

COZENS & COLE LIMITED

FINANCIAL STATEMENTS

31 MARCH 1996

Company No: 682754



COZENS & COLE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

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

SECRETARY: 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 1996.

CHANGE OF NAME

On 19 March 1996, the company changed its name from C. Cozens & Company Limited to Cozens & Cole Limited.

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 affairs 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 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. They 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.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors in office during the year and their beneficial interests in the issued ordinary share capital were as follows:


	<u>1996</u>	<u>Shares held</u>	<u>1995</u>
G. Zambra	-		-
P.G. King	-		-

AUDITORS

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

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

Approved by the board on 5/9/96
and signed on its behalf by


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

REPORT OF THE AUDITORSTO THE MEMBERS OF COZENS & COLE LIMITED

We have audited the financial statements on pages 3 to 9 which have been prepared following the accounting policies set out on page 5.

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.

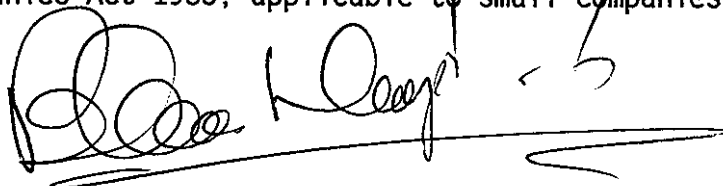
BASIS OF OPINION

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 state of the company's affairs as at 31 March 1996 and of its profit 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

.....s/a/ab.....

COZENS & COLE LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 MARCH 1996

	<u>Notes</u>	£	<u>1996</u>	£	£	<u>1995</u>	£
TURNOVER	2			448,651			453,778
Cost of sales				259,320			266,795
GROSS PROFIT				189,331			186,983
Distribution costs		41,599				62,446	
Administrative expenses		145,538				110,533	
				187,137			172,979
OPERATING PROFIT				2,194			14,004
Profit on disposal of fixed assets				349			1,099
				2,543			15,103
Interest payable				420			659
PROFIT on ordinary activities before taxation	3			2,123			14,444
TAXATION				1,321			1,000
RETAINED PROFIT for the year	12			802			13,444

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

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

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

COZENS & COLE LIMITEDBALANCE SHEET AT 31 MARCH 1996

	<u>Notes</u>	£	<u>1996</u>	£	£	<u>1995</u>	£
FIXED ASSETS							
Tangible assets	5			24,033		18,108	
Goodwill	6			-		940	
				<u>24,033</u>		<u>19,048</u>	
CURRENT ASSETS							
Stocks			76,736			70,560	
Debtors	7		97,673			103,794	
Cash in hand and at bank			32,444			19,671	
			<u>206,853</u>			<u>194,025</u>	
CREDITORS: amounts falling due within one year	8		<u>85,680</u>			<u>68,663</u>	
NET CURRENT ASSETS				<u>121,173</u>		<u>125,362</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>145,206</u>		<u>144,410</u>	
CREDITORS: amounts falling due after more than one year							
Hire purchase	9			660		1,039	
PROVISION FOR LIABILITIES AND CHARGES				<u>144,546</u>		<u>143,371</u>	
Deferred taxation	10			1,615		1,242	
				<u>142,931</u>		<u>142,129</u>	
CAPITAL AND RESERVES							
Called up share capital	11			12,000		12,000	
Profit and loss account	12			130,931		130,129	
SHAREHOLDERS' FUNDS	12			<u>142,931</u>		<u>142,129</u>	

The directors have taken advantage of special exemptions conferred by schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that in their opinion, the company is entitled to these exemptions.

Approved by the board on 5/9/96
and signed on its behalf by

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996**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.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its net assets. It is being written off in equal instalments over its estimated economic life of 10 years.

Tangible fixed assets

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

Plant and machinery	- 12½% on reducing balance
Fixtures and fittings	- 12½% on reducing balance
Computer equipments	- 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 allowances for obsolete and slow moving terms.

Deferred taxation

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996 (continued)**2. TURNOVER**

The company operates in the United Kingdom and all of its turnover is to the United Kingdom market.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION1996
£1995
£

This is stated after charging:

Vehicle leasing	4,345	8,560
Depreciation of owned fixed assets	2,746	1,982
Depreciation of assets held under finance leases and hire purchase contracts	2,682	2,199
Goodwill amortisation	940	1,250
Finance charges in respect of finance leases and hire purchase agreements	420	659
Pension contributions	3,331	3,350
Auditors' remuneration	3,600	3,500

4. DIRECTOR'S EMOLUMENTS

Director's remuneration amounted to £22,903 (1995 - £19,903), including benefits in kind and pension contributions.

5. TANGIBLE FIXED ASSETS

	<u>Plant & machinery</u> £	<u>Fixtures & fittings</u> £	<u>Motor vehicles</u> £	<u>Total</u> £
COST				
At 1 April 1995	14,475	19,441	12,870	46,786
Additions	-	1,058	10,296	11,354
Disposals	