

PARK GATE AND COMPANY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST OCTOBER 1996

Company no. 422148



## PARK GATE AND COMPANY LIMITED

### DIRECTORS' REPORT

The Directors present their report and the accounts for the year ended 31st October 1996.

#### 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;

comply with applicable accounting standards 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

#### Review of Activities

The company's principal activity during the year was the supply, installation and repair of electrical equipment.

#### Directors

The directors during the year and their interests, including family interests, in the share capital were:-

	<u>£1 Ordinary Shares</u>	
	<u>1996</u>	<u>1995</u>
G W S Park	250	250
I E Park	375	375
R Park	375	375

PARK GATE AND COMPANY LIMITED

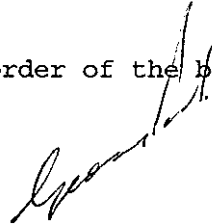
DIRECTORS' REPORT (Cont'd)

Auditors

Messrs Kyles, Chartered Accountants, have expressed their willingness to be re-elected in accordance with Section 385 of the Companies Act, 1985.

Advantage has been taken in the preparation of the directors' report of the special exemptions applicable to small companies by Part II of Schedule 8 to the Companies Act 1985.

By order of the board,



G W S Park

Secretary

Lancaster Street  
Carlisle

Date 28/8/97

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
PARK GATE AND COMPANY LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared following the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1 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.

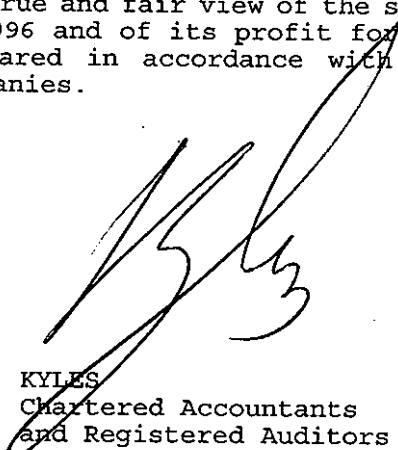
**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st October 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small companies.

Riverside  
Warwick Road  
Carlisle

date

29/8/97

  
KYLES  
Chartered Accountants  
and Registered Auditors

PARK GATE AND COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER 1996

		<u>1996</u>	<u>1995</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
TURNOVER	2	2,749,917	2,641,729
Cost of Sales	3	(2,251,145)	(2,078,529)
GROSS PROFIT		498,772	563,200
Net Operating Expenses	3	(351,081)	(333,036)
OPERATING PROFIT		147,691	230,164
Interest Receivable		11,256	13,125
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		158,947	243,289
Interest Payable		(3,434)	(10,276)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	155,513	233,013
Taxation on Profit on Ordinary Activities		(39,080)	(55,101)
PROFIT FOR THE FINANCIAL YEAR	12	116,433	177,912
Dividends	12	(30,000)	(10,000)
		86,433	167,912

There are no recognised gains and losses  
other than the profit for the year. (1995: same)

The company's turnover and expenses all relate to continuing operations.

The notes on pages 6 to 10 form part of these accounts.

PARK GATE AND COMPANY LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 1996

		<u>1996</u>	<u>1995</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible Assets	6	258,787	233,037
Investments	7	910	910
		259,697	233,947
CURRENT ASSETS			
Stocks		274,399	262,807
Debtors	8	629,166	528,310
Cash at Bank and in Hand		138,312	152,766
		1,041,877	943,883
CREDITORS (Amounts falling due within one year)	9	(561,369)	(515,058)
NET CURRENT ASSETS		480,508	428,825
TOTAL ASSETS LESS CURRENT LIABILITIES		740,205	662,772
CREDITORS (Amounts falling due after one year)	10	(24,000)	(33,000)
		716,205	629,772
<u>CAPITAL AND RESERVES</u>			
Share Capital	11	1,000	1,000
Profit and Loss Account	12	715,205	628,772
		716,205	629,772

Advantage is taken of the exemptions conferred by section A of Part III of Schedule 8 to the Companies Act 1985. In the directors' opinion the company is entitled to those exemptions having met the qualifications for a small company as specified in section 247 of the Companies Act 1985.

Approved by the board on 28/8/97 and signed on its behalf by

I E Park

) Directors

R Park

)

The notes on pages 6 to 10 form part of these accounts.

PARK GATE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 1996

1. ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable accounting standards.

