

COMPANY NUMBER  
2823795.

AVRON ELECTRICS (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

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# **AVRON ELECTRICS (UK) LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report together with financial statements for the year ended 31 December 1994.

### **Principal activities**

The principal activity of the company was the provision of electrical supplies and services to the private and commercial sectors.

### **Business review**

The company commenced trading in April 1994 when it purchased the business of Avron Electrics Limited. It has traded profitably since and its financial position at 31 December 1994 was satisfactory. The directors are confident they can increase both profits and turnover.

There was a profit for the period after taxation amounting to £7,482. The directors do not recommend payment of a dividend and the profit has been added to reserves.

### **Directors**

The present membership of the board is set out below. All directors served throughout the year.

R A Norris  
A W Norris

No director held any beneficial interest in the issued share capital of the company at 31 December 1994 or at the date of their appointment.

Mr R A Norris and Mr A W Norris are directors in the parent undertaking and their interests in the share capital of that company are shown in the separate financial statements of that concern.

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business.

### **Directors' responsibilities 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 to apply them consistently;
- make judgements 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 in business.

# AVRON ELECTRICS (UK) LIMITED

## REPORT OF THE DIRECTORS

*Continued*

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### **Directors' responsibilities for the financial statements - cont'd**

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Fixed assets**

The movements in fixed assets are shown in Notes 5 and 6 to the financial statements. The principal addition was goodwill arising on the acquisition of the business carried on by Avron Electrics Limited.

### **Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



M Stockley  
Secretary  
26 September 1995

## **REPORT OF THE AUDITORS TO THE MEMBERS OF AVRON ELECTRICS (UK) LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 4.

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

As described on pages 1 and 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.

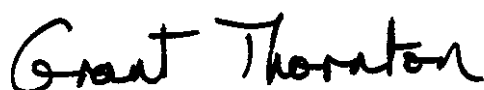
### **Basis of opinion**

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 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 at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

BATH  
26 September 1995

## **AVRON ELECTRICS (UK) LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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

The principal accounting policies of the company are set out below.

#### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

#### **Depreciation**

Depreciation is calculated to write down the cost less the estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Plant and equipment	15%
Fixtures and fittings	15%
Motor vehicles	20%
Office and computer equipment	15%

#### **Intangible Fixed Assets**

Purchased goodwill is amortised on a straight line basis over its estimated useful economic life of ten years.

#### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value.

#### **Deferred taxation**

Deferred taxation is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

#### **Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the term lease.

**AVRON ELECTRICS (UK) LIMITED****PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 31 DECEMBER 1994

	<b>Note</b>	<b>1994</b> £	<b>1993</b> £
<b>Turnover</b>	1	233,098	-
Cost of sales		161,498	-
		<hr/>	<hr/>
<b>Gross profit</b>		71,600	-
Other operating charges	1	57,007	-
		<hr/>	<hr/>
<b>Operating profit</b>		14,593	-
Interest payable and similar charges	2	1,611	-
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	1	12,982	-
Tax on profit on ordinary activities	4	5,500	-
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		7,482	-
<b>Dividends</b>		-	-
		<hr/>	<hr/>
<b>Profit transferred to reserves</b>	12	£7,482	-
		<hr/>	<hr/>
<b>Statement of retained profit</b>			
At 31 December 1993		-	-
Profit transferred to reserves		7,482	-
		<hr/>	<hr/>
At 31 December 1994		£7,482	-
		<hr/>	<hr/>

There were no recognised gains or losses other than the profit for the year.


The accompanying accounting policies and notes form an integral part of these financial statements.

**AVRON ELECTRICS (UK) LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1994**

	Note	1994 £	1993 £
<b>Fixed assets</b>			
Intangible assets	5	42,550	-
Tangible assets	6	13,471	-
		<u>56,021</u>	<u>-</u>
<b>Current assets</b>			
Stocks	7	7,312	-
Debtors	8	67,484	100
Cash at bank and in hand	9	9	-
		<u>74,805</u>	<u>100</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(121,058)</u>	<u>-</u>
<b>Net current (liabilities)/assets</b>		<u>(46,253)</u>	<u>100</u>
<b>Total assets less current liabilities</b>		9,768	100
<b>Creditors: amounts falling due after more than one year</b>	10	(2,186)	-
		<u>£7,582</u>	<u>£100</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	7,482	-
		<u>£7,582</u>	<u>£100</u>

The financial statements were approved by the Board of Directors on 26<sup>th</sup> Sep 1995

  
 R A Norris Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# AVRON ELECTRICS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

### 1. Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to the principal activity of the company.

The analysis of turnover and profit by geographical market has not been disclosed.

