

COZENS & COLE LIMITED

FINANCIAL STATEMENTS

31 MARCH 1998

Company No. 682754



COZENS & COLE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

DIRECTORS: G. Zambra (Chairman)  
P.G. King

SECRETARIES: J.A. Zambra

REGISTERED OFFICE: Spring Road  
Ettingshall  
Wolverhampton  
WV4 6JT

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## **COZENS & COLE LIMITED**

### **REPORT OF THE DIRECTORS**

The directors present their report with the financial statements of the company for the year ended 31 March 1998.

#### **STATEMENT OF 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 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;
- comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of factory equipment stockists.

#### **DIRECTORS**

The directors in office in the year and their beneficial interest in the shares of the company are as follows:

	<u>Shares held</u>	
	<u>1998</u>	<u>1997</u>
G. Zambra	-	-
P.G. King	-	-

#### **YEAR 2000**

The company has taken steps to protect itself from any computer and machinery malfunction, as a result of the new millennium. All computerised systems have been checked and modified as necessary. In addition, hardware and software support suppliers are contracted to deal with any unforeseen problems.

#### **EURO**

The directors are not concerned that the UK will not be part of the "first wave" of adopting the Euro as its currency, as the transactions outside the UK are minimal.

COZENS & COLE LIMITED

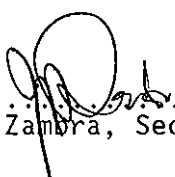
REPORT OF THE DIRECTORS

AUDITORS

The auditors, Messrs Blease Lloyd & Co., will be proposed for re-appointment in accordance with section 384 of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 10 August 1998  
and signed its behalf by

  
.....  
J.A. Zambra, Secretary

## REPORT OF THE AUDITORS

### TO THE MEMBERS OF COZENS & COLE LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared following the accounting policies set out on page 6.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1, 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.

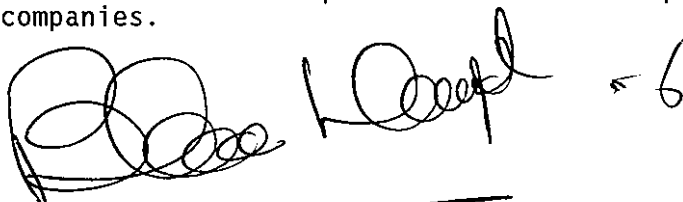
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 company's affairs as at 31 March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.

BLEASE LLOYD & CO  
CHARTERED ACCOUNTANTS  
and Registered Auditors

Birkenhead  
Date 12 August 1998



**COZENS & COLE LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 1998**

	<u>Note</u>	£	<u>1998</u>	£	£	<u>1997</u>	£
<b>TURNOVER</b>	2			907,384		959,276	
Cost of sales				<u>553,442</u>		<u>595,370</u>	
<b>GROSS PROFIT</b>				353,942		363,906	
Distribution costs		75,747				82,405	
Administrative expenses		<u>280,405</u>				<u>288,126</u>	
				<u>356,152</u>		<u>370,531</u>	
<b>OPERATING LOSS</b>				(2,210)		(6,625)	
Loss on disposal of fixed assets				<u>(2,217)</u>		<u>(529)</u>	
				(4,427)		(7,154)	
Interest payable				<u>619</u>		<u>23</u>	
				(5,046)		(7,177)	
Interest receivable				<u>636</u>		<u>138</u>	
<b>LOSS on ordinary activities before taxation</b>	3			(4,410)		(7,039)	
<b>TAXATION</b>				<u>(392)</u>		<u>1,637</u>	
<b>RETAINED LOSS for the financial year</b>				<u>(4,018)</u>		<u>(8,676)</u>	

The company's turnover and expenses all relate to continuing operations.

The company has no recognised gains or losses other than the loss for the year.

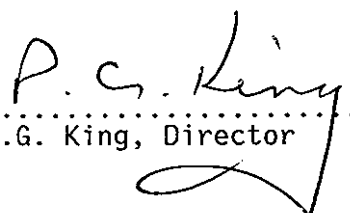
The loss for the year has been calculated on the historical cost basis.

