

COPY FOR REGISTRATION OF COMPANIES
COMPANY NO. 00464863

**Moores
Rowland**

DAVID McCLURE LIMITED

REPORT AND ACCOUNTS

Year ended 31 March 1997



DAVID McCLURE LIMITED
REPORT AND ACCOUNTS
Year ended 31 March 1997

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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 1997.

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 incurred a reduced loss during the year following its success in breaking into new markets. It is hoped that this progress can be continued, which should result in the company making a modest profit in the year to 31 March 1998.

2. Results and dividend

	£
The loss for the year amounted to	(11,015)
Retained earnings at 1 April 1996 amounted to	498,615
	<hr/>
Making retained earnings at 31 March 1997	487,600
	<hr/> <hr/>

The directors do not recommend the payment of a dividend.

3. /

DAVID McCLURE LIMITED

DIRECTORS' REPORT (Cont'd)

3. Directors and their interests

The directors who held office throughout the year to 31 March 1997 were T Reid, D M Murray and G T Beverley. Mr T Reid retires at this time and, being eligible, offers himself for re-election.

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 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.

4. 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

28 November 1997

DAVID McCLURE LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF DAVID McCLURE LIMITED

We have audited the accounts on pages 4 to 10 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 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MOORES ROWLAND

Chartered Accountants
Registered Auditors

25 Bothwell Street
Glasgow G2 6NL

1 December 1997

DAVID McCLURE LIMITED
 PROFIT AND LOSS ACCOUNT
 YEAR ENDED 31 MARCH 1997

	Note	1997 £	1996 £
TURNOVER		2,108,945	1,814,539
Cost of sales		<u>1,605,722</u>	<u>1,375,412</u>
GROSS PROFIT		503,223	439,127
Distribution costs		<div style="border: 1px solid black; padding: 2px;">39,486</div>	<div style="border: 1px solid black; padding: 2px;">39,197</div>
Administration expenses		<div style="border: 1px solid black; padding: 2px;">474,392</div>	<div style="border: 1px solid black; padding: 2px;">446,347</div>
		<u>513,878</u>	<u>485,544</u>
OPERATING LOSS		(10,655)	(46,417)
Interest payable	1	<u>360</u>	<u>2,243</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(11,015)	(48,660)
Tax on loss on ordinary activities	4	<u>-</u>	<u>(322)</u>
RETAINED LOSS FOR THE YEAR	11	<u>(11,015)</u>	<u>(48,338)</u>

All disclosures relate only to continuing operations.

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

DAVID McCLURE LIMITED

BALANCE SHEET

31 MARCH 1997

		1997	1996
	Note	£	£
FIXED ASSETS			
Tangible assets	5	57,671	71,453
CURRENT ASSETS			
Stocks	6	345,759	229,983
Debtors	7	569,726	574,416
Cash at bank and in hand		223	199
		<u>915,708</u>	<u>804,598</u>
CREDITORS: amounts falling due within one year	8	468,779	360,436
NET CURRENT ASSETS		<u>446,929</u>	<u>444,162</u>
NET ASSETS		<u><u>504,600</u></u>	<u><u>515,615</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	17,000	17,000
Profit and loss account	11	487,600	498,615
EQUITY SHAREHOLDERS' FUNDS	12	<u><u>504,600</u></u>	<u><u>515,615</u></u>

T REID



Director

D M MURRAY



Director

28 November 1997

The statement of accounting policies and notes on pages 6 to 10 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 1997

	1997	1996
	£	£
1. Interest payable		
Debenture interest	-	637
Lease interest	360	1,606
	<u>360</u>	<u>2,243</u>
2. Loss on ordinary activities before taxation		
The loss is stated after charging:		
Depreciation of tangible fixed assets	15,032	22,042
Auditors' remuneration	<u>4,600</u>	<u>4,700</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	33
Distribution and administration	<u>16</u>	<u>17</u>
	<u>49</u>	<u>50</u>
Staff costs comprise:	£	£
Wages and salaries	688,116	691,758
Social security costs	66,927	65,375
Other pension costs	13,965	14,216
	<u>769,008</u>	<u>771,349</u>
The remuneration of the directors was as follows:		
Emoluments	66,555	75,561
Company contributions to money purchase pension schemes	<u>5,256</u>	<u>6,118</u>
	<u>71,811</u>	<u>81,679</u>
of which paid by:		
the company	42,693	56,340
the parent company	<u>29,118</u>	<u>25,339</u>
	<u>71,811</u>	<u>81,679</u>

All directors are accruing benefits under money purchase pension schemes.

