

**Abbreviated Audited Accounts**  
**for the year ended 31 March 2009**  
**for**  
**LEACH LEWIS PLANT LIMITED**

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# **LEACH LEWIS PLANT LIMITED**

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**LEACH LEWIS PLANT LIMITED**

**Company Information  
for the year ended 31st March 2009**

**DIRECTORS:**

M J Brown  
J P Leach  
N H Leach  
P J Sayers  
J A V Sopher  
P A Whittall

**SECRETARY:**

M J Brown

**REGISTERED OFFICE:**

Victoria House  
Britannia Road  
Waltham Cross  
Herts EN8 7NU

**REGISTERED NUMBER:**

264523

**AUDITORS:**

The Trevor Jones Partnership LLP  
Chartered Accountants  
and Registered Auditor  
Springfield House  
99/101 Crossbrook Street  
Waltham Cross  
Herts EN8 8JR

## **LEACH LEWIS PLANT LIMITED**

### **Report of the Directors for the year ended 31st March 2009**

The directors present their report with the financial statements of the company for the year ended 31st March 2009.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of sale and servicing of plant and equipment largely within the construction industry.

#### **REVIEW OF BUSINESS**

##### **Introduction**

The company specialises in the supply of market leading contractors plant, machinery and parts as well as service and finance for the construction market.

With roots tracing back over 125 years, the company combines traditional values with a modern, progressive approach to meet the increasingly sophisticated demands of the construction industry.

Over the years, the company has assembled an enviable product sales portfolio from top quality manufacturers, offering the "best of breed" for each product type, and can provide in-house finance to purchase:

Atlas Copco compressors and breakers.  
Bomag compaction rollers, plates and rammers.  
J Tracks replacement rubber tracks.  
Kubota mini and midi excavators.  
Manitou telescope and masted forklifts.  
Norton Clipper saws and diamond blades.  
Thwaites site dumpers.

From fully equipped plant depots, the company can provide expert after sales back up and support for all of the product lines. With a thirty plus strong service team, providing fully qualified, experienced mobile and workshop service engineers, supported by inventory of over £1.3m, the company understands the importance of maintaining site equipment to ensure whole life costs are kept to a minimum.

##### **Analysis of key risks**

Any business faces a number of risks and uncertainties in its operations. Some of these risks are common across all types of business; others are specific to the particular business in which a company operates.

The principal risks faced by the company and its responses thereto are summarised in this analysis. Not all these factors are within the company's control. There may be other risks and uncertainties which are unknown to the company or which may not be deemed material now which could turn out to be material in the future.

Key risks and the company's response to these risks are shown below:

##### **1. Financial risk management**

The company's financial instruments comprise cash at bank and overdraft. The main purpose of these financial instruments is to raise adequate finance for the company's operations, together with management of working capital.

The main risks arising from the company's financial instruments are interest rate fluctuations and liquidity risk. It is the company's policy to finance its operations through a mixture of cash and borrowings and to review periodically the mix of these instruments with regard to the projected cash flow requirements of the company and an acceptable level of risk exposure.

##### **2. Foreign currency risk**

The company feels it is not significantly exposed to foreign currency fluctuation due to its relatively small level of overseas trading and management of its foreign currencies with the assistance of its bankers.

##### **3. Customer concentration risk**

As with any business its size the company relies on a relatively small number of customers for a large percentage of its revenue. The loss of a key customer, or a slowdown in ordering, can have a detrimental impact on earnings.

## **LEACH LEWIS PLANT LIMITED**

### **Report of the Directors for the year ended 31st March 2009**

The company is focused on delivering organic growth via new customers thus broadening the number of key customers - as well as acquiring new customers via suitable acquisitions.

#### **4. Competitive pressure risk**

The company operates in a highly competitive market environment, and performance may be hurt by loss of competitiveness vis a vis its competitors.

The company reviews the competitiveness of its products, technologies and services on an ongoing basis, both formally (via regularly scheduled strategic and management review meetings) and informally with its clients and customers in the market.

#### **5. Construction industry risk**

The company supplies goods and services mainly to customers in the construction industry and so would be affected by a slowdown in this industry caused possibly by such occurrences as price falls on commercial property and slow down in government infrastructure programmes.

This risk is mitigated by the company constantly searching out a wider customer base and enhanced products and services to increase demand.

#### **6. Loss of key personnel**

Loss of key personnel, particularly key management team members could have a detrimental effect on operations.

The company has recently put in place a new management and personnel retention program which the directors believe provides good protection against loss of key personnel. All key management team members are under contract with adequate notice provisions.

