

592629 (England and Wales)

Turnomatic Limited
Directors' Report and Financial Statements
for the year ended 31 October 1995



Turnomatic Limited

Company Information

Directors	P. W. Bollinghaus, Esq. B. W. Piepenstock, Esq.
Secretary	Hill Street Registrars Limited
Company Number	592629 (England and Wales)
Registered Office	Unit 8, Crispin Industrial Centre Angel Road Industrial Estate Edmonton London N18 3HR
Auditors	Simmons Gainsford Chartered Accountants 4 Brook Street London W1Y 1AA
Business Address	Unit 8, Crispin Industrial Centre Angel Road Industrial Estate Edmonton London N18 3HR

Turnomatic Limited

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Turnomatic Limited

Directors' Report for the year ended 31 October 1995

The directors present their report and the financial statements for the year ended 31 October 1995.

Principal Activities and Review of the Business

The principal activity of the company continued to be that of manufacturers of automatic turned parts. The directors consider the profit achieved to be satisfactory and expect to continue with its present activity.

Results and Dividends

The results for the year are set out on page 4.

The company paid a dividend, amounting to £6,000, for the year.

It is proposed that the retained profit of £55,776 is transferred to reserves.

Fixed Assets

Details of movements in fixed assets during the year are set out in note 8 to the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

		Number of shares	
		1995	1994
Class of share			
P. W. Bollinghaus, Esq.	Ordinary shares	999	999
B. W. Piepenstock, Esq.	Ordinary shares	999	999

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Simmons Gainsford (formerly Gainsford Elliott & Co.) be reappointed as auditors of the company will be put to the Annual General Meeting.

Turnomatic Limited

Directors' Report for the year ended 31 October 1995 (continued)

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 judgments 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.

This report was approved by the Board on 14/8/96.....

Hill Street Registrars Limited
Secretary

For and on behalf of
HILL STREET REGISTRARS LIMITED

.....*p. c. [signature]*..... Director/Secretary

Turnomatic Limited

**Auditors' Report
to the shareholders of Turnomatic Limited**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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.

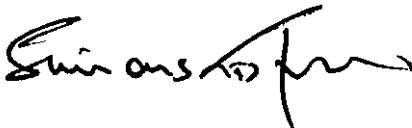
Basis of opinion

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 judgments 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 31 October 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Simmons Gainsford

...16/8/96...

Chartered Accountants
Registered Auditor

4 Brook Street
London W1Y 1AA

Turnomatic Limited

**Profit and Loss Account
for the year ended 31 October 1995**

	Notes	1995 £	1994 £
Turnover	2	1,616,674	1,658,342
Cost of sales		(1,218,676)	(1,131,316)
Gross profit		397,998	527,026
Administrative expenses		(317,037)	(285,146)
Other operating income		17,200	16,581
Operating profit	3	98,161	258,461
Other interest receivable and similar income	4	2,190	2,318
Interest payable and similar charges	5	(5,994)	(351)
Profit on ordinary activities before taxation		94,357	260,428
Tax on profit on ordinary activities	6	(32,581)	(93,218)
Profit on ordinary activities after taxation		61,776	167,210
Dividends	7	(6,000)	(6,000)
Retained profit for the year	14	£ 55,776	£ 161,210

There are no recognised gains and losses other than those passing through the profit and loss account.

Turnomatic Limited

Balance Sheet as at 31 October 1995

	Notes	1995 £	1994 £
Fixed Assets			
Tangible assets	8	597,954	525,519
Current Assets			
Stocks	9	69,843	64,645
Debtors	10	332,235	249,319
Cash at bank and in hand		220	168,307
		<u>402,298</u>	<u>482,271</u>
Creditors: amounts falling due within one year	11	<u>(489,999)</u>	<u>(553,313)</u>
Net Current Liabilities		<u>(87,701)</u>	<u>(71,042)</u>
Total Assets Less Current Liabilities		<u>£ 510,253</u>	<u>£ 454,477</u>
Capital and Reserves			
Called up share capital	13	3,000	3,000
Profit and loss account	14	507,253	451,477
Equity Shareholders' Funds	15	<u>£ 510,253</u>	<u>£ 454,477</u>

The financial statements were approved by the Board on 14/8/96.....

