

JOHN LAITHWAITE ASSOCIATES LIMITED

DIRECTOR'S REPORT YEAR ENDED 30 APRIL 1990

The Directors present their Annual Report on the affairs of the Company, together with the Audited Financial Statements for the above year.

1 RESULTS AND DIVIDENDS

The net loss of the Company for the year after taxation was £ 70,883 (1989 profit £ 111,291).

The Directors recommend that this be deducted from the retained earnings at the beginning of the year and that the balance of £673,321 be carried forward.

The Directors do not recommend the payment of a dividend.

2 REVIEW OF THE BUSINESS

The Company's principal activity during the year was that of Laundry Equipment Suppliers. The Company sold one property during the year. Other fixed assets have been acquired for use in the Company's business.

3 DIRECTORS

The Directors of the Company during the year and their beneficial interests in the issued share capital of the Company at the beginning and end of the year were:

	<u>Ordinary Shares of £1 each</u>	
	<u>30 April 1990</u>	<u>30 April 1989</u>
J Laithwaite	105,000	105,000
J Laithwaite (Trustee)	45,000	45,000
S R Laithwaite	-	-
E Pickles (appointed 1/5/89)	-	-
T J Hirst (appointed 1/5/89)	-	-
J R Swales (appointed 1/5/89)	-	-
M Clahan (appointed 1/5/89 resigned 28.2/90)	-	-

The Director retiring by rotation is Mr.J.Laithwaite who, being eligible, offers himself for re-election.

4 AUDITORS

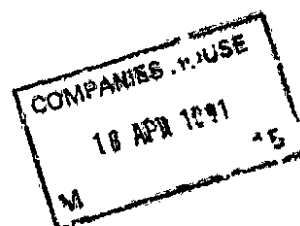
In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Holden Harrison and Company, Chartered Accountants, as Auditors to the Company will be put to the next Annual General Meeting.

BY ORDER OF THE BOARD

J.LAITHWAITE

CHAIRMAN

27 March 1991



JOHN LAITHWAITE ASSOCIATES LIMITED

Full Financial Statements for Shareholders for the year ended 30 April 1990 were approved by the Board of Directors on 27 March 1991. The Directors have prepared the attached Financial Statements for the year ended 30 April 1990 in compliance with Schedule 8, Part I of the Companies Act 1985 for filing with the Registrar of Companies.

AUDITORS REPORT TO THE DIRECTORS OF JOHN LAITHWAITE ASSOCIATES LIMITED

In our opinion the Company satisfies the requirements under Schedule 3, Part I of the Companies Act 1985 for exemption as a medium company in respect of the year ended 30 April 1989 and, in particular, the modified Financial Statements have been properly prepared in accordance with that Act. We are not required to express an audit opinion on the truth and fairness of these modified Financial Statements.

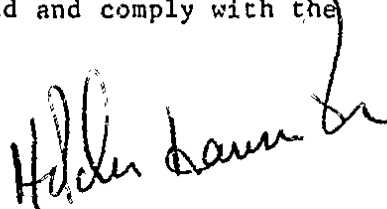
We reported, as Auditors of the Company, to the members on 27 March 1991 on the Company's Financial Statements prepared under Section 227 of the Companies Act 1985 for the year ended 30 April 1990 and our audit opinion was as follows,

We have audited the Financial Statements in accordance with Auditing Standards.

Debtors include an amount due from an associated company, a company controlled by the Directors, of £256,539. Audited Accounts for the company were unavailable at the time of our Audit. The Directors have given an assurance that the money will be recoverable, although we have been unable to verify this.

Subject to the above, in our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 30 April 1990 and of its Loss and Source and Application of Funds for the Year then ended and comply with the Companies Act 1985.

Holden Harrison and Co.