#### **7. Credit risk**

Default by customers on receivables could negatively affect earnings.

Credit monitored by all financial staff, and where risk is judged to be higher more stringent credit terms are required.

#### **8. Loss of supply of critical materials**

Loss of supply of critical materials from key suppliers could affect the company's ability to deliver products to customers.

Where possible the company attempts to dual source all key materials from multiple suppliers. The company also endeavours to maintain supply contracts with all key suppliers.

## **FINANCIAL REVIEW**

Revenue fell by 41.8% to £28.6 million (2008: £49.2 million). Gross profit margin for the year was 16% (2008: 13%). Operating loss for the year was £(264,664) (2008: £791,129). The net finance cost for the year was £50,609 (2008: £42,904).

## **DIVIDENDS**

No dividends will be distributed for the year ended 31st March 2009.

## **DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2008 to the date of this report.

M J Brown  
J P Leach  
N H Leach  
P J Sayers  
J A V Sopher

## **LEACH LEWIS PLANT LIMITED**

### **Report of the Directors for the year ended 31st March 2009**

#### **DIRECTORS - continued**

Other changes in directors holding office are as follows:

P A Whittall was appointed as a director after 31st March 2009 but prior to the date of this report.

#### **COMPANY'S POLICY ON PAYMENT OF CREDITORS**

It is Company policy to settle all debts with its creditors on a timely basis. Suppliers are paid during the month following the month of receipt of the invoice unless other terms have been specifically agreed.

At 31st March 2009 trade creditors represented 71 days purchases (2008 - 66 days).

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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;
- 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, The Trevor Jones Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

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



J P Leach Director

15th January 2010

**Report of the Independent Auditors to the Shareholders of  
Leach Lewis Plant Limited**

We have audited the financial statements of Leach Lewis Plant Limited for the year ended 31st March 2009 on pages seven to fifteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page four.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**Report of the Independent Auditors to the Shareholders of  
Leach Lewis Plant Limited**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

*Trevor Jones*

The Trevor Jones Partnership LLP  
Chartered Accountants  
and Registered Auditor  
Springfield House  
99/101 Crossbrook Street  
Waltham Cross  
Herts EN8 8JR

15th January 2010



# LEACH LEWIS PLANT LIMITED

## Profit and Loss Account for the year ended 31st March 2009

	Notes	2009 £	2008 £
<b>TURNOVER</b>	2	28,659,881	49,265,576
Cost of sales		<u>24,013,147</u>	<u>42,684,853</u>
<b>GROSS PROFIT</b>		4,646,734	6,580,723
Distribution costs		743,060	835,533
Administrative expenses		<u>4,168,338</u>	<u>4,954,061</u>
		4,911,398	5,789,594
<b>OPERATING (LOSS)/PROFIT</b>	4	(264,664)	791,129
Interest payable and similar charges	5	<u>4,787</u>	<u>6,467</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(269,451)	784,662
Tax on (loss)/profit on ordinary activities	6	<u>(47,028)</u>	<u>47,028</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<u>(222,423)</u>	<u>737,634</u>

### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes form part of these financial statements

# LEACH LEWIS PLANT LIMITED

## Balance Sheet 31st March 2009

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	7	91,379	120,451
Investments	8	2	2
		<u>91,381</u>	<u>120,453</u>
<b>CURRENT ASSETS</b>			
Stocks	9	1,379,445	4,526,983
Debtors	10	6,596,451	11,752,417
Cash in hand		1,529	90
		<u>7,977,425</u>	<u>16,279,490</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	5,187,979	13,296,693
		<u>5,187,979</u>	<u>13,296,693</u>
<b>NET CURRENT ASSETS</b>		<u>2,789,446</u>	<u>2,982,797</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,880,827</u>	<u>3,103,250</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	4,950	4,950
Other reserves	15	1,535	1,535
Profit and loss account	15	2,874,342	3,096,765
		<u>2,880,827</u>	<u>3,103,250</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u>2,880,827</u>	<u>3,103,250</u>

The financial statements were approved by the Board of Directors on 15th January 2010 and were signed on its behalf by:



J P Leach - Director

The notes form part of these financial statements

## **LEACH LEWIS PLANT LIMITED**

### **Notes to the Financial Statements for the year ended 31st March 2009**

#### **1. ACCOUNTING POLICIES**

##### **Accounting convention**

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

##### **Exemption from preparing consolidated financial statements**

The financial statements contain information about Leach Lewis Plant Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Leach Lewis Limited, a company registered in England.