DAVID McCLURE LIMITED

NOTES ON THE ACCOUNTS Year ended 31 March 1997

	1997	1996
4. Tax on loss on ordinary activities	£	£
Deferred taxation	-	(466)
Prior year adjustment:		
- corporation tax	-	(322)
- deferred taxation	-	466
	<u>-</u>	<u>(322)</u>

Unrelieved losses are available, subject to agreement with the Inland Revenue, to reduce the tax liability in respect of future trading profits

5. Tangible fixed assets	Land and buildings long leasehold	Plant, machinery and office equipment	Motor vehicles	Total
	£	£	£	£
Cost:				
At 1 April 1996	43,613	472,593	15,217	531,423
Additions	-	1,250	-	1,250
Disposals	-	-	-	-
At 31 March 1997	<u>43,613</u>	<u>473,843</u>	<u>15,217</u>	<u>532,673</u>
Depreciation:				
At 1 April 1996	20,933	427,625	11,412	459,970
On disposals	-	-	-	-
Charge for year	548	10,679	3,805	15,032
At 31 March 1997	<u>21,481</u>	<u>438,304</u>	<u>15,217</u>	<u>475,002</u>
Net book amount:				
At 31 March 1997	<u>22,132</u>	<u>35,539</u>	<u>-</u>	<u>57,671</u>
At 31 March 1996	<u>22,680</u>	<u>44,968</u>	<u>3,805</u>	<u>71,453</u>

Included in plant, machinery and office equipment are assets purchased under finance leases having a net book amount at 31 March 1997 of £Nil (1996: £Nil). Included in the depreciation charge for the year is depreciation in respect of these assets of £Nil (1996: £5,789).

	1997	1996
6. Stocks	£	£
Raw materials	70,938	97,729
Work in progress	274,821	132,254
	<u>345,759</u>	<u>229,983</u>

DAVID McCLURE LIMITED

NOTES ON THE ACCOUNTS Year ended 31 March 1997

	1997	1996
	£	£
7. Debtors		
Trade debtors	347,727	313,080
Amounts owed by group undertakings	218,200	257,082
Prepayments and accrued income	3,799	4,254
	<u>569,726</u>	<u>574,416</u>
8. Creditors: amounts falling due within one year		
Bank overdraft	2,602	26,042
Trade creditors	254,852	215,343
Amounts owed to group undertakings	45,923	45,743
Other tax and social security	19,038	33,832
Obligations under finance leases	-	1,250
Other creditors and accruals	146,364	38,226
	<u>468,779</u>	<u>360,436</u>
9. Deferred taxation		
The full potential deferred tax liability and the amount provided in the accounts is as follows:		
Accelerated capital allowances	5,731	9,002
Other timing differences	-	(312)
Unrelieved losses	(5,731)	(8,690)
	<u>-</u>	<u>-</u>
10. 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>
11. Profit and loss account		
At 1 April 1996	498,615	546,953
Loss for year	<u>(11,015)</u>	<u>(48,338)</u>
At 31 March 1997	<u>487,600</u>	<u>498,615</u>
12./		

DAVID McCLURE LIMITED

NOTES ON THE ACCOUNTS Year ended 31 March 1997

12. Reconciliation of movement in shareholders' funds	1997	1996
	£	£
Loss for year	(11,015)	(48,338)
Opening shareholders' funds	515,615	563,953
Closing shareholders' funds	<u>504,600</u>	<u>515,615</u>

13. 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.

14. 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.

15. Ultimate parent company and ultimate controlling party

The company's ultimate parent company is Thomas Reid (Engineering Holdings) Limited.

At 31 March 1997, Mr T Reid, chairman and managing director, and his wife Mrs S Reid had beneficial and trust interests in 74,756 ordinary shares representing in aggregate 51.64% of the total issued share capital of Thomas Reid (Engineering Holdings) Limited.

16. Capital commitments

There were no capital commitments unprovided for in the accounts.

17. Related party transactions

As permitted under FRS8, transactions with other companies in the group have not been disclosed as related party transactions.