

Taylor Davis Limited

Company Number 978584

TAYLOR DAVIS LIMITED
REPORT AND ACCOUNTS
31st MARCH 1999



FINLEY & PARTNERS
Chartered Accountants
Tubs Hill House
London Road
Sevenoaks, Kent

TAYLOR DAVIS LIMITED
REPORT OF THE DIRECTORS

The directors present their report and the audited accounts for the year ended 31st March 1999.

ACTIVITIES

The principal activities of the company are those of storage, warehousing, distribution and wholesaling agents.

RESULTS AND REVIEW OF BUSINESS

The operating profit for the year, after taxation amounted to £160,701. The directors recommend the payment of a dividend of £200,000 from accumulated reserves.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year and their beneficial interests in the share capital of the company were as follows:

Ordinary shares of £1 each
At 31st March 1999 and 1st April 1998

| | |
|---|----|
| B R Atkinson | 80 |
| Mrs P J Atkinson | 10 |
| C R Atkinson | - |
| R M Nott-Bower (resigned 1 st August 1999) | - |
| R F James | - |
| S P Merrifield | - |

B R Atkinson, Mrs P J Atkinson and C R Atkinson have a further interest in the company by reason of their shareholding in the holding company.

HOLDING COMPANY

The company is a subsidiary of Atkinson Equipment Limited, a company registered in England and Wales.

TAYLOR DAVIS LIMITED
REPORT OF THE DIRECTORS
(Continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of its result for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates which are reasonable and prudent,
- state whether applicable accounting standards have been followed,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 accounts 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.

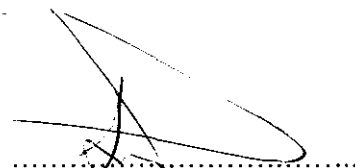
MILLENNIUM ISSUES

The directors have taken action to upgrade or change systems, as necessary, in order that all computer processing equipment and software is millennium compliant.

AUDITORS

A resolution proposing the reappointment of the auditors, Finley & Partners, will be submitted to the shareholders at the annual general meeting.

By order of the Board


.....
Secretary

31 December 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF
TAYLOR DAVIS LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared in accordance with the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described in the Report of the directors 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 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 31st March 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FINLEY & PARTNERS
Registered Auditor
Chartered Accountants
Sevenoaks, Kent.

31

December 1999

TAYLOR DAVIS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1999

| | Notes | 1999 | 1998 |
|--|---------|-----------|-----------|
| | | £ | £ |
| TURNOVER | | 6,340,072 | 6,411,768 |
| Cost of sales | | 5,061,623 | 5,123,651 |
| | | <hr/> | <hr/> |
| GROSS PROFIT | | 1,278,449 | 1,288,117 |
| Distribution costs | 445,535 | | 395,035 |
| Administrative expenses | 652,755 | | 633,039 |
| | | <hr/> | <hr/> |
| | | 1,098,290 | 1,028,074 |
| | | <hr/> | <hr/> |
| OPERATING PROFIT | 2 | 180,159 | 260,043 |
| Interest receivable | | 15,912 | 13,136 |
| | | <hr/> | <hr/> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 196,071 | 273,179 |
| Taxation | 6 | 35,370 | 88,828 |
| | | <hr/> | <hr/> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 160,701 | 184,351 |
| Retained profit brought forward | | 554,365 | 620,014 |
| Proposed dividend | 7 | 200,000 | 250,000 |
| | | <hr/> | <hr/> |
| | | 354,365 | 370,014 |
| | | <hr/> | <hr/> |
| RETAINED PROFIT CARRIED FORWARD | | £ 515,066 | £ 554,365 |
| | | <hr/> | <hr/> |

All of the company's operations are classed as continuing.

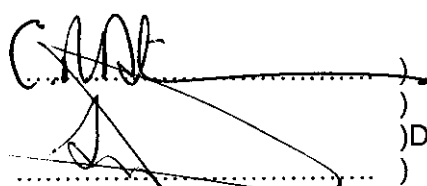
The company has no recognised gains or losses other than the profit for the year.