##### **Turnover**

Turnover represents sale of plant equipment, excluding value added tax. In respect of service contracts turnover is recognised when the company obtain the right to consideration.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- in accordance with the property
Plant and machinery	- 20% on cost
Office equipment	- 20% on cost
Hire fleet	- 50% on cost

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### **Leased assets**

All leases for the hire of premises or assets are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

##### **Foreign currencies**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

## LEACH LEWIS PLANT LIMITED

### Notes to the Financial Statements - continued for the year ended 31st March 2009

#### 2. TURNOVER

The turnover and loss (2008 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2009 £	2008 £
Home sales	27,458,190	49,030,473
Export sales	1,201,691	235,103
	<u>28,659,881</u>	<u>49,265,576</u>

#### 3. STAFF COSTS

	2009 £	2008 £
Wages and salaries	2,308,239	2,680,036
Social security costs	266,469	294,134
Other pension costs	89,583	107,807
	<u>2,664,291</u>	<u>3,081,977</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Office management	9	9
Trading and distribution	88	94
	<u>97</u>	<u>103</u>

Within the year £149,433 of staff costs were capitalised relating to additional expenses incurred in, coding, testing and training for the new bespoke software program. These costs were capitalised into the parent company's balance sheet.

#### 4. OPERATING (LOSS)/PROFIT

The operating loss (2008 - operating profit) is stated after charging:

	2009 £	2008 £
Other operating leases	114,539	67,667
Depreciation - owned assets	43,566	38,215
Loss on disposal of fixed assets	-	2,378
Auditors' remuneration	17,000	19,695
	<u>232,328</u>	<u>227,440</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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# LEACH LEWIS PLANT LIMITED

## Notes to the Financial Statements - continued for the year ended 31st March 2009

### 4. OPERATING (LOSS)/PROFIT - continued

Information regarding the highest paid director is as follows:

	2009	2008
	£	£
Emoluments etc	<u>151,000</u>	<u>146,563</u>

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Bank interest	<u>4,787</u>	<u>6,467</u>

### 6. TAXATION

#### Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2009	2008
	£	£
Current tax:		
UK corporation tax	<u>(47,028)</u>	<u>47,028</u>
Tax on (loss)/profit on ordinary activities	<u>(47,028)</u>	<u>47,028</u>

#### Factors affecting the tax (credit)/charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2009	2008
	£	£
(Loss)/profit on ordinary activities before tax	<u>(269,451)</u>	<u>784,662</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 30%)	(75,446)	235,399
Effects of:		
Expenses not deductible for tax	4,784	5,956
Deferred/accelerated capital allowance	3,747	(862)
Group relief claimed	-	(193,465)
Utilise current year losses	<u>19,887</u>	<u>-</u>
Current tax (credit)/charge	<u>(47,028)</u>	<u>47,028</u>

# LEACH LEWIS PLANT LIMITED

## Notes to the Financial Statements - continued for the year ended 31st March 2009

### 7. TANGIBLE FIXED ASSETS

	Leasehold property £	Plant and machinery £	Office equipment £	Hire fleet £	Totals £
<b>COST</b>					
At 1st April 2008	7,775	135,743	45,522	64,425	253,465
Additions	11,631	1,600	4,595	-	17,826
Disposals	-	(37,386)	(19,050)	(10,015)	(66,451)
At 31st March 2009	<u>19,406</u>	<u>99,957</u>	<u>31,067</u>	<u>54,410</u>	<u>204,840</u>
<b>DEPRECIATION</b>					
At 1st April 2008	864	79,486	27,616	25,047	133,013
Charge for year	-	23,233	8,793	11,540	43,566
Eliminated on disposal	-	(38,776)	(14,444)	(9,898)	(63,118)
At 31st March 2009	<u>864</u>	<u>63,943</u>	<u>21,965</u>	<u>26,689</u>	<u>113,461</u>
<b>NET BOOK VALUE</b>					
At 31st March 2009	<u>18,542</u>	<u>36,014</u>	<u>9,102</u>	<u>27,721</u>	<u>91,379</u>
At 31st March 2008	<u>6,911</u>	<u>56,257</u>	<u>17,906</u>	<u>39,378</u>	<u>120,452</u>

### 8. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>COST</b>	
At 1st April 2008 and 31st March 2009	<u>2</u>
<b>NET BOOK VALUE</b>	
At 31st March 2009	<u>2</u>
At 31st March 2008	<u>2</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

#### Leach Lewis Recruitment Limited

Nature of business: Recruitment

Class of shares:	% holding	2009 £	2008 £
Ordinary	100.00	<u>2</u>	<u>2</u>
Aggregate capital and reserves		<u>2</u>	<u>2</u>

Leach Lewis Recruitment Limited was a dormant company from incorporation to 31 March 2009.

