennetts Hill  
Birmingham  
B2 5RT

# WEBSTER & HORSFALL LIMITED

## DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 1995

The Directors present their report together with the audited financial statements of the company for the year ended 31st December 1995.

## PRINCIPAL ACTIVITIES

The principal activity of the company throughout the year was that of manufacture of wire from steel rod.

## REVIEW OF BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors.

## RESULTS AND DIVIDENDS

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed accounts.

## INLAND REVENUE TAX SETTLEMENT

During 1994 settlement was reached with the Inland Revenue following their investigation of the Company's tax affairs for the six years ended 31st December 1992. This related to the under-valuation of stocks and the incorrect treatment of prepayments and accruals. The total cost involved was £714,488 which is disclosed on page 8 as exceptional expenditure in the Cash Flow Statement.

In the Financial Statements for the year ended 26th December 1992 provision was made for the estimated Corporation Tax that would arise from the Inland Revenue investigation; this was done by way of a prior year adjustment. The balance of the tax settlement amounts to £270,848 and has again been shown as a prior year adjustment; this is disclosed in note 16 on page 14. This ensures that the whole matter has been dealt with on a consistent basis from year to year.

## DIRECTORS' INTERESTS

The directors in office who have served during the year and their interests in the shares of the company at the beginning and end of the year, was as follows:

	31.12.95		31.12.94	
	£1	£1	£1	£1
	"A" Ord	"B" Ord	"A" Ord	"B" Ord
Col J H C Horsfall	21,220	7,200	21,220	7,200
J M C Horsfall	11,100	4,612	11,100	4,612
C A L C Horsfall	21,500	6,525	21,500	6,525
P J C Robinson	8,000	17,875	8,000	17,875
G H G C Horsfall	12,740	2,272	12,740	2,272
C A C Horsfall	-	2,291	-	2,291
B P Knox-Peebles	12,040	18,060	12,040	18,060
C W Bragg	500	3,650	500	3,650
W I Lawrie	1,370	5,500	1,370	5,500

The directors retiring by rotation are Col J H C Horsfall, Mr G H G C Horsfall and Mr C A C Horsfall who, being eligible, offer themselves for re-election.

# **WEBSTER & HORSFALL LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31ST DECEMBER 1995**

### **DIRECTORS' RESPONSIBILITIES**

Company law requires us as 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, we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

### **FIXED ASSETS**

The movement in fixed assets is shown in the notes to the financial statements.

### **FREEHOLD LAND AND BUILDINGS**

The directors are of the opinion that the market value of properties at 31st December 1995 would significantly exceed the net book values included in the financial statements, but they are unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the Company's intention to retain ownership of its existing properties for use in its business for the foreseeable future.

### **FUTURE DEVELOPMENTS**

The directors aim to maintain the management policies which have resulted in the company's growth in recent years. They consider that the current year will show a significant growth in sales.

### **RESEARCH AND DEVELOPMENT**

The company will continue its policy of investment in research and development in order to retain a competitive position in the market.

### **DONATIONS**

During the year the company made various charitable donations totalling £690 (1994: £215).

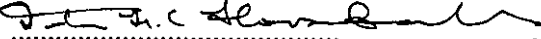
### **CLOSE COMPANY STATUS**

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

### **AUDITORS**

The auditors, Wenham Major, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

### **ON BEHALF OF THE BOARD**



COL J H C HORSFALL- DIRECTOR

Date: 30TH APRIL 1996

# **AUDITORS' REPORT TO THE DIRECTORS OF WEBSTER & HORSFALL LIMITED**

## **PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 15, together with the financial statements of Webster & Horsfall Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1995.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 7 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

### **BASIS OF OPINION**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

### **OPINION**

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1995, and the abbreviated accounts on pages 5 to 15, have been properly prepared in accordance with that Schedule.

### **OTHER INFORMATION**

On 30th April 1996 we reported, as auditors of Webster & Horsfall Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1995 and our audit report was as follows:

"We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

### **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

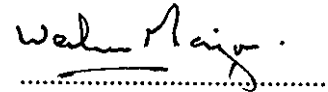
**AUDITORS' REPORT TO THE DIRECTORS OF WEBSTER & HORSFALL LIMITED**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985".



**Wenham Major**

Chartered Accountants and  
Registered Auditors

Date: 30th April 1996

89 Cornwall Street  
Birmingham  
B3 3BY

## **WEBSTER & HORSFALL LIMITED**

### **ACCOUNTING POLICIES**

**YEAR ENDED 31ST DECEMBER 1995**

#### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

#### **DEPRECIATION**

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

Freehold buildings	Over 40 years
Plant, machinery and motor vehicles	Written off as expenditure incurred.

