

FOX (CHAIN SAWS) LIMITED  
AND ITS SUBSIDIARY UNDERTAKINGS  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 AUGUST 1994



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**FOX (CHAIN SAWS) LIMITED**

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 AUGUST 1994**

The directors submit their report and the group financial statements for the year ended 31 August 1994.

**REVIEW OF THE BUSINESS**

The principal activity of the group is the sale and repair of garden machinery.

The group's performance has again been affected by the current economic climate which is yet to show consistent recovery and the year's results are accordingly disappointing.

**DIRECTORS**

The directors of the company who held office during the year and their interests in the ordinary shares of the company were:

		<u>Ordinary £1 shares</u>	
		<u>31.08.94</u>	<u>31.08.93</u>
D M Fox	(Chairman)	50	50
Mrs E M Fox		50	50
M Fox		-	-

**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 the group and of the profit or loss of the group for that year. In preparing the 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;
- follow applicable accounting standards, 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 group 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 of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD



D M FOX  
Secretary

SOUTHAMPTON  
10 April 1995

**REPORT OF THE AUDITORS**

**TO THE SHAREHOLDERS OF FOX (CHAIN SAWS) LIMITED**

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 statements 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 the affairs of the company and of the group as at 31 August 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



**BURNETT SWAYNE**  
Chartered Accountants  
and Registered Auditors

**SOUTHAMPTON**  
10 April 1995

**FOX (CHAIN SAWS) LIMITED**

**GROUP PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 AUGUST 1994**

	<b>NOTE</b>	<b>£</b>	<b>1993 £</b>
<b>TURNOVER</b>			
Cost of sales	1	803,969	886,737
		<u>561,211</u>	<u>569,289</u>
<b>GROSS PROFIT</b>		242,758	317,448
Selling and distribution costs		84,970	103,659
Administrative expenses		<u>165,491</u>	<u>228,296</u>
<b>OPERATING LOSS</b>			
Interest payable	2	( 7,703)	( 14,507)
		<u>11,509</u>	<u>8,350</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		( 19,212)	( 22,857)
Tax on loss on ordinary activities		<u>-</u>	<u>( 239)</u>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>			
Attributable to outside shareholders	3	( 19,212)	( 22,618)
		<u>2,706</u>	<u>( 3,605)</u>
<b>LOSS ATTRIBUTABLE TO THE GROUP</b>		<u>( 21,918)</u>	<u>( 19,013)</u>

No activities were acquired or discontinued during the year.

All recognised gains and losses are included in the profit and loss account.


**FOX (CHAIN SAWS) LIMITED**

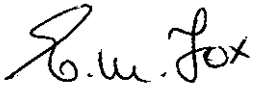
**BALANCE SHEETS AS AT 31 AUGUST 1994**

	NOTE	GROUP		COMPANY	
		1994 £	1993 £	1994 £	1993 £
<b>FIXED ASSETS</b>					
Tangible assets	4	63,771	70,509	61,380	67,229
Investments	5	-	-	252	252
		<u>63,771</u>	<u>70,509</u>	<u>61,632</u>	<u>67,481</u>
<b>CURRENT ASSETS</b>					
Stocks		369,603	336,288	-	-
Debtors:					
Due within one year	6	39,705	40,296	8,216	5,893
Due after more than one year	6	-	-	351,768	1,167,411
Cash at bank and in hand		<u>6,811</u>	<u>261</u>	<u>-</u>	<u>50</u>
		416,119	376,845	359,984	1,173,354
<b>CREDITORS: amounts falling due within one year</b>	7	<u>347,700</u>	<u>294,540</u>	<u>289,555</u>	<u>321,212</u>
<b>NET CURRENT ASSETS</b>		<u>68,419</u>	<u>82,305</u>	<u>70,429</u>	<u>852,142</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		132,190	152,814	132,061	919,623
<b>CREDITORS: amounts falling due after more than one year</b>	8	<u>-</u>	<u>1,412</u>	<u>-</u>	<u>768,764</u>
		132,190	151,402	132,061	150,859
<b>INTERESTS OF OUTSIDE SHAREHOLDERS</b>	( 55)	<u>2,651</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>132,135</u>	<u>154,053</u>	<u>132,061</u>	<u>150,859</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9	100	100	100	100
Profit and loss account	10	<u>132,035</u>	<u>153,953</u>	<u>131,961</u>	<u>150,759</u>
		<u>132,135</u>	<u>154,053</u>	<u>132,061</u>	<u>150,859</u>

The directors have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company qualifies as a small company.

