

COZENS & COLE LIMITED
FINANCIAL STATEMENTS

FOR

31 MARCH 2000

Company Registration Number 682754



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COZENS & COLE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2000

CONTENTS	PAGES
The directors' report	1 to 2
Auditors' report to the shareholders	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 to 9

COZENS & COLE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES

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

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

Mr G Zambra
Mr P G King

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

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

AUDITORS

A resolution to re-appoint Blease Lloyd & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

COZENS & COLE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2000

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 A ZAMBRA
Company Secretary

Approved by the directors on 15.8.00

COZENS & COLE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2000

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, 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 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.

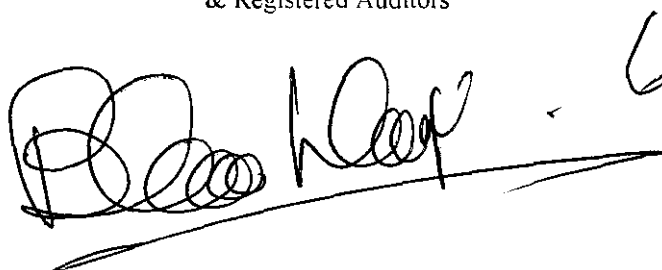
OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Hamilton House
56 Hamilton Street
Birkenhead
Wirral
CH41 5HZ

BLEASE LLOYD & CO.
Chartered Accountants
& Registered Auditors

22.11.00



COZENS & COLE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2000

	<u>Note</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	2	866,527	892,554
Cost of sales		(536,456)	(570,013)
GROSS PROFIT		330,071	322,541
Distribution costs		(110,699)	(99,217)
Administrative expenses		(256,363)	(263,139)
OPERATING LOSS	3	(36,991)	(39,815)
Loss on disposal of fixed assets		(1,299)	(1,280)
		(38,290)	(41,095)
Interest receivable		628	1,083
Interest payable		(684)	(1,494)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(38,346)	(41,506)
Tax on loss on ordinary activities		-	3,808
LOSS FOR THE FINANCIAL YEAR		(38,346)	(37,698)
Balance brought forward		80,536	118,234
Balance carried forward		<u>42,190</u>	<u>80,536</u>

The notes on pages 6 to 9 form part of these financial statements.

COZENS & COLE LIMITED

BALANCE SHEET

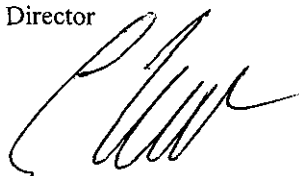
31 MARCH 2000

	<u>Note</u>	<u>2000</u>		<u>1999</u>	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		34,528		48,371
CURRENT ASSETS					
Stocks		171,477		177,495	
Debtors	6	196,514		215,249	
Cash at bank		39,644		43,825	
		<u>407,635</u>		<u>436,569</u>	
CREDITORS: Amounts falling due within one year	7	<u>(387,973)</u>		<u>(388,739)</u>	
NET CURRENT ASSETS			19,662		47,830
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>54,190</u>		<u>96,201</u>
CREDITORS: Amounts falling due after more than one year	8		-		(3,665)
			<u>54,190</u>		<u>92,536</u>
CAPITAL AND RESERVES					
Called-up equity share capital	12		12,000		12,000
Profit and loss account			42,190		80,536
SHAREHOLDERS' FUNDS			<u>54,190</u>		<u>92,536</u>

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 March 2000).

These financial statements were approved by the directors on the 15 August 2000 and are signed on their behalf by:

MR G ZAMBRA
Director



The notes on pages 6 to 9 form part of these financial statements.

COZENS & COLE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2000

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 March 2000).

Turnover

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

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.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

COZENS & COLE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2000****2. TURNOVER**

Overseas turnover amounted to 4.00% (1999 - 5.64%) of the total turnover for the year.

3. OPERATING LOSS

Operating loss is stated after charging:

	<u>2000</u>	<u>1999</u>
	£	£
Staff pension contributions	8,647	6,161
Depreciation	8,411	11,848
Auditors' fees	<u>4,600</u>	<u>4,600</u>

4. DIRECTORS' EMOLUMENTS

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

	<u>2000</u>	<u>1999</u>
	£	£
Aggregate emoluments	66,226	70,576
Value of company pension contributions to money purchase schemes	<u>11,881</u>	<u>8,874</u>
	<u>78,107</u>	<u>79,450</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	<u>2000</u>	<u>1999</u>
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

5. TANGIBLE FIXED ASSETS

	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£
COST				
At 1 April 1999	73,414	31,596	33,679	138,689
Additions	192	-	-	192
Disposals	-	(3,295)	(13,160)	(16,455)
At 31 March 2000	<u>73,606</u>	<u>28,301</u>	<u>20,519</u>	<u>122,426</u>
DEPRECIATION				
At 1 April 1999	54,462	21,909	13,947	90,318
Charge for the year	2,393	1,491	4,527	8,411
On disposals	-	(2,934)	(7,897)	(10,831)
At 31 March 2000	<u>56,855</u>	<u>20,466</u>	<u>10,577</u>	<u>87,898</u>
NET BOOK VALUE				
At 31 March 2000	<u>16,751</u>	<u>7,835</u>	<u>9,942</u>	<u>34,528</u>
At 31 March 1999	<u>18,952</u>	<u>9,687</u>	<u>19,732</u>	<u>48,371</u>

COZENS & COLE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2000**

5. TANGIBLE FIXED ASSETS *(continued)***Hire purchase agreements**

Included within the net book value of £34,528 is £8,617 (1999 - £17,604) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £2,581 (1999 - £5,505).

6. DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Trade debtors	192,310	210,814
Other debtors	4,204	4,435
	<u>196,514</u>	<u>215,249</u>

7. CREDITORS: Amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
Bank loans and overdrafts	-	5
Trade creditors	101,789	94,038
Amounts owed to group undertakings	260,054	270,525
Other taxation and social security	12,479	8,639
Hire purchase agreements	3,665	6,959
Other creditors	9,986	8,573
	<u>387,973</u>	<u>388,739</u>

8. CREDITORS: Amounts falling due after more than one year

	<u>2000</u>	<u>1999</u>
	£	£
Hire purchase agreements	-	3,665

9. DEFERRED TAXATION

The elements of deferred taxation, which result in a nil balance at the end of the year are as follows:

	<u>2000</u>	<u>1999</u>
	£	£
Excess of taxation allowances over depreciation on fixed assets	6,657	3,528
Tax losses available	(6,657)	(3,528)
	<u>-</u>	<u>-</u>

COZENS & COLE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 MARCH 2000**

10. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2000 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	<u>2000</u>	<u>1999</u>
	£	£
Operating leases which expire:		
Within 1 year	6,185	8,545
Within 2 to 5 years	12,753	13,956
	<u>18,938</u>	<u>22,501</u>

11. CONTINGENCIES

The company has guaranteed bank facilities of the parent company amounting to £43,383 (1999: £47,678).

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

12. SHARE CAPITAL**Authorised share capital:**

	<u>2000</u>	<u>1999</u>
	£	£
15,000 Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>

Allotted, called up and fully paid:

	<u>2000</u>	<u>1999</u>
	£	£
Ordinary share capital	<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.