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JOHN LAITHWAITE ASSOCIATES LIMITED

DIRECTOR'S REPORT YEAR ENDED 30 APRIL 1989

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 profit of the Company for the year after taxation was £111,291 (1988 £ 154,580).

The Directors recommend that this be added to the retained earnings at the beginning of the year and that the balance of £744,204 be carried forward.

The surplus on revaluation of Freehold Property has been carried to Revaluation Reserves.

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 acquired three properties and sold one. 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 1989</u>	<u>30 April 1988</u>
J Laithwaite	105,000	105,000
J Laithwaite (Trustee)	45,000	45,000
S R Laithwaite	-	-

The Director retiring by rotation is Mrs.S.R.Laithwaite who, being eligible, offers herself for re-election.

4 LAND AND BUILDINGS

The Company's Freehold Property has been revalued in the Financial Statements.

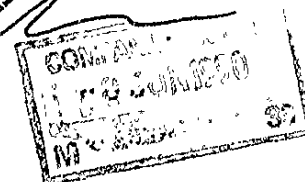
5 AUDITORS

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



JOHN LAITHWAITE ASSOCIATES LIMITED

Full Financial Statements for Shareholders for the year ended 30 April 1989 were approved by the Board of Directors on 3 May 1990. The Directors have prepared the attached Financial Statements for the year ended 30 April 1989 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

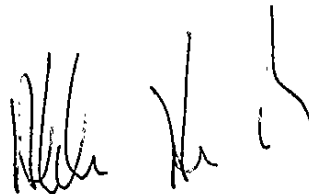
In our opinion the Company satisfies the requirements under Schedule 8, Part I of the Companies Act 1985 for exemption as a medium company in respect of the year ended 30 April 1989 and, in particular, the modified Financial Statements have been properly prepared in accordance with that Act. We are not 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 3 May 1990 on the Company's Financial Statements prepared under Section 227 of the Companies Act 1985 for the year ended 30 April 1989 and our audit opinion was as follows,

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

In our opinion, the Financial Statements give a true and fair view of the state of the Company's affairs at 30 April 1989 and of its Profit and Source and Application of Funds for the year then ended and comply with the Companies Act 1985.

HOLDEN HARRISON AND CO.
Chartered Accountants



3 May 1990

JOHN LAITHWAITE ASSOCIATES LIMITED

MODIFIED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1989

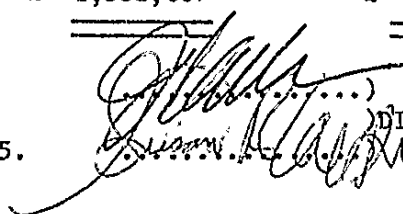
	<u>Notes</u>	<u>1989</u> £	<u>1988</u> £
GROSS PROFIT		2,682,227	2,294,025
Administration Costs		2,500,626	2,032,232
		<hr/> 181,601	<hr/> 261,793
Property Rent Received	-	-	2,080
Machine Rent Received	-	-	2,080
Bank Interest Received	-	-	221
		<hr/> -	<hr/> 4,381
PROFIT ON ORDINARY ACTIVITIES	2	<hr/> 181,601	<hr/> 266,174
Taxation on Ordinary Activities	5	82,705	107,805
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<hr/> 98,896	<hr/> 158,369
Profit Year Adjustment	6	(12,395)	3,789
		<hr/> 111,291	<hr/> 154,580
RETAINED PROFITS BROUGHT FORWARD		632,913	478,333
RETAINED PROFITS CARRIED FORWARD		<hr/> £ 744,204	<hr/> £ 632,913

JOHN LAITHWAITE ASSOCIATES LIMITED

MODIFIED BALANCE SHEET 30 APRIL 1989

	<u>Notes</u>	<u>1989</u> £	<u>1988</u> £
FIXED ASSETS			
Tangible Assets	7	1,473,814	741,305
Investment in Subsidiaries	8	97,924	97,924
		<u>1,571,738</u>	<u>839,229</u>
CURRENT ASSETS			
Stock and work-in-Progress	9	1,578,433	1,527,910
Debtors	10	1,597,303	1,137,713
Cash at Bank and in Hand		2,422	2,506
		<u>3,278,158</u>	<u>2,668,129</u>
CREDITORS			
Amounts due within one year	11	3,013,366	2,495,237
		<u>164,792</u>	<u>172,892</u>
NET CURRENT ASSETS			
		<u>1,736,530</u>	<u>1,012,121</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts due in more than one year	11	345,923	214,913
Deferred Taxation		8,000	14,295
		<u>353,923</u>	<u>229,208</u>
		<u>£ 1,382,607</u>	<u>£ 782,913</u>
CAPITAL AND RESERVES			
Share Capital	13	150,000	150,000
Profit and Loss Account		744,204	632,913
Revaluation Reserve	7	488,403	-
		<u>£ 1,382,607</u>	<u>£ 782,913</u>

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


 DIRECTORS

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1989

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. The potential liability for taxation deferred by reason of timing differences in the taxation and accounting treatment of depreciation of Fixed Assets has been provided. No provision has been made in respect of Revaluation of Freehold Property.