#### **STOCKS**

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

#### **FOREIGN EXCHANGE**

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of transaction.

#### **FIXED ASSET INVESTMENTS**

Long term investments are described as participating interests and are classified as fixed assets. Participating interest and unlisted investments are stated at cost.

#### **PENSION COSTS**

The company operates a pension scheme for the benefit of its employees. The funds of the schemes are administered by trustees and are separate from the company. Independent actuaries complete valuations at least every three years and, in accordance with the recommendations, annual contributions are paid to the schemes so as to secure the benefits set out in the rules and the periodic augmentation of current pensions. The cost of these and any variations from regular cost arising from actuarial valuations are charged or credited to profits on a systematic basis over the remaining service life of the employees.

#### **TURNOVER**

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

# WEBSTER & HORSFALL LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 1995

	Note	1995 £	1994 £
<b>GROSS PROFIT</b>		1,951,707	1,477,808
Net operating expenses	1	1,392,297	1,233,241
<b>OPERATING PROFIT</b>		559,410	244,567
Profit on disposal of assets		2,500	1,000
		561,910	245,567
Interest receivable	4	35,695	62,077
Interest payable		(157)	(33)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		597,448	307,611
Taxation	5	193,731	100,101
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		403,717	207,510
Dividends	6	140,076	70,038
<b>RETAINED PROFIT FOR THE YEAR</b>	15	263,641	137,472

### NOTES

1. This account relates to continuing operations.
2. Profit after taxation equals total recognised gains and losses for the year.
3. Retained Profit is the only addition to shareholders funds for the year.

### STATEMENT OF RETAINED PROFITS

At the beginning of the year, as previously reported	1,889,263	2,022,639
Prior year adjustment	-	270,848
As restated	1,889,263	1,751,791
Retained profit for the year, as above	263,641	137,472
At the end of the year	2,152,904	1,889,263

The prior year adjustment arises from a tax settlement.



# WEBSTER & HORSFALL LIMITED

## ABBREVIATED BALANCE SHEET

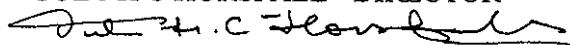
31ST DECEMBER 1995

	Note	1995	1994
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	7	21,007	21,007
Investments	8	18,340	19,340
		<u>39,347</u>	<u>40,347</u>
<b>CURRENT ASSETS</b>			
Stocks	9	1,338,956	984,179
Debtors	10	1,390,911	1,407,935
Latch & Batchelor Limited		610,610	526,399
Cash at bank and in hand		503,345	456,827
		<u>3,843,822</u>	<u>3,375,340</u>
Deferred taxation asset	11	17,510	5,837
		<u>3,861,332</u>	<u>3,381,177</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	1,177,426	961,912
<b>NET CURRENT ASSETS</b>		<u>2,683,906</u>	<u>2,419,265</u>
<b>NET ASSETS</b>		<u><u>2,723,253</u></u>	<u><u>2,459,612</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	233,461	233,461
Capital reserves	14	336,888	336,888
Profit and loss account	15	2,152,904	1,889,263
		<u>2,723,253</u>	<u>2,459,612</u>

The Directors have taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the Company is entitled to those exemptions as a medium-sized company.

Approved by the Board of Directors and signed on their behalf on 30th April 1996

COL J H C HORSFALL - DIRECTOR



J M C HORSFALL - DIRECTOR

*J. M. C. Horsfall*

**WEBSTER & HORSFALL LIMITED**

**CASH FLOW STATEMENT**

**YEAR ENDED 31ST DECEMBER 1995**

	1995	1994
	£	£
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (NOTE 1)</b>	282,232	(81,264)
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	25,403	41,493
Interest paid	(157)	(33)
Dividends received	8,234	16,467
Dividends paid	(93,384)	(81,711)
<b>NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	(59,904)	(23,784)
<b>TAXATION</b>		
Corporation tax paid (including ACT)	(92,825)	(114,912)
<b>EXCEPTIONAL EXPENDITURE</b>		
Tax settlement	-	440,354
Interest	-	195,013
Penalties	-	68,121
Professional costs	-	11,000
	-	(714,488)
<b>INVESTING ACTIVITIES</b>		
Payments to acquire fixed assets	(85,485)	(94,948)
Receipts from sale of fixed assets	2,500	1,000
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>	(82,985)	(93,948)
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (NOTE 3)</b>	46,518	(1,028,396)

