

PUMP SERVICE & ENGINEERING LIMITEDDIRECTORS' REPORT

The directors submit their report and the company accounts for the year ended 31st August 1991.

RESULTS

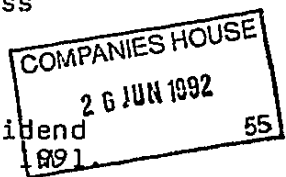
	£
The loss for the year after taxation, was	(6,703)
Retained profits brought forward, were	<u>35,428</u>
Leaving accumulated profits of	<u>£28,725</u>

BUSINESS REVIEW

The principle activity of the company is that of pump and maintenance engineers. Turnover has increased as compared with the previous year, but profit margins have been reduced in a difficult economic climate. This has led to a reduction in trading profit and an over all loss for the year.

DIVIDENDS

The directors do not recommend the payment of a dividend in respect of the accounting year ended 31st August 1991.

DIRECTORS AND THEIR INTERESTS

The directors and their shareholdings were:-

	Number of Shares	
	At 31.8.91	At 31.8.90
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

24th March 1992

PUMP SERVICE & ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST AUGUST 1991

	<u>Notes</u>	£	1990 £
<u>NET ASSETS EMPLOYED -</u>			
<u>FIXED ASSETS</u>			
Tangible Assets	2	19,001	<u>28,169</u>
<u>CURRENT ASSETS</u>			
Stocks	3	31,155	42,408
Debtors	4	69,424	57,620
Cash at bank and in hand		-	<u>865</u>
		100,579	100,893
CREDITORS: amounts falling due within one year		<u>88,985</u>	<u>90,844</u>
		11,594	<u>10,049</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£30,595</u>	<u>£ 38,218</u>
<u>FINANCED AS FOLLOWS -</u>			
CREDITORS: amounts falling due after more than one year	5	-	<u>950</u>
PROVISIONS FOR LIABILITIES AND CHARGES	6	870	<u>840</u>
<u>CAPITAL AND RESERVES</u>			
Called-up Share Capital	7	1,000	1,000
Profit & Loss Account		<u>28,725</u>	<u>35,428</u>
		29,725	<u>36,428</u>
		<u>£30,595</u>	<u>£38,218</u>

The accounts were approved by the Board of Directors on 24th March 1992.

The notes on pages 5 to 7 form part of these accounts.

..... *J. S. Hutton*
J. S. HUTTON

)
) Directors
)

..... *K. Hutton*
K. HUTTON

PUMP SERVICE & ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST AUGUST 1991

	<u>Notes</u>	£	1990 £
TURNOVER		315,851	<u>307,775</u>
Change in stocks of finished goods		11,253	2,324
Raw materials & consumables		227,814	217,561
Other external charges		<u>24,912</u>	<u>27,954</u>
		263,979	247,839
Staff Costs	8	40,997	40,118
Depreciation		6,259	4,839
Deficit on sale of motor vehicles		<u>2,249</u>	<u>3,176</u>
		<u>313,484</u>	<u>295,972</u>
TRADING PROFIT		2,367	11,803
Interest payable	9	(9,093)	(8,282)
Interest receivable	10	<u>23</u>	<u>160</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	11	(6,703)	3,681
Taxation	12	<u>-</u>	<u>950</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(6,703)	2,731
Dividends		<u>-</u>	<u>5,000</u>
		(6,703)	(2,269)
Retained profits brought forward		<u>35,428</u>	<u>37,697</u>
RETAINED PROFITS CARRIED FORWARD		<u>£28,725</u>	<u>£35,428</u>

The Notes on pages 5 to 7 form part of these accounts.