.....
Director: P. W. Bollinghaus, Esq.

.....
Director: B. W. Piepenstock, Esq.

Turnomatic Limited

Notes to the Financial Statements for the year ended 31 October 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	20% Straight line
Motor vehicles	-	25% Straight line

No depreciation is provided in respect of freehold land.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Turnomatic Limited

Notes to the Financial Statements for the year ended 31 October 1995

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. Operating Profit

Operating profit is stated after charging:

	1995 £	1994 £
Depreciation of tangible assets	75,225	69,632
Operating lease rentals		
- Land and buildings	30,000	28,847
Auditors' remuneration	6,000	6,000

and after crediting:

Rents receivable	<u>17,200</u>	<u>16,581</u>
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4. Other Interest Receivable and Similar Income

	1995 £	1994 £
Bank interest received	<u>2,190</u>	<u>2,318</u>

5. Interest Payable

	1995 £	1994 £
On bank loans and overdrafts	<u>5,994</u>	<u>351</u>
	<u>£ 5,994</u>	<u>£ 351</u>

6. Taxation

	1995 £	1994 £
U.K. Current year taxation		
U.K. Corporation tax at 28% (1994 - 30%)	<u>32,581</u>	<u>93,312</u>
	<u>32,581</u>	<u>93,312</u>
Prior years		
U.K. Corporation tax	<u>-</u>	<u>(94)</u>
	<u>£ 32,581</u>	<u>£ 93,218</u>

Turnomatic Limited

Notes to the Financial Statements for the year ended 31 October 1995

7. Dividends on Equity Shares	1995	1994
	£	£
Ordinary:		
Final paid October 1995	6,000	6,000

The rate of dividend was £2 per share (1993 - £2).

8. Tangible Assets

	Land and buildings Freehold	Land and buildings Leasehold (short)	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 1994	338,013	127,158	703,039	19,748	1,187,958
Additions	52,882	-	94,778	-	147,660
Disposals	-	-	(4,520)	-	(4,520)
At 31 October 1995	390,895	127,158	793,297	19,748	1,331,098
Depreciation					
At 1 November 1994	-	37,149	610,479	14,811	662,439
On disposals	-	-	(4,520)	-	(4,520)
Charge for year	-	6,924	63,364	4,937	75,225
At 31 October 1995	-	44,073	669,323	19,748	733,144
Net book values					
At 31 October 1995	£ 390,895	£ 83,085	£ 123,974	£ -	£ 597,954
At 31 October 1994	£ 338,013	£ 90,009	£ 92,560	£ 4,937	£ 525,519

9. Stocks	1995	1994
	£	£
Raw materials and consumables	20,904	24,156
Finished goods and goods for resale	48,939	40,489
	£ 69,843	£ 64,645

Turnomatic Limited

Notes to the Financial Statements for the year ended 31 October 1995

10. Debtors	1995 £	1994 £
Trade debtors	314,360	235,873
ACT recoverable	-	1,500
Prepayments and accrued income	17,875	11,946
	<u>£ 332,235</u>	<u>£ 249,319</u>

11. Creditors: amounts falling due within one year	1995 £	1994 £
Bank loans and overdrafts	84,045	39,306
Trade creditors	92,473	81,380
Corporation tax	33,683	93,312
Other taxes and social security costs	39,594	47,688
Loan account	152,000	200,100
Accruals and deferred income	88,204	91,527
	<u>£ 489,999</u>	<u>£ 553,313</u>

The bank overdraft is secured by a fixed and floating charge over the undertaking and all property assets, book debts, goodwill and fixed plant and machinery.

12. Pension Costs

The company operates a defined benefits pension scheme for the employees. The assets of the scheme are held in separate trustee administered funds. Contributions are determined by an independent and qualified actuary using the attained age method, and the last valuation was at 30 June 1993. This showed the contributions paid were in line with the recommendations of the actuary.

