

No. 763001

PUMP SERVICE & ENGINEERING LIMITED

DIRECTORS' REPORT

The directors submit their report and the company accounts for the year ended 31st August 1989.

RESULTS

	£
The loss for the year after taxation, was	(694)
Retained profits brought forward were	<u>38,391</u>
	<u>£37,697</u>

BUSINESS REVIEW

The principle activity of the company is that of pump and maintenance engineers. Although turnover is up as compared with the previous year, increased competition has reduced profit margins on pump sales. Increased overheads and bad debts have lead to a reduction in net profit.

The company is a close company as defined for corporation tax purposes.

DIRECTORS AND THEIR INTERESTS

The directors and their shareholdings were:-

	<u>Number of Shares</u>	
	<u>At 31.8.89</u>	<u>At 31.8.88</u>
J.S. Hutton	999	999
K. Hutton	1	1

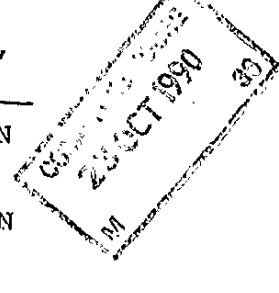
AUDITORS

John Beaumont & Co., Chartered Accountants, have expressed their willingness to continue in office as auditors and a Resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD,

*J. Hutton*  
J.S. HUTTON

CHAIRMAN



2nd August 1990

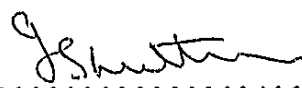
PUMP SERVICE & ENGINEERING LIMITED

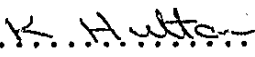
BALANCE SHEET AS AT 31ST AUGUST 1989

	<u>Notes</u>		£	1988 £
<u>NET ASSETS EMPLOYED -</u>				
<u>FIXED ASSETS</u>				
Tangible Assets	2		34,671	<u>26,908</u>
<u>CURRENT ASSETS</u>				
Stocks	3	44,732		30,013
Debtors	4	50,941		55,038
Cash at bank and in hand		<u>756</u>		<u>3,020</u>
		96,429		88,071
CREDITORS: amounts falling due within one year		<u>90,793</u>		<u>71,558</u>
			5,636	<u>16,513</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			£40,307	£43,421
<u>FINANCED AS FOLLOWS -</u>				
CREDITORS: amounts falling due after more than one year	5		800	<u>3,250</u>
PROVISIONS FOR LIABILITIES AND CHARGES	6		810	<u>780</u>
<u>CAPITAL AND RESERVES</u>				
Called-up Share Capital	7	1,000		1,000
Profit & Loss Account		<u>37,697</u>		<u>38,391</u>
			38,697	<u>39,391</u>
			£40,307	£43,421

The accounts were approved by the Board of Directors on 2nd August 1990.

The notes on pages 5 to 8 form part of these accounts.

  
.....  
J.S. HUTTON  
) Directors  
)

  
.....  
K. HUTTON  
)

PUMP SERVICE & ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST AUGUST 1989

	<u>Notes</u>	£	1988 £
TURNOVER		305,100	<u>270,108</u>
Change in stocks of finished goods		(14,719)	(169)
Raw Materials & consumables		233,201	186,141
Other external charges		<u>31,215</u>	<u>27,898</u>
		249,697	213,870
Staff Costs	8	33,743	35,998
Bad Debts		3,419	-
Depreciation		9,472	8,814
Deficit on sale of motor vehicles		<u>4,431</u>	-
		<u>300,762</u>	<u>258,682</u>
TRADING PROFIT		4,338	11,426
Interest payable	9	(4,468)	(1,802)
Interest receivable	10	<u>236</u>	<u>82</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	11	106	9,706
Taxation	12	<u>800</u>	<u>3,250</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(694)	6,456
Retained profits brought forward		<u>38,391</u>	<u>31,935</u>
RETAINED PROFITS CARRIED FORWARD		<u>£37,697</u>	<u>£38,391</u>

The notes on pages 5 to 8 form part of these accounts.

PUMP SERVICE & ENGINEERING LIMITED

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

YEAR ENDED 31ST AUGUST 1989

	£
<u>SOURCES OF FUNDS -</u>	
Profit before tax	106
Adjustment for items not involving the movement of funds:	
Deficit on sale of motor vehicles	4,431
Depreciation	9,472
	<hr/>
TOTAL GENERATED FROM OPERATIONS	14,009
<u>FUNDS FROM OTHER SOURCES -</u>	
Sale of fixed assets	34,167
	<hr/>
	48,176
<u>APPLICATION OF FUNDS -</u>	
Taxation	800
Purchase of fixed assets	55,833
	<hr/>
	56,633
	<hr/>
	£ ( 8,457)
<u>CHANGES IN WORKING CAPITAL</u>	
Increase in Stock	14,719
Decrease in Debtors	( 4,097)
Increase in Creditors	(18,509)
	<hr/>
	( 7,887)
<u>MOVEMENT IN NET LIQUID FUNDS</u>	
Decrease in bank balances	(570)
	<hr/>
	£(8,457)
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PUMP SERVICE & ENGINEERING LIMITED

NOTES TO THE ACCOUNTS

31ST AUGUST 1989

1. ACCOUNTING POLICIES

The accounting policies followed in dealing with the items considered material in relation to the company's accounts are:

Basis of accounting

The accounts have been prepared under the historical cost convention.