Signed on behalf of the board of directors

  
D M FOX - DIRECTOR

  
E M FOX - DIRECTOR

Approved by the board on 10 April 1995

**FOX (CHAIN SAWS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1994**

**1 ACCOUNTING POLICIES**

**Accounting convention**

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards.

**Basis of consolidation**

The group financial statements include the financial statements of the company and its subsidiary undertakings for the year ended 31 August 1994.

**Cash flow statement**

In accordance with the exemptions contained in FRS 1 no cash flow statement has been prepared for the group.

**Depreciation**

Depreciation is provided on all tangible fixed assets on a consistent basis at rates calculated to write off the cost of each asset evenly over its expected useful life as follows:-

Freehold buildings	25 years
Short leasehold property	5 years
Plant and equipment	5 years
Computer equipment	3 years
Motor vehicles	5 years

**Stocks**

Stocks comprise garden machinery and spares and are valued at the lower of average cost or net realisable value.

**Hire purchase commitments**

Assets held under hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of repayments is charged to the profit and loss account over the period of the agreement.

**Deferred taxation**

Deferred taxation is only provided where the directors consider that a liability will arise in the foreseeable future.

**Turnover**

Turnover represents the invoiced value of goods sold and services provided (stated net of value added tax).

**2 OPERATING LOSS**

This is stated after charging:

Directors' remuneration

Auditors' remuneration

Depreciation

<u>1994</u>	<u>1993</u>
£	£
65,118	76,834
8,400	8,050
<u>12,224</u>	<u>24,018</u>

**FOX (CHAIN SAWS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1994**

**3 LOSS ON ORDINARY ACTIVITIES AFTER TAXATION**

Loss on ordinary activities after taxation dealt with in the financial statements of the parent company, amounted to £18,798 (1993: Loss: £1,119).

As permitted by section 230 (3) of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these financial statements.

**4 TANGIBLE FIXED ASSETS GROUP**

	<u>LAND AND BUILDINGS</u>		<u>PLANT AND EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
	<u>FREEHOLD</u>	<u>SHORT LEASEHOLD</u>			
	£	£	£	£	£
<b>COST</b>					
At 1 September 1993	76,882	4,670	87,174	69,107	237,833
Additions	-	-	5,486	-	5,486
At 31 August 1994	<u>76,882</u>	<u>4,670</u>	<u>92,660</u>	<u>69,107</u>	<u>243,319</u>
<b>DEPRECIATION</b>					
At 1 September 1993	24,318	4,669	80,948	57,389	167,324
Provided for the year	<u>1,944</u>	<u>-</u>	<u>2,421</u>	<u>7,859</u>	<u>12,224</u>
At 31 August 1994	<u>26,262</u>	<u>4,669</u>	<u>83,369</u>	<u>65,248</u>	<u>179,548</u>
<b>NET BOOK VALUE</b>					
At 31 August 1994	<u>50,620</u>	<u>1</u>	<u>9,291</u>	<u>3,859</u>	<u>63,771</u>
At 31 August 1993	<u>52,564</u>	<u>1</u>	<u>6,226</u>	<u>11,718</u>	<u>70,509</u>
<b>COMPANY</b>					
	<u>FREEHOLD LAND AND BUILDINGS</u>		<u>PLANT AND EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
	£		£	£	£
<b>COST</b>					
At 1 September 1993		76,882	80,686	69,107	226,675
Additions		-	5,215	-	5,215
At 31 August 1994		<u>76,882</u>	<u>85,901</u>	<u>69,107</u>	<u>231,890</u>
<b>DEPRECIATION</b>					
At 1 September 1993		24,318	77,739	57,389	159,446
Provided for the year		<u>1,942</u>	<u>1,263</u>	<u>7,859</u>	<u>11,064</u>
At 31 August 1994		<u>26,260</u>	<u>79,002</u>	<u>65,248</u>	<u>170,510</u>
<b>NET BOOK VALUE</b>					
At 31 August 1994		<u>50,622</u>	<u>6,899</u>	<u>3,859</u>	<u>61,380</u>
At 31 August 1993		<u>52,564</u>	<u>2,947</u>	<u>11,718</u>	<u>67,229</u>

**FOX (CHAIN SAWS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1994**

5	<b>FIXED ASSET INVESTMENTS</b>	<b>% EQUITY</b>	<b>1994</b>	<b>1993</b>
			£	£
	Shares in subsidiary undertakings at cost:			
	Fox Bishops Waltham Limited	100	100	100
	Fox of Fordingbridge Limited	76	76	76
	Fox of Sussex Limited	76	76	76
			<u>252</u>	<u>252</u>

All subsidiaries are registered in England and Wales and were engaged in the sale and repair of garden machinery. On 1 September 1994 Fox of Fordingbridge Limited and Fox of Sussex Limited transferred its assets, liabilities and trade to Fox Bishops Waltham Limited.