27 March 1991

JOHN LAITHWAITE ASSOCIATES LIMITED

MODIFIED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
GROSS (LOSS) PROFIT		(98,831)	181,601
Interest Receivable		15,546	-
Property Rent Received		4,402	-
		<u>19,948</u>	<u>-</u>
(LOSS) PROFIT ON ORDINARY ACTIVITIES	2	<u>(78,883)</u>	<u>181,601</u>
Taxation on Ordinary Activities	5	(8,000)	82,705
(LOSS) PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(70,883)</u>	<u>98,896</u>
Prior Year Adjustment	6	-	(12,395)
		<u>(70,883)</u>	<u>111,291</u>
RETAINED PROFITS BROUGHT FORWARD		744,204	632,913
RETAINED PROFITS CARRIED FORWARD		<u>£ 673,321</u>	<u>£ 744,204</u>

JOHN LAITHWAITE ASSOCIATES LIMITED
MODIFIED BALANCE SHEET 30 APRIL 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
FIXED ASSETS			
Tangible Assets	7	1,401,690	1,473,814
Investment In Subsidiaries	8	97,924	97,924
		<hr/>	<hr/>
		1,499,614	1,571,738
CURRENT ASSETS			
Stock and Work-in-Progress	9	1,523,398	1,578,433
Debtors	10	1,698,394	1,597,303
Cash at Bank and in Hand		4,230	2,422
		<hr/>	<hr/>
		3,226,022	3,178,158
CREDITORS			
Amounts due within one year	11	3,102,732	3,013,366
		<hr/>	<hr/>
NET CURRENT ASSETS		123,290	164,792
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,622,904	1,736,530
CREDITORS			
Amounts due in more than one year	11	311,180	345,923
Deferred Taxation		-	8,000
		<hr/>	<hr/>
		311,180	353,923
		<hr/>	<hr/>
		£ 1,311,724	£ 1,382,607
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Share Capital	13	150,000	150,000
Profit and Loss Account		673,321	744,204
Revaluation Reserve	7	488,403	488,403
		<hr/>	<hr/>
		£ 1,311,724	£ 1,382,607
		<hr/>	<hr/>

As a medium sized company we have relied upon the exemptions contained in Schedule 8 Part 1 of the Companies Act 1985

John Laithwaite

JOHN LAITHWAITE ASSOCIATES LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30 APRIL 1990

	<u>1990</u> £	<u>1989</u> £
SOURCE OF FUNDS		
Net Loss Before Taxation	(78,883)	181,601
Adjustment For Items Not Involving The Movement of Funds:		
Depreciation	209,261	216,903
Loss/(Profit) on Sale of Assets	3,659	(1,159)
TOTAL GENERATED FROM OPERATIONS	<u>134,037</u>	<u>397,345</u>
Sales of Fixed Assets	97,296	98,626
APPLICATION OF FUNDS		
Tax Paid	92,900	100,000
Purchase of Fixed Assets	238,089	546,081
	<u>(330,989)</u>	<u>(646,031)</u>
	<u>(99,656)</u>	<u>(150,110)</u>
INCREASE (DECREASE) IN WORKING CAPITAL		
Stock and Work In Progress	(55,035)	50,523
Debtors	101,093	459,590
Creditors	96,184	(101,919)
	<u>142,242</u>	<u>408,194</u>
Movement in Net Liquid Funds:		
Bank Balances and Cash Funds	(241,898)	(559,304)
	<u>£ (99,656)</u>	<u>£ (150,110)</u>

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1990

1 ACCOUNTING POLICIES

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's Financial Statements.

- a. The Accounts have been prepared under the Alternative Accounting Rules as set out in the 4th Schedule to the Companies Act 1985.
- b. Depreciation is provided on tangible assets so as to write off the cost over their estimated useful lives. The following rates apply:-

Short Leasehold Property	By equal installments over remaining term.
Freehold Property	2% on cost or valuation
Improvement Expenditure	20% on cost
Fixtures and Fittings :	- General 8 Year Straight Line
	- Computer 25% Written Down Value
Vehicles	25% on written down value
- c. Stock and Work in Progress is consistently valued at the lower of cost or net realisable value, after making due allowance for obsolete and slow moving items.
Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.
- d. No potential liability for taxation deferred by reason of timing differences in the taxation and accounting treatment of depreciation of Fixed Assets is necessary in the accounts.
No provision has made in respect of Revaluation of Freehold Property.