**COZENS & COLE LIMITED****BALANCE SHEET AS AT 31 MARCH 1998**

	<u>Note</u>	<u>1998</u>		<u>1997</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		55,218		52,977
<b>CURRENT ASSETS</b>					
Stocks		177,263		176,674	
Debtors	6	204,910		234,188	
Cash at bank and in hand		48,388		32,376	
		<u>430,561</u>		<u>443,238</u>	
<b>CREDITORS: amounts falling due within one year</b>	7	<u>345,481</u>		<u>355,117</u>	
<b>NET CURRENT ASSETS</b>			<u>85,080</u>		<u>88,121</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			140,298		141,098
<b>CREDITORS : amounts falling after more than one year</b>					
Hire purchase	8		<u>5,969</u>		<u>1,991</u>
			134,329		139,107
<b>DEFERRED INCOME</b>					
Regional Development Grant	9		<u>284</u>		<u>652</u>
			134,045		138,455
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
Deferred tax	10		<u>3,808</u>		<u>4,200</u>
			<u>130,237</u>		<u>134,255</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		12,000		12,000
Profit and loss account			<u>118,237</u>		<u>122,255</u>
<b>SHAREHOLDER'S FUNDS</b>	12		<u>130,237</u>		<u>134,255</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 10 August 1998  
and signed on its behalf by

  
.....  
P.G. King, Director

## **COZENS & COLE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 1998**

#### **1 ACCOUNTING POLICIES**

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

##### **Turnover**

Turnover represents net invoiced sales of goods excluding value added tax.

##### **Tangible fixed assets**

Depreciation is provided at the following rates in order to write off each asset over its estimated life:

Plant & Machinery	– 12.5% on reducing balance
Fixtures and fitting	– 12.5% on reducing balance
Computer Equipment	– 20% on reducing balance
Motor Vehicles	– 25% on reducing balance

##### **Stocks**

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

##### **Deferred taxation**

Provision has been made at current rates for deferred taxation in respect of all material timing differences.

##### **Finance leases and hire purchase contracts**

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

The interest element of the rental obligations 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.

Rentals paid under operating leases are charged to income on a straight line basis over the terms of the agreement.

##### **Pensions**

The company operates a defined contributions pension scheme for certain employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

##### **Deferred government grants**

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by annual equal instalments.

Grants of a revenue nature are credited to income in the period to which they relate.



**COZENS & COLE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 1998**

**2 TURNOVER**

During the year under review export sales accounted for 3.2% of the turnover (1997: 4%).

**3 LOSS ON ORDINARY ACTIVITIES**

This is stated after charging (crediting):

	<u>1998</u>	<u>1997</u>
	£	£
Depreciation of owned assets	5,293	7,117
Depreciation of assets held under finance leases and hire purchase agreements	7,568	2,937
Finance charges in respect of finance leases and hire purchase agreements	619	23
Pension contributions	11,537	13,329
Auditors' remuneration	4,600	4,750
Regional development grant credit	(368)	(368)

**4 DIRECTORS' EMOLUMENTS**

Directors' emoluments amounted to £73,852 (1997 – £72,298), including benefits in kind.

During the year 2 (1997–2) directors were accruing benefits under defined contribution pension schemes.

