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JOHN LAITHWAITE ASSOCIATES LIMITED

DIRECTOR'S REPORT YEAR ENDED 30 APRIL 1988

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 £154,580. (1987 £ 141,319).

The Directors recommend that this be added to the retained earnings at the beginning of the year and that the balance of £632,913 be carried forward.

The Directors do not recommend the payment of a dividend.

2 REVIEW OF THE BUSINESS

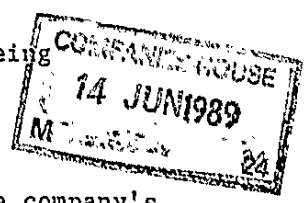
The Company's principal activity during the year was that of Laundry Equipment Suppliers. The Company acquired two properties, one of which has been sold since the year end. Other fixed assets have been acquired for use in the Company's business.

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 1988</u>	<u>30 April 1987</u>
J Laithwaite	105,000	105,000
J Laithwaite (Trustee)	45,000	45,000
S R Laithwaite	-	-

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

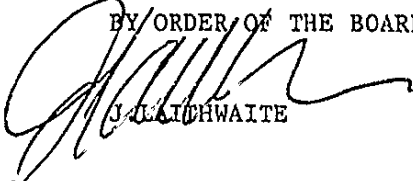


4 LAND AND BUILDINGS

The Directors are of the opinion that the market value of the company's freehold property is in excess of the net book amount but, in the absence of a recent valuation, the amount of the excess is not quantified.

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

21 March 1989

JOHN LAITHWAITE ASSOCIATES LIMITED

Full Financial Statements for Shareholders for the year ended 30 April 1988 were approved by the Board of Directors on 21 March 1989. The Directors have prepared the attached Financial Statements for the year ended 30 April 1988 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

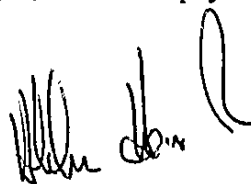
In our opinion the Company satisfies the requirements under Schedule 8, Part I of the Companies Act 1985 for exemption as a medium company in respect of the year ended 30 April 1988 and, in particular, the modified Financial Statements have been properly prepared in accordance with that Act. We are not 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 21 March 1989 on the Company's Financial Statements prepared under Section 227 of the Companies Act 1985 for the year ended 30 April 1988 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 1988 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



21 March 1989

JOHN LAITHWAITE ASSOCIATES LIMITED

MODIFIED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 1988

	<u>Notes</u>	<u>1988</u> £	<u>1987</u> £
GROSS PROFIT		2,294,025	1,730,239
Administration Costs		2,029,931	1,496,840
		<hr/> 264,094	<hr/> 233,399
Property Rent Received		<hr/> 2,080	<hr/> 6,240
PROFIT ON ORDINARY ACTIVITIES	2	266,174	239,639
Taxation on Ordinary Activities	5	107,805	98,320
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<hr/> 158,369	<hr/> 141,319
Prior Year Adjustment	6	<hr/> 3,789	<hr/> -
		154,580	141,319
RETAINED PROFITS BROUGHT FORWARD		478,333	337,014
RETAINED PROFITS CARRIED FORWARD		<hr/> £ 632,913	<hr/> £ 478,333

JOHN LAITHWAITE ASSOCIATES LIMITED
MODIFIED BALANCE SHEET 30 APRIL 1988

	<u>Notes</u>	<u>1988</u> £	<u>1987</u> £
FIXED ASSETS			
Tangible Assets	7	741,305	557,268
Investment In Subsidiaries	8	97,924	-
		<u>839,229</u>	<u>557,268</u>
CURRENT ASSETS			
Stock and Work-in-Progress	9	1,527,910	897,279
Debtors	10	1,137,713	753,861
Cash at Bank and in Hand		2,506	8,887
		<u>2,668,129</u>	<u>1,660,027</u>
CREDITORS			
Amounts due within one year	11	2,495,237	1,356,285
		<u>2,495,237</u>	<u>1,356,285</u>
NET CURRENT ASSETS		172,892	303,742
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,012,121</u>	<u>861,010</u>
CREDITORS			
Amounts due in more than one year	11	214,913	207,577
Deferred Taxation		14,295	25,100
		<u>229,208</u>	<u>232,677</u>
		£ <u>782,913</u>	£ <u>628,333</u>
CAPITAL AND RESERVES			
Share Capital	13	150,000	150,000
Profit and Loss Account		632,913	478,333
		£ <u>782,913</u>	£ <u>628,333</u>

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

[Signature]
[Signature] DIRECTORS

JOHN LAITHWAITE ASSOCIATES LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30 APRIL 1988

	<u>1988</u> £	<u>1987</u> £
SOURCE OF FUNDS		
Net Profit Before Taxation	266,174	239,639
Adjustment For Items Not Involving The Movement of Funds:		
Depreciation	146,968	101,692
Loss on Sale of Assets	5,419	10,164
	<hr/>	<hr/>
TOTAL GENERATED FROM OPERATIONS	418,561	351,495
 Sales of Fixed Assets	 24,260	 120,700
APPLICATION OF FUNDS		
Tax Paid	109,618	90,719
Purchase of Fixed Assets	366,513	225,806
Investment In Subsidiaries	97,924	-
	<hr/>	<hr/>
	(574,055)	(316,525)
	<hr/>	<hr/>
	(131,234)	155,670
 INCREASE (DECREASE) IN WORKING CAPITAL		
Stock and Work In Progress	630,631	148,101
Debtors	402,737	(27,000)
Creditors	(1,002,703)	36,718
	<hr/>	<hr/>
	30,665	157,819
 Movement in Net Liquid Funds:		
Bank Balances & Cash Funds	(161,899)	(2,149)
	<hr/>	<hr/>
	£ (131,234)	£ 155,670
	<hr/>	<hr/>

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1988

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 Historic Cost 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
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.

