

The Mackie Engineering Company Limited
Directors' Report and Financial Statements
for the year ended 30th November 1991



The Mackie Engineering Company Limited

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THE FOLLOWING SCHEDULE IS FOR MANAGEMENT PURPOSES ONLY AND DOES NOT FORM PART OF THE STATUTORY ACCOUNTS:

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COMPANY REGISTRATION NUMBER
0855486 (England & Wales)

The Mackie Engineering Company Limited

Directors' Report

The directors present their report and the financial statements for the year ended 30th November 1991.

Principal Activities and Review of the Business

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

The increase in turnover in the year was achieved at the cost of reduced profit margins and the company sustained further losses.

The directors have, however, obtained more profitable contracts in the current year and anticipate a return to profitability in the near future.

Results and Dividends

The results for the year are set out on page 3.

The directors do not recommend payment of a dividend.

Fixed Assets

Details of movements in fixed assets during the year are set out in note 8 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	Number of shares	
		1991	1990
Mrs. P. Foster	Ordinary shares	99	99
Mrs. G.V. Foster	Ordinary shares	1	1
Mr. T. Lane	Ordinary shares	-	-

Auditors

It is proposed that the company's present auditors, Ingle Shamash & Co., be re-appointed as auditors to the company to hold office for the ensuing year.

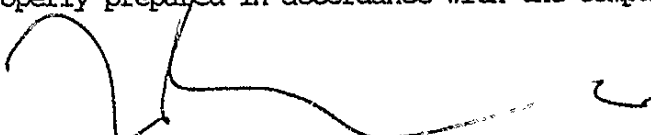
This report was approved by the Board on 21st September 1992.


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Secretary

The Mackie Engineering Company Limited
Auditors' Report
to the members of The Mackie Engineering Company Limited

We have audited the financial statements on pages 3 to 10 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th November 1991 and of its loss and source and application of funds 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

21st September 1992

The Mackie Engineering Company Limited

Profit and Loss Account
for the year ended 30th November 1991

	Notes	1991 £	1990 £
Turnover	2	789,074	698,691
Cost of sales		(700,959)	(556,439)
Gross profit		80,115	142,252
Administrative expenses		(170,097)	(364,805)
Other operating income	3	6,000	6,000
Operating loss	4	(83,982)	(216,553)
Other interest receivable and similar income	5	3,462	5,699
Amount written off investments		-	(100)
Interest payable and similar charges	6	(17,408)	(8,718)
Loss on ordinary activities before taxation		(97,928)	(219,672)
Tax on loss on ordinary activities	7	17,423	28,500
Loss for the year		<u>£ (80,505)</u>	<u>£ (191,172)</u>
Statement of Movement on Reserves			
		1991 £	1990 £
Retained profits at 1st December 1990		38,640	229,812
Retained loss for the year		(80,505)	(191,172)
Accumulated losses at 30th November 1991		<u>£ (41,865)</u>	<u>£ 38,640</u>

The Mackie Engineering Company Limited

Balance Sheet
as at 30th November 1991

	Notes	1991 £	1990 £
Fixed Assets			
Tangible assets	8	21,881	27,217
Current Assets			
Stocks	9	155,750	-
Debtors	10	125,417	141,951
Cash at bank and in hand		19,915	73,298
		<u>301,082</u>	<u>215,249</u>
Creditors: amounts falling due within one year	11	<u>(364,728)</u>	<u>(203,726)</u>
Net Current Liabilities		<u>(63,646)</u>	<u>11,523</u>
Net Liabilities		<u>£ (41,765)</u>	<u>£ 38,740</u>
Capital and Reserves			
Called up share capital	12	100	100
Profit and loss account		<u>(41,865)</u>	<u>38,640</u>
		<u>£ (41,765)</u>	<u>£ 38,740</u>

The financial statements were approved by the Board on 21st September 1992.

...*P.B. F. S. D.*...
Director

The Mackie Engineering Company Limited

Statement of Source and Application of Funds
for the year ended 30th November 1991

	1991	1990
	£	£
Total Absorbed by Operations		
Loss on ordinary activities before taxation	(97,928)	(219,672)
Adjustment for items not involving the movement of funds		
Depreciation of tangible assets	3,856	5,412
Investments written off	-	100
Loss on disposal of tangible assets	1,754	-
	<u>5,610</u>	<u>5,512</u>
	(92,318)	(214,160)
Source of Funds		
Proceeds on disposal of tangible assets	6,213	-
Tax recovered	-	16,000
	<u>6,213</u>	<u>16,000</u>
	(86,105)	(198,160)
Application of Funds		
Purchase of tangible assets	6,487	-
Tax paid	-	45,923
	<u>(6,487)</u>	<u>(45,923)</u>
	£ (92,592)	£ (244,083)
Decrease in Working Capital		
Increase in stocks	155,750	(14,718)
Decrease in debtors	(23,957)	(176,850)
Increase in creditors due within one year	(134,790)	8,564
	<u>(12,997)</u>	<u>(183,004)</u>
Decrease in net liquid funds:		
Cash at bank and in hand	(53,383)	(61,817)
Bank loans and overdrafts	(26,212)	738
	<u>£ (92,592)</u>	<u>£ (244,083)</u>

