

PARK GATE AND COMPANY LIMITED

FINANCIAL STATEMENTS

31ST OCTOBER 1999

Registered number: 422148

R S T Kyles

CHARTERED ACCOUNTANTS

Carlisle



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PARK GATE AND COMPANY LIMITED

FINANCIAL STATEMENTS

for the year ended 31st October 1999

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PARK GATE AND COMPANY LIMITED

COMPANY INFORMATION

31st October 1999

NUMBER	422148
DIRECTORS	G W S Park I E Park R A Park
SECRETARY	G W S Park
REGISTERED OFFICE	87 Kingstown Broadway Carlisle CA3 0HA
BANKERS	HSBC Plc 29 English Street Carlisle Cumbria
AUDITORS	R S T Kyles Chartered Accountants Riverside Warwick Road Carlisle

PARK GATE AND COMPANY LIMITED

DIRECTORS' REPORT

31st October 1999

The directors present their report and the audited financial statements for the year ended 31st October 1999.

Principal activity

The principal activity of the company was the supply, installation and repair of electrical equipment.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £941,960.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £25,000 has been paid.

Fixed assets

In the opinion of the directors the present market value of the company's properties is at least that stated in the accounts. Details are set out in note 8.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st October 1999 Ordinary shares	1st November 1998 Ordinary shares
G W S Park	200	200
I E Park	400	400
R A Park	400	400

continued

PARK GATE AND COMPANY LIMITED

DIRECTORS' REPORT
(continued)

31st October 1999

Auditors

R S T Kyles have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board

R A Park
Director

87 Kingstown Broadway
Carlisle
CA3 0HA

30 August 2000

PARK GATE AND COMPANY LIMITED

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 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.

On behalf of the board



I E Park
Director

30 August 2000

PARK GATE AND COMPANY LIMITED

AUDITORS' REPORT

Auditors' report to the members of

Park Gate and Company Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, 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 error or other irregularity. 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 October 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



R S T Kyles
Registered Auditors
Chartered Accountants

Carlisle

3 August 2000

PARK GATE AND COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st October 1999

	Note	1999 £	1998 £
Turnover	2	3,164,367	3,115,954
Cost of sales		(2,720,139)	(2,535,922)
Gross profit		444,228	580,032
Net operating expenses			
Administrative expenses		(395,198)	(411,571)
Other operating income		5,353	11,361
Operating profit	3	54,383	179,822
Interest payable	5	(6,008)	(845)
Profit on ordinary activities before taxation		48,375	178,977
Taxation	6	(7,506)	(45,481)
Profit on ordinary activities after taxation		40,869	133,496
Dividends	7	(25,000)	(30,000)
Retained profit for the year	17	15,869	103,496

Movements in reserves are shown in note 17.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1999 or 1998 other than the profit for the year.

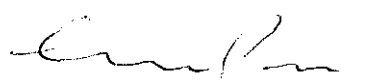
PARK GATE AND COMPANY LIMITED

BALANCE SHEET

at 31st October 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	8	592,278	284,275
Investments	10	21,703	12,656
		<u>613,981</u>	<u>296,931</u>
Current assets			
Stocks	11	344,434	285,373
Debtors	12	783,773	565,912
Cash at bank and in hand		227	164,282
		<u>1,128,434</u>	<u>1,015,567</u>
Creditors: amounts falling due within one year	13	(800,455)	(386,407)
		<u>327,979</u>	<u>629,160</u>
Net current assets		<u>327,979</u>	<u>629,160</u>
Total assets less current liabilities		<u>941,960</u>	<u>926,091</u>
Capital and reserves			
Called up share capital	15	1,000	1,000
Profit and loss account	16	940,960	925,091
Total shareholders' funds	17	<u>941,960</u>	<u>926,091</u>

The financial statements on pages 5 to 16 were approved by the board of directors on 30th August 2000 and signed on its behalf by:


I E Park
Director

PARK GATE AND COMPANY LIMITED

CASH FLOW STATEMENT

for the year ended 31st October 1999

	Note	1999		1998	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	18	(56,098)		236,223	
Returns on investments and servicing of finance					
Interest paid		(6,008)		(845)	
Taxation					
Corporation tax paid		(3,206)		(41,837)	
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(348,446)		(40,555)	
Purchase of fixed asset investments		(10,447)		(11,746)	
Sale of tangible fixed assets		4,050		9,550	
Sale of fixed asset investments		975		-	
			(353,868)		(42,751)
			(419,180)		150,890
Equity dividends paid			(25,000)		(30,000)
(Decrease)/increase in cash			(444,180)		120,890

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

1 Accounting policies**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	NIL
Freehold buildings	2% straight line
Leasehold land and buildings	2% straight line
Plant and machinery	10-15% reducing balance
Motor vehicles	25% reducing balance

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

3 Operating profit

	1999 £	1998 £
Operating profit is stated after crediting:		
Interest receivable	4,636	11,100
Profit on sale of assets	4,048	-
	<u> </u>	<u> </u>
and after charging:		
Staff costs (note 4)	1,213,017	1,043,208
Auditors' remuneration	5,000	5,000
Operating leases:		
Hire of assets	946	946
Rent	15,109	10,564
Loss on sale of assets	425	2,604
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 8):		
Owned assets	40,440	32,064
	<u> </u>	<u> </u>

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

4 Directors and employees

	1999	1998
Staff costs including directors' emoluments	£	£
Wages and salaries	1,178,721	1,001,770
Pension costs	34,296	41,438
	<u>1,213,017</u>	<u>1,043,208</u>
Average monthly number employed including executive directors:	Number	Number
Production staff	48	48
Office and management	11	11
	<u>59</u>	<u>59</u>
Directors	£	£
Emoluments	80,000	80,000
Company contributions to money purchase pension schemes	5,000	34,000
	<u>85,000</u>	<u>114,000</u>
During the year the following number of directors:	Number	Number
Accrued retirement benefits under:		
Money purchase pension schemes	2	2

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,000 (1998 £34,000).