**COZENS & COLE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 1998**

**5 TANGIBLE FIXED ASSETS**

	<u>Plant &amp; machinery</u> £	<u>Fixtures &amp; fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
<b>COST OR VALUATION</b>				
At 1 April 1997	72,610	30,306	27,552	130,468
Additions	386	6,823	11,387	18,596
Disposals	–	(3,689)	(4,096)	(7,785)
At 31 March 1998	<u>72,996</u>	<u>33,440</u>	<u>34,843</u>	<u>141,279</u>
<b>DEPRECIATION</b>				
At 1 April 1997	48,719	21,282	7,490	77,491
Charge for year	3,035	2,556	7,270	12,861
Disposals	–	(2,563)	(1,728)	(4,291)
At 31 March 1998	<u>51,754</u>	<u>21,275</u>	<u>13,032</u>	<u>86,061</u>
<b>WRITTEN DOWN VALUES</b>				
At 31 March 1998	<u>21,242</u>	<u>12,165</u>	<u>21,811</u>	<u>55,218</u>
Owned assets	21,242	6,727	4,634	32,603
Lease and hire purchase assets	–	5,438	17,177	22,615
	<u>21,242</u>	<u>12,165</u>	<u>21,811</u>	<u>55,218</u>
At 31 March 1997	<u>23,891</u>	<u>9,024</u>	<u>28,857</u>	<u>61,772</u>

**6 DEBTORS**

	<u>1998</u> £	<u>1997</u> £
Trade debtors	202,174	230,252
Other debtors	250	1,448
Prepayments	2,486	2,488
	<u>204,910</u>	<u>234,188</u>

**COZENS & COLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 1998****7 CREDITORS : AMOUNTS FALLING DUE  
WITHIN ONE YEAR**

	<u>1998</u>	<u>1997</u>
	£	£
Trade creditors	86,427	109,989
Amount owed to parent company	227,345	220,108
Social security and other taxes	16,281	12,935
Hire purchase	6,628	4,072
Accruals	8,800	8,013
	<u>345,481</u>	<u>355,117</u>

**8 OBLIGATIONS UNDER HIRE PURCHASE AGREEMENTS**

	£	£
The aggregate amount of obligations is as follows:		
Falling due within one year	6,628	4,072
Falling due after more than one year	5,969	1,991
	<u>12,597</u>	<u>6,063</u>

**9 REGIONAL DEVELOPMENT GRANTS**

	£	£
At 1 April 1997	652	1,020
Credit to profit and loss account	(368)	(368)
At 31 March 1998	<u>284</u>	<u>652</u>

**10 DEFERRED TAXATION**

The amounts provided for deferred taxation were as follows:

	£	£
Accelerated capital allowances	<u>3,808</u>	<u>4,200</u>

**DEFERRED TAX MOVEMENT**

	£	£
At 1 April 1997	4,200	1,615
Transfer from profit and loss account	(392)	2,585
At 31 March 1998	<u>3,808</u>	<u>4,200</u>

**COZENS & COLE LIMITED****NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 1998****11 SHARE CAPITAL**

	<u>1998</u> £	<u>1997</u> £
Authorised:		
15,000 ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>
Allotted, issued and fully paid:		
12,000 ordinary shares of £1 each	<u>12,000</u>	<u>12,000</u>

**12 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS**

	<u>Share capital</u> £	<u>Profit &amp; loss account</u> £	<u>Total</u> £
At 1 April 1996	12,000	130,931	142,931
Loss for the year	–	(8,676)	(8,676)
At 31 March 1997	<u>12,000</u>	<u>122,255</u>	<u>134,255</u>
Loss for the year	–	(4,018)	(4,018)
At 31 March 1998	<u>12,000</u>	<u>118,237</u>	<u>130,237</u>

**13 CAPITAL COMMITMENTS**

	<u>1998</u> £	<u>1997</u> £
Capital expenditure contracted for but not provided for in the financial statements	<u>–</u>	<u>2,520</u>

## **COZENS & COLE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 1998**

#### **14 OTHER FINANCIAL COMMITMENTS**

At 31 March 1998 the company had annual commitments under non-cancellable operating leases as set out below.

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
Land and buildings:		
Operating leases which expire :		
Within one year	875	–
Within two to five years	–	3,600
	<u>875</u>	<u>3,600</u>
Others:		
Operating leases which expire:		
Within one year	–	2,722
Within two to five years	10,808	7,645
	<u>10,808</u>	<u>10,367</u>

#### **15 CONTINGENT LIABILITIES**

The company has guaranteed bank facilities of the parent company amounting to £8,586 (1997:£7,645).

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

#### **16 PARENT UNDERTAKING**

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