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**HORNCHURCH HIRE & SALES LIMITED**

**DIRECTORS' REPORT AND**

**FINANCIAL STATEMENTS**

**for the year ended 30 April 1996**

**Company number 1654927**



**HORNCHURCH HIRE & SALES LIMITED**  
**DIRECTORS' REPORT**  
for the year ended 30 April 1996

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**FINANCIAL STATEMENTS**

The directors present their report and financial statements of the company for the year ended 30 April 1996.

**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 have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statements on the going concern basis.

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.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year were the hire and sale of plant and equipment.

**FINANCIAL RESULTS AND STATE OF AFFAIRS**

	£
The profit for the year after taxation amounted to	17,351
The balance brought forward from the previous year was	25,540
	<hr/> 42,891
Less: Dividend of £1 per share paid on 30 April 1996	10,000
	<hr/> 32,891
<b>Unappropriated balance to be carried forward</b>	<hr/> <b>32,891</b> <hr/>

The increase in turnover and the reduction in cost of sales, combined with the maintenance of the overhead levels of expenditure, have led to increased profits. It is hoped that the company can continue with this level of profits in the future.

# **HORNCHURCH HIRE & SALES LIMITED**

## **DIRECTORS' REPORT for the year ended 30 April 1996**

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### **DIRECTORS' AND DIRECTORS' INTERESTS**

JTH Nye (Chairman)  
B Handscombe

The directors' interests in the £1 ordinary shares of the company were:

	<b>30 April 1996</b>	<b>30 April 1995</b>
JTH Nye	<b>8,750</b>	<b>8,750</b>
B Handscombe	<b>1,250</b>	<b>1,250</b>

### **POST BALANCE SHEET EVENT**

There have been no significant post balance sheet events.

### **AUDITORS**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Haslers be re-appointed as auditors of the company will be put to the Annual General Meeting.

The directors have taken advantage of exemptions available to small companies under S246 (IB) of the Companies Act 1985.

This report was approved by the Board on <sup>15</sup>14 July 1996.

JTH Nye  
Director



## **AUDITORS' REPORT**

**to the members of Hornchurch Hire & Sales Limited**

We have audited the financial statements on pages 4 to 9 which have been prepared on the basis of the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

As described on page 1, 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. 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 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 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 company's affairs as at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HASLERS

4 JULY 1996

**Chartered Accountants  
Registered Auditors**

**Johnston House  
8 Johnston Road  
Woodford Green  
Essex IG8 0XA**

# HORNCHURCH HIRE & SALES LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 30 April 1996

	Notes	1996	1995
		£	£
<b>Turnover</b>	2	<b>181,729</b>	175,839
Cost of sales		<b>(45,741)</b>	(49,296)
<b>Gross profit</b>		<b>135,988</b>	126,543
Distribution costs		<b>(7,693)</b>	(5,755)
Administrative costs		<b>(84,703)</b>	(84,498)
Other operating costs		<b>(26,107)</b>	(25,630)
Other operating income		<b>5,653</b>	7,523
<b>Operating profit</b>	3	<b>23,138</b>	18,183
Interest receivable - bank		<b>538</b>	262
Interest payable	4	<b>( 42)</b>	(135)
<b>Profit on ordinary activities before taxation</b>		<b>23,634</b>	18,310
Tax on profit on ordinary activities	6	<b>(6,283)</b>	(4,528)
<b>Profit on ordinary activities after taxation</b>		<b>17,351</b>	13,782
Dividend paid	7	<b>(10,000)</b>	(8,000)
<b>Retained profit for the year</b>	13	<b>7,351</b>	5,782
Retained profit brought forward		<b>25,540</b>	19,758
<b>Retained profit carried forward</b>		<b>32,891</b>	25,540

### STATEMENT OF RECOGNISED GAINS AND LOSSES

There were no recognised gains and losses other than the items reflected in the profit and loss account.

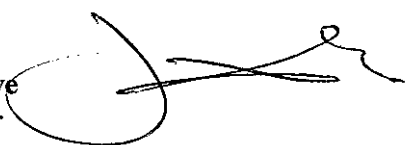
# HORNCHURCH HIRE & SALES LIMITED

## BALANCE SHEET as at 30 April 1996

	Notes	1996		1995	
		£	£	£	£
<b>TANGIBLE FIXED ASSETS</b>	8		44,234		44,309
<b>CURRENT ASSETS</b>					
Stocks		7,335		6,170	
Debtors	9	19,407		15,494	
Cash at bank and in hand		22,153		19,548	
		48,895		41,212	
<b>CREDITORS:</b> amounts falling due within one year	10	(44,738)		(43,481)	
<b>Net current assets/(liabilities)</b>			4,157		(2,269)
<b>Total assets less current liabilities</b>			48,391		42,040
<b>PROVISION FOR DEFERRED TAXATION</b>	11		(5,500)		(6,500)
<b>NET ASSETS</b>			42,891		35,540
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12	10,000		10,000	
Profit and loss account		32,891		25,540	
<b>SHAREHOLDERS' FUNDS</b>	13	42,891		35,540	

The financial statements on pages 4 to 9 were approved by the Board on 1<sup>st</sup> July 1996.

