

NETWORK PLANT LIMITED
REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 1999



Network Plant Limited

Directors

Sir John Wickerson, LLB (Chairman)
D.E. Beardsmore, CEng AMCT FICE FCIQB FRSA
R.C. Gardner MInstD
P.H. Coats, CA FCT
D.S. Hurcomb BSc ACA
B.S. Pow MA ACMA

Secretary and Registered Office

R. Cordeschi ACIS
Roman House, 13/27 Grant Road, Croydon, Surrey, CR9 6BU

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4P 4BN

Report of the directors

The directors submit their report and the audited financial statements for the year ended 31 December 1999.

Review of activities

The company's principal activities are plant hire and the maintenance and repair of plant, tools and vehicles.

Profit and loss account

The profit for the year after taxation amounted to £506,584 (1998: £429,668). The surplus of £236,584 (1998: £114,668) after deduction of the dividend for the year of £270,000 (1998: £315,000) has been transferred to reserves.

Directors

Mr D.S. Hurcomb, Mr B.S. Pow and Mr S.J. Waite were appointed as directors on 1 February 1999, 20 May 1999 and 6 April 2000 respectively. Mr G.D. Bell resigned as a director on 3 February 1999.

Interests in the group

Sir John Wickerson, Mr. D.E. Beardsmore, Mr. P.H. Coats, Mr D.S. Hurcomb and Mr S.J. Waite were, at 31 December 1999, directors of the parent company, MANSELL plc, and their interests in the group, as defined by the Companies Act 1985, are set out in the directors' report attached to the financial statements of that company for the year ended 31 December 1999.

Network Plant Limited

Report of the Directors (continued)

The interests of the remaining directors in the share capital of MANSELL plc during the year were as follows:-

	<u>Ordinary shares of 25p each</u>	
	<u>31 December 1999</u>	<u>1 January 1999</u>
R.C. Gardner	39,500	35,000
B.S. Pow	-	-

In addition, Mr R.C. Gardner has been granted options over the ordinary shares of 25p each of MANSELL plc as follows:

	At 1 January 1999	Exercised during the year	At 31 December 1999	Exercise price
The MANSELL Company Share Option Scheme The options are normally exercisable between 28 June 1999 and 28 June 2006.	25,000	-	25,000	32p
The MANSELL Savings Related Share Option Scheme The options are normally exercisable between 1 September 1999 and 28 February 2000.	4,500	4,500	-	26p

No director had any direct interest in the share capital of the company at any time during the year.

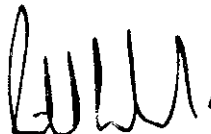
The "Elective Regime"

At the Annual General Meeting held on 24 November 1999, the company adopted a resolution under the terms of Section 379A, Companies Act 1985 (as amended), to take advantage of the full range of procedural relaxations permitted by that provision. Accordingly, no Annual General Meeting is to be held and the accounts will not be laid before the members.

Auditors

The auditors, Moore Stephens, are willing to continue in office.

By Order of the Board



R. Cordeschi

Company Secretary

Network Plant Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Network Plant Limited

Auditors' report

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statement are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St. Paul's House,
Warwick Lane,
London,
EC4P 4BN.



Moore Stephens
Registered Auditors
Chartered Accountants

6 April 2000

Network Plant Limited

**Profit and loss account
for the year ended 31 December 1999**

	Note	<u>1999</u>	<u>1998</u>
Turnover	1(b)	6,657,787	5,937,988
Cost of sales	2	3,585,876	3,350,041
		<hr/>	<hr/>
Gross profit		3,071,911	2,587,947
Administration expenses	2	2,397,327	1,939,015
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	674,584	648,932
Tax on profit on ordinary activities	4	168,000	219,264
		<hr/>	<hr/>
Profit on ordinary activities after taxation		506,584	429,668
Dividends: £1.20 per share (1998: £1.40)		270,000	315,000
		<hr/>	<hr/>
Retained profit for the financial year	11	<u>£ 236,584</u>	<u>£ 114,668</u>

The company has no recognised gains or losses other than those included in the profit and loss account.