has

2 OPERATING PROFIT

The operating profit is stated after charging:

	<u>1990</u>	<u>1989</u>
	£	£
Depreciation of Tangible Fixed Assets	209,261	216,903
Auditors Remuneration	12,000	12,000
Staff Costs	1,771,487	1,298,402
Bank and Loan Interest	248,637	114,194
Hire Purchase Interest	33,162	32,451

3 STAFF COSTS

	<u>1990</u>	<u>1989</u>
	£	£
Wages and salaries	1,534,116	1,151,977
Social Security Costs	136,245	132,126
Other Pension Costs	101,126	14,299
	<u>1,771,487</u>	<u>1,298,402</u>

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1990

4 DIRECTORS' REMUNERATION

	<u>1990</u> £	<u>1989</u> £
Directors remuneration including pension contributions	267,251	40,000
Compensation For Loss of office	5,030	
 Chairman and Highest Paid Director	 81,667	 25,000
	No.	No.
Others: £40,001 - £45,000	3	-
£35,001 - £40,000	1	-
£30,001 - £35,000	-	-
£25,001 - £30,000	1	-
£20,001 - £25,000	-	-
£15,001 - £20,000	-	1

5 TAXATION

The tax charge on the profit on ordinary activities was as follows:-

	<u>1990</u> £	<u>1989</u> £
Corporation Tax based on the adjusted results of the year.	-	89,000
Deferred Taxation	(8,000)	(6,295)
Interest on late payment	-	-
	<u>(8,000)</u>	<u>82,705</u>

6 PRIOR YEAR ADJUSTMENT

	<u>1990</u> £	<u>1989</u> £
Write Back of Depreciation on Revaluation	-	12,395
	<u>-</u>	<u>12,395</u>

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1990

7 <u>FIXED ASSETS</u>			
<u>Tangible Assets</u>	Short Leasehold Property £	Freehold Property £	Improvement Expenditure £
COST or VALUATION			
At 1 May 1989 at Cost	11,000	864,641	199,938
Additions	-	-	37,650
Disposals	-	(32,702)	-
At 30 April 1990	11,000	831,939	237,588
DEPRECIATION:			
At 1 May 1989	9,430	4,862	95,049
Attributable to Disposals	-	(1,309)	-
Provided for the Year	1,570	16,640	35,940
At 30 April 1990	11,000	20,193	130,989
NET BOOK VALUE			
At 30 April 1990	-	811,746	106,599
At 30 April 1989	1,570	859,779	104,889
	Fixtures £	Vehicles £	Total £
COST:			
At 1 May 1989	367,444	522,301	1,965,324
Additions	30,626	169,813	238,089
Disposals	(13,050)	(125,764)	(171,516)
At 30 April 1990	385,020	566,350	2,031,897
DEPRECIATION:			
At 1 May 1989	168,608	213,561	491,510
Attributable to Disposals	(5,505)	(63,750)	(70,564)
Provided for the Year	50,976	104,135	209,261
At 30 April 1990	214,079	253,946	630,207
NET BOOK VALUE			
At 30 April 1990	170,941	312,404	1,401,690
At 30 April 1989	198,836	308,740	1,473,814

Freehold Property with an historical cost of £206,597 was revalued by Messrs. Walker Singleton, Chartered Surveyors on 6 October 1989 at £695,000.

