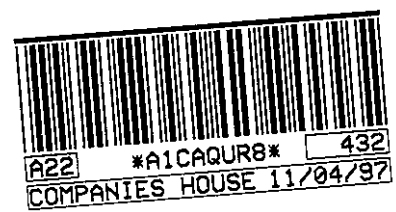


1820802

MANSAW MACHINE TOOLS LIMITED

31 JULY 1996

1820802



MANSAW MACHINE TOOLS LIMITED

INDEX TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1996

	Page
Officers, advisors and registered office	1
Report of the Directors	2 - 3
Report of the auditor	4
Profit and loss account	5
Balance sheet	6
Notes to the Financial Statements	7 - 11

The following pages do not form part of the statutory accounts

Detailed trading and profit and loss account	12
Schedule to the detailed trading and profit and loss account	13

**MANSAW MACHINE TOOLS LIMITED**

**1**

**OFFICERS, ADVISORS AND REGISTERED OFFICE**

**DIRECTORS**

R J Mitchell  
Mrs N Mitchell

**SECRETARY**

Mrs N Mitchell

**REGISTERED OFFICE**

Ward Street  
Horseley Fields  
Wolverhampton

**AUDITOR**

Culley Lifford Hall  
Registered Auditor  
6A Bird Street  
Lichfield  
WS13 6PR

**BANKERS**

Barclays Bank PLC  
474 Stafford Road  
Oxley  
Wolverhampton

**COMPANY NUMBER : 1820802**

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 JULY 1996

The Directors present their annual report on the affairs of the Company together with the Financial Statements for the year ended 31 July 1996.

## PRINCIPAL ACTIVITY

The Company's principal activity which is unchanged since last year was the supply of machinery and accessories to the joinery and carpentry industry.

## DIRECTORS

The directors of the company and their interests in the shares of the company are set out below:

	Ordinary shares of £1 each	
	31 July 1996	1 August 1995
R J Mitchell	5000	5000
Mrs N Mitchell	5000	5000

## DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

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.

MANSAW MACHINE TOOLS LIMITED

3

REPORT OF THE DIRECTORS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 1996

AUDITOR

A resolution to re-appoint the auditor will be proposed at the Annual General Meeting.

BASIS OF PREPARATION

In the preparation of this report the directors have taken advantage of the special exemptions applicable to small companies.

Approved by the board of directors on 29 November 1996 and signed on their behalf by:

*N. Mitchell*

..... Mrs N Mitchell - COMPANY SECRETARY

MANSAW MACHINE TOOLS LIMITED

We have audited the Financial Statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7 and 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 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.

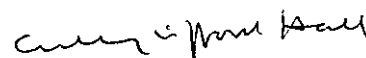
BASIS OF OPINION

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 judgments 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 at 31 July 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



CULLEY LIFFORD HALL

LICHFIELD

CERTIFIED ACCOUNTANT AND REGISTERED AUDITOR

29 November 1996

MANSAW MACHINE TOOLS LIMITED

5

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 1996

		1996	1995
	NOTES	£	£
TURNOVER	1	361774	154566
COST OF SALES		236498	98021
GROSS PROFIT		125276	56545
Administrative Expenses		97322	51301
OPERATING PROFIT	2	27954	5244
Interest Payable and Similar Charges	3	5349	1872
Interest Receivable		(40)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	22645	3372
TAX ON PROFIT ON ORDINARY ACTIVITIES	4	1684	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	20961	3372
TRANSFERRED TO RESERVES			

TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains and losses for 1996 other than those included in the profit and loss account.

## 6

## AS AT 31 JULY 1996

The notes on pages 7 to 11 form part of these financial statements



## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 1996

## 1 ACCOUNTING POLICIES

## (a) Cash Flow Statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

## (b) Turnover

Turnover represents the net invoiced value excluding VAT.

## (c) Depreciation

Depreciation of tangible fixed assets is provided at the following annual rates in order to write off each asset over its estimated useful life.

The terms or rates generally applicable are :

Motor vehicles	25% p.a. reducing balance
Plant and machinery	15% p.a. reducing balance
Fixtures and fittings	15% p.a. reducing balance

## (d) Pension contributions

Contributions in respect of pension schemes are charged to the profit and loss account as they are incurred.

## (e) Leased assets

Fixed assets acquired under finance leases are included in the balance sheet at cost, appropriate provision being made for depreciation. The present value of the future rentals is shown as a liability. Interest payable in each period is charged to profit and loss account in proportion to the amount outstanding under the lease. Operating lease rentals are charged to profit and loss account as incurred.