Depreciation

Fixed Assets are shown at cost less accumulated depreciation. Depreciation has been calculated to write off the cost over their estimated lives at the following rates, using the reducing balance method.

Motor Vehicles	-	25%
Plant & Machinery	-	20%
Office Equipment	-	20%

Stocks

Stocks are valued at the lower of cost or net realisable value.

Deferred Taxation

Provision is made on the liability method for taxation deferred in respect of all timing differences in so far as, in the opinion of the directors, the liability is expected to arise in the foreseeable future.

2. TANGIBLE FIXED ASSETS

	<u>Plant, Equipment &amp; Vehicles</u> £
COST -	
At 1st September 1988	47,141
Additions	55,833
Disposals	(56,830)
At 31st August 1989	<u>£46,144</u>
DEPRECIATION -	
At 1st September 1988	20,233
Disposals	(18,232)
Charge for year	<u>9,472</u>
At 31st August 1989	<u>£11,473</u>
NET BOOK VALUE AT 31ST AUGUST 1989	<u>£34,671</u>
NET BOOK VALUE AT 31ST AUGUST 1988	<u>£26,908</u>

# PUMP SERVICE & ENGINEERING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

31ST AUGUST 1989

### 3. STOCKS

	1989 £	1988 £
Work-in-Progress	2,750	400
Finished goods	<u>41,982</u>	<u>29,613</u>
	<u>£44,732</u>	<u>£30,013</u>

### 4. DEBTORS

Trade Debtors	50,501	54,673
Prepayments	<u>440</u>	<u>365</u>
	<u>£50,941</u>	<u>£55,038</u>

### 5. CREDITORS

Amounts falling due within one year:

Bank overdraft	8,829	10,663
Trade Creditors	51,880	24,275
Current Taxation	5,036	5,617
Social Security & other taxes	2,277	6,523
Other Creditors	18,571	20,580
Accruals	<u>4,200</u>	<u>3,900</u>
	<u>£90,793</u>	<u>£71,558</u>

Amounts falling due after more than one year:

Corporation Tax	<u>£800</u>	<u>£3,250</u>
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### 6. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation:

Accelerated Capital Allowances	<u>£810</u>	<u>£780</u>
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### 7. CALLED-UP SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, issued &amp; fully paid</u>	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
	<u>Number</u>	<u>Number</u>	<u>£</u>	<u>£</u>
£1 Ordinary Shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

PUMP SERVICE & ENGINEERING LIMITED

NOTES TO THE ACCOUNTS (Continued)

31ST AUGUST 1989

8. STAFF COSTS

	1989 £	1988 £
Wages & Salaries	31,035	32,136
Social Security Costs	<u>2,708</u>	<u>3,862</u>
	<u>£33,743</u>	<u>£35,998</u>

The average weekly number of persons employed by the company during the year was as follows:-

Office & Management	3	3
Production & Sales	2	2

9. INTEREST PAYABLE

	1989 £	1988 £
Loan Interest	600	750
Bank Interest	1,039	278
Hire Purchase Interest	<u>2,829</u>	<u>774</u>
	<u>£4,468</u>	<u>£1,802</u>

10. INTEREST RECEIVABLE

	1989 £	1988 £
Bank Interest	<u>£236</u>	<u>£82</u>

11. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1989 £	1988 £
The profit before taxation is stated after charging:		
Directors' Remuneration	£18,878	£18,520
Auditors' Remuneration	£1,600	£1,400

PUMP SERVICE & ENGINEERING LIMITED

NOTES TO THE ACCOUNTS (Continued)

31ST AUGUST 1989

12. TAXATION

Based on the profit for the year at 25%:

Corporation Tax

Deferred Taxation

1989  
£

800

—

£800

1988  
£

3,200

50

£3,250

13. CAPITAL COMMITMENTS

At 31st August 1989 the company had no capital commitments.  
(1988: Nil).

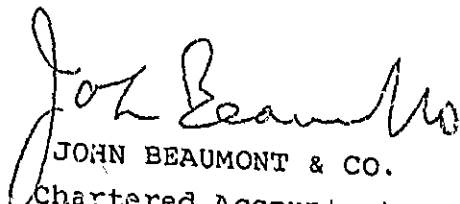


REPORT OF THE AUDITORS TO THE MEMBERS OF  
PUMP SERVICE & ENGINEERING LIMITED  
YEAR ENDED 31ST AUGUST 1989

We have audited the financial statements on pages 2 to 8 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st August 1989 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

2nd August 1990

  
JOHN BEAUMONT & CO.  
Chartered Accountants  
Ashton-under-Lyne