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1990

8 INVESTMENT IN SUBSIDIARIES

	<u>1990</u>	<u>1989</u>
	£	£
Cost of shares in subsidiary companies	97,924	97,924

9 STOCKS

	<u>1990</u>	<u>1989</u>
	£	£
Stock of Goods for Resale	1,523,398	1,578,433

10 DEBTORS

	<u>1990</u>	<u>1989</u>
	£	£
Amounts due within one year:-		
Trade Debtors	563,299	707,390
Amounts Owed by Connected Companies	1,003,161	752,888
Prepayments and Accrued Income	126,457	134,349
Directors Loan Account	5,477	-
Amounts Due From Subsidiaries	-	2,676
	<u>1,698,394</u>	<u>1,597,303</u>

11 CREDITORS

	<u>1990</u>	<u>1989</u>
	£	£
Amounts due within one year:-		
Bank Loans and Overdrafts	1,238,328	994,622
Trade Creditors	1,302,270	1,143,139
Amounts Owed to Connected Companies	58,629	156,218
Other Creditors	8,423	16,036
Taxation	9,000	101,900
Other Taxation and Social Security	96,918	69,950
Accruals	212,253	167,849
Hire Purchase	133,518	139,178
Directors Loan Account	-	129,039
Amounts Due to Subsidiaries	43,393	45,435
	<u>3,102,732</u>	<u>3,013,366</u>
Amounts due after more than one year:-		
Unsecured Loans	67,220	67,220
Bank Loans	167,714	211,297
Hire Purchase	76,246	67,406
Deferred Taxation	-	8,000
	<u>311,180</u>	<u>353,923</u>
	<u>3,413,912</u>	<u>3,367,289</u>

The Companies Bankers hold as security a fixed and floating charge over the assets and a legal mortgage on the Deeds relating to the Company's Freehold Property at Ripponden.

12 PROVISION FOR LIABILITIES AND CHARGES

The Company has given a guarantee to the Bankers of another Company in which the Directors have declared an interest.

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1990

13 CALLED UP SHARE CAPITAL

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
Authorised: Ordinary Shares of £1 Each	150,000	150,000
Allotted, Issued and Fully Paid Ordinary Shares of £1 Each	150,000	150,000

14 DIRECTORS INTERESTS

During the year the Company has had a considerable amount of trade at arms length with other Companies in which the Directors have declared an interest.

JOHN LAITHWAITE ASSOCIATES LIMITED

TRADING ACCOUNT FOR THE YEAR ENDED 30 APRIL 1990

	<u>1990</u> £	<u>1989</u> £
Sales	8,276,225	7,606,561
Opening Stock	1,578,433	1,527,910
Purchases	5,565,014	4,974,857
	<u>7,143,447</u>	<u>6,502,767</u>
Closing Stock	1,523,398	1,578,433
	<u>5,620,049</u>	<u>4,924,334</u>
Cost of Sales		
GROSS PROFIT	2,656,176	2,682,227
Interest Receivable	15,546	-
Property Rent Received	4,402	-
	<u>19,948</u>	<u>-</u>
	2,676,124	2,682,227
Wages and National Insurance	1,448,080	1,244,103
Staff Pension Scheme	51,126	14,299
Rent and Rates	72,946	40,527
Insurance	73,109	15,735
Lighting and Heating	19,089	17,014
Telephone	142,469	66,105
Advertising Printing and Stationery	134,274	196,499
Travel and Motor Expenses	253,737	354,091
Exhibition and Marketing Expenses	57,188	232,208
Repairs and Renewals	32,382	28,563
Training	8,408	7,721
Recruitment Costs	40,317	-
General Expenses	43,662	96,603
Leasing Expenditure	51,785	16,357
Administration Charges	(627,204)	(358,000)
Bank Charges	12,916	13,504
Professional Charges	45,345	42,651
Hire Purchase Interest	33,162	32,451
Bad Debts	116,378	58,257
Directors' Remuneration	222,281	40,000
Directors' Pension Scheme	50,000	-
Auditors Remuneration	12,000	12,000
Bank and Loan Interest	248,637	114,194
Depreciation	209,261	216,903
Loss on Sale of Fixed Assets	3,659	(1,159)
	<u>2,755,007</u>	<u>2,500,626</u>
(LOSS)/PROFIT FOR THE YEAR	<u>£ (78,883)</u>	<u>£ 181,601</u>