

PARK GATE AND COMPANY LIMITED

FINANCIAL STATEMENTS

31ST OCTOBER 1998

Registered number: 422148

R S T Kyles

CHARTERED ACCOUNTANTS

Carlisle



PARK GATE AND COMPANY LIMITED

FINANCIAL STATEMENTS

for the year ended 31st October 1998

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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## PARK GATE AND COMPANY LIMITED

## COMPANY INFORMATION

31st October 1998

NUMBER	422148
DIRECTORS	G W S Park I E Park R A Park
SECRETARY	G W S Park
REGISTERED OFFICE	Lancaster Street Carlisle Cumbria CA1 1TF
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 1998

The directors present their report and the audited financial statements for the year ended 31st October 1998.

**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 £926,091.

**Results and dividends**

The results for the year are shown in the profit and loss account on page 5. Ordinary dividends amounting to £30,000 have been paid.

**Fixed assets**

In the opinion of the directors, the present market value of the company's properties is in excess of the amounts at which they are stated in the accounts.

**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 1998 Ordinary shares	1st November 1997 Ordinary shares
G W S Park	200	250
I E Park	400	375
R A Park	400	375

continued .....

## PARK GATE AND COMPANY LIMITED

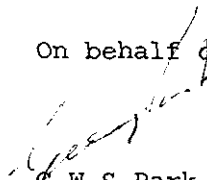
DIRECTORS' REPORT  
(continued)

31st October 1998

**Auditors**

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

On behalf of the board

  
G W S Park  
Secretary

Lancaster Street  
Carlisle  
Cumbria  
CA1 1TF

27/8/99

## 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

*G W S Park*  
G W S Park  
Director

27/8/99

**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 14 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**

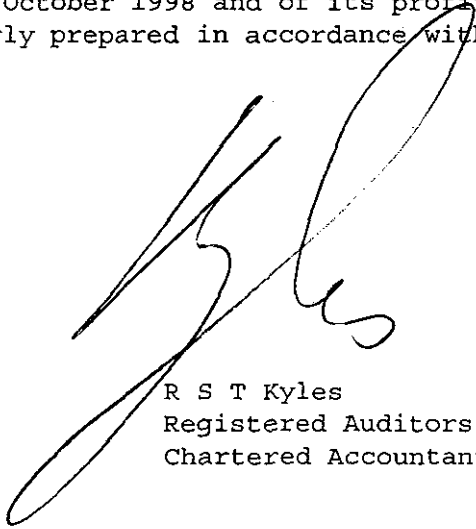
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Carlisle



R S T Kyles  
Registered Auditors  
Chartered Accountants

28/8/99

## PARK GATE AND COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31st October 1998

	Note	1998 £	1997 £
Turnover	2	3,115,954	3,278,401
Cost of sales		(2,535,922)	(2,779,172)
Gross profit		580,032	499,229
Net operating expenses			
Administrative expenses		(411,571)	(340,606)
Other operating income		11,361	13,311
Operating profit	3	179,822	171,934
Interest payable	5	(845)	(5,185)
Profit on ordinary activities before taxation		178,977	166,749
Taxation	6	(45,481)	(40,360)
Profit on ordinary activities after taxation		133,496	126,389
Dividends	7	(30,000)	(20,000)
Retained profit for the year	17	103,496	106,389

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 1998 or 1997 other than the profit for the year.



## PARK GATE AND COMPANY LIMITED

## BALANCE SHEET

at 31st October 1998

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	8	284,275	287,939
Investments	10	12,656	910
		<u>296,931</u>	<u>288,849</u>
<b>Current assets</b>			
Stocks	11	285,373	280,943
Debtors	12	565,912	629,662
Cash at bank and in hand		164,282	43,492
		<u>1,015,567</u>	<u>954,097</u>
Creditors: amounts falling due within one year	13	(386,407)	(420,352)
Net current assets		<u>629,160</u>	<u>533,745</u>
Total assets less current liabilities		<u>926,091</u>	<u>822,594</u>
<b>Capital and reserves</b>			
Called up share capital	16	1,000	1,000
Profit and loss account	17	925,091	821,594
Total shareholders' funds	15	<u>926,091</u>	<u>822,594</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 27/8/99 and signed on its behalf by:

  
G W S Park  
Director

## PARK GATE AND COMPANY LIMITED

## CASH FLOW STATEMENT

for the year ended 31st October 1998

	Note	1998		1997	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	19		236,223		(15,580)
Returns on investments and servicing of finance					
Interest paid			(845)		(5,185)
Taxation					
Corporation tax paid			(41,837)		(31,832)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(40,555)		(55,307)	
Purchase of fixed asset investments		(11,746)		-	
Sale of tangible fixed assets		9,550		19,146	
			(42,751)		(36,161)
			150,790		(88,758)
Equity dividends paid			(30,000)		(20,000)
Increase/(decrease) in cash			120,790		(108,758)

## PARK GATE AND COMPANY LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st October 1998

**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 & Leasehold land & buildings	NIL
Computer equipment	25% 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 1998

## 3 Operating profit

	1998 £	1997 £
Operating profit is stated after crediting:		
Interest receivable	11,100	13,310
Profit on sale of assets	-	1,499
	<u>          </u>	<u>          </u>
and after charging:		
Staff costs (note 4)	1,043,208	989,615
Auditors' remuneration	5,000	5,000
Operating leases:		
Hire of assets other than plant & machinery	946	946
Rent	10,564	10,572
Loss on sale of assets	2,604	-
	<u>          </u>	<u>          </u>
Depreciation of tangible fixed assets (note 8):		
Owned assets	32,064	23,654
	<u>          </u>	<u>          </u>