# WEBSTER & HORSFALL LIMITED

## NOTES TO THE CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 1995

### 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1995	1994
	£	£
Operating profit	559,410	244,567
Depreciation charges	85,485	94,948
Loss on disposal of investments	1,000	-
(Increase) in stocks	(354,777)	(163,407)
(Increase) in debtors	(72,922)	(431,883)
Increase in creditors	64,036	174,511
<b>Net cash inflow/(outflow) from operating activities</b>	<b>282,232</b>	<b>(81,264)</b>

### 2. ANALYSIS OF THE CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

At 31st December 1994	456,827	1,485,223
Net cash inflow/(outflow)	46,518	(1,028,396)
At 31st December 1995	<u>503,345</u>	<u>456,827</u>

### 3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1995	1994	Change in year
	£	£	£
Cash at bank and in hand	<u>503,345</u>	<u>456,827</u>	<u>46,518</u>

# WEBSTER & HORSFALL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 1995

### 1. OTHER OPERATING EXPENSES (NET)

	1995	1994
	£	£
Salaries costs and social security	579,199	570,202
Depreciation and amounts written off tangible fixed assets	85,485	94,948
Other operating income	(21,825)	(14,393)
Other operating charges	749,438	582,484
	<u>1,392,297</u>	<u>1,233,241</u>
Operating profit is stated after charging:		
Directors' remuneration	91,088	79,104
Depreciation on tangible fixed assets - Own assets	85,485	90,530
Exchange (profits)	-	(512)
Auditors' remuneration and expenses	<u>19,300</u>	<u>19,050</u>
And after crediting:		
Rents received - Sundry income	<u>21,825</u>	<u>14,393</u>

### 2. DIRECTORS REMUNERATION

Directors' emoluments	91,088	79,104
Fees	18,000	18,000
Other remuneration (including pension contributions and benefits in kind)	73,088	61,104
	<u>91,088</u>	<u>79,104</u>

The remuneration of the chairman was	9,575	3,627
The remuneration of the highest paid director was	<u>33,104</u>	<u>29,683</u>

The remuneration of all the directors, including the above, was within the following ranges:

	Number	Number
£ Nil - £ 5,000	5	6
£5,001 - £10,000	2	1
£25,001 - £30,000	-	2
£30,001 - £35,000	<u>2</u>	<u>-</u>

# WEBSTER & HORSFALL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 1995

### 3. STAFF COSTS

The average weekly number of persons employed by the company, including directors, during the year was as follows:

	1995	1994
	Number	Number
Administration	16	16
Production	105	95
Sales	4	3
	<u>125</u>	<u>114</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	1,732,378	1,473,156
Social security	167,994	142,091
Other pension costs	84,003	89,559
	<u>1,984,375</u>	<u>1,704,806</u>

### 4. INVESTMENT INCOME

Income from fixed asset investments - Unlisted	10,292	20,584
Other interest receivable	25,403	41,493
	<u>35,695</u>	<u>62,077</u>

### 5. TAXATION

#### Current Year:

Corporation tax at 33%	190,274	97,795
UK Corporation tax payable on subsidiary company profits	804	-
Tax attributable to franked investment income	2,058	4,117

#### Prior Year:

Corporation tax	595	(1,811)
	<u>193,731</u>	<u>100,101</u>

### 6. DIVIDENDS

Dividends paid - 1st interim	23,346	23,346
Dividends paid - 2nd interim	46,692	23,346
Dividends payable - final	70,038	23,346
	<u>140,076</u>	<u>70,038</u>

# WEBSTER & HORSFALL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 1995

### 7. TANGIBLE FIXED ASSETS

	Land and Buildings £	Plant and Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 31st December 1994	115,536	773,454	62,743	275,189	1,226,922
Additions	-	22,606	25,567	37,312	85,485
Disposals	-	-	-	(12,640)	(12,640)
At 31st December 1995	115,536	796,060	88,310	299,861	1,299,767
<b>Depreciation</b>					
At 31st December 1994	94,529	773,454	62,743	275,189	1,205,915
Charge for the year	-	22,606	25,567	37,312	85,485
Disposals	-	-	-	(12,640)	(12,640)
At 31st December 1995	94,529	796,060	88,310	299,861	1,278,760
<b>Net book value</b>					
At 31st December 1995	21,007	-	-	-	21,007
At 31st December 1994	21,007	-	-	-	21,007

### 8. FIXED ASSET INVESTMENTS

	1995 £	1994 £
<b>COST AND NET BOOK VALUE:-</b>		
31st December 1994 and 31st December 1995		
Latch and Batchelor Limited	13,340	13,340
Webster and Horsfall (Canada) Limited	5,000	5,000
Dalchosnie Estate - Commercial Woodlands	Nil	1,000
	18,340	19,340

The investment in Latch & Batchelor, a Company incorporated in England and Wales, represents a holding of 42.9% of the issued ordinary share capital. The aggregate of the share capital and reserves of Latch & Batchelor Limited at 31st December 1995 amount to £407,246 (1994: £504,875) and its (loss)/profit on ordinary activities before taxation for the year then ended was £(89,064) (1994: profit £98,102).

