

DAVID McCLURE LIMITED

REPORT AND ACCOUNTS

Year ended 31 March 1996



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Year ended 31 March 1996

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## DAVID McCLURE LIMITED

## Directors

T Reid: Chairman  
D M Murray  
G T Beverley

## Secretary and registered office

D M Murray, Mersey Dynamo Works, Range Road, Adswood, Stockport

## DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 March 1996.

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the accounts 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 that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

## 1. Principal activity and business review

The company is principally engaged in the manufacture of electric motors and generators.

The company sustained a loss in the year due to a lower level of activity than anticipated. Orders have improved in the current year which means that the company should show improved results this financial year.

## 2. Results and dividend

£

The loss for the year amounted to	(48,338)
Retained earnings at 1 April 1995 amounted to	546,953
	<hr/>
Making retained earnings at 31 March 1996	498,615
	<hr/>

The directors do not recommend the payment of a dividend.

## 3. Fixed assets

The changes in fixed assets are shown in note 5 to the accounts.

## 4. /

## DAVID McCLURE LIMITED

## DIRECTORS' REPORT

## 4. Directors and their interests

The directors who held office throughout the year to 31 March 1996 were T Reid, D M Murray and G T Beverley. Mr G T Beverley retires at this time and, being eligible, offers himself for re-election. Mr D Walkden retired on 30 September 1995.

As Mr T Reid and Mr D M Murray are directors of a body corporate of which the company is a wholly owned subsidiary, details of their shareholdings have not been notified. Mr D Walkden and Mr G T Beverley had no interest in the shares of the company, parent company or fellow subsidiary undertakings at the beginning or end of the year.

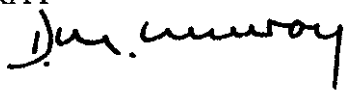
## 5. Auditors

A resolution concerning the re-appointment of Moores Rowland as auditors will be submitted at the forthcoming annual general meeting.

By order of the board

D M MURRAY

Secretary



8/11/96

DAVID McCLURE LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF DAVID McCLURE LIMITED

We have audited the accounts on pages 4 to 11 in accordance with Auditing Standards.

**Respective responsibilities of directors and auditors**

As described in the directors' report the company's directors are responsible for the preparation of accounts. It is our responsibility as auditors to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 that we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Moore Rowland*

MOORES ROWLAND

Chartered Accountants  
Registered Auditors

25 Bothwell Street  
Glasgow G2 6NL

*8 November 1996*

DAVID McCLURE LIMITED  
 PROFIT AND LOSS ACCOUNT  
 YEAR ENDED 31 MARCH 1996

	Note	1996 £	1995 £
TURNOVER		1,814,539	1,654,973
Cost of sales		<u>1,375,412</u>	<u>1,233,183</u>
GROSS PROFIT		439,127	421,790
Distribution costs		<u>39,197</u>	<u>42,239</u>
Administration expenses		<u>446,347</u>	<u>450,671</u>
		<u>485,544</u>	<u>492,910</u>
OPERATING LOSS		(46,417)	(71,120)
Interest payable	1	<u>2,243</u>	<u>2,803</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(48,660)	(73,923)
Tax on loss on ordinary activities	4	<u>(322)</u>	<u>(12,693)</u>
RETAINED LOSS FOR THE YEAR	12	<u>(48,338)</u>	<u>(61,230)</u>

All disclosures relate only to continuing operations.

There are no recognised gains or losses other than the loss for the year.

The statement of accounting policies and notes on pages 6 to 11 form part of these accounts.

