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BRINETON ENGINEERING  
COMPANY LIMITED

31ST DECEMBER, 1982

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2. Directors' report
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BRINETON ENGINEERING COMPANY LIMITED

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 31st December 1982.

ACTIVITIES

The principal activity of the company continues to be the manufacture of machined components.

DIRECTORS

The directors of the company and the number of shares in the company in which they had an interest were:

	31.12.82	1.1.82
M. C. Hope	50	50
G. J. Madeley	50	50
J. M. Hope	-	-
C. A. Madeley	-	-

DIVIDENDS AND APPROPRIATIONS

The directors recommend that no dividend be declared and that the profit and loss account balance be carried forward.

DIRECTORS' INTERESTS IN CONTRACTS

The company occupies premises owned jointly by Messrs. M. C. Hope and G. J. Madeley.

AUDITORS

On 1st January 1984 Herbert Pepper & Rudland, the auditors of the company, merged their practice with Edward Moore & Sons and now practise under that name. A resolution will be proposed at the annual general meeting to re-appoint Edward Moore & Sons as auditors.

By order of the board

M. C. HOPE

Chairman

PROFIT AND LOSS

TRADING PROFIT

Bank interest

PROFIT (LOSS)

TAXATION BASED

Corporation tax

Deferred tax

PROFIT (LOSS)

Balance brought  
previous year

Balance to be carried forward

# PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER, 1982

	Notes	£ 1982	£ 1981
TRADING PROFIT (LOSS)	2	5,845	(21,543)
Bank interest receivable		<u>977</u>	<u>3,047</u>
PROFIT (LOSS) BEFORE TAXATION		6,822	(18,496)
TAXATION BASED THEREON			
Corporation tax	3	-	(1,960)
Deferred taxation	1d, 8	<u>800</u>	<u>(5,350)</u> (7,310)
PROFIT (LOSS) AFTER TAXATION		6,022	(11,186)
Balance brought forward from previous year		<u>27,527</u>	<u>38,713</u>
Balance to be carried forward		<u><u>33,549</u></u>	<u><u>27,527</u></u>

## BRINETON ENGINEERING COMPANY LIMITED

## BALANCE SHEET

31ST DECEMBER, 1982

SOURCE AND APPLICATION OF FUNDS

	Notes	£	1982	£	£	1981	£
FIXED ASSETS	1b, 4						
Short leasehold buildings		5,309			5,904		
Plant, equipment and vehicles		<u>72,506</u>	77,815		<u>51,388</u>	57,292	
CURRENT ASSETS							
Stocks and work in progress	1c	3,425			3,332		
Debtors and prepayments		36,093			30,426		
Director's current account	6	624			-		
Taxation recoverable		3,155			1,955		
Bank balances and cash		<u>180</u>			<u>3,147</u>		
		<u>43,477</u>			<u>38,860</u>		
CURRENT LIABILITIES							
Creditors	5	38,390			47,807		
Directors' current accounts	6	695			206		
Amounts due under hire purchase agreements	1g	7,610			3,320		
Bank loans		5,413			-		
Bank overdraft		<u>5,420</u>			-		
		<u>57,528</u>			<u>51,333</u>		
NET CURRENT LIABILITIES			(14,051)		(12,473)		
			<u>63,764</u>		<u>44,819</u>		
DEFERRED LIABILITIES							
Amounts owing under hire purchase agreements	1g	11,123			3,392		
Bank loans		4,392			-		
Deferred taxation	8	<u>14,600</u>	30,115		<u>13,800</u>	17,192	
			<u>33,649</u>		<u>27,627</u>		
SHARE CAPITAL							
Ordinary shares of £1 each							
Authorised, issued and fully paid			100		100		
DISTRIBUTABLE RESERVE							
Profit and loss account		<u>33,549</u>			<u>27,527</u>		
		<u>33,649</u>			<u>27,627</u>		

Approved by the board on 6th April 1984

*M. M. M. M. M.* } Directors  
*P. M. L.*

## SOURCE OF FUNDS

Profit (loss) before  
 Adjustment for items  
 the movement of funds  
 Depreciation