The investment in Webster & Horsfall (Canada) Limited, a Company incorporated in Canada, represents a holding of 100% of the issued ordinary share capital. The Company ceased trading on 28th January 1993.

# WEBSTER & HORSFALL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 1995

### 9. STOCKS

	1995	1994
	£	£
Raw materials and consumables	842,523	654,438
Work in progress	382,713	230,052
Finished goods	113,720	99,689
	<u>1,338,956</u>	<u>984,179</u>

### 10. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

Trade debtors	1,369,938	1,377,169
Other debtors	2,557	13,453
Corporation tax repayable	-	5,735
Prepayments and accrued income	18,416	11,578
	<u>1,390,911</u>	<u>1,407,935</u>

### 11. DEFERRED TAXATION ASSET

This comprises recoverable advance corporation tax on proposed dividends in accordance with the Statement of Standard Accounting Practice No 8.

17,510	5,837
--------	-------

### 12. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

Trade creditors	540,109	458,032
Proposed dividend	70,038	23,346
Corporation tax	196,914	92,128
Other tax and social security	125,092	146,508
Accruals and deferred income	245,273	241,898
	<u>1,177,426</u>	<u>961,912</u>

### 13. SHARE CAPITAL

#### Authorised:

161,539 11% non-cumulative preference shares of £1 each	161,539	161,539
97,982 "A" ordinary shares of £1 each	97,982	97,982
135,479 "B" ordinary shares of £1 each	135,479	135,479
	<u>395,000</u>	<u>395,000</u>

#### Issued and fully paid:

97,982 "A" ordinary shares of £1 each	97,982	97,982
135,479 "B" ordinary shares of £1 each	135,479	135,479
	<u>233,461</u>	<u>233,461</u>

# WEBSTER & HORSFALL LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 1995

### 14. RESERVES

	Balance 31.12.94	Additions During Year	Balance 31.12.95
	£	£	£
Plant replacement reserve	31,000	-	31,000
Capital reserve	100,000	-	100,000
General reserve	44,349	-	44,349
Capital redemption reserve	161,539	-	161,539
	<u>336,888</u>	<u>-</u>	<u>336,888</u>

### 15. PROFIT AND LOSS ACCOUNT

	1995 £	1994 £
<b>Profit and loss account</b>		
At 31st December 1994	1,889,263	2,022,639
Prior year adjustment	-	270,848
	<u>1,889,263</u>	<u>1,751,791</u>
Retained profit for the year	263,641	137,472
At 31st December 1995	<u>2,152,904</u>	<u>1,889,263</u>

The prior year adjustment arises from a tax settlement.

### 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the financial year	403,717	207,510
Dividends	140,076	70,038
	<u>263,641</u>	<u>137,472</u>
Prior year adjustment	-	270,848
Net addition to/(deduction from) shareholders' funds	<u>263,641</u>	<u>(133,376)</u>
Opening shareholders' funds	2,459,612	2,592,988
Closing shareholders' funds	<u>2,723,253</u>	<u>2,459,612</u>



# WEBSTER & HORSFALL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST DECEMBER 1995

## 17. CAPITAL COMMITMENTS

	1995	1994
	£	£
Commitments for capital expenditure at the end of the year were as follows:		
Authorised and contracted for	Nil	Nil
Authorised but not contracted for	Nil	Nil

## 18. PENSION COSTS

The company operates a contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £84,002 (1994: £88,889).

**AUDITORS' REPORT TO THE DIRECTORS OF**

**WEBSTER & HORSFALL LIMITED**

**PURSUANT TO SECTION 248 OF THE COMPANIES ACT 1995**

We have examined the Accounts of Webster & Horsfall Limited and its Subsidiaries for the year ended 31st December 1995. The scope of our work for the purpose of this report was limited to confirming the Directors' entitlement to the exemption from preparing and delivering Group Accounts.

In our opinion the Company is entitled to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare Group Accounts for the year ended 31st December 1995.



WENHAM MAJOR  
Chartered Accountants and  
Registered Auditors

89 Cornwall Street  
BIRMINGHAM  
B3 3BY

30th April 1996