TAYLOR DAVIS LIMITED

BALANCE SHEET

AT 31st MARCH 1999

| | Notes | 1999 | | 1998 | |
|---|-------|-----------|-----------|-----------|-----------|
| | | £ | £ | £ | £ |
| TANGIBLE FIXED ASSETS | 8 | | 281,664 | | 238,105 |
| CURRENT ASSETS | | | | | |
| Stock | | 432,134 | | 517,480 | |
| Debtors | 9 | 1,136,246 | | 1,223,658 | |
| Cash at bank and in hand | | 472,395 | | 381,268 | |
| | | | | | |
| | | 2,040,775 | | 2,122,406 | |
| CREDITORS: Amounts falling due within one year | 10 | 1,760,623 | | 1,762,896 | |
| | | | | | |
| NET CURRENT ASSETS | | | 280,152 | | 359,510 |
| | | | | | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 561,816 | | 597,615 |
| | | | | | |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | | | |
| Deferred taxation | 11 | | 31,750 | | 28,250 |
| | | | | | |
| | | | £ 530,066 | | £ 569,365 |
| | | | | | |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 12 | | 15,000 | | 15,000 |
| Profit and loss account | | | 515,066 | | 554,365 |
| | | | | | |
| Shareholders' funds | | | £ 530,066 | | £ 569,365 |



) Directors

Approved by the Board: 31 December 1999

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover comprises the invoice value of goods and services supplied by the company exclusive of value added tax.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset over its estimated useful life as follows:

| | | |
|---|---|-----------------------|
| Plant | - | over five years |
| Office furniture, fixtures and fittings | - | 10% per annum |
| Motor vehicles | - | 25% and 35% per annum |

Stock

Stock is stated at the lower of cost and net realisable value.

Deferred taxation

Tax deferred by the effect of timing differences is accounted for to the extent that it is probable that a liability will crystallise.

Foreign currencies

Assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the exchange rate in operation on the date on which the transaction occurred. Exchange differences are taken to the profit and loss account.

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

2. OPERATING PROFIT

| | Notes | 1999 £ | 1998 £ |
|---|-------|-------------------|-------------------|
| Operating profit is stated after charging | | | |
| Depreciation of tangible fixed assets | | 59,843 | 50,935 |
| Auditors' remuneration | | 6,500 | 6,000 |
| Staff costs | 3 | 607,265 | 541,679 |
| Directors' remuneration and pension contributions | 5 | 210,296 | 216,453 |
| | | <u> </u> | <u> </u> |

3. STAFF COSTS

| | 1999 £ | 1998 £ |
|---|-------------------|-------------------|
| Staff costs, excluding directors, may be analysed as follows: | | |
| Wages and salaries | 529,732 | 469,711 |
| Social security costs (including directors) | 71,823 | 67,084 |
| Pension contributions | 5,710 | 4,884 |
| | <u> </u> | <u> </u> |
| | £ 607,265 | £ 541,679 |
| | <u> </u> | <u> </u> |
| The average number of employees during the year was: | 33 | 31 |
| | <u> </u> | <u> </u> |

4. PENSION SCHEME

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to the scheme are recognised in the period in which they are incurred and amounted to £8,094 in the year ended 31st March 1999 (1998: £7,086).

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

5. DIRECTORS' REMUNERATION

Directors' remuneration in respect of the highest paid director was as follows:

| | 1999 £ | 1998 £ |
|-----------------------|------------------|------------------|
| Remuneration | £ 89,441 | £ 94,867 |
| Pension contributions | £ 1,000 | £ 1,000 |

6. TAXATION

| | 1999 £ | 1998 £ |
|---|------------------|------------------|
| UK Corporation tax at 22.5% on profits for the year | 38,500 | 71,250 |
| Transfer to deferred taxation account | 3,500 | 16,250 |
| Prior years' adjustment | (6,630) | 1,328 |
| | £ 35,370 | £ 88,828 |

7. PROPOSED DIVIDEND

A Dividend is proposed of £13.13 per ordinary share.