2 OPERATING PROFIT

The operating profit is stated after charging:

	<u>1989</u>	<u>1988</u>
	£	£
Depreciation of Tangible Fixed Assets	216,903	146,968
Auditors Remuneration	12,000	14,000
Staff Costs	1,298,402	1,027,328
Bank and Loan Interest	114,194	43,979
Hire Purchase Interest	32,451	19,854

3 STAFF COSTS

	<u>1989</u>	<u>1988</u>
	£	£
Wages and salaries	1,151,977	892,572
Social Security Costs	132,126	92,559
Other Pension Costs	14,299	42,197
	<u>1,298,402</u>	<u>1,027,328</u>

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1989

4 DIRECTORS' REMUNERATION

	<u>1989</u>	<u>1988</u>
	£	£
Directors remuneration including pension contributions	40,000	70,560
Chairman and Highest Paid Director	25,000	25,000
	No.	No.
Others: £10,001 - £15,000	1	1

5 TAXATION

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

	<u>1989</u>	<u>1988</u>
	£	£
Corporation Tax based on the adjusted results of the year.	89,000	112,000
Deferred Taxation	(6,295)	(8,765)
Interest on late payment	-	4,570
	<u>82,705</u>	<u>107,805</u>

6 PRIOR YEAR ADJUSTMENT

	<u>1989</u>	<u>1988</u>
	£	£
Adjustment to depreciation charged in previous years arising from a change in accounting policy	-	5,829
Associated Deferred Tax	-	(2,040)
Write Back of Depreciation on Revaluation	12,395	
	<u>12,395</u>	<u>3,789</u>

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1989

7 FIXED ASSETS

Tangible Assets

	Short Leasehold Property £	Freehold Property £	Improvement Expenditure £
COST or VALUATION			
At 1 May 1988 at Cost	11,000	326,237	82,653
Additions	-	117,387	117,285
Disposals	-	(67,386)	-
Transfer Revaluation Reserve	-	488,403	-
	<hr/>	<hr/>	<hr/>
At 30 April 1989	11,000	864,641	199,938
	<hr/>	<hr/>	<hr/>
DEPRECIATION:			
At 1 May 1988	7,854	10,996	55,062
Attributable to Disposals	-	(1,297)	-
Provided for the Year	1,576	7,558	39,987
Prior Year Adjustment	-	(12,395)	-
	<hr/>	<hr/>	<hr/>
At 30 April 1989	9,430	4,862	95,049
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 April 1989	1,570	859,779	104,889
	<hr/>	<hr/>	<hr/>
At 30 April 1988	3,146	315,241	27,591
	<hr/>	<hr/>	<hr/>
	Fixtures £	Vehicles £	Total £
COST:			
At 1 May 1988	248,649	403,118	1,071,657
Additions	118,795	192,614	546,081
Disposals	-	(73,431)	(140,817)
Transfer Revaluation Reserve	-	-	488,403
	<hr/>	<hr/>	<hr/>
At 30 April 1989	367,444	522,301	1,965,324
	<hr/>	<hr/>	<hr/>
DEPRECIATION:			
At 1 May 1988	104,208	152,232	330,352
Attributable to Disposals	-	(42,053)	(43,350)
Provided for the Year	64,400	103,382	216,903
Prior Year Adjustment	-	-	(12,395)
	<hr/>	<hr/>	<hr/>
At 30 April 1989	168,608	213,561	491,510
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 April 1989	198,836	308,740	1,473,814
	<hr/>	<hr/>	<hr/>
At 30 April 1988	144,441	250,886	741,305
	<hr/>	<hr/>	<hr/>

Freehold Property with an historical cost of £206,597 was revalued by Messrs. Walker Singleton, Chartered Surveyors on 6 October 1989 at £695,000. This value has been incorporated in these financial statements.

Cost at 1 May 1988	206,597
Transfer to revaluation reserve	488,403
	<hr/>
	£695,000

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1989

8 INVESTMENT IN SUBSIDIARIES

	<u>1989</u>	<u>1988</u>
	£	£
Cost of shares in subsidiary companies	97,924	97,924

9 STOCKS

	<u>1989</u>	<u>1988</u>
	£	£
Stock of Goods for Resale	1,578,433	1,527,910

10 DEBTORS

	<u>1989</u>	<u>1988</u>
	£	£
Amounts due within one year:-		
Trade Debtors	707,390	672,010
Amounts Owed by Connected Companies	752,888	372,477
Prepayments and Accrued Income	134,349	39,583
Amounts Due From Subsidiaries	2,676	53,643
	<u>1,597,303</u>	<u>1,137,713</u>

11 CREDITORS

	<u>1989</u>	<u>1988</u>
	£	£
Amounts due within one year:-		
Bank Loans and Overdrafts	994,622	436,400
Trade Creditors	1,143,139	1,267,198
Amounts Owed to Connected Companies	156,218	76,740
Other Creditors	16,036	85,502
Taxation	101,900	112,900
Other Taxation and Social Security	69,950	75,527
Accruals	167,849	191,478
Hire Purchase	189,178	144,295
Directors Loan Account	129,039	102,521
Amounts Due to Subsidiaries	45,435	2,676
	<u>3,013,366</u>	<u>2,495,237</u>
Amounts due after more than one year:-		
Unsecured Loans	67,220	67,220
Bank Loans	211,297	79,706
Hire Purchase	67,406	67,987
Deferred Taxation	8,000	14,295
	<u>353,923</u>	<u>229,208</u>
	<u>3,367,289</u>	<u>2,724,445</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 1989

13 CALLED UP SHARE CAPITAL

	<u>1989</u> £	<u>1988</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.