The profit on ordinary activities is stated after:

	1994 £	1993 £
Auditors' remuneration:	1,250	-
Depreciation and amortisation:		
Goodwill	3,450	-
Tangible fixed assets, owned	1,253	-
Tangible fixed assets, held under finance leases and hire purchase contracts	510	-
Hire of plant and machinery	819	-
	<hr/>	<hr/>

### 2. Net interest

	1994 £	1993 £
On bank loans, overdrafts and other loans		
Repayable within 5 years, otherwise than by instalments	1,390	-
Repayable within five years by instalments	221	-
	<hr/>	<hr/>
	£1,611	-
	<hr/>	<hr/>

### 3. Directors and employees

Staff costs during the year were as follows:

	1994 £	1993 £
Wages and salaries	55,139	-
Social security costs	3,046	-
	<hr/>	<hr/>
	£58,185	-
	<hr/>	<hr/>



**AVRON ELECTRICS (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS***Continued***FOR THE YEAR ENDED 31 DECEMBER 1994****3. Directors and employees (Continued)**

The average number of employees of the company during the year was 8 all of whom were engaged in:

	<b>1994 Number</b>	<b>1993 Number</b>
Office and management	4	-
Sales and production	4	-

Remuneration in respect of directors was as follows:

	<b>1994</b>	<b>1993</b>
Management remuneration	-	-

**4. Tax on profit on ordinary activities**

The tax charge is based on the profit for the year and represents:

	<b>1994 £</b>	<b>1993 £</b>
Corporation tax @ 25%	5,500	-
	<u>£5,500</u>	<u>-</u>

**5. Intangible fixed assets**

	<b>Goodwill £</b>
Cost	
Additions in the year	46,000
At 31 December 1994	<u>46,000</u>
Amortisation	
Charge for the year	3,450
At 31 December 1994	<u>3,450</u>
Net Book Amount at 31 December 1994	<u>£42,550</u>

**AVRON ELECTRICS (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS***Continued***FOR THE YEAR ENDED 31 DECEMBER 1994****5. Intangible fixed assets (Continued)**

Purchased goodwill included above relates to the following :

	<b>Date of acquisition</b>	<b>Period of amortisation</b>	<b>£</b>
Acquired during the year :			
Business of Avron Electrics Limited	April 1994	10 years	46,000

**6. Tangible fixed assets**

	<b>Plant and equipment £</b>	<b>Motor vehicles £</b>	<b>Office &amp; computer equipment £</b>	<b>Total £</b>
Cost				
Additions	5,475	8,100	1,659	15,234
At 31 December 1994	5,475	8,100	1,659	15,234
Depreciation				
Provided in the year	616	960	187	1,763
At 31 December 1994	616	960	187	1,763
Net book amount at 31 December 1994	£4,859	£7,140	£1,472	£13,471

The figures stated above include assets held under finance leases and similar hire purchase contracts as follows:

	<b>Motor vehicles £</b>
Net book amount at 31 December 1994	£4,590
Net book amount at 31 December 1993	-
Depreciation charged in the period	£510

**AVRON ELECTRICS (UK) LIMITED****NOTES TO THE FINANCIAL STATEMENTS***Continued***FOR THE YEAR ENDED 31 DECEMBER 1994****7. Stocks**

	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	3,611	-
Work in progress	3,701	-
	<u>£7,312</u>	<u>-</u>

**8. Debtors**

	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Trade debtors	62,137	-
Owed by group undertaking	4,299	-
Other debtors	98	100
Prepayments and accrued income	950	-
	<u>£67,484</u>	<u>£100</u>

**9. Creditors: amounts falling due within one year**

	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Bank overdraft	23,090	-
Trade creditors	38,032	-
Corporation tax	5,500	-
Social security and other taxes	13,061	-
Amount owed to group undertakings	12,264	-
Amounts due under finance leases and similar hire purchase contracts	1,295	-
Accruals	4,537	-
Other creditors	23,279	-
	<u>£121,058</u>	<u>-</u>

The bank overdraft is secured by a fixed charge on the book debts and a floating charge over all the assets of the company.

**AVRON ELECTRICS (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

*Continued*

**FOR THE YEAR ENDED 31 DECEMBER 1994**

**10. Creditors: amounts falling due after more than one year**

	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Amounts due under finance leases and similar hire purchase contracts	2,186	-
	<u>£2,186</u>	<u>-</u>

Borrowings are repayable as follows:

	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Within one year		
Bank overdraft	23,090	-
Amounts due under finance leases and similar hire purchase contracts	1,295	-
After one and within five years		
Amounts due under finance leases and similar hire purchase contracts	2,186	-
	<u>£26,571</u>	<u>-</u>

**11. Share capital**

	<b>1994</b>	<b>1993</b>
	<b>£</b>	<b>£</b>
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and unpaid		
98 ordinary shares of £1 each	98	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	-
	<u>£100</u>	<u>£100</u>

# AVRON ELECTRICS (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

*Continued*

FOR THE YEAR ENDED 31 DECEMBER 1994

### 12. Reserves and reconciliation of movements in shareholders' funds

	Profit and loss account £	Share capital £	Total shareholders funds £
Shareholders' funds at 31 December 1993	-	100	100
Profit for the year	7,482		7,482
Shareholders' funds at 31 December 1994	£7,482	£100	£7,582

### 13. Capital commitments

The company had no capital commitments at 31 December 1994 or 31 December 1993.

### 14. Contingent liabilities

The company has given an unlimited cross company guarantee in favour of Midland Bank plc in respect of the liabilities of Wheeler's (Westbury) Group Limited and Wheeler's (Westbury) Limited.

### 15. Other commitments

At 31 December 1994 the company had a service contract commitment of £53,125 (1993 Nil).

### 16. Ultimate parent undertaking

The ultimate parent undertaking of this company is Wheeler's (Westbury) Group Limited, a company registered in England and Wales.