JTH Nye  
Director



# HORNCHURCH HIRE & SALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

#### 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.

Short leasehold premises	7.7%
Hire plant and equipment	Between 10% and 33.3%
Other plant and equipment, fixtures and fittings	20%
Computer hardware	33.3%
Computer software	50%
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.

### 2 TURNOVER

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

3	<b>OPERATING PROFIT</b> is stated after charging/(crediting):	<b>1996</b>	<b>1995</b>
		£	£
	Depreciation	<b>17,511</b>	14,380
	Directors' remuneration	<b>46,708</b>	47,648
	Auditors' remuneration	<b>2,200</b>	2,200
	Profit on disposal of tangible fixed assets	<b>(5,369)</b>	(7,300)

# HORNCHURCH HIRE & SALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

<b>4</b>	<b>INTEREST PAYABLE</b>	<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Bank interest	-	12
	Staff savings scheme	-	123
	Interest on late payment of tax	<b>42</b>	-
		<b>42</b>	<b>135</b>

## **5** EMPLOYEES

The average number of weekly employees during the year was 3 (1995: 3), employed as follows:

	<b>Number</b>	<b>Number</b>
Office and management	2	2
Production and sales	1	1
	<b>3</b>	<b>3</b>

Staff costs (including directors' remuneration) amounted to:	<b>£</b>	<b>£</b>
Wages and salaries	<b>65,820</b>	68,480
Social security costs	<b>7,191</b>	6,224
	<b>73,011</b>	<b>74,704</b>

## **6** TAXATION

UK corporation tax at 25% (1995: 25%) on the adjusted results for the year	<b>7,000</b>	5,528
Under-provision in prior period	<b>283</b>	-
Transfer from deferred taxation	<b>(1,000)</b>	
	<b>6,283</b>	<b>5,528</b>



# HORNCHURCH HIRE & SALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 7 DIVIDEND PAID

	1996 £	1995 £
Paid on 30 April 1996 on ordinary shares of £1 (1995-£1.28) per share	10,000	8,000

At 30 April 1995 JTH Nye waived entitlement to a dividend on 3,750 shares amounting to £4,800.

### 8 TANGIBLE ASSETS

	Leasehold premises £	Hire plant and equipment £	Office equipment £	Motor vehicle £	Total £
<b>Cost</b>					
1 May 1995	10,000	93,597	29,864	18,779	152,240
Additions	-	26,716	895	-	27,611
Disposals	-	(20,754)	-	-	(20,754)
<b>30 April 1996</b>	<b>10,000</b>	<b>99,559</b>	<b>30,759</b>	<b>18,779</b>	<b>159,097</b>
<b>Depreciation</b>					
1 May 1995	9,741	63,704	28,457	6,029	107,931
Charge for year	259	13,004	1,061	3,187	17,511
Disposals	-	(10,579)	-	-	(10,579)
<b>30 April 1996</b>	<b>10,000</b>	<b>66,129</b>	<b>29,518</b>	<b>9,216</b>	<b>114,863</b>
<b>Net book value</b>					
<b>30 April 1996</b>	<b>-</b>	<b>33,430</b>	<b>1,241</b>	<b>9,563</b>	<b>44,234</b>
30 April 1995	259	29,893	1,407	12,750	44,309

### 9 DEBTORS

	1996 £	1995 £
Trade debtors	18,470	14,813
Prepayments and accrued income	937	681
	<b>19,407</b>	<b>15,494</b>

# HORNCHURCH HIRE & SALES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

<b>10</b>	<b>CREDITORS:</b> amounts falling due within one year	<b>1996</b> £	<b>1995</b> £
	Trade creditors	7,225	14,474
	Corporation tax	7,000	4,528
	Social security and other taxes	6,617	3,198
	Other creditors	11,005	8,205
	Accruals and deferred income	12,891	13,076
		44,738	43,481

### **11 PROVISION FOR DEFERRED TAXATION**

In respect of accelerated capital allowances:

Balance 1 May 1995	6,500	6,500
Charge for the year	(1,000)	-
Balance 30 April 1996	5,500	6,500

### **12 CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid

10,000 ordinary shares of £1 each	10,000	10,000
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### **13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

Profit for the year	7,451	5,782
Shareholders' funds at 1 May 1995	35,540	29,758
Shareholders' funds at 30 April 1996	42,991	35,540

### **14 FINANCIAL COMMITMENTS**

At 30<sup>th</sup> April 1996 the company had annual commitments under non - cancellable operating leases as follows:-

Expiry date:	<b>Leasehold Premises</b>
	£
Within five years	<u>7,100</u>