

Hornchurch Hire & Sales Limited

Report and Financial Statements
For the year ended 30 April 2002

Registered number: 1654927



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Directors' report

For the year ended 30 April 2002

Financial statements

The directors present their annual report and financial statements of the company for the year ended 30 April 2002.

Principal activities and review of the business

The principal activities of the company in the year under review continued to be the hire and sale of plant and equipment. The progress of the company during the year accorded with expectations and the position at the end of the year is regarded as satisfactory.

Results and dividends

The results for the year are set out on page 3.

The directors paid an interim dividend for the year ended 30 April 2002 in December 2001, amounting to £13,000 together with a further interim dividend of £20,000 in April 2002. They do not recommend payment of a final dividend.

Future developments

No significant changes in the future of the company are proposed nor has there occurred since the year end any event of such significance that reference should be made to it in this report.

Directors' and their interests

The directors in office in the year and their beneficial interest at the balance sheet date and the beginning of the year in the £1 ordinary shares of the company were:

	2002	2001
JTH Nye (Chairman)	8,750	8,750
B Handscombe	1,250	1,250

Auditors

The directors have resolved to dispense with the requirement for an audit, the company meeting the relevant criteria, under the Companies Act 1985, as amended.

The Board approved this report on 11 July 2002

JTH Nye

Director



Profit and loss account

For the year ended 30 April 2002

	Notes	2002 £	2001 £
Turnover	2	255,932	221,125
Cost of sales		<u>(109,740)</u>	<u>(85,339)</u>
Gross profit		146,192	135,786
Distribution costs		(9,186)	(8,097)
Administrative costs		(89,259)	(89,432)
Other operating costs		(30,447)	(25,361)
Other operating income		<u>24,345</u>	<u>21,275</u>
Operating profit	3	41,645	34,171
Interest receivable – bank		<u>1,219</u>	<u>1,817</u>
Profit on ordinary activities before taxation		42,864	35,988
Tax on profit on ordinary activities	5	<u>(7,814)</u>	<u>(6,695)</u>
Profit on ordinary activities after taxation		35,050	29,293
Dividends paid	6	<u>(33,000)</u>	<u>(18,000)</u>
Retained profit for the year	13	<u><u>2,050</u></u>	<u><u>11,293</u></u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit and loss account for the above two years.

Balance sheet

30 April 2002

	Notes	2002 £	2001 £
Tangible fixed assets	7	<u>40,902</u>	<u>34,514</u>
Current assets			
Stocks	8	31,057	20,895
Debtors	9	22,636	21,786
Cash at bank and in hand		<u>64,090</u>	<u>56,021</u>
		117,783	98,702
Creditors: amounts falling due within one year	10	<u>(63,115)</u>	<u>(40,196)</u>
Net current assets		<u>54,668</u>	<u>58,506</u>
Total assets less current liabilities		95,570	93,020
Provision for deferred taxation	11	<u>(2,200)</u>	<u>(1,700)</u>
Net assets		<u><u>93,370</u></u>	<u><u>91,320</u></u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account	13	<u>83,370</u>	<u>81,320</u>
Shareholders' funds	14	<u><u>93,370</u></u>	<u><u>91,320</u></u>

The directors have taken advantage of the exemption conferred by Section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:

- the company keeps accounting records which comply with Section 221 of the Companies Act 1985;
- the financial statements give a true and fair view of the state of affairs of the company at 30 April 2002 and of its profit and loss account for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board on 11 July 2002

JTH Nye
Director



Notes to the financial statements

30 April 2002

1 Accounting policies

Preparation of financial statements

The financial statements have been prepared under the historical cost convention, on the going concern basis and in accordance with appropriate accounting standards.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Fixed assets

Hire plant and equipment held at 1 May 1988 is recorded at its replacement cost as on that date, less accumulated depreciation. Otherwise, fixed assets are recorded at original cost less accumulated depreciation.

Depreciation is calculated on the cost of fixed assets at the following annual rates in order to write off each asset over its estimated useful life:

Hire plant and equipment	Between 10% and 33.3%
Other plant and equipment, fixtures and fittings	20%
Computer hardware	33.3%
Computer software	33.3%
Motor vehicles	25%

Deferred taxation

Provision is made, at current rates, for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Operating lease commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

2 Turnover

Turnover represents sales and hire transactions in the United Kingdom during the year, excluding value added tax.

