

284772

C. J. HAWORTH (INTERNATIONAL) LIMITED

REPORT OF THE DIRECTORS

AND

STATEMENT OF ACCOUNTS

31st AUGUST, 1997.



Bennett & Co  
Registered Auditors  
16/18 Upland Road  
Dulwich  
London SE22 9EE

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED

31st AUGUST, 1997.

The Directors submit their Report together with the Audited Accounts of the Company for the year.

PRINCIPAL ACTIVITIES

The Company was incorporated on 25th August, 1993, and commenced trading on 1st September, 1993. The principal activities of the Company remain those of the supply and servicing of Specialist High Pressure Cleaning Equipment.

DIRECTORS

The Directors together with their interests in the Share Capital of the Company throughout the year, were as follows:

	<u>31st August 1997</u>	<u>31st August 1996</u>
	<u>£1 Ordinary Shares</u>	<u>£1 Ordinary Shares</u>
C. J. Haworth (Sen)	100	100
C. J. Haworth (Jnr)	800	800
E. George (Mrs)	100	100

Mrs. E. George retires and, being eligible, offers herself for re-election.

FIXED ASSETS

The Company disposed of Fixed Assets during the year which had previously cost £10,363, consisting of a Motor Vehicle.

RESULTS

The Company made a loss for the year amounting to £3,482, after providing for all expenses, depreciation, remuneration and crediting taxation recoverable of £450.

REPORT OF THE DIRECTORS' CONTINUED  
FOR THE YEAR ENDED  
31st AUGUST, 1997.

DIRECTORS' RESPONSIBILITIES

The Directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss, total recognised gains or losses and cash flows of the Company for that period. The Directors confirm their responsibility to ensure that appropriate accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st August, 1997.

The Directors also confirm their responsibility to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining adequate records for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a Resolution proposing the re-appointment of Bennett & Co., as Auditors of the Company will be put to the Members at the Annual General Meeting.

By Order of the Board

.....  
E. George  
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS  
FOR THE YEAR ENDED  
31st AUGUST, 1997.

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the Accounting Policies set out on page 8.

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 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 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 31st August, 1997, and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bennett & Co  
Registered Auditors  
16/18 Upland Road  
Dulwich  
London SE22 9EE

C. J. HAWORTH (INTERNATIONAL) LIMITED

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PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED

31st AUGUST, 1997.

<u>1996</u>		<u>Note</u>	
459,526	<u>TURNOVER</u>		356,973
<u>200,494</u>	<u>DIRECT COSTS</u>		<u>143,741</u>
259,032	<u>GROSS PROFIT</u>		213,232
<u>219,426</u>	<u>NET OPERATING COSTS</u>		<u>217,608</u>
39,606	<u>NET TRADING (LOSS)/PROFIT</u>		(4,376)
<u>790</u>	<u>OTHER INCOME</u>		<u>444</u>
40,396	<u>NET (LOSS)/PROFIT BEFORE TAXATION</u>		(3,932)
	after charging:		
18,000	Directors' Remuneration	8	18,000
3,160	Directors' Pension Scheme		3,610
2,350	Auditors' Remuneration		2,500
11,289	Depreciation		6,375
-	Loss on Disposal of Fixed Assets		750
			<u>750</u>
	<u>CORPORATION TAX</u>		
10,500	Current Year	7	(450)
<u>161</u>	Underprovision in respect of previous year		<u>-</u>
<u>10,661</u>			<u>(450)</u>
29,735	<u>NET (LOSS)/PROFIT AFTER TAXATION</u>		(3,482)
	Appropriation:		
<u>10,000</u>	Dividends Proposed and Paid		<u>-</u>
19,735			(3,482)
<u>24,597</u>	<u>BALANCE BROUGHT FORWARD</u>		<u>44,332</u>
<u>44,332</u>	<u>BALANCE CARRIED FORWARD</u>		<u>40,850</u>