## 4 Directors and employees

	1998 £	1997 £
Staff costs including directors' emoluments		
Wages and salaries	1,001,770	976,182
Pension costs	41,438	13,433
	<u>          </u>	<u>          </u>
	1,043,208	989,615
	<u>          </u>	<u>          </u>
Average monthly number employed including executive directors:	Number	Number
Production staff	59	59
	<u>          </u>	<u>          </u>
Directors	£	£
Emoluments	80,000	68,200
Company contributions to money purchase pension schemes	34,000	5,000
	<u>          </u>	<u>          </u>
	114,000	73,200
	<u>          </u>	<u>          </u>
During the year the following number of directors accrued retirement benefits under:	Number	Number
Money purchase pension schemes	2	2
	<u>          </u>	<u>          </u>

## 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 £34,000 (1997 £5,000).

## PARK GATE AND COMPANY LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st October 1998

## 5 Interest payable

	1998 £	1997 £
Bank interest	845	5,185
	<u>845</u>	<u>5,185</u>

## 6 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 21% (1997 21%)	46,251	40,360
Over provision in earlier years	(770)	-
	<u>45,481</u>	<u>40,360</u>

## 7 Dividends paid

	1998 £	1997 £
Ordinary - final	30,000	20,000
	<u>30,000</u>	<u>20,000</u>

## 8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Land and Buildings £	Total £
1st November 1997	171,479	91,697	187,485	450,661
Additions	31,023	7,615	1,917	40,555
Disposals	(20,044)	-	-	(20,044)
	<u>182,458</u>	<u>99,312</u>	<u>189,402</u>	<u>471,172</u>
31st October 1998				
Depreciation				
1st November 1997	99,444	63,279	-	162,723
Charge for the year	22,726	9,338	-	32,064
Disposals	(7,890)	-	-	(7,890)
	<u>114,280</u>	<u>72,617</u>	<u>-</u>	<u>186,897</u>
31st October 1998				
Net book amount				
31st October 1998	<u>68,178</u>	<u>26,695</u>	<u>189,402</u>	<u>284,275</u>
1st November 1997	<u>72,036</u>	<u>28,417</u>	<u>187,486</u>	<u>287,939</u>

## PARK GATE AND COMPANY LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st October 1998

## 9 Land and buildings

	1998 £	1997 £
King Street and Newtown (freehold)	112,078	107,302
Lancaster Street (long leasehold)	77,324	80,184
	<u>189,402</u>	<u>187,486</u>

Long leaseholds are those leaseholds with more than 50 years unexpired

## 10 Fixed asset investments

		Investments other than loans £
<b>Cost</b>		
1st November 1997		910
Additions		11,746
31st October 1998		<u>12,656</u>
<b>Net book amount</b>		
31st October 1998		<u>12,656</u>
1st November 1997		<u>910</u>
	£	£
Listed investments included above		
Fixed asset investments - cost	<u>12,656</u>	<u>910</u>
Fixed asset investments - market value	<u>11,562</u>	<u>2,245</u>

## 11 Stocks

	1998 £	1997 £
Work in progress	55,569	86,947
General stock	229,804	193,996
	<u>285,373</u>	<u>280,943</u>

## PARK GATE AND COMPANY LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st October 1998

## 12 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	547,584	618,874
Other debtors	15,316	7,200
Prepayments and accrued income	3,012	3,588
	<u>565,912</u>	<u>629,662</u>

## 13 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	260,759	227,729
Corporation tax	46,251	37,607
Other taxation and social security	31,097	66,303
Other creditors	7,606	37,307
Accruals and deferred income	40,694	51,406
	<u>386,407</u>	<u>420,352</u>

## 14 Provision for liabilities and charges

	Pensions £
1st November 1997	-
Profit and loss account	7,438
Amounts used	(7,438)
Other movements	-
31st October 1998	<u>-</u>

## 15 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year	133,496	126,389
Dividends	(30,000)	(20,000)
	<u>103,496</u>	<u>106,389</u>
Opening shareholders' funds	822,595	716,205
Closing shareholders' funds	<u>926,091</u>	<u>822,594</u>

## PARK GATE AND COMPANY LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st October 1998

## 16 Called up share capital

	1998		1997	
	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

	1998 £
1st November 1997	821,595
Retained profit for the year	103,496
31st October 1998	925,091

## 18 Post balance sheet events

Since the year end the company has purchased a building on the Kingstown Industrial Estate. It is intended to move the trading operation to this site.

## 19 Notes to the cash flow statement

Reconciliation of operating profit  
to operating cash flows

	1998 £	1997 £
Operating profit	179,822	171,934
Depreciation charges	32,064	23,654
Loss/(profit) on sale of fixed assets	2,604	(1,499)
Increase in stocks	(4,430)	(6,544)
Decrease/(increase) in debtors	68,749	(497)
(Decrease)/increase in creditors	(42,588)	(202,628)
Net cash inflow/(outflow) from operating activities	236,223	(15,580)



## PARK GATE AND COMPANY LIMITED

## NOTES ON FINANCIAL STATEMENTS

31st October 1998

## 20 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	43,492	120,790	164,282
		<u>120,790</u>	
<b>Total</b>	<u>43,492</u>	<u>120,790</u>	<u>164,282</u>

## Reconciliation of net cash flow to movement in net debt

	1998 £	1997 £
Increase in cash/(debt) in the year	120,790	(94,820)
Net cash at 1st November 1997	43,492	51,382
<b>Net cash/(debt) at 31st October 1998</b>	<u>164,282</u>	<u>43,492</u>

## 21 Related parties

Included in Other debtors are amounts owed to the company by two of the directors. These amounts were repaid prior to 31 July 1999.