Network Plant Limited
Balance sheet at December 1999

	Note	<u>1999</u>	<u>1998</u>
Tangible fixed assets	5	2,872,163	2,114,023
Current assets			
Stocks	6	1,163,068	1,142,183
Debtors	7	943,449	669,649
		2,106,517	1,811,832
Creditors, amounts falling due within one year	8	(3,807,049)	(2,990,808)
Net current liabilities		(1,700,532)	(1,178,976)
Total assets less current liabilities		1,171,631	935,047
Provisions for liabilities and charges	9	(209,245)	(209,245)
		£ 962,386	£ 725,802
Capital and reserves			
Called up share capital	10	225,000	225,000
Profit and loss account	11	737,386	500,802
		£ 962,386	£ 725,802

These financial statements were approved by the Board on 6 April 2000



P. H. COATS
Director

Network Plant Limited

Notes to the financial statements

1. Principal accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

(b) Turnover

Turnover is the invoiced value of sales excluding VAT.

(c) Depreciation

The cost of fixed assets is depreciated by equal annual instalments over their expected lives of between four and twelve years.

(d) Deferred taxation

Provision for deferred taxation is made except where it can be shown that the taxation deferred will not be payable in the foreseeable future.

(e) Stocks

Stocks are stated at the lower of cost or net realisable value.

2. Cost of sales and administration expenses

These consist of charges and transfers from the parent company and incorporate all staff costs. No directors are remunerated directly by the company. Administrative expenses include a contribution towards head office expenses which is based on the use made of head office facilities and the company's ability to make such a contribution.

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging depreciation on tangible fixed assets amounting to £473,460 (1998: £396,884) and after profit on the sale of fixed assets of £100,080 (1998: £63,445).

4. Tax on profit on ordinary activities

	<u>1999</u>	<u>1998</u>
United Kingdom corporation tax based on the profits for the year as adjusted for taxation purposes at a rate of 30.25% (1998: 31%)	209,000	208,500
(Over)/under provision in prior year	(41,000)	10,764
	<hr/>	<hr/>
	£ 168,000	£ 219,264
	<hr/>	<hr/>

Network Plant Limited
Notes to the financial statements

5. Tangible fixed assets

	<u>Plant and machinery</u>
Cost:	
At 1 January 1999	3,776,191
Additions	1,455,652
Disposals	(459,698)
	<hr/>
At 31 December 1999	4,772,145
	<hr/>
Depreciation:	
At 1 January 1999	1,662,168
Charge for year	473,460
On disposals	(235,646)
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At 31 December 1999	1,899,982
	<hr/>
Net book value:	
At 31 December 1999	£ 2,872,163
	<hr/> <hr/>
At 31 December 1998	£ 2,114,023
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6. Stocks

	<u>1999</u>	<u>1998</u>
Raw materials and consumables	£ 1,163,068	£ 1,142,183
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7. Debtors

All amounts falling due within one year		
Trade debtors	£ 943,449	£ 669,649
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Network Plant Limited

Notes to the financial statements

	<u>1999</u>	<u>1998</u>
8. Creditors - amounts falling due within one year		
Dividend payable	270,000	315,000
Corporation tax	217,559	208,500
Due to group companies	3,319,490	2,467,308
	<hr/>	<hr/>
	£ 3,807,049	£ 2,990,808
	<hr/>	<hr/>
9. Provisions for liabilities and charges		
Deferred taxation:		
Fixed asset timing differences	£ 209,245	£ 209,245
	<hr/>	<hr/>
10. Called up share capital		
Ordinary shares of £1 each		
Authorised	£ 500,000	£ 500,000
	<hr/>	<hr/>
Allotted, called up and fully paid	£ 225,000	£ 225,000
	<hr/>	<hr/>
All shares rank equally in respect of all shareholder rights.		
11. Reserves		<u>Profit and loss account</u>
At 1 January 1999		500,802
Retained profit for the year		236,584
		<hr/>
At 31 December 1999		£ 737,386
		<hr/>
12. Reconciliation of movements in equity shareholders' funds		
	<u>1999</u>	<u>1998</u>
Profit for the financial year	506,584	429,668
Dividend	(270,000)	(315,000)
	<hr/>	<hr/>
	236,584	114,668
Opening shareholders' funds	725,802	611,134
	<hr/>	<hr/>
Closing shareholders' funds	£ 962,386	£ 725,802
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Network Plant Limited

Notes to the financial statements

13. Ultimate parent undertaking

The company is a wholly-owned subsidiary of MANSELL plc, which is incorporated in Great Britain. Copies of the group accounts may be obtained from the Company Secretary, MANSELL plc, Roman House, Grant Road, Croydon CR9 6BU.