## 5

## 1996

### Note

## 1

4,400	Furniture and Equipment	3,500	
<u>30,400</u>	Motor Vehicles	<u>17,175</u>	
34,800			20,675

45,387	Stock in Trade	2	39,146
24,511	Bank and Cash Balances		5,349
<u>79,859</u>	Trade and Sundry Debtors	3	<u>76,618</u>
149,757			121,113

	<u>104,154</u>	Amounts due within One Year	4	<u>71,484</u>	
<u>45,603</u>					<u>49,629</u>
80,403					70,304


## DEFERRED LIABILITIES

35,071	Amounts due after more than One Year	5	28,454
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45,332	TOTAL NET ASSETS	41,850
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1,000	SHARE CAPITAL	6	1,000
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44,332	Profit and Loss Account	40,850
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C. J. HAWORTH (Sen) )  
 ) DIRECTORS  
 ..... )  
 C. J. HAWORTH (Jnr) )

45,332	41,850
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## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED

31st AUGUST, 1997.1. TANGIBLE FIXED ASSETS

	<u>Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Balance, Cost as at 31st August 1996	7,668	43,389	51,057
Additions during the Year	-	-	-
Less: Disposals	-	(10,363)	(10,363)
Balance, Cost as at 31st August 1997	7,668	33,026	40,694
Depreciation as at 31st August 1996	3,268	12,989	16,257
Depreciation Provision for the Year	900	5,475	6,375
Less: Depreciation on Disposals	-	(2,613)	(2,613)
Depreciation as at 31st August 1997	4,168	15,851	20,019
<u>Net Book Value 31st August 1997</u>	<u>3,500</u>	<u>17,175</u>	<u>20,675</u>
<u>Net Book Value 31st August 1996</u>	<u>4,400</u>	<u>30,400</u>	<u>34,800</u>

2. STOCK IN TRADE

Stock has been valued by the Directors at the lower of cost or net realisable value.

3. DEBTORS

	<u>1997</u>	<u>1996</u>
Trade Debtors	70,694	75,209
Sundry Debtors and Prepayments	5,474	4,650
Corporation Tax Recoverable (Note 7)	450	-
	<u>76,618</u>	<u>79,859</u>

4. CREDITORS

## Due within One Year:

Trade Creditors	35,997	57,824
Value Added Tax	7,190	5,830
PAYE and National Insurance	2,212	2,209
Other Creditors and Accruals	3,519	3,165
Hire Purchase Creditor (Note 9)	6,000	18,000
Corporation Tax	8,000	10,500
	<u>62,918</u>	<u>97,528</u>
Bank Overdraft	8,566	6,626
	<u>71,484</u>	<u>104,154</u>

## NOTES TO THE ACCOUNTS CONTINUED

FOR THE YEAR ENDED

31st AUGUST, 19975. DEFERRED LIABILITIES19971996

Due after more than One Year:

Hire Purchase Creditor

-

9,058

Directors' Current Accounts

28,45426,01328,45435,0716. SHARE CAPITAL

Authorised:

100,000 Ordinary Shares of £1 each

100,000100,000

Issued and Fully Paid:

1,000 Ordinary Shares of £1 each

1,0001,0007. TAXATION

Corporation Tax of £450 is recoverable at the rate of approximately 25% based on the trading loss for the year.

8. DIRECTORS' REMUNERATION19971996

Managing and Highest Paid

18,00018,000

Chairman

NilNil

Pension Scheme

3,6103,1609. HIRE PURCHASE CREDITOR

The Hire Purchase Creditor of £6,000 consists of a single agreement repayable over eighteen months, the whole of the remaining instalments being due within the next twelve months.



NOTES TO THE ACCOUNTS CONTINUED  
FOR THE YEAR ENDED  
31st AUGUST, 1997.

10. ACCOUNTING POLICIES

a. Accounting Convention

The accounts are prepared under the historical cost convention.

b. Depreciation

Depreciation has been provided approximately as follows:

Furniture and Equipment	20% reducing balance basis
Motor Vehicles	25% reducing balance basis