6	<b>DEBTORS</b>	<b>GROUP</b>		<b>COMPANY</b>	
		<b>1994</b>	<b>1993</b>	<b>1994</b>	<b>1993</b>
		£	£	£	£
	Amounts falling due within one year:				
	Trade debtors	30,689	31,880	-	-
	Others	<u>9,016</u>	<u>8,416</u>	<u>8,216</u>	<u>5,893</u>
		<u>39,705</u>	<u>40,296</u>	<u>8,216</u>	<u>5,893</u>
	Amounts falling due after more than one year:				
	Amounts due from subsidiary undertakings	<u>-</u>	<u>-</u>	<u>351,768</u>	<u>1,167,411</u>

7	<b>CREDITORS: amounts falling due within one year</b>	<b>GROUP</b>		<b>COMPANY</b>	
		<b>1994</b>	<b>1993</b>	<b>1994</b>	<b>1993</b>
		£	£	£	£
	Current instalments due on bank loans	2,157	5,934	2,157	5,934
	Bank overdraft	129,561	78,486	187,415	219,699
	Trade creditors	110,574	129,604	5,955	18,926
	Others	<u>105,408</u>	<u>80,516</u>	<u>94,028</u>	<u>76,653</u>
		<u>347,700</u>	<u>294,540</u>	<u>289,555</u>	<u>321,212</u>

The bank borrowings of the company and of the group are secured by a fixed and floating charge over the group's assets.

8	<b>CREDITORS: amounts falling due after more than one year</b>	<b>GROUP</b>		<b>COMPANY</b>	
		<b>1994</b>	<b>1993</b>	<b>1994</b>	<b>1993</b>
		£	£	£	£
	Bank loans	-	1,412	-	1,412
	Amounts due to subsidiary undertakings	<u>-</u>	<u>-</u>	<u>-</u>	<u>767,352</u>
		<u>-</u>	<u>1,412</u>	<u>-</u>	<u>768,764</u>

The Bank loan is repayable within five years and is secured by a fixed and floating charge over the group's assets.



**FOX (CHAIN SAWS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1994**

<b>9</b>	<b>SHARE CAPITAL</b>	<b><u>1994</u></b>	<b><u>1993</u></b>
		<b>£</b>	<b>£</b>
	Authorised, issued and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>10</b>	<b>PROFIT AND LOSS ACCOUNT</b>	<b><u>GROUP</u></b>	<b><u>COMPANY</u></b>
		<b>£</b>	<b>£</b>
	Balance at 1 September 1993	153,953	150,759
	Retained loss for the year	<u>( 21,918)</u>	<u>( 18,798)</u>
	Balance at 31 August 1994	<u>132,035</u>	<u>131,961</u>

A separate movement in shareholders' funds statement is not provided as there are no changes for the current or previous year, other than the retained loss in the profit and loss account.

**11 DIRECTORS' INTERESTS IN CONTRACTS**

The property occupied by the subsidiary company, Fox of Fordingbridge Limited, is jointly owned by Mr D M Fox and Mrs E M Fox and the rent charged to that company for the year ended 31 August 1994 was £ Nil (1993: £10,000).

The property occupied by the subsidiary company, Fox of Sussex Limited, is owned by Mr M Fox and the rent charged to that company for the year ended 31 August 1994 was £ Nil (1993: £6,000).

**12 CAPITAL COMMITMENTS**

There were no commitments for capital expenditure at 31 August 1994 (1993: Nil).

**13 CONTINGENT LIABILITIES**

The Group has a group registration for value added tax. The company therefore has a contingent liability in respect of amounts due to H M Customs and Excise by its subsidiaries.

**14 PENSION COSTS**

The group operates a defined contribution pension scheme for the directors. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge in respect of the scheme represents contributions payable by the group to the fund and amounted to £ Nil (1993: £9,740).