## DAVID McCLURE LIMITED

## BALANCE SHEET

31 MARCH 1996

		1996	1995
	Note	£	£
FIXED ASSETS			
Tangible assets	5	71,453	92,877
CURRENT ASSETS			
Stocks	6	229,983	231,034
Debtors	7	574,416	502,245
Cash at bank and in hand		199	347
		<u>804,598</u>	<u>733,626</u>
CREDITORS: amounts falling due within one year	8	360,436	252,800
NET CURRENT ASSETS		<u>444,162</u>	<u>480,826</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		515,615	573,703
CREDITORS: amounts falling due after more than one year	9	-	9,750
		<u>515,615</u>	<u>563,953</u>
CAPITAL AND RESERVES			
Called up share capital	11	17,000	17,000
Profit and loss account	12	498,615	546,953
EQUITY SHAREHOLDERS' FUNDS	13	<u>515,615</u>	<u>563,953</u>

T REID



Director

D M MURRAY



Director

8/11/96

The statement of accounting policies and notes on pages 6 to 11 form part of these accounts.

## DAVID McCLURE LIMITED

## STATEMENT OF ACCOUNTING POLICIES

## (i) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

## (ii) Turnover

Turnover represents the invoice value of goods despatched during the year.

## (iii) Tangible fixed assets

Depreciation has been provided on all tangible fixed assets and has been calculated at rates required to write off the assets over their estimated useful lives.

The following rates are used:

Leasehold property	:	2% on cost
Plant and machinery	:	5% - 8% on cost
Office equipment	:	20% on net book amount and on cost
Motor vehicles	:	25% on cost

## (iv) Deferred taxation

Provision is made under the liability method for taxation in respect of accelerated capital allowances, and other timing differences, but only to the extent that it is thought reasonably probable that an actual liability will arise in the foreseeable future.

## (v) Stock and work in progress

Stock and work in progress are stated at the lower of cost (on a first in first out basis) and net realisable value. Cost in the case of work in progress comprises direct materials, direct labour and factory overheads attributable to manufacturing.

## (vi) Pension costs

The company contributes to personal pensions for those employees with the necessary qualifying periods of service. The pension cost charge represents contributions payable by the company to the personal pension plans.

## (vii) Leasing

Assets financed by lease arrangements under which substantially all the risks and rewards of ownership are transferred to the company are included in tangible fixed assets at the aggregate of the capital elements of payments during the term of the agreement and the corresponding obligation is included in creditors. Depreciation is provided to write off the assets over their expected useful lives.



## DAVID McCLURE LIMITED

## NOTES ON THE ACCOUNTS Year ended 31 March 1996

	1996	1995
	£	£
1. Interest payable		
Debenture interest	637	637
Lease interest	1,606	2,166
	<u>2,243</u>	<u>2,803</u>
2. Loss on ordinary activities before taxation		
The loss is stated after charging:		
Depreciation of tangible fixed assets	22,042	26,761
Auditors' remuneration	4,700	4,500
	<u>26,742</u>	<u>31,261</u>
3. Directors and other employees	Number	Number
The average weekly number of persons employed by the company during the year was as follows:		
Production	33	37
Distribution and administration	17	18
	<u>50</u>	<u>55</u>
Staff costs comprise:	£	£
Wages and salaries	691,758	711,839
Social security costs	65,375	69,953
Other pension costs	14,216	16,121
	<u>771,349</u>	<u>797,913</u>
The remuneration of the directors was as follows:		
Fees	-	-
Other emoluments	81,679	94,925
	<u>81,679</u>	<u>94,925</u>