Notes to the financial statements (continued)

3 Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation	34,852	32,497
Directors' remuneration	52,818	48,049
Operating leases-land and buildings	9,797	9,760
Profit on disposal of fixed assets	<u>(23,949)</u>	<u>(20,999)</u>

4 Employees

	2002 Number	2001 Number
The average number of weekly employees during the year was as follows:		
Office and management	2	2
Production and sales	<u>1</u>	<u>1</u>
	<u>3</u>	<u>3</u>
Staff costs (including directors' remuneration) amounted to:	£	£
Wages and salaries	76,594	67,992
Social security costs	<u>7,287</u>	<u>6,445</u>
	<u>83,881</u>	<u>74,437</u>

5 Tax on profit on ordinary activities

	2002 £	2001 £
UK corporation tax at 20% (2001-20%)	8,700	7,500
Adjustment in respect of prior years	(1,386)	(1,105)
Transfer to deferred taxation	<u>500</u>	<u>300</u>
	<u>7,814</u>	<u>6,695</u>

Notes to the financial statements (continued)

6 Dividends paid

	2002 £	2001 £
Interim dividend of £1.30 per ordinary share paid in December 2001	13,000	-
Interim dividend of £2.00 per ordinary share paid in April 2002	20,000	-
Interim dividend of 80p per ordinary share paid in December 2000	-	8,000
Interim dividend of £1 per ordinary share paid in April 2001	-	10,000
	<u>33,000</u>	<u>18,000</u>

7 Tangible fixed assets

	Hire plant & equipment	Office equipment	Motor vehicles	Total
Cost:				
1 May 2001	91,527	29,349	22,741	143,617
Additions	34,558	915	14,505	49,978
Disposals	<u>(47,149)</u>	<u>-</u>	<u>(12,749)</u>	<u>(59,898)</u>
30 April 2002	<u>78,936</u>	<u>30,264</u>	<u>24,497</u>	<u>133,697</u>
Depreciation:				
1 May 2001	67,855	25,737	15,511	109,103
Charge for the year	26,070	2,923	5,859	34,852
On disposals	<u>(38,412)</u>	<u>-</u>	<u>(12,748)</u>	<u>(51,160)</u>
30 April 2002	<u>55,513</u>	<u>28,660</u>	<u>8,622</u>	<u>92,795</u>
Net book value:				
30 April 2002	<u>23,423</u>	<u>1,604</u>	<u>15,875</u>	<u>40,902</u>
30 April 2001	<u>23,672</u>	<u>3,612</u>	<u>7,230</u>	<u>34,514</u>

8 Stocks

	2002 £	2001 £
Finished goods for resale	<u>31,057</u>	<u>20,895</u>

Notes to the financial statements (continued)

9 Debtors

	2002 £	2001 £
Trade debtors	20,728	18,401
Prepayments and accrued income	1,908	3,385
	<u>22,636</u>	<u>21,786</u>

10 Creditors: Amounts falling due within one year

	2002 £	2001 £
Trade creditors	20,944	10,481
Corporation tax	8,700	7,500
Social security and other taxes	7,067	6,754
Hire purchase payments	5,954	4,163
Accruals and deferred income	20,450	11,298
	<u>63,115</u>	<u>40,196</u>

Hire purchase payments of £613 may be paid after one year.

11 Provisions for liabilities and charges

Deferred tax is provided at 20% (2001-20%) analysed over the following timing differences:

	2002 £	2001 £
Accelerated capital allowances	<u>2,200</u>	<u>1,700</u>

During the year £500 has been transferred to the deferred tax account.

12 Called up share capital

	2002 £	2001 £
Authorised, allotted, issued and fully paid		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Notes to the financial statements (continued)

13 Profit and loss account

	2002	2001
	£	£
Retained profit at 1 May 2001	81,320	70,027
Retained profit for the year	<u>2,050</u>	<u>11,293</u>
Retained profit at 30 April 2002	<u>83,370</u>	<u>81,320</u>

14 Reconciliation of movement in shareholders' funds

	2002	2001
	£	£
Profit for the financial year	35,050	29,293
Dividends paid	<u>(33,000)</u>	<u>(18,000)</u>
Net increase in shareholders' funds	2,050	11,293
Shareholders' funds at 1 May 2001	<u>91,320</u>	<u>80,027</u>
Shareholders' funds at 30 April 2002	<u>93,370</u>	<u>91,320</u>
Represented by:		
Equity interests	<u>93,370</u>	<u>91,320</u>

15 Financial commitment

At 30 April 2002 the company had annual commitments totalling £9,850 (2001-£9,760) under non-cancellable leases, for two to five years, in respect of land and buildings.