

INDUSMOND (DIAMOND TOOLS) LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 30TH SEPTEMBER, 1993



ADILY2HT

AD9 RECEIPT DATE: 28/06/94

COMPANY NUMBER : 355927

REPORT AND ACCOUNTS
1993

DIRECTORS:

A.D. GREENGROSS
A. FINER

SECRETARY:

A.D. GREENGROSS

REGISTERED OFFICE:
AND
BUSINESS ADDRESS

MEMFAGIMAL HOUSE
26-29 ST CROSS STREET
HATTON GARDEN
LONDON EC1N 8HH

REGISTERED AUDITORS:

GOODMAN LAWRENCE & CO
CERTIFIED ACCOUNTANTS
56A HAVERSTOCK HILL
LONDON NW3 2BH

INDEX TO
REPORT AND ACCOUNTS
1993

PAGE

4	DIRECTORS REPORT
6	AUDITORS REPORT
7	BALANCE SHEET
8	PROFIT AND LOSS ACCOUNT
9	ACCOUNTING POLICIES
10	NOTES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT
14	TRADING AND PROFIT AND LOSS ACCOUNT
15	NOTES TO THE TRADING AND PROFIT AND LOSS ACCOUNT

REPORT OF THE DIRECTORS

The Directors present their Annual Report together with the Audited Accounts of the Company for the year ended 30th September, 1993.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 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.

PRINCIPAL ACTIVITIES

The Company has continued throughout the year to trade as Diamond Tools Manufacturers.

DIRECTORS AND INTERESTS IN SHARES

The Directors who served during the year and their beneficial interests in the Issued Share Capital of the Company, both at the beginning and end of the year, were as follows:

Ordinary Shares of £1 each

A.D. Greengross	664
A. Finer	236

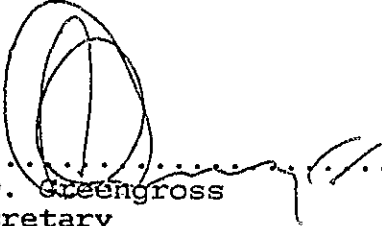
REPORT OF THE DIRECTORS

AUDITORS

Messrs. Goodman Lawrence & Company have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting, in accordance with Section 385 of the Companies Act 1985.

In preparing this report we have taken advantage of the special exemptions applicable to small companies.

By order of the Board


.....
A.D. Greengross
Secretary

Dated this 16th day of JUNE 1994

AUDITOR'S REPORT
TO THE MEMBERS OF
INDUSMOND (DIAMOND TOOLS) LIMITED

We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 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 of the Company at 30th September, 1993 have been properly prepared in accordance with the provisions of the Companies Act, 1985 applicable to small companies.

56A HAVERSTOCK HILL
LONDON NW3 2BH

Goodman Lawrence & Co
GOODMAN LAWRENCE & CO
REGISTERED AUDITORS
CERTIFIED ACCOUNTANTS

Dated this 17th day of JUNE, 1994

BALANCE SHEET
AS AT 30TH SEPTEMBER, 1993

	<u>Note</u>	<u>£</u>	<u>£</u>	<u>1992</u>	<u>£</u>
<u>FIXED ASSETS</u>					
Tangible Assets	2		3,831		7,058
Investments	3		<u>350,000</u>		<u>350,000</u>
			<u>353,831</u>		<u>357,058</u>
<u>CURRENT ASSETS</u>					
Stock	4	56,800		57,500	
Debtors	5	79,308		68,643	
Cash at Bank		<u>5,550</u>		<u>-</u>	
		<u>141,658</u>		<u>126,143</u>	
<u>CREDITORS</u>					
Amounts falling due within one year	6	<u>115,421</u>		<u>111,409</u>	
<u>NET CURRENT ASSETS</u>			<u>26,237</u>		<u>14,734</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>380,068</u>		<u>371,792</u>
<u>CREDITORS</u>					
Amounts falling due after more than one year	7		<u>-</u>		<u>282</u>
			<u>380,068</u>		<u>371,510</u>
<u>CAPITAL AND RESERVES</u>					
Called up Share Capital	8		900		900
Revaluation Reserve			256,943		256,943
Profit and Loss Account			<u>122,225</u>		<u>113,667</u>
<u>SHAREHOLDERS' FUNDS</u>	9		<u>380,068</u>		<u>371,510</u>

In preparing these financial statements advantage has been taken of the special exemptions applicable to small companies on the grounds that the company is entitled to the benefit of those exemptions as a small company, by virtue of Section 247 of the Companies Act 1985.

