

A.J. MIDDLETON & CO. LIMITED

COMPANY No. 594813

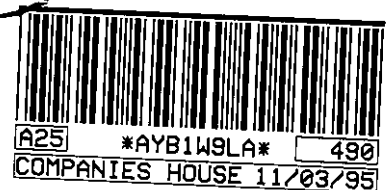
FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1992



KINGSTON
SMITH
Chartered Accountants



A.J. MIDDLETON & CO. LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and financial statements for the year ended 31 December 1992 .

Principal activities and business review

The principal activities of the company throughout the year was that of engineering agents and tool merchants. The results for the year were affected by the general economic climate.

In the opinion of the Directors current trading activity indicates that a return to profitability is expected next year.

Dividend and transfer to reserves

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

The directors do not recommend payment of a dividend.

It is recommended that the whole of the loss is transferred to reserves.

Fixed assets

The movements in fixed assets are shown in the notes to the financial statements.

Post Balance Sheet Event

On 6 July 1993 the company was struck off the Register of Companies by Companies House. The Directors were unaware that this had taken place and have taken the necessary action to have the company re-registered.

Directors and their interests

The directors who served the company throughout the year together with their interests in the shares of the company at the beginning and end of the year, were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1992</u>	<u>1991</u>
R.G. Phillips	Ordinary shares	50	50
G.A. Phillips	Ordinary shares	-	-
S.W. Phillips	Ordinary shares	50	50

Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

45 York Road
Ilford
Essex
IG1 3AD

Date: ..1.JUNE.1994..

By Order of the Board

B. Phillips
Secretary

B Phillips

A.J. MIDDLETON & CO. LIMITED
DIRECTORS' RESPONSIBILITIES AND REPORT OF THE AUDITORS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are obliged under company law to prepare financial statements for each financial year.

The directors are satisfied that these financial statements give a true and fair view of the state of the affairs of the company as at 31 December 1992 and of the loss for the year then ended.

These financial statements have been prepared by the directors on the going concern basis, using suitable accounting policies consistently applied, supported by reasonable and prudent estimates. Applicable accounting standards have been followed.

The directors are satisfied that adequate accounting records have been maintained in order to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF A.J. MIDDLETON & CO. LIMITED

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described above, the company's directors are responsible for the preparation of the 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.

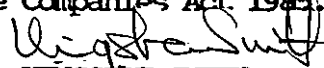
Basis of Opinion

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 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 1992 and of its loss for the year ended and have been properly prepared in accordance with the Companies Act 1985.



KINGSTON SMITH
Chartered Accountants and
Registered Auditors

180-182 St Mary's Lane
Upminster
Essex, RM14 3BT

Date:11.6.1994.....

A.J. MIDDLETON & CO. LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1992

	<u>Notes</u>	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
<u>TURNOVER</u>		117,735	165,612
Cost of sales		(84,294)	(124,483)
<u>GROSS PROFIT</u>		33,441	41,129
Administrative expenses		(59,585)	(44,603)
		(26,144)	(3,474)
Other operating income		3,660	4,110
<u>OPERATING LOSS</u>	3	(22,484)	636
Interest receivable	4	46	94
Interest payable	5	(967)	(2,297)
<u>LOSS ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>		(23,405)	(1,567)
Taxation	8	6,027	(113)
<u>LOSS FOR THE FINANCIAL YEAR</u>	16	(17,378)	(1,680)

There are no recognised gains and losses in the year other than the loss for the year .

A.J. MIDDLETON & CO. LIMITED

BALANCE SHEET AT 31ST DECEMBER 1992

	<u>Notes</u>	<u>£</u>	<u>1992</u>	<u>£</u>	<u>1991</u>	<u>£</u>
<u>FIXED ASSETS</u>						
Tangible assets	9		12,873		15,170	
<u>CURRENT ASSETS</u>						
Stocks	10	8,000		10,500		
Debtors	11	18,782		39,899		
Cash at bank and in hand		3,890		10,366		
			<u>30,672</u>	<u>60,765</u>		
<u>CREDITORS: AMOUNTS FALLING DUE</u>						
<u>WITHIN ONE YEAR</u>	12	(27,687)		(40,763)		
<u>NET CURRENT ASSETS</u>			<u>2,985</u>	<u>20,002</u>		
<u>TOTAL ASSETS LESS CURRENT</u>						
<u>LIABILITIES</u>			<u>15,858</u>	<u>35,172</u>		
<u>CREDITORS: AMOUNTS FALLING DUE</u>						
<u>AFTER MORE THAN ONE YEAR</u>	13	-		(1,934)		
			<u>15,858</u>	<u>33,238</u>		
<u>CAPITAL AND RESERVES</u>						
Called up share capital	15		100		100	
Profit and loss account	16		15,758		33,138	
			<u>15,858</u>	<u>33,238</u>		

Approved by the board on JUNE 1994 ..

R.G. Phillips.....)
G.A. Phillips.....) Directors

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1992

1. ACCOUNTING POLICIES

1.1 Accounting basis and standards

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

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 Depreciation

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

Improvements to leasehold property	10%	Reducing balance
Plant and machinery	20%	Reducing balance
Furniture, fixtures and equipment	15%	Reducing balance
Motor vehicles	25%	Reducing balance

1.4 Stock

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

1.6 Leasing and hire purchase

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

1.7 Pension scheme arrangements

Pensions contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

A.J. MIDDLETON & CO. LIMITED (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1992

2. TURNOVER

Turnover is attributable to the one principal activity of the company which arose wholly in the United Kingdom.