13. Share Capital	1995 £	1994 £
Authorised		
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
Allotted, called up and fully paid		
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

Turnomatic Limited

Notes to the Financial Statements for the year ended 31 October 1995

14. Profit And Loss Account	1995 £	1994 £
Retained profits at 1 November 1994	451,477	290,267
Retained profit for the year	55,776	161,210
Retained profits at 31 October 1995	<u>£ 507,253</u>	<u>£ 451,477</u>

15. Reconciliation of Movements in Equity Shareholders' Funds	1995 £	1994 £
Profit for the financial year	61,776	167,210
Dividends	(6,000)	(6,000)
Net addition to shareholders' funds	55,776	161,210
Opening shareholders' funds	454,477	293,267
Closing shareholders' funds	<u>£ 510,253</u>	<u>£ 454,477</u>

16. Financial Commitments

At 31 October 1995 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1995 £	1994 £
Expiry date:		
In over five years	30,000	30,000
	<u>£ 30,000</u>	<u>£ 30,000</u>

17. Directors' Emoluments	1995 £	1994 £
Remuneration	<u>40,000</u>	<u>40,000</u>

Turnomatic Limited

Notes to the Financial Statements for the year ended 31 October 1995

18. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1995 Number	1994 Number
Office and management	7	7
Production and sales	32	31
	<u>39</u>	<u>38</u>

Employment costs

	£	£
Wages and salaries	637,829	593,638
Social security costs	63,645	59,084
Other pension costs	7,531	6,470
	<u>£ 709,005</u>	<u>£ 659,192</u>

Turnomatic Limited
Information for Management Purposes
for the year ended 31 October 1995

Turnomatic Limited

Detailed Trading and Profit and Loss Account for the year ended 31 October 1995

	1995		1994	
	£	£	£	£
Sales		1,616,674		1,658,342
		<u>1,616,674</u>		<u>1,658,342</u>
Cost of sales				
Opening stock and work in progress	64,645		39,042	
Purchases	587,453		559,712	
Wages and salaries (excl. N.I.)	465,886		432,020	
Employer's N.I. contributions	45,827		43,243	
Consumables	29,665		30,133	
Repairs to plant and machinery	22,284		17,390	
Light, heat and power	9,395		16,650	
Depreciation on plant and machinery	63,364		57,771	
	<u>1,288,519</u>		<u>1,195,961</u>	
Closing stock and work in progress	(69,843)		(64,645)	
		<u>(1,218,676)</u>		<u>(1,131,316)</u>
Gross profit	24.6%	397,998	31.8%	527,026
Administrative expenses		<u>(317,037)</u>		<u>(285,146)</u>
		80,961		241,880
Other operating income				
Rent receivable	17,200		16,581	
		<u>17,200</u>		<u>16,581</u>
Operating profit	6.1%	98,161	15.6%	258,461
Other income and expenses				
Interest receivable				
Bank deposit interest	2,190		2,318	
	<u>2,190</u>		<u>2,318</u>	
Interest payable		2,190		2,318
Bank interest	5,994		351	
	<u>5,994</u>		<u>351</u>	
		<u>(5,994)</u>		<u>(351)</u>
Net profit for the year		<u>£ 94,357</u>		<u>£ 260,428</u>

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Administrative expenses for the year ended 31 October 1995

	1995 £	1994 £
Administrative expenses		
Wages and salaries	149,761	137,459
Staff pension	7,531	6,470
Directors' remuneration	40,000	40,000
Rent	30,000	28,847
Rates	9,657	12,126
Insurance	6,633	4,478
Light and heat	4,421	7,816
Cleaning	6,414	5,471
Repairs and maintenance	7,635	4,386
Printing, postage and stationery	1,897	1,724
Advertising	596	1,308
Telephone	1,964	1,480
Motor expenses	5,349	5,094
Travelling	690	189
Entertaining	1,034	354
Legal and professional	4,591	302
Audit and accountancy	6,000	6,000
Bank charges	4,272	4,362
Bad debts	1,962	-
Management charge	11,672	-
General expenses	3,097	5,419
Amortisation on short leasehold	6,924	6,924
Depreciation on motor vehicles	4,937	4,937
	<u>£ 317,037</u>	<u>£ 285,146</u>