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS

(Continued)

8. TANGIBLE FIXED ASSETS

| | Plant | Office Furniture Fixtures & Fittings | Motor Vehicles | Total |
|--------------------------------|----------|---|-------------------|-----------|
| | £ | £ | £ | £ |
| Cost: | | | | |
| At 1 st April 1998 | 82,949 | 87,300 | 290,655 | 460,904 |
| Additions | 9,958 | 9,359 | 103,649 | 122,966 |
| Disposals | (7,285) | (5,091) | (70,700) | (83,076) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 st March 1999 | 85,622 | 91,568 | 323,604 | 500,794 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation: | | | | |
| At 1 st April 1998 | 45,510 | 31,323 | 145,966 | 222,799 |
| Charge for the year | 9,596 | 8,239 | 42,008 | 59,843 |
| Eliminated on disposals | (7,282) | (4,996) | (51,234) | (63,512) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 st March 1999 | 47,824 | 34,566 | 136,740 | 219,130 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value: | | | | |
| At 31 st March 1999 | £ 37,798 | £ 57,002 | £ 186,864 | £ 281,664 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 st March 1998 | £ 37,439 | £ 55,977 | £ 144,689 | £ 238,105 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

9. DEBTORS

| | 1999 £ | 1998 £ |
|---------------|-------------|-------------|
| Trade debtors | 1,132,173 | 1,205,183 |
| Prepayments | 4,073 | 18,475 |
| | <hr/> | <hr/> |
| | £ 1,136,246 | £ 1,223,658 |
| | <hr/> | <hr/> |

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

10. CREDITORS: Amounts falling due within one year

| | 1999 | 1998 |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Bank overdraft | 166,622 | - |
| Amount owed to holding company | 139,058 | 98,201 |
| Trade creditors | 1,037,452 | 1,198,192 |
| Taxation and social security | 129,695 | 146,517 |
| Accruals | 87,796 | 69,986 |
| Proposed dividend | 200,000 | 250,000 |
| | <hr/> | <hr/> |
| | £ 1,760,623 | £ 1,762,896 |
| | <hr/> | <hr/> |

11. DEFERRED TAXATION

The movement is as follows:

| | 1999 | 1998 |
|---------------------------------------|-------------|-------------|
| | £ | £ |
| Provision brought forward | 28,250 | 12,000 |
| Transfer from Profit and Loss Account | 3,500 | 16,250 |
| | <hr/> | <hr/> |
| Provision carried forward | £ 31,750 | £ 28,250 |
| | <hr/> | <hr/> |

12. SHARE CAPITAL

| | 1999 | 1998 |
|-----------------------------------|-------------|-------------|
| Authorised | | |
| 15,000 Ordinary shares of £1 each | £ 15,000 | £ 15,000 |
| | <hr/> | <hr/> |
| Allotted, issued and fully paid | | |
| 15,000 Ordinary shares of £1 each | £ 15,000 | £ 15,000 |
| | <hr/> | <hr/> |

TAYLOR DAVIS LIMITED
NOTES TO THE ACCOUNTS
(Continued)

13. RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS

| | 1999 £ | 1998 £ |
|--|-----------|-----------|
| Shareholders' funds at 1 st April 1998 | 569,365 | 635,014 |
| Profit for the year | 196,071 | 273,179 |
| Taxation | (35,370) | (88,828) |
| Proposed dividend | (200,000) | (250,000) |
| | <hr/> | <hr/> |
| Shareholders' funds at 31 st March 1999 | £ 530,066 | £ 569,365 |
| | <hr/> | <hr/> |

14. HOLDING COMPANY

The company is a subsidiary of Atkinson Equipment Limited, a company registered in England and Wales.

15. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

(a) The company has guaranteed any overdraft arising in the holding company.

(b) The company has given security to H M Customs & Excise in respect of deferred duty amounting to £20,000.

16. RELATED PARTY TRANSACTIONS

The company is controlled by its holding company Atkinson Equipment Limited. The company is not required to disclose transactions with the holding company under the provisions of Financial Reporting Standard No. 8 as its financial statements are consolidated within the group financial statements.