### 9. STOCKS

	2009 £	2008 £
Goods for resale	<u>1,379,445</u>	<u>4,526,983</u>

# LEACH LEWIS PLANT LIMITED

## Notes to the Financial Statements - continued for the year ended 31st March 2009

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

	2009	2008
	£	£
Trade debtors	3,956,854	9,336,033
Amounts owed by group undertakings	2,560,783	2,367,928
Other debtors	2,400	1,536
Tax	47,028	-
Prepayments	29,386	46,920
	<u>6,596,451</u>	<u>11,752,417</u>

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£	£
Bank loans and overdrafts (see note 12)	1,638,000	1,375,120
Trade creditors	3,186,526	11,167,107
Tax	47,028	47,028
Social security and other taxes	187,332	452,417
Other creditors	56,878	86,193
Accrued expenses	72,215	168,828
	<u>5,187,979</u>	<u>13,296,693</u>

### 12. LOANS

An analysis of the maturity of loans is given below:

	2009	2008
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,638,000</u>	<u>1,375,120</u>

### 13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings	
	2009	2008
	£	£
Expiring:		
Within one year	-	13,000
Between one and five years	106,300	35,000
In more than five years	71,300	62,000
	<u>177,600</u>	<u>110,000</u>

# LEACH LEWIS PLANT LIMITED

## Notes to the Financial Statements - continued for the year ended 31st March 2009

### 14. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2009 £	2008 £
500	Ordinary	£1	500	500
4,500	Preference	£1	4,500	4,500
			<u>5,000</u>	<u>5,000</u>
Allotted, issued and fully paid: Number:	Class:	Nominal value:	2009 £	2008 £
450	Ordinary	£1	450	450
4,500	Preference	£1	4,500	4,500
			<u>4,950</u>	<u>4,950</u>

The preference shares are redeemable at an undefined date some time in the future at the option of the company only, redemption is not mandatory.

### 15. RESERVES

	Profit and loss account £	Other reserves £	Totals £
At 1st April 2008	3,096,765	1,535	3,098,300
Deficit for the year	(222,423)		(222,423)
At 31st March 2009	<u>2,874,342</u>	<u>1,535</u>	<u>2,875,877</u>

### 16. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Leach-Lewis Limited.

### 17. OTHER FINANCIAL COMMITMENTS

There is a cross guarantee and debenture arrangement for £2,206,222 with the company's bankers in respect of the balances of the accounts of the parent company, Leach-Lewis Limited and certain fellow subsidiaries charging all the undertakings and assets of the company.

### 18. RELATED PARTY DISCLOSURES

The company has taken advantage of FRS 8 exemption not to disclose inter-group transaction and balances together with not disclosing group transactions on the grounds that details of the subsidiary are included in publicly available consolidated accounts which can be obtained at companies house.

### 19. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party as the shares in the parent company are held by several individuals.



## LEACH LEWIS PLANT LIMITED

### Notes to the Financial Statements - continued for the year ended 31st March 2009

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

	2009 £	2008 £
(Loss)/Profit for the financial year	(222,423)	737,634
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(222,423)</b>	<b>737,634</b>
Opening shareholders' funds	3,103,250	2,365,616
<b>Closing shareholders' funds</b>	<b>2,880,827</b>	<b>3,103,250</b>

#### 21. PENSION ARRANGEMENTS

All employees are invited to participate in a defined contribution Group Personal Pension Scheme, operated by Scottish Equitable. Individual Defined Contributions, Occupational Pension Schemes have been established for the directors.

The previous funded defined benefits scheme, The Leach Pension Scheme, was contracted out of the state scheme. The assets of the scheme continue to be held in a separate trustee administered fund. Contributions to that scheme were charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The company will continue to make contributions necessary to maintain the benefits accrued to 30th June 2003 when the scheme was closed to new members.

The Leach Pension Scheme is a scheme for the benefit of employees of four companies of which one is Leach Lewis Plant Limited. The actuaries have recommended contributions are paid at the rate of £275,000 per annum split between these four companies and the four companies have agreed to make total contributions of £100,000 per annum plus meeting the expenses associated with the scheme and the premiums for the death in service benefits. Leach Lewis Plant Limited share of the above was £16,121

#### 22. GOING CONCERN

The company's financial statements have been prepared on the basis that it is a going concern, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business.

In light of the current market environment, the Group has restricted its future capital spending programme for the forthcoming year, including scaling back its planned expenditure, as well as reducing administrative costs through staff reductions and cutting other discretionary spending. In order for the Company to continue as a going concern it is reliant on Group members and other shareholders.