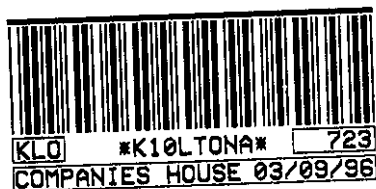


855486

*Robert*

The Mackie Engineering Company Limited  
Directors' Report and Financial Statements  
for the year ended 30th November 1995



The Mackie Engineering Company Limited

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Company Registration Number  
0855486 (England & Wales)

# **The Mackie Engineering Company Limited**

## **Directors' Report for the year ended 30th November 1995**

The directors present their report and the financial statements for the year ended 30th November 1995.

### **Principal Activities and Review of the Business**

The company's principal activity during the year was that of heating and ventilation engineers.

Turnover continued to increase and the directors anticipate that turnover and profitability will improve further in the current year.

### **Results and Dividends**

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £58,598 is transferred to reserves.

### **Fixed Assets**

The significant changes in fixed assets during the year are explained in note 7 to the financial statements.

### **Directors and their Interests**

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1995	1994
Mrs. P. Foster	Ordinary shares	99	99
Mrs. G.V. Foster	Ordinary shares	1	1
Mr. T. Lane	Ordinary shares	-	-

### **Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Ingle Shamash & Co. be reappointed as auditors of the company will be put to the Annual General Meeting.

## The Mackie Engineering Company Limited

### Directors' Report for the year ended 30th November 1995 (continued)

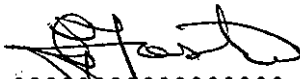
#### Directors' Responsibilities

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 are required to:

- select suitable accounting policies and then 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.

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.

This report was approved by the Board on 24th July 1996.

  
.....  
Secretary

**The Mackie Engineering Company Limited**

**Auditors' Report  
to the shareholders of The Mackie Engineering Company Limited**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**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 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 30th November 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ingle Shamash & Co.  
Registered Auditor  
Chartered Accountants  
23 Lower Coombe Street  
Croydon Surrey CR0 1AA

24th July 1996

The Mackie Engineering Company Limited

Profit and Loss Account  
for the year ended 30th November 1995

	Notes	1995 £	1994 £
Turnover	2	2,044,852	1,780,943
Cost of sales		(1,756,558)	(1,561,022)
Gross profit		288,294	219,921
Administrative expenses		(208,432)	(161,309)
Operating profit	3	79,862	58,612
Other interest receivable and similar income	4	1,947	-
Interest payable and similar charges	5	(26,553)	(18,400)
Profit on ordinary activities before taxation		55,256	40,212
Tax on profit on ordinary activities	6	3,342	(16,010)
Profit for the year	13	£ 58,598	£ 24,202


There are no recognised gains and losses other than those passing through the profit and loss account.

# The Mackie Engineering Company Limited

## Balance Sheet as at 30th November 1995

	Notes	1995 £	1994 £
<b>Fixed Assets</b>			
Tangible assets	7	19,667	40,209
<b>Current Assets</b>			
Stocks	8	133,609	198,950
Debtors	9	370,142	147,918
Cash at bank and in hand		20,894	132,117
		<u>524,645</u>	<u>478,985</u>
Creditors: amounts falling due within one year	10	(466,237)	(487,031)
<b>Net Current Assets</b>		<u>58,408</u>	<u>(8,046)</u>
<b>Total Assets Less Current Liabilities</b>		<u>78,075</u>	<u>32,163</u>
Creditors: amounts falling due after more than one year	11	(2,990)	(15,676)
		<u>£ 75,085</u>	<u>£ 16,487</u>
<b>Capital and Reserves</b>			
Called up share capital	12	100	100
Profit and loss account	13	74,985	16,387
<b>Shareholders' Funds (equity interests)</b>	14	<u>£ 75,085</u>	<u>£ 16,487</u>

The financial statements were approved by the Board on 24th July 1996.

  
 .....  
 Director

# **The Mackie Engineering Company Limited**

## **Notes to the Financial Statements for the year ended 30th November 1995**

### **1. Accounting Policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

The company has adopted the provisions of Financial Reporting Standard No 4, 'Capital Instruments'. Accordingly, the amount of shareholders' funds attributable to equity and non-equity interests has been separately disclosed.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment	-	10% Reducing balance
Fixtures, fittings and equipment	-	10% Reducing balance
Motor vehicles	-	25% Reducing balance

#### **1.4 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.5 Stock and work in progress**

Work in progress is valued at the lower of cost and net realisable value.

#### **1.6 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.



The Mackie Engineering Company Limited

Notes to the Financial Statements (continued)  
for the year ended 30th November 1995

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

The turnover arises entirely in the U.K.

