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MACK ALARMS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 1990



MACK ALARMS LIMITED

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FOR THE YEAR ENDED 30 NOVEMBER 1990

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# MACK ALARMS LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 1990

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 30th November 1990

### RESULTS AND DIVIDENDS

The profit for the year after taxation was £97,254 .  
A dividend is proposed of £20,037 (1989 £12,640)

### REVIEW OF THE BUSINESS

The company's principal activity during the year was that of the supply and installation of electronic security systems.

The profitability of the company has been significantly increased by the securing of a major contract and a general increase in turnover following extensive marketing initiatives, which has largely been serviced out of existing company resources.  
Advances are being made in improving customers' satisfaction with the maintenance arrangements for the company's installed systems by increasing both the frequency and quality of service visits.

### DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Number of shares</u>	
	30th November 1990	30th November 1989
J E Mack	49	49


### FIXED ASSETS

The movements in fixed assets during the year are set out in note 7 to the accounts.

### AUDITORS

It is proposed that the company's present auditors, Delamare be reappointed as auditors to the company to hold office for the ensuing year.

By Order of the Board

  
D S Thornton  
Secretary

30th January 1991

AUDITORS' REPORT TO THE MEMBERS OF  
MACK ALARMS LIMITED

We have audited the financial statements on pages 3 to 10 in accordance with Auditing Standards.

In our opinion, the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs as at 30th November 1990 and of its result for the period then ended and comply with the Companies Act 1985.

Delamare  
Chartered Accountants  
London SW16

30th January 1991

MACK ALARMS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 NOVEMBER 1990

	<u>Notes</u>	<u>£</u>	<u>1990</u> <u>£</u>	<u>£</u>	<u>1989</u> <u>£</u>
TURNOVER			505,776		364,149
COST OF SALES			231,708		248,729
GROSS PROFIT			274,068		115,420
ADMINISTRATION COSTS			127,518		101,192
OPERATING PROFIT	2/3		146,550		14,228
Interest payable	4	(19,476)	(19,476)	(8,229)	(8,229)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			127,074		5,999
Tax on ordinary activities	5		29,820		1,872
PROFIT FOR THE YEAR			97,254		4,127
Dividends	6		20,037		12,640
RETAINED PROFIT/(LOSS) FOR THE YEAR			77,217		(8,513)
Retained profit brought forward			2,265		10,778
Transfer to/from reserves			(12,400)		-
RETAINED PROFIT CARRIED FORWARD			<u>£ 67,082</u>		<u>£ 2,265</u>

# MACK ALARMS LIMITED

## BALANCE SHEET

AS AT 30 NOVEMBER 1990

	<u>Notes</u>	£	<u>1990</u> £	£	<u>1989</u> £
<b>FIXED ASSETS</b>					
Tangible assets	7		155,269		27,070
<b>CURRENT ASSETS</b>					
Stocks	8	28,508		7,018	
Debtors	9	180,396		84,491	
Cash at bank and in hand		378		268	
		<u>209,282</u>		<u>91,777</u>	
CREDITORS - amounts falling due within one year	10	(96,911)		(109,399)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>112,371</u>		<u>(17,622)</u>
<b>ASSETS LESS CURRENT LIABILITIES</b>			267,640		9,448
CREDITORS - amounts falling due after more than one year	11		(188,058)		(11,296)
Provisions for liabilities and charges			-		4,213
<b>NET ASSETS</b>			<u>£ 79,582</u>		<u>£ 2,365</u>

Financed by:

## **CAPITAL AND RESERVES**

Called up share capital	12	12,500	100
Profit and loss account		67,082	2,265
		<u>£ 79,582</u>	<u>£ 2,365</u>

J E Mack

D S Thornton

)  
) Directors  
)

Dated: 30th January 1991

# MACK ALARMS LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 30 NOVEMBER 1990

	£	<u>1990</u> £	£	<u>1989</u> £
<b>SOURCE OF FUNDS</b>				
Funds generated from operations:				
Profit on ordinary activities before taxation		127,074		5,999
Depreciation		9,530		6,001
Adjustment on disposal of: fixed assets		(4,113)		-
Total generated from operations		<u>132,491</u>		<u>12,000</u>
Funds from other sources:				
Sale of fixed assets	4,113		-	
Increase in share capital	12,400		-	
Increase in long term loans	65,431		-	
Increase in long term H.P.	<u>133,370</u>		<u>26,096</u>	
		<u>215,314</u>		<u>26,096</u>
		<u>347,805</u>		<u>38,096</u>
<b>APPLICATION OF FUNDS</b>				
Purchase of fixed assets	137,729		27,728	
Transfer to reserves	12,400		-	
Repayment of long term H.P.	22,039		14,800	
Taxation paid	2,552		4,121	
Dividends paid	<u>20,037</u>		<u>12,640</u>	
		<u>(194,757)</u>		<u>(59,289)</u>
<b>MOVEMENT IN FUNDS</b>		<u>£ 153,048</u>		<u>£ (21,193)</u>
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>				
Stocks		21,490		(11,289)
Debtors		95,905		11,663
Creditors		4,681		19,506
Cash at bank and in hand		110		200
Bank overdraft and short term loans		<u>30,862</u>		<u>(41,273)</u>
		<u>£ 153,048</u>		<u>£ (21,193)</u>

# MACK ALARMS LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### 1.1 Accounting conventions

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

This represents the invoiced amounts of goods sold and provided, net of value added tax.