5 Interest payable

	1999	1998
	£	£
Bank interest	4,261	845
Interest on overdue tax	1,747	-
	<u>6,008</u>	<u>845</u>

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

6 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 20% (1998 21%)	14,513	46,251
Over provision in earlier years	(7,007)	(770)
	<u>7,506</u>	<u>45,481</u>

7 Dividends

	1999 £	1998 £
Ordinary - interim	<u>25,000</u>	<u>30,000</u>

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Land and Buildings £	Total £
1st November 1998	182,458	99,312	189,401	471,171
Additions	18,807	10,552	319,087	348,446
Disposals	(28,945)	-	-	(28,945)
31st October 1999	<u>172,320</u>	<u>109,864</u>	<u>508,488</u>	<u>790,672</u>
Depreciation				
1st November 1998	114,280	72,617	-	186,897
Charge for the year	21,746	8,524	10,170	40,440
Disposals	(28,943)	-	-	(28,943)
31st October 1999	<u>107,083</u>	<u>81,141</u>	<u>10,170</u>	<u>198,394</u>
Net book amount				
31st October 1999	<u>65,237</u>	<u>28,723</u>	<u>498,318</u>	<u>592,278</u>
1st November 1998	<u>68,178</u>	<u>26,695</u>	<u>189,402</u>	<u>284,275</u>

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

9 Land and buildings

	1999 £	1998 £
Freehold	112,077	112,077
Long leasehold	396,411	77,324
	<u>508,488</u>	<u>189,401</u>

Long leaseholds are those leaseholds with more than 50 years unexpired

10 Fixed asset investments

		Investments other than loans £
Cost		
1st November 1998		12,656
Additions		10,447
Disposals		(1,400)
31st October 1999		<u>21,703</u>
Net book amount		
31st October 1999		<u>21,703</u>
1st November 1998		<u>12,656</u>
	1999 £	£
Listed investments included above		
Fixed asset investments - cost	<u>21,703</u>	<u>12,656</u>
Fixed asset investments - market value	<u>23,700</u>	<u>11,562</u>

11 Stocks

	1999 £	1998 £
Work in progress	60,000	55,569
General stock	284,434	229,804
	<u>344,434</u>	<u>285,373</u>

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

12 Debtors

	1999	1998
	£	£
Amounts falling due within one year		
Trade debtors	782,673	547,584
Other debtors	1,100	15,316
Prepayments and accrued income	-	3,012
	<u>783,773</u>	<u>565,912</u>

13 Creditors: amounts falling due within one year

	1999	1998
	£	£
Bank overdrafts	280,125	-
Trade creditors	293,223	260,759
Corporation tax	43,051	46,251
Other taxation and social security	62,160	31,097
Other creditors	18,859	7,606
Accruals and deferred income	103,037	40,694
	<u>800,455</u>	<u>386,407</u>

The bank borrowings are secured by a legal charge over the property of the company.

14 Provision for liabilities and charges

	Pensions
	£
1st November 1998	-
Profit and loss account	7,438
Amounts used	(7,438)
Other movements	-
31st October 1999	<u>-</u>

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

15 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	40,869	133,496
Dividends	(25,000)	(30,000)
Net addition to shareholders' funds	15,869	103,496
Opening shareholders' funds	926,091	822,595
Closing shareholders' funds	941,960	926,091

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

16 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

17 Profit and loss account

	1999 £
1st November 1998	925,091
Retained profit for the year	15,869
31st October 1999	940,960

18 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1999 £	1998 £
Operating profit	54,383	179,822
Depreciation charges	40,440	32,064
(Profit)/loss on sale of fixed assets	(3,623)	2,604
Increase in stocks	(59,061)	(4,430)
(Increase)/decrease in debtors	(222,861)	68,750
Increase/(decrease) in creditors	134,624	(42,587)
Net cash (outflow)/inflow from operating activities	(56,098)	236,223

PARK GATE AND COMPANY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st October 1999

19 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand .	164,282	(164,055)	227
Bank overdrafts	-	(280,125)	(280,125)
		<u>(444,180)</u>	
 Total	 <u>164,282</u>	 <u>(444,180)</u>	 <u>(279,898)</u>

Reconciliation of net cash flow to movement in net debt

	1999 £	1998 £
(Decrease)/increase in cash in the year	<u>(444,180)</u>	<u>120,790</u>
Change in net debt resulting from cash flows	(444,180)	120,790
Net debt at 1st November 1998	<u>164,282</u>	<u>43,492</u>
Net debt at 31st October 1999	<u>(279,898)</u>	<u>164,282</u>