The Mackie Engineering Company Limited

Notes to the Financial Statements for the year ended 30th November 1991

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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:

Land and buildings	-	Straight line over fifty years
Plant and equipment	-	10% Reducing balance
Fixtures, fittings and equipment	-	10% Reducing balance
Motor vehicles	-	25% Reducing balance

1.4 Leasing

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

Stock and work in progress are valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

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.

The Mackie Engineering Company Limited

Notes to the Financial Statements (continued)
for the year ended 30th November 1991

3.	Other Operating Income	1991 £	1990 £
	Management charges receivable	<u>6,000</u>	<u>6,000</u>
4.	Operating Loss	1991 £	1990 £
	Operating loss is stated after charging:		
	Depreciation of tangible assets	3,856	5,412
	Hire of plant and machinery	9,001	6,255
	Operating lease rentals		
	- Plant and machinery	3,225	985
	- Land and buildings	10,000	10,000
	Auditors' remuneration	<u>2,300</u>	<u>2,250</u>
5.	Interest Receivable	1991 £	1990 £
	Bank interest	<u>3,462</u>	<u>5,699</u>
6.	Interest Payable	1991 £	1990 £
	On bank loans and overdrafts	-	105
	On other loans wholly repayable within 5 years	<u>17,408</u>	<u>8,613</u>
		<u>£ 17,408</u>	<u>£ 8,718</u>
7.	Taxation	1991 £	1990 £
	U.K. Current year taxation		
	U.K. Corporation tax at current rates	<u>(17,423)</u>	<u>(28,500)</u>

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

The Mackie Manufacturing Company Limited

Notes to the Financial Statements (continued)
for the year ended 30th November 1991

8. Tangible Assets

	Land and buildings Freehold	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1st December 1990	6,865	1,506	16,339	38,433	63,143
Additions	-	-	-	6,487	6,487
Disposals	-	-	-	(27,288)	(27,288)
At 30th November 1991	6,865	1,506	16,339	17,632	42,342
Depreciation					
At 1st December 1990	739	1,241	8,704	25,242	35,926
On disposals	-	-	-	(19,321)	(19,321)
Charge for year	137	27	764	2,928	3,856
At 30th November 1991	876	1,268	9,468	8,849	20,461
Net book values					
At 30th November 1991	£5,989	£238	£6,871	£8,783	£21,881
At 30th November 1990	£6,126	£265	£7,635	£13,191	£27,217

9. Stocks

	1991 £	1990 £
Work in progress	5,750	-
Property held for resale	150,000	-
	<u>£ 155,750</u>	<u>£ -</u>

10. Debtors

	1991 £	1990 £
Trade debtors	81,103	57,512
Amounts owed by related company	11,672	17,672
Corporation tax	29,923	12,500
Other debtors	125	52,076
Prepayments and accrued income	2,594	2,191
	<u>£ 125,417</u>	<u>£ 141,951</u>

The Mackie Engineering Company Limited

Notes to the Financial Statements (continued)
for the year ended 30th November 1991

11. Creditors: amounts falling due within one year	1991 £	1990 £
Bank loans and overdrafts	26,212	-
Trade creditors	58,708	48,926
Taxes and social security costs	73,883	61,299
Directors' current accounts	4,997	29,633
Other creditors	11,129	1,300
The Mackie Engineering Co. Ltd. Pension Fund	183,800	56,807
Accruals and deferred income	5,999	5,761
	<u>£ 364,728</u>	<u>£ 203,726</u>

12. Share Capital	1991 £	1990 £
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. Directors	1991 £	1990 £
Remuneration		
Emoluments	<u>45,750</u>	<u>250,590</u>

14. Transactions With Directors

On 26th June 1991 the company purchased from Mrs P.A. Foster the property situated at 117, Robin Hood Way, London SW15 for the sum of £150,000, which was considered to be the open market value at that date. The company intends to develop and sell the property in the near future.

The Mackie Engineering Company Limited

Notes to the Financial Statements (continued)
for the year ended 30th November 1991

15. Employees

Number of employees

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

	1991 Number	1990 Number
Office and management	3	3
Production	1	1
	<u>4</u>	<u>4</u>

Employment costs

	£	£
Wages and salaries	46,354	102,125
Social security costs	4,414	10,287
Other pension costs	8,050	161,050
	<u>£ 58,818</u>	<u>£ 273,462</u>