PUMP SERVICE & ENGINEERING LIMITED

STATEMENT OF SOURCES AND APPLICATION OF FUNDS

YEAR ENDED 31ST AUGUST 1991

£

SOURCES OF FUNDS -

Adjustment for items not involving
the movement of funds:

Deficit on sale of motor vehicles 2,249

Deferred Taxation 30

Depreciation 6,259

TOTAL GENERATED FROM OPERATIONS 8,538

FUNDS FROM OTHER SOURCES -

Sale of fixed assets 9,050

17,588

APPLICATION OF FUNDS -

Loss before tax 6,703

Purchase of fixed assets 8,390 15,093

£ 2,495

CHANGES IN WORKING CAPITAL

Decrease in Stock (11,253)

Increase in Debtors 11,804

Decrease in Creditors 12,254

12,805

MOVEMENT IN NET LIQUID FUNDS

Increase in bank overdraft (10,310)

£ 2,495

PUMP SERVICE & ENGINEERING LIMITED

NOTES TO THE ACCOUNTS

31ST AUGUST 1991

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

	Plant, Equipment & Vehicles £
COST -	
At 1st September 1990	34,513
Additions	8,390
Disposals	(12,913)
At 31st August 1991	£ 29,990
DEPRECIATION -	
At 1st September 1990	6,344
Disposals	(1,614)
Charge for year	6,259
At 31st August 1991	£ 10,989
NET BOOK VALUE AT 31ST AUGUST 1991	£ 19,001
NET BOOK VALUE AT 31ST AUGUST 1990	£ 28,169

PUMP SERVICE & ENGINEERING LIMITED

NOTES TO THE ACCOUNTS (Continued)

31ST AUGUST 1991

3. STOCKS

	<u>1991</u> £	<u>1990</u> £
Work-in-Progress	1,500	2,000
Finished Goods	<u>29,655</u>	<u>40,408</u>
	<u>£31,155</u>	<u>£42,408</u>

4. DEBTORS

Trade Debtors	66,178	57,150
Corporation Tax	2,756	-
Prepayments	<u>490</u>	<u>470</u>
	<u>£69,424</u>	<u>£57,620</u>

5. CREDITORS

Amounts falling due within one year:

Bank overdraft	27,816	18,371
Trade Creditors	42,722	47,201
Social Security & other taxes	1,104	4,283
Other Creditors	13,143	16,389
Accruals	<u>4,200</u>	<u>4,600</u>
	<u>£88,985</u>	<u>£90,844</u>

Amounts falling due after more than one year:

Corporation Tax	<u>-</u>	<u>£950</u>
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6. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred Taxation:		
Accelerated Capital Allowances	<u>£870</u>	<u>£840</u>

7. CALLED-UP SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, issued & fully paid</u>	
	<u>1991</u> <u>Number</u>	<u>1990</u> <u>Number</u>	<u>1991</u> £	<u>1990</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 1991

8. STAFF COSTS

	1991 £	1990 £
Wages & Salaries	37,511	36,976
Social Security Costs	<u>3,486</u>	<u>3,142</u>
	<u>£40,997</u>	<u>£40,118</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

	1991 £	1990 £
Loan Interest	600	600
Bank Interest	3,103	2,269
Hire Purchase Interest	<u>5,390</u>	<u>5,413</u>
	<u>£9,093</u>	<u>£8,282</u>

10. INTEREST RECEIVABLE

	1991 £	1990 £
Bank Interest	<u>£23</u>	<u>£160</u>

11. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1991 £	1990 £
The loss before taxation is stated after charging:		
Directors' Remuneration	£20,800	£20,800
Auditors' Remuneration	£1,700	£1,600

12. TAXATION

	1991 £	1990 £
Based on the profit for the year at 25%:		
Corporation Tax	<u>-</u>	<u>£950</u>

13. CAPITAL COMMITMENTS

At 31st August 1991 the company had no capital commitments. (1990: Nil).

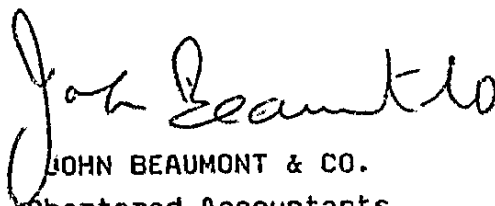
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AUDITORS' REPORT TO THE MEMBERS OF
PUMP SERVICE & ENGINEERING LIMITED
YEAR ENDED 31ST AUGUST 1991

We have audited the financial statements on pages 2 to 7
in accordance with Auditing Standards.

In our opinion the financial statements give a true and
fair view of the state of the company's affairs at 31st
August 1991 and of its loss and source and application
of funds for the year then ended and have been properly
prepared in accordance with the Companies Act 1985.

24th March 1992


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