## (f) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 1996

## 1 ACCOUNTING POLICIES continued

## (g) Deferred Taxation

Provisions are made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

## 2 OPERATING PROFIT

The operating profit is stated after charging :

	1996	1995
	£	£
Auditors remuneration	7766	4859
Directors emoluments (including pension contributions)	16620	14776
Depreciation of tangible fixed assets	5014	4868
	<u>          </u>	<u>          </u>

## 3 INTEREST PAYABLE AND SIMILAR CHARGES

	1996	1995
	£	£
Bank Interest	15	1754
Bank Loan Interest	5334	-
Hire Purchase Interest	-	118
	<u>          </u>	<u>          </u>
	5349	1872
	<u>          </u>	<u>          </u>

## 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996	1995
	£	£
Based on the Profit for the year		
Corporation Taxation @ 25%	1684	-
	<u>          </u>	<u>          </u>

No provision has been made for deferred taxation as no liability is expected to crystallise in the foreseeable future.

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 1996

## 5 TANGIBLE FIXED ASSETS

	Motor vehicles	Fixtures & fittings	Plant & Equipment	Total
	£	£	£	£
<b>COST OR VALUATION</b>				
At 1 August 1995	9330	12395	17195	38920
Additions	3750	-	-	3750
At 31 July 1996	<u>13080</u>	<u>12395</u>	<u>17195</u>	<u>42670</u>
<b>DEPRECIATION</b>				
At 1 August 1995	7478	2922	2579	12979
Charge for the year	1400	1422	2192	5014
At 31 July 1996	<u>8878</u>	<u>4344</u>	<u>4771</u>	<u>17993</u>
<b>NET BOOK VALUE</b>				
At 31 July 1996	<u>4202</u>	<u>8051</u>	<u>12424</u>	<u>24677</u>
At 31 July 1995	<u>1852</u>	<u>9473</u>	<u>14616</u>	<u>25941</u>

## 6 STOCKS

	1996	1995
	£	£
Raw materials and consumables	<u>56001</u>	<u>45421</u>

## 7 DEBTORS

	1996	1995
	£	£
<b>Amounts due within one year</b>		
Trade debtors	92076	53700
Prepayments and accrued income	6634	6466
	<u>98710</u>	<u>60166</u>
<b>Amounts due more than one year</b>		
Directors Loan Account	<u>3731</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 1996

## 8 CREDITORS: Amounts falling due within one year

	1996	1995
	£	£
Bank loans	16302	25250
Trade creditors	52522	44122
Corporation tax	1687	-
Other taxes and social security	23987	16692
Accruals and deferred income	2666	5241
	<u>97164</u>	<u>91305</u>

## 9 CREDITORS: Amounts falling due after more than one year

	1996	1995
	£	£
Bank loans	73113	-
Directors Loan Account	-	53428
Lease purchase creditor	-	395
	<u>73113</u>	<u>53823</u>

The Bank loan of £85309 at 31 July 1996 is repayable over 9.75 years by monthly instalments of £1188 and half of the loan plus interest at 4% above bank base rate is payable after 5 years.

The Bank loans are secured by a first floating charge over the assets of the business in accordance with a standard debenture deed and there is a second charge over directors' personal property

## 10 CALLED UP SHARE CAPITAL

	1996	1995
	£	£
Ordinary shares of £1 each AUTHORISED	<u>10000</u>	<u>10000</u>
ALOTTED, ISSUED AND FULLY PAID	<u>10000</u>	<u>10000</u>

## NOTES TO THE FINANCIAL STATEMENTS

31 JULY 1996

## 11 RECONCILIATION IN MOVEMENTS IN SHAREHOLDERS FUNDS

	1996	1995
	£	£
Profit for the year	20961	3372
Opening shareholders funds	(3416)	(6788)
	<hr/>	<hr/>
Balance at 31 July 1996	17545	(3416)
	<hr/>	<hr/>

## 12 CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

There were no material contingent liabilities or financial commitments at 31 July 1996 or 31 July 1995.

The company has financial commitments in respect of non-cancellable operating leases of plant and machinery. The rentals payable under these leases in the next year are as follows :

	1996	1995
	£	£
Date of lease termination :		
Within 1 year	-	-
In 2-5 years	-	366
	<hr/>	<hr/>

## 13 TRANSACTIONS DURING THE YEAR

The company rents the business premises in Ward Street, Wolverhampton from the directors Mr R J and Mrs N Mitchell on a normal commercial basis at a rent of £25000 p.a.

## 14 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Directors on 29 November 1996.