3. OPERATING LOSS

	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
The operating loss is stated after charging:		
Depreciation:		
Owned fixed assets	529	422
Assets held under finance leases and hire purchase contracts	3,171	5,637
Auditors remuneration	4,743	2,745
Operating lease rentals:		
Land and buildings	9,920	6,233
and after crediting:		
Rents receivable	<u>3,660</u>	<u>4,110</u>

4. INCOME FROM INVESTMENTS

	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
Bank Deposit interest receivable	<u>46</u>	<u>94</u>
	<u>46</u>	<u>94</u>

5. INTEREST PAYABLE

	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
On bank overdraft	7	5
On overdue tax	-	1,225
Hire purchase interest	960	1,067
	<u>967</u>	<u>2,297</u>

A.J. MIDDLETON & CO. LIMITED (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1992

6. DIRECTORS AND EMPLOYEES

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Staff costs:-		
Wages and salaries	13,328	12,966
Social security costs	797	2,619
Other pension costs	2,196	2,116
	<u>16,321</u>	<u>17,701</u>

There were no employees during the year apart from the directors.

7. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £2,196 (1991: £2,116). All contributions were paid in the year.

8. TAXATION

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Corporation tax based on the results		
for the year at the rate of 25% (1991 - 25%)	(5,713)	205
Transfer from deferred taxation (Note 14.)	-	(92)
	<u>(5,713)</u>	<u>113</u>
Adjustment in respect of prior years	(314)	-
	<u>(6,027)</u>	<u>113</u>

A.J. MIDDLETON & CO. LIMITED (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1992

9. TANGIBLE ASSETS

	<u>Improvements</u>				
	<u>to</u>	<u>Plant &</u>	<u>Fixtures &</u>	<u>Motor</u>	<u>Total</u>
	<u>leasehold</u>	<u>machinery</u>	<u>fittings</u>	<u>vehicles</u>	<u></u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>Cost</u>					
At 1 January 1992	2,584	334	3,496	29,234	35,648
Additions	-	-	1,404	-	1,404
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1992	2,584	334	4,900	29,234	37,052
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>					
At 1 January 1992	1,439	311	2,177	16,552	20,479
Charge for year	115	5	409	3,171	3,700
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1992	1,554	316	2,586	19,723	24,179
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net book value</u>					
At 31 December 1992	1,030	18	2,314	9,511	12,873
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1991	1,145	23	1,319	12,682	15,169
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
				<u>1992</u>	<u>1991</u>
				<u>£</u>	<u>£</u>
Analysis of net book value of land and buildings:					
Improvements to leasehold				1,030	1,145
				<hr/>	<hr/>

The net book value of fixed assets of £12,873 (1991 £15,170) includes an amount of £9,511 (1991 £12,683) in respect of assets held under finance leases.

10. STOCKS

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Finished goods and goods for resale	8,000	10,500
	<hr/>	<hr/>
	8,000	10,500
	<hr/>	<hr/>

A.J. MIDDLETON & CO. LIMITED (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1992

11. DEBTORS

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Trade debtors	16,143	31,161
Prepayments and accrued income	2,639	8,738
	<u>18,782</u>	<u>39,899</u>

12. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	1,029	-
Trade creditors	9,643	18,807
Corporation tax	398	7,425
Other taxes and social security costs	5,423	6,357
Net obligations under finance lease and hire purchase contracts	1,934	3,709
Directors' current accounts	1,950	783
Accruals and deferred income	7,310	3,682
	<u>27,687</u>	<u>40,763</u>

13. CREDITORS: AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Net obligations under finance leases and hire purchase contracts	-	1,934
	<u>-</u>	<u>1,934</u>

A.J. MIDDLETON & CO. LIMITED (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1992

14. PROVISIONS FOR LIABILITIES AND CHARGES

Provision for deferred taxation has been made in these financial statements in accordance with the accounting policy described in Note 1. The amounts provided and the full potential liability are as follows:

Movements on the provision for deferred taxation are:-

	<u>1992</u>	<u>1991</u>
At 1 January 1992	-	92
Transferred to profit and loss account	-	(92)
At 31 December 1992	-	-

15. SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
<u>Authorised</u>		
2,000 Ordinary shares of £1 each	2,000	2,000
<u>Allotted, called up and fully paid</u>		
100 Ordinary shares of £1 each	100	100

16. PROFIT AND LOSS ACCOUNT

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Retained profits at 1 January 1992	33,136	34,818
Loss for the financial year	(17,378)	(1,680)
Retained profits at 31 December 1992	15,758	33,138

A.J. MIDDLETON & CO. LIMITED (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1992

17. FUTURE FINANCIAL COMMITMENTS

At 31 December 1992 the company had annual commitments under operating leases as set out below:

	<u>Land and buildings</u>	
	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Operating leases which expire:		
(a) in the second to		
fifth year	7,936	7,936
	<u>7,936</u>	<u>7,936</u>

The majority of leases of land and buildings are subject to rent reviews. The company's total future financial commitments under operating leases are £31,744 (1991 - £39,680)

18. POST BALANCE SHEET EVENTS

On 6 July 1993 the company was struck off the Register of Companies by Companies House. The Directors were unaware that this had taken place and have taken the necessary action to have the company re-registered.