These financial statements were approved by the Board on 16th June 1994

.....
A.D. Greengross
Director

The notes on pages 10 to 14 form part of these financial statements.

PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH SEPTEMBER, 1993

	Note	£	1992 £
<u>TURNOVER</u>	10	209,396	202,521
COST OF SALES		(100,346)	(105,086)
<u>GROSS PROFIT</u>		109,050	97,435
ADMINISTRATIVE EXPENSES	11	(99,339)	(118,800)
OTHER OPERATING INCOME		26,012	25,893
<u>OPERATING PROFIT</u>		35,723	4,528
INTEREST PAYABLE	12	(1,972)	(3,255)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		33,751	1,273
TAX ON PROFIT ON ORDINARY ACTIVITIES	13	(4,943)	1,143
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>	9	28,808	2,416
DIVIDENDS	14	(20,250)	-
<u>RETAINED PROFIT FOR THE YEAR</u>	9	8,558	2,416

All amounts relate to continuing activities.

The notes on pages 10 to 14 form part of these financial statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 30TH SEPTEMBER, 1993

1. ACCOUNTING POLICIES

The Accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards. The following accounting policies have been applied:

a. Depreciation

Depreciation is calculated so as to write off the cost of fixed assets over their expected useful working lives as follows:-

	<u>Annual Rate</u> <u>%</u>	<u>Basis</u>
Office Furniture & Equipment	15	Reducing Balance
Motor Vehicles	25	Reducing Balance

b. Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for any obsolete and slow moving items.

c. Turnover

Turnover represents invoiced value of goods and services supplied by the Company to third parties excluding Value Added Tax, and net of credits for goods returned.

d. Deferred Taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise. In the opinion of the Directors, no liability or asset are likely to crystallise in the foreseeable future.

e. Cash Flow Statement

The Company has taken advantage of the exemption in Financial Reporting Standard Number 1 from producing a cash flow statement on the grounds that it is a small company.

NOTES TO THE ACCOUNTS
YEAR ENDED 30TH SEPTEMBER, 1993

2. TANGIBLE FIXED ASSETS

<u>COST</u>	<u>TOTAL</u> <u>£</u>	<u>Office</u> <u>Furniture</u> <u>£</u>	<u>Motor</u> <u>Vehicle</u> <u>£</u>
At 1.10.92	29,535	10,335	19,200
Additions	753	753	-
Disposals	(14,964)	-	(14,964)
At 30.9.93	15,324	11,088	4,236
<u>DEPRECIATION</u>			
At 1.10.92	22,477	7,621	14,856
For Year	815	520	295
On Disposals	(11,799)	-	(11,799)
At 30.9.93	11,493	8,141	3,352
<u>NET BOOK VALUE</u>			
At 30.9.93	3,831	2,947	884
At 30.9.92	7,058	2,714	4,344

	<u>Note</u>	<u>£</u>	<u>1992</u> <u>£</u>
3. <u>INVESTMENTS</u>			
<u>Investment property</u>			
Brought forward		350,000	93,057
Prior Period Revaluation	9	-	256,943
Carried forward		350,000	350,000

The directors have based the value of the above property on the market value of similar properties in the same area.