Total generated from  
 operations

Funds from other sources  
 Tax recovered

## APPLICATION OF FUNDS

Purchase of fixed assets  
 Less: proceeds of disposal

Tax paid

## (INCREASE) DECREASE

(Increase) in stock  
 progress

(Increase) decrease  
 prepayments

Increase (decrease)  
 in direct

(Decrease) in direct  
 accounts

Increase in amounts  
 purchase agreements

(INCREASE) DECREASE  
 LESS CASH

EMBER, 1982

SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31ST DECEMBER, 1982

1981	£	£
5,904		
<u>51,388</u>	57,292	
3,332		
<u>30,426</u>		
1,955		
<u>3,147</u>		
<u>38,860</u>		
47,807		
206		
3,320		
<u>51,333</u>		
61)	(12,475)	
64	<u>44,819</u>	
3,392		
<u>13,800</u>	17,192	
649	<u>27,627</u>	
100	100	
549	<u>27,527</u>	
649	<u>27,627</u>	

SOURCE OF FUNDS

Profit (loss) before taxation	6,822	(18,496)
Adjustment for item not involving the movement of funds:		
Depreciation	<u>17,253</u>	<u>10,520</u>
Total generated from (absorbed by) operations	24,075	(7,976)
Funds from other sources		
Tax recovered	-	<u>481</u>
	<u>24,075</u>	<u>(7,495)</u>

APPLICATION OF FUNDS

Purchase of fixed assets	38,876	20,620
Less: proceeds of sale	<u>1,100</u>	<u>1,125</u>
	37,776	19,495
Tax paid	<u>1,200</u>	<u>-</u>
	<u>38,976</u>	<u>19,495</u>
	(14,901)	(26,990)

(INCREASE) DECREASE IN WORKING CAPITAL

(Increase) in stocks and work in progress	(93)	(57)
(Increase) decrease in debtors and prepayments	(5,667)	5,729
Increase (decrease) in creditors	(9,417)	7,223
(Decrease) in directors' current accounts	(135)	(8,726)
Increase in amounts due under hire purchase agreements	<u>12,021</u>	<u>(3,291)</u>
	<u>5,912</u>	<u>10,081</u>

(INCREASE) DECREASE IN BANK BORROWINGS  
LESS CASH

(18,192)	(16,909)
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# BRINETON ENGINEERING COMPANY LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

- (a) Companies Act 1981  
The accounts have been prepared in compliance with Section 149A of and Schedule 8A to the Companies Act 1948 as permitted by Schedule 2 to the Companies Act 1981.
- (b) Fixed assets  
Plant, equipment and vehicles are depreciated in accordance with prudent commercial bases and the annual rates, which are based on their anticipated lives, vary between 10% and 25% on written down values.  
Leasehold buildings are written off over the duration of the lease.
- (c) Stocks and work in progress  
Stocks and work in progress are valued at the lower of cost and net realisable value. Cost is defined as:  
Raw materials - directors' estimate  
Work in progress - invoice value less an adjustment for the appropriate stage of completion at the year end less an adjustment to exclude profit.
- (d) Deferred taxation  
Provision is made for deferred taxation calculated by the liability method except where there is reasonable probability that such liability will not arise in the foreseeable future.
- (e) Repairs and renewals  
Repairs and renewals are written off in the year in which the expenditure is incurred.
- (f) Provision for doubtful debts  
Provision is made for those debts specifically considered doubtful.
- (g) Hire purchase agreements  
All payments which will be made within twelve months of the balance sheet date are included as current liabilities. The remaining payments are shown as deferred liabilities.

### 2. AMOUNTS CHARGED IN ARRIVING AT TRADING PROFIT

	1982 £	1981 £
Depreciation - short leasehold buildings	595	256
- plant, equipment and vehicles	<u>16,658</u>	<u>10,264</u>
	17,253	10,520
Auditors' remuneration	400	350
Interest payable on bank loans and overdraft wholly repayable within 5 years	1,452	236
Directors' emoluments	<u>39,679</u>	<u>38,512</u>

### 3. TAXATION

There is no liability to corporation tax on the results for the year. There are tax losses carried forward and available to be set off against future taxable profits amounting to £21,986 (1981 £10,200). These tax losses include stock relief claimable under the Finance Act 1981 but not utilised of £195 (1981 - £117) which is only available for utilisation against taxable profits within 6 years of the year in respect of which the relief was originally claimable.