#### 1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings:	10.0% per annum on cost
Plant and machinery:	10.0% per annum on cost
Motor vehicles:	24.0% per annum on cost

#### 1.4 Stocks

Stock and work in progress are valued at the lower of cost and 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.

#### 1.5 Research and development

Expenditure on research and development is written off as incurred.

#### 1.6 Deferred taxation

Provision is made by the liability method for all timing differences which are expected to be reversed in the foreseeable future.



# MACK ALARMS LIMITED

## NOTES TO THE ACCOUNTS - continued

2.	OPERATING PROFIT	<u>1990</u> £	<u>1989</u> £
	This is stated after charging (crediting):		
	Staff costs (see note 3)	48,187	37,846
	Auditors' remuneration	1,728	750
	Depreciation	9,530	6,001
	Adjustment on disposal of fixed assets	(4,113)	-
		<u>£ 48,187</u>	<u>£ 37,846</u>
3.	EMPLOYEE INFORMATION	<u>1990</u> £	<u>1989</u> £
3.1	Staff costs:		
	Salaries	41,230	34,236
	Social security costs	3,807	3,460
		<u>£ 48,187</u>	<u>£ 37,846</u>
3.2	Directors' emoluments:		
	Fees and salaries	195	551
		<u>195</u>	<u>551</u>
4.	INTEREST PAYABLE	<u>1990</u> £	<u>1989</u> £
	On bank overdrafts repayable within 5 years	11,015	6,930
	On hire purchase contracts	3,530	1,299
	On other loans from directors	4,931	-
		<u>£ 19,476</u>	<u>£ 8,229</u>
5.	TAXATION	<u>1990</u> £	<u>1989</u> £
5.1	The tax charge on the Profit on ordinary activities for the year was as follows:		
	U.K Corporation Tax at 25.0% (1989 - 25.7%)	29,087	2,073
		<u>29,087</u>	<u>2,073</u>
	Taxation (over)/underprovided in previous years:		
	Corporation Tax	733	(201)
		<u>£ 29,820</u>	<u>£ 1,872</u>

# MACK ALARMS LIMITED

## NOTES TO THE ACCOUNTS - continued

5.2 The company is a close company within the terms of Section 414 of the Taxes Act 1988.

6.	DIVIDENDS	<u>1990</u> £	<u>1989</u> £
	Interim dividend paid: 160p per share.	<u>20,037</u>	<u>12,640</u>

7.	TANGIBLE FIXED ASSETS	<u>Fixtures and fittings</u> £	<u>Plant and equipment</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
	Cost:				
	At 1st December 1989	857	7,605	33,673	42,135
	Additions	<u>236</u>	<u>5,724</u>	<u>131,769</u>	<u>137,729</u>
	At 30th November 1990	<u>1,093</u>	<u>13,329</u>	<u>165,442</u>	<u>179,864</u>
	Depreciation:				
	At 1st December 1989	88	1,926	13,053	15,065
	Charge for year	<u>109</u>	<u>1,333</u>	<u>8,088</u>	<u>9,530</u>
	At 30th November 1990	<u>197</u>	<u>3,259</u>	<u>21,141</u>	<u>24,595</u>
	Net book value at 30th November 1990	<u>£ 896</u>	<u>£10,070</u>	<u>£144,301</u>	<u>£155,269</u>
	Net book value at 30th November 1989	<u>£ 771</u>	<u>£ 5,679</u>	<u>£ 20,620</u>	<u>£ 27,070</u>

8.	STOCKS	<u>1990</u> £	<u>1989</u> £
	The amounts attributable to the different categories are as follows:		
	Work in progress	18,502	-
	Finished goods	<u>10,006</u>	<u>7,018</u>

# MACK ALARMS LIMITED

## NOTES TO THE ACCOUNTS - continued

9.	DEBTORS		<u>1990</u> £	<u>1989</u> £
	Trade debtors		138,977	74,384
	Other debtors - insurance claims recoverable		2,663	5,900
	Prepayments - unamortised HP interest		38,756	4,207
			<u>£180,396</u>	<u>£ 84,491</u>
10.	CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR		<u>1990</u> £	<u>1989</u> £
	Bank loans and overdraft		11,626	42,488
	Trade creditors		37,186	33,155
	Corporation Tax		22,421	3,597
	Other taxes and social security costs		16,534	26,974
	Accruals		2,478	750
	Advance Corporation Tax		6,666	2,435
			<u>£ 96,911</u>	<u>£109,399</u>
11.	CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		<u>1990</u> £	<u>1989</u> £
	Directors loans		65,431	-
	Obligations under lease and hire purchase contracts		122,627	11,296
			<u>£188,058</u>	<u>£ 11,296</u>
12.	SHARE CAPITAL			
		<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>	
		£	<u>1990</u> £	<u>1989</u> £
	12,500 Ordinary shares of £1 each	<u>50,000</u>	<u>12,500</u>	<u>100</u>