3. Operating Profit

	1995 £	1994 £
Operating profit is stated after charging:		
Depreciation of tangible assets	6,854	11,499
Hire of plant and machinery	8,540	3,997
Operating lease rentals		
- Land and buildings	11,200	10,720
Auditors' remuneration	2,500	2,500
	<u>          </u>	<u>          </u>

4. Other Interest Receivable and Similar Income

	1995 £	1994 £
Bank interest received	1,947	-
	<u>          </u>	<u>          </u>

5. Interest Payable

	1995 £	1994 £
On bank loans and overdrafts	-	6
On other loans wholly repayable within 5 years	24,527	17,478
Hire purchase interest	1,451	763
On overdue tax	575	153
	<u>          </u>	<u>          </u>
	£ 26,553	£ 18,400
	<u>          </u>	<u>          </u>

**The Mackie Engineering Company Limited**

**Notes to the Financial Statements (continued)**  
for the year ended 30th November 1995

6. Taxation	1995	1994
	£	£
U.K. Current year taxation		
U.K. Corporation tax at 25% (1994 - 25%)	5,530	15,393
Prior years		
U.K. Corporation tax	(8,872)	617
	<u>£ (3,342)</u>	<u>£ 16,010</u>

The company is a close company within the terms of section 414 of the Taxes Act 1988.

**7. Tangible Assets**

	Plant and equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1st December 1994	1,981	19,724	43,939	65,644
Additions	-	2,812	-	2,812
Disposals	-	-	(25,434)	(25,434)
At 30th November 1995	<u>1,981</u>	<u>22,536</u>	<u>18,505</u>	<u>43,022</u>
<b>Depreciation</b>				
At 1st December 1994	1,461	11,668	12,306	25,435
On disposals	-	-	(8,934)	(8,934)
Charge for year	52	1,087	5,715	6,854
At 30th November 1995	<u>1,513</u>	<u>12,755</u>	<u>9,087</u>	<u>23,355</u>
<b>Net book values</b>				
At 30th November 1995	<u>£ 468</u>	<u>£ 9,781</u>	<u>£ 9,418</u>	<u>£ 19,667</u>
At 30th November 1994	<u>£ 520</u>	<u>£ 8,056</u>	<u>£ 31,633</u>	<u>£ 40,209</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Net book value	Depreciation charge
	£	£
<b>Motor vehicles</b>	<u>9,418</u>	<u>3,140</u>

The Mackie Engineering Company Limited

Notes to the Financial Statements (continued)  
for the year ended 30th November 1995

8. Stocks and Work in Progress	1995 £	1994 £
Work in progress	23,609	98,950
Property held for resale	110,000	100,000
	<u>£ 133,609</u>	<u>£ 198,950</u>

The property was valued by the directors on 30th November 1994 at £110,000 on the basis of the open market value at that date.

9. Debtors	1995 £	1994 £
Trade debtors	361,135	144,854
Other debtors	3,043	-
Prepayments and accrued income	5,964	3,064
	<u>£ 370,142</u>	<u>£ 147,918</u>

10. Creditors: amounts falling due within one year	1995 £	1994 £
Net obligations under finance lease and hire purchase contracts	2,283	10,053
Trade creditors	391,379	238,286
Corporation tax	8,030	15,394
Other taxes and social security costs	-	3,917
Other creditors	1,502	482
The Mackie Engineering Co. Ltd. Pension Fund	57,733	213,609
Accruals and deferred income	5,310	5,290
	<u>£ 466,237</u>	<u>£ 487,031</u>

The Mackie Engineering Company Limited

Notes to the Financial Statements (continued)  
for the year ended 30th November 1995

11.	Creditors: amounts falling due after more than one year	1995 £	1994 £
	Net obligations under finance leases and hire purchase contracts		
	Repayable within one year	2,798	12,279
	Repayable between one and five years	3,626	18,923
		<u>6,424</u>	<u>31,202</u>
	Finance charges and interest allocated to future accounting periods	(1,151)	(5,473)
		<u>5,273</u>	<u>25,729</u>
	Included in current liabilities	(2,283)	(10,053)
		<u>£ 2,990</u>	<u>£ 15,676</u>
12.	Share Capital	1995 £	1994 £
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
13.	Profit And Loss Account	1995 £	1994 £
	Retained profits at 1st December 1994	16,387	(7,815)
	Retained profit for the year	58,598	24,202
		<u>£ 74,985</u>	<u>£ 16,387</u>
14.	Reconciliation of Movements in Shareholders' Funds	1995 £	1994 £
	Profit for the financial year	58,598	24,202
	Opening shareholders' funds	16,487	(7,715)
		<u>£ 75,085</u>	<u>£ 16,487</u>

The Mackie Engineering Company Limited

Notes to the Financial Statements (continued)  
for the year ended 30th November 1995

15. Directors' Emoluments	1995 £	1994 £
Remuneration	<u>24,370</u>	<u>24,330</u>

16. Transactions With Directors

Rent charged in these accounts of £10,000 is payable in respect of offices situated at 35 Nork Way, Banstead, Surrey. The property is owned jointly by Mrs P.A. Foster (director) and Mr G.W. Foster (connected person).

Consultancy fees of £40,500 charged in the accounts are those paid to Mr G.W. Foster.

During the year the two Honda Civic cars owned by the company were transferred to Mr G.W. Foster at their respective market values.

17. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1995 Number	1994 Number
Office and management	3	3
Production	<u>1</u>	<u>1</u>
	<u>4</u>	<u>4</u>

Employment costs

	£	£
Wages and salaries	36,475	34,110
Social security costs	2,512	2,948
Other pension costs	<u>1,050</u>	<u>1,050</u>
	<u>£ 40,037</u>	<u>£ 38,108</u>