### 4. FIXED ASSETS

Cost to 31st Dec  
Less: sold during year  
Add: outlay during year  
Less: accumulated depreciation  
Net book value:

### 5. CREDITORS

Some suppliers' invoices are not yet received which title to the goods. These goods are included in the accounts.

### 6. DIRECTORS' CURRENT ACCOUNTS

M. C. Hope  
G. J. Madeley

### 7. SUBSIDIARY

Shares at cost  
Less: loan

The company's wholly owned subsidiary remained dormant. The consolidated accounts, therefore, are the same as the company's accounts.

### 8. DEFERRED TAXATION

Balance at beginning of year  
Charge (credit) for year  
Balance at end of year

The balance on the consolidated accounts at 31.12.81 is £40,000.

Capital allowances  
Bank interest received  
Losses available for set off

### 9. CAPITAL COMMITMENTS

There were no capital commitments at the year end (31.12.81 - nil).

YEAR ENDED 31ST DECEMBER, 1982

4. FIXED ASSETS

	Total £	Short leasehold buildings £	Plant, equipment and vehicles £
Cost to 31st December, 1981	105,426	5,954	99,472
Less: sold during year - cost	<u>2,916</u>	-	<u>2,916</u>
Add: outlay during year	102,510	5,954	96,556
	<u>38,876</u>	-	<u>38,876</u>
Less: accumulated depreciation	141,386	5,954	135,432
	<u>63,571</u>	<u>645</u>	<u>62,926</u>
Net book value: 31.12.82	77,815	5,309	72,506
31.12.81	<u>57,292</u>	<u>5,904</u>	<u>51,388</u>

5. CREDITORS

Some suppliers include in their conditions of sale a clause under which title to the goods supplied is reserved until they are paid for. These goods are included in stocks.

6. DIRECTORS' CURRENT ACCOUNTS

	Amount owing by director at 31.12.82 £	Maximum amount owing during the year £
M. C. Hope	624	4,975
G. J. Madeley	<u>-</u>	<u>3,655</u>

7. SUBSIDIARY

	£
Shares at cost	100
Less: loan	<u>100</u>
	<u>-</u>

The company's wholly owned subsidiary, Hope and Madeley Limited, has remained dormant since incorporation. The consolidated accounts would be identical to the company's own accounts, therefore, they are not presented.

8. DEFERRED TAXATION

	1982 £	1981 £
Balance at beginning of year - at 40%	13,800	19,150
Charge (credit) for the year	<u>800</u>	<u>(5,350)</u>
Balance at end of year - at 36%	<u>14,600</u>	<u>13,800</u>

The balance on the deferred taxation account, which reflects the full potential liability at 36% (1981 - 40%), represents:

Capital allowances	22,950	17,750
Bank interest receivable	-	100
Losses available against future trading profits	<u>(8,350)</u>	<u>(4,050)</u>
	<u>14,600</u>	<u>13,800</u>

9. CAPITAL COMMITMENTS

There were no capital commitments or board authorisations for capital expenditure not provided for in the accounts at 31st December, 1982 (31.12.81 - nil).

AUDITORS' REPORT TO THE MEMBERS OF  
BRINETON ENGINEERING COMPANY LIMITED

We have audited the accounts set out on pages three to seven. Our audit was conducted in accordance with approved auditing standards having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation the company's system of control is dependent upon the close involvement of the directors, who are the shareholders. Where independent confirmation of the completeness of the accounting records was, therefore, not available we have accepted the assurances for the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the accounts, which have been prepared under the historical cost convention, give on that basis a true and fair view of the state of the company's affairs at 31st December, 1982 and of its profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1981.

EDWARD MOORE & SONS

Chartered Accountants

WALSALL

3th April, 1984

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