2 OPERATING PROFIT

The operating profit is stated after charging:

	<u>1988</u> £	<u>1987</u> £
Depreciation of Tangible Fixed Assets	146,968	101,692
Auditors Remuneration	14,000	12,000
Staff Costs (Note 3)	1,027,328	790,181
Bank and Loan Interest	43,979	56,042
Hire Purchase Interest	19,854	25,405

3 STAFF COSTS

	<u>1988</u> £	<u>1987</u> £
Wages and salaries	892,572	681,362
Social Security Costs	92,559	72,678
Other Pension Costs	42,197	36,141
	<u>1,027,328</u>	<u>790,181</u>

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1988

4 DIRECTORS' REMUNERATION

	<u>1988</u> £	<u>1987</u> £
Directors remuneration including pension contributions	70,560	95,530
Chairman and Highest Paid Director	25,000	80,530
	No.	No.
Others: £10,001 - £15,000	1	1

5 TAXATION

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

	<u>1988</u> £	<u>1987</u> £
Corporation Tax at 35% based on the adjusted results of the year.	112,000	105,900
Deferred Taxation at 35%.	(8,765)	(9,545)
Interest on late payment	4,570	1,965
	<u>107,805</u>	<u>98,320</u>

6 PRIOR YEAR ADJUSTMENT

	<u>1988</u> £	<u>1987</u> £
Adjustment to depreciation charged in previous years arising from a change in accounting policy	5,829	-
Associated Deferred Tax	(2,040)	-
	<u>3,789</u>	<u>-</u>

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1988

FIXED ASSETS

Tangible Assets

	Short Leasehold Property £	Freehold Property £	Improvement Expenditure £
COST:			
At 1 May 1987	11,000	226,149	74,075
Additions	-	100,088	8,578
Disposals	-	-	-
At 30 April 1988	11,000	326,237	82,653
DEPRECIATION:			
At 1 May 1987	6,284	4,522	38,532
Attributable to Disposals	-	-	-
Provided for the Year	1,570	6,474	16,530
At 30 April 1988	7,854	10,996	55,062
NET BOOK VALUE			
At 30 April 1988	3,146	315,241	27,591
At 30 April 1987	4,716	221,627	35,543
	Fixtures £	Vehicles £	Total £
COST:			
At 1 May 1987	204,956	247,899	764,079
Additions	43,693	214,154	366,513
Disposals	-	(58,935)	(58,935)
At 30 April 1988	248,649	403,118	1,071,657
DEPRECIATION:			
At 1 May 1987	59,715	97,758	206,811
Attributable to Disposals	-	(29,256)	(29,256)
Provided for the Year	44,493	83,730	152,797
At 30 April 1988	104,208	152,232	330,352
NET BOOK VALUE			
At 30 April 1988	144,441	250,886	741,305
At 30 April 1987	145,241	150,141	557,268

8 INVESTMENT IN SUBSIDIARIES

	1988 £	1987 £
Cost of shares in subsidiary companies acquired from Directors	97,924	-

JOHN LAITHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1988

9 STOCKS

	<u>1988</u>	<u>1987</u>
	£	£
Stock of Goods for Resale	1,527,910	897,279

10 DEBTORS

	<u>1988</u>	<u>1987</u>
	£	£
Amounts due within one year:-		
Trade Debtors	672,010	474,084
Amounts Owed by Connected Companies	372,477	190,391
Prepayments and Accrued Income	39,583	56,991
Directors Loan Account	-	32,395
Amounts Due From Subsidiaries	53,643	-
	<u>1,137,713</u>	<u>753,861</u>

11 CREDITORS

	<u>1988</u>	<u>1987</u>
	£	£
Amounts due within one year:-		
Bank Loans and Overdrafts	436,400	283,600
Trade Creditors	1,267,198	457,767
Amounts Owed to Connected Companies	76,740	88,538
Other Creditors	85,502	70,466
Taxation	112,900	105,948
Other Taxation and Social Security	75,527	94,254
Accruals	191,478	165,384
Hire Purchase	144,295	90,328
Directors Loan Account	102,521	-
Amounts Due to Subsidiaries	2,676	-
	<u>2,495,237</u>	<u>1,356,285</u>
Amounts due after more than one year:-		
Unsecured Loans	67,220	67,220
Bank Loan	79,706	76,988
Hire Purchase	67,987	63,369
Deferred Taxation	14,295	25,100
	<u>229,208</u>	<u>232,677</u>
	<u>2,743,330</u>	<u>1,588,962</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 LAJTHWAITE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1988

13 CALLED UP SHARE CAPITAL

	<u>1988</u> <u>£</u>	<u>1987</u> <u>£</u>
Authorized: Ordinary Shares of £1 Each	150,000	150,000
Allocated, 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.