Excluding /

## DAVID McCLURE LIMITED

## NOTES ON THE ACCOUNTS Year ended 31 March 1996

	1996	1995		
3. Directors and other employees (Cont'd)	£	£		
Excluding contributions to pension schemes the emoluments of the individual directors were as follows:				
Chairman	11,132	10,963		
Highest paid director	39,968	39,522		
	<u>          </u>	<u>          </u>		
Other directors	Number	Number		
£10,001 - £15,000	2	1		
£25,001 - £30,000	-	1		
	<u>          </u>	<u>          </u>		
4. Tax on loss on ordinary activities	£	£		
Taxation based on the loss for the year is made up as follows:				
Deferred taxation	(466)	(12,420)		
Prior year adjustment:				
- corporation tax	(322)	(273)		
- deferred taxation	466	-		
	<u>          </u>	<u>          </u>		
	(322)	(12,693)		
	<u>          </u>	<u>          </u>		
5. Tangible fixed assets				
	Land and buildings long leasehold	Plant, machinery and office equipment	Motor vehicles	Total
	£	£	£	£
Cost:				
At 1 April 1995	43,613	469,125	26,617	539,355
Additions	-	3,468	-	3,468
Disposals	-	-	(11,400)	(11,400)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 1996	43,613	472,593	15,217	531,423
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Depreciation:				
At 1 April 1995	20,385	409,935	16,158	446,478
On disposals	-	-	(8,550)	(8,550)
Charge for year	548	17,690	3,804	22,042
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 1996	20,933	427,625	11,412	459,970
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net book amount:				
At 31 March 1996	22,680	44,968	3,805	71,453
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 1995	23,228	59,190	10,459	92,877
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## DAVID McCLURE LIMITED

## NOTES ON THE ACCOUNTS Year ended 31 March 1996

## 5. Tangible fixed assets (Cont'd)

Included in plant, machinery and office equipment are assets purchased under finance leases having a net book amount at 31 March 1996 of £Nil (1995: £5,789). Included in the depreciation charge for the year is depreciation in respect of these assets of £5,789 (1995: £7,797).

	1996	1995
	£	£
6. Stocks		
Raw materials	97,729	101,640
Work in progress	132,254	129,394
	<u>229,983</u>	<u>231,034</u>
7. Debtors		
Trade debtors	313,080	304,521
Amounts owed by group undertakings	257,082	194,651
Prepayments and accrued income	4,254	3,073
	<u>574,416</u>	<u>502,245</u>
8. Creditors: amounts falling due within one year		
Bank overdraft	26,042	6,549
Trade creditors	215,343	140,685
Amounts owed to group undertakings	45,743	42,090
Other tax and social security	33,832	29,062
Obligations under finance leases	1,250	5,500
Other creditors and accruals	38,226	28,914
	<u>360,436</u>	<u>252,800</u>
9. Creditors: amounts falling due after more than one year		
Obligations under finance leases	-	1,250
Debentures	-	8,500
	<u>-</u>	<u>9,750</u>

10. /

## DAVID McCLURE LIMITED

## NOTES ON THE ACCOUNTS Year ended 31 March 1996

	1996	1995
10. Deferred taxation	£	£
The full potential deferred tax liability and the amount provided in the accounts is as follows:		
Accelerated capital allowances	9,002	10,698
Other timing differences	(312)	(437)
Unrelieved losses	(8,690)	(10,261)
	<u>-</u>	<u>-</u>
11. Called up share capital		
Authorised:		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
Allotted and fully paid:		
17,000 Ordinary shares of £1 each	<u>17,000</u>	<u>17,000</u>
12. Profit and loss account		
At 1 April 1995	546,953	607,262
Transfer from general reserve	-	921
Loss for year	(48,338)	(61,230)
At 31 March 1996	<u>498,615</u>	<u>546,953</u>
13. Reconciliation of movement in shareholders' funds		
Loss for year	(48,338)	(61,230)
Opening shareholders' funds	<u>563,953</u>	<u>625,183</u>
Closing shareholders' funds	<u>515,615</u>	<u>563,953</u>
14. Contingent liabilities		
The company has granted to its bankers a right of set off against amounts outstanding on advances to its parent company and fellow subsidiary undertakings.		
The company has, in the normal course of business, given guarantees and performance bonds relating to the company's own contracts.		
15. /		

## DAVID McCLURE LIMITED

## •NOTES ON THE ACCOUNTS Year ended 31 March 1996

## 15. Pensions

The company contributes to personal pensions for those employees with the necessary qualifying service who wish to participate.

The assets of the Group Personal Pension Scheme are held separately from those of the company in independently administered funds.

## 16. Ultimate parent company

The company's ultimate parent company is Thomas Reid (Engineering Holdings) Limited, registered in Scotland.

## 17. Capital commitments

There were no capital commitments unprovided for in the accounts.