4. STOCK

Goods For Resale	56,800	57,500
------------------	--------	--------

NOTES TO THE ACCOUNTS
YEAR ENDED 30TH SEPTEMBER, 1993

	<u>Note</u>	<u>£</u>	<u>1992</u> <u>£</u>
5. <u>DEBTORS</u>			
Trade Debtors		49,423	49,792
Company Under Common Control	15	7,273	5,732
Advance Corporation Tax Recoverable		5,879	-
Other Debtors		13,402	10,799
Prepayments		<u>3,331</u>	<u>2,320</u>
		79,308	68,643
		<hr/>	<hr/>
6. <u>CREDITORS</u>: Amounts falling due within one year			
Bank Overdraft		14,340	16,771
Trade Creditors		38,005	50,956
Company Under Common Control	15	40,856	36,834
Directors Current Accounts		717	-
Corporation Tax		5,095	153
Advanced Corporation Tax Payable		5,879	-
Taxation and Social Security		3,617	2,092
Other Creditors		331	290
Accruals		<u>6,581</u>	<u>4,313</u>
		115,421	111,409
		<hr/>	<hr/>
7. <u>CREDITORS</u>: Amounts falling due after more than one year			
Directors Current Accounts		-	282
		<hr/>	<hr/>
8. <u>SHARE CAPITAL</u>			
<u>Authorised</u>			
Ordinary Shares of £1 each		900	900
		<hr/>	<hr/>
<u>Called Up, Issued and Fully Paid</u>			
Ordinary Shares of £1 each		900	900
		<hr/>	<hr/>

NOTES TO THE ACCOUNTS
YEAR ENDED 30TH SEPTEMBER, 1993

	<u>Note</u>	<u>£</u>	<u>1992</u> <u>£</u>
9. <u>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS'S FUNDS FOR THE YEAR ENDED 30TH SEPTEMBER, 1993.</u>			

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the financial year	28,808	2,416
Unrealised surplus on revaluation of Investment property (Prior Year Adjustment) 3	-	<u>256,943</u>
Total recognised gains and losses for the year	<u>28,808</u>	<u>259,359</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

Profit for the financial year		28,808	2,416
Dividends	14	(20,250)	-
		8,558	2,416
Other recognised gains and losses relating to Prior years	3	-	<u>256,943</u>
Net addition to shareholder's funds		8,558	259,359
Opening shareholder's funds		<u>370,610</u>	<u>111,251</u>
Net assets at 30th September, 1993		<u>379,168</u>	<u>370,610</u>

The Prior Year Adjustment is in respect of the revaluation reserve arising on the revaluation of the Company's Freehold Investment Property.

10. TURNOVER

During the year 2% of the total Turnover was attributable to markets outside the U.K.

NOTES TO THE ACCOUNTS
YEAR ENDED 30TH SEPTEMBER, 1993

	<u>Note</u>	<u>£</u>	<u>1992</u> <u>£</u>
11. <u>ADMINISTRATIVE EXPENSES</u>			
<u>Include:</u>			
Depreciation	2	815	1,926
Directors' Remuneration		-	12,098
Auditors' Remuneration		3,000	2,100
Loss on Sale of Fixed Assets		1,715	-
Hire of Plant and Machinery		230	224
		<hr/>	<hr/>
12. <u>INTEREST PAYABLE</u>			
Bank Charges and Interest		1,972	3,255
		<hr/>	<hr/>
13. <u>TAXATION</u>			
Current Year U.K. Corporation Tax at appropriate rates based on Taxable Profits for the Year		4,943	153
Under/(Over) Provision in earlier Periods		-	(1,296)
		<hr/>	<hr/>
		4,943	(1,143)
		<hr/>	<hr/>
14. <u>DIVIDENDS</u>			
Interim ordinary dividends		20,250	-
		<hr/>	<hr/>
15. <u>COMPANIES UNDER COMMON CONTROL</u>			
A Company having the same or predominantly the same Shareholders and/or Board of Directors but which is neither a Parent, Subsidiary, Fellow Subsidiary, or Associated Company.			
16. <u>COMPARATIVES</u>			
Where changes in presentation have been made, comparative figures have been adjusted accordingly.			