Accounting Convention

The accounts are prepared under the historical cost convention

Depreciation

Depreciation is provided on all tangible fixed assets (with the exception of freehold and long leasehold land and buildings) at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. The rates used are as follows:-

Plant and Machinery	10-25% reducing balance
Motor Vehicles	25% reducing balance

No depreciation is provided on freehold and long leasehold land and buildings as, in the opinion of the directors, the realisable value is in excess of book value.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Work in progress is the cost of direct materials and an appropriate proportion of fixed and variable overheads.

Hire Purchase Commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The obligation is included in creditors due within one year.

The interest element is charged to the profit and loss account over the period of the agreement and represents a constant proportion of the balance of capital repayments outstanding.

Pension Costs

Contributions payable to the Company's pension scheme are charged to the Profit and Loss account in the period to which they relate.

Investments

Investments held as fixed assets are stated at cost. Their value at 31st October 1996 was £ 2,104.

PARK GATE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 1996

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of Value Added Tax.

The turnover and pre-tax profit are attributable to the principal activity of the company.

3. COST OF SALES AND NET OPERATING EXPENSES

	<u>Continuing</u>	<u>Continuing</u>
	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Cost of Sales	2,251,145	2,078,529
Net Operating Expenses		
Administrative Costs	351,081	333,036

4. Directors' Remuneration

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Emoluments (including pension contributions and benefits in kind)	109,300	115,665
Pension paid to past Directors	29,885	34,555
Pension paid to present Director	10,000	-
Ex-gratia payment to past Director	-	26,500

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

is stated after charging the following amounts:-	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Auditors' Remuneration	4,500	4,500
Depreciation		
owned assets	19,312	13,537
(Profit) on Disposal of Assets	(1,098)	(9,890)



PARK GATE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 1996

6. TANGIBLE FIXED ASSETS

	<u>Land &amp; Buildings</u>	<u>Plant &amp; Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>				
At 1st Nov. 1995	175,371	65,964	134,756	376,091
Addition	8,637	13,849	22,578	45,064
Disposals	-	-	(8,153)	(8,153)
At 31st Oct. 1996	184,008	79,813	149,181	413,002
<u>Depreciation</u>				
At 1st Nov. 1995	-	46,744	96,310	143,054
Charge for Year	-	8,649	10,663	19,312
On Disposals	-	-	(8,151)	(8,151)
At 31st Oct. 1996	-	55,393	98,822	154,215
<u>Net Book Value</u>				
At 31st Oct. 1996	184,008	24,420	50,359	258,787
At 31st Oct. 1995	175,371	19,220	38,446	233,037

The net book value of Land and Buildings comprises;

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Freehold	110,162	101,525
Long Leasehold	73,846	73,846
	<u>184,008</u>	<u>175,371</u>

PARK GATE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 1996

7. INVESTMENTS

Other investments other than loans

	<u>Listed</u> <u>in G.B.</u>
	£
<u>Cost</u>	
At 1st November 1995	
and 31st October 1996	910

8. DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Trade Debtors	626,331	525,357
Other Debtors	2,835	2,953
	<hr/>	<hr/>
	629,166	528,310
	<hr/>	<hr/>

9. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	<u>1996</u>	<u>1995</u>
	£	£
Bank Loan	9,000	9,000
Trade Creditors	340,452	311,161
Other Creditors	211,917	194,897
	<hr/>	<hr/>
	561,369	515,058
	<hr/>	<hr/>

The company has given security for the bank loan and any overdraft.

10. CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)

	<u>1996</u>	<u>1995</u>
	£	£
Bank Loan	24,000	33,000
	<hr/>	<hr/>

PARK GATE AND COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 1996

11. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, Issued and Fully Paid</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Ordinary Shares of £1 each	1,000	1,000	1,000	1,000

12. RESERVES AND RECONCILIATION OF OPENING AND CLOSING SHAREHOLDERS FUNDS

	<u>Share Capital</u>	<u>Profit &amp; Loss Account</u>	<u>Total Shareholders Funds</u>	<u>Total Shareholders Funds</u>
	<u>£</u>	<u>£</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
At 1st November 1995	1,000	628,772	629,772	461,860
Profit for Financial Year	-	116,433	116,433	177,912
Dividend	-	(30,000)	(30,000)	(10,000)
At 31st October 1996	1,000	715,205	716,205	629,772