

COMPANY REGISTRATION NUMBER 682754

**COZENS & COLE LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR**  
**31 MARCH 2005**



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**COZENS & COLE LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2005**

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**COZENS & COLE LIMITED**

**THE DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2005**

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The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 March 2005.

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the manufacture of belting and sale of belting and pulleys.

**DIRECTORS**

The directors who served the company during the year were as follows:

Mr G Zambra

M E Charles

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

**SMALL COMPANY PROVISIONS**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
Spring Road  
Ettingshall  
Wolverhampton  
WV4 6JT

Signed by order of the directors



MRS J A ZAMBRA  
Company Secretary

Approved by the directors on 26 May 2005

**COZENS & COLE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2005**

	Note	<u>2005</u> £	<u>2004</u> £
<b>TURNOVER</b>	2	829,519	963,102
Cost of sales		449,093	567,554
<b>GROSS PROFIT</b>		380,426	395,548
Distribution costs		54,432	78,404
Administrative expenses		308,361	304,454
<b>OPERATING PROFIT</b>	3	17,633	12,690
Loss on disposal of fixed assets		—	(149)
		17,633	12,541
Interest receivable		1,158	329
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		18,791	12,870
Tax on profit on ordinary activities	5	3,818	2,126
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		14,973	10,744
Balance brought forward		103,229	92,485
Balance carried forward		118,202	103,229

The notes on pages 4 to 7 form part of these financial statements.

**COZENS & COLE LIMITED****BALANCE SHEET****31 MARCH 2005**

	Note	<u>2005</u>		<u>2004</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	6		32,589		31,499
<b>CURRENT ASSETS</b>					
Stocks		231,213		239,654	
Debtors	7	169,754		199,323	
Cash at bank and in hand		163,296		118,141	
		<u>564,263</u>		<u>557,118</u>	
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>463,173</u>		<u>470,120</u>	
<b>NET CURRENT ASSETS</b>			101,090		86,998
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>133,679</u>		<u>118,497</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	9		3,477		3,268
			<u>130,202</u>		<u>115,229</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	12		12,000		12,000
Profit and loss account			118,202		103,229
<b>SHAREHOLDERS' FUNDS</b>			<u>130,202</u>		<u>115,229</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 26 May 2005 and are signed on their behalf by:

MR G ZAMBRA  
Director



The notes on pages 4 to 7 form part of these financial statements.

**COZENS & COLE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2005**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Fixed assets**

All fixed assets are initially recorded at cost.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	12.5% on reducing balance
Fixtures & Fittings	-	25%/12.5% on reducing balance
Motor Vehicles	-	25% on reducing balance

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Hire purchase agreements**

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

The interest element of the rental deductions is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**COZENS & COLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2005**

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**1. ACCOUNTING POLICIES** *(continued)***Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**2. TURNOVER**

Overseas turnover amounted to 1.71% (To 31 March 2004 - 0.56%) of the total turnover for the year.

**3. OPERATING PROFIT**

Operating profit is stated after charging:

	<u>2005</u>	<u>2004</u>
	£	£
Staff pension contributions	6,887	6,790
Depreciation of owned fixed assets	<u>5,975</u>	<u>6,244</u>

**4. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	<u>2005</u>	<u>2004</u>
	£	£
Aggregate emoluments	70,010	38,682
Value of company pension contributions to money purchase schemes	<u>6,116</u>	<u>4,699</u>
	<u>76,126</u>	<u>43,381</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	<u>2005</u>	<u>2004</u>
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

**COZENS & COLE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2005**

**5. TAXATION ON ORDINARY ACTIVITIES**

	<u>2005</u> £	<u>2004</u> £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 17.87% (2004 - 14.16%)	3,609	1,756
Total current tax	3,609	1,756
Deferred tax:		
Origination and reversal of timing differences (note 9)		
Capital allowances	209	370
Tax on profit on ordinary activities	<u>3,818</u>	<u>2,126</u>

**6. TANGIBLE FIXED ASSETS**

	<u>Plant &amp; Machinery</u> £	<u>Fixtures &amp; Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
<b>COST</b>				
At 1 April 2004	83,765	30,569	10,521	124,855
Additions	7,065	—	—	7,065
<b>At 31 March 2005</b>	<u>90,830</u>	<u>30,569</u>	<u>10,521</u>	<u>131,920</u>
<b>DEPRECIATION</b>				
At 1 April 2004	65,624	25,102	2,630	93,356
Charge for the year	3,151	851	1,973	5,975
<b>At 31 March 2005</b>	<u>68,775</u>	<u>25,953</u>	<u>4,603</u>	<u>99,331</u>
<b>NET BOOK VALUE</b>				
<b>At 31 March 2005</b>	<u>22,055</u>	<u>4,616</u>	<u>5,918</u>	<u>32,589</u>
At 31 March 2004	<u>18,141</u>	<u>5,467</u>	<u>7,891</u>	<u>31,499</u>

**7. DEBTORS**

	<u>2005</u> £	<u>2004</u> £
Trade debtors	166,449	195,813
Other debtors	3,305	3,510
	<u>169,754</u>	<u>199,323</u>

**8. CREDITORS: Amounts falling due within one year**

	<u>2005</u> £	<u>2004</u> £
Trade creditors	86,585	95,521
Amounts owed to group undertakings	345,284	349,418
Corporation tax	3,611	1,757
Other taxation	13,622	17,336
Other creditors	14,071	6,088
	<u>463,173</u>	<u>470,120</u>



**COZENS & COLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2005****9. DEFERRED TAXATION**

The movement in the deferred taxation provision during the year was:

	<u>2005</u>	<u>2004</u>
	£	£
Provision brought forward	3,268	2,898
Profit and loss account movement arising during the year	209	370
Provision carried forward	<u>3,477</u>	<u>3,268</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	<u>2005</u>	<u>2004</u>
	£	£
Excess of taxation allowances over depreciation on fixed assets	3,477	3,268
	<u>3,477</u>	<u>3,268</u>

**10. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	<u>2005</u>	<u>2004</u>
	£	£
Operating leases which expire:		
Within 1 year	—	2,948
Within 2 to 5 years	13,570	7,900
	<u>13,570</u>	<u>10,848</u>

**11. CONTINGENCIES**

The company has guaranteed bank facilities of the parent company amounting to £42,189 (2003: £55,059).

The directors are confident that these liabilities will not crystallise in the foreseeable future.

**12. SHARE CAPITAL**

**Authorised share capital:**

	<u>2005</u>	<u>2004</u>
	£	£
15,000 Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>

**Allotted, called up and fully paid:**

	<u>2005</u>		<u>2004</u>
	No	£	No
			£
Ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>

**13. ULTIMATE PARENT COMPANY**

The ultimate parent company is H.A.C. (Holdings) Limited, a company registered in England and Wales. The parent company prepared Group Financial Statements and therefore the company has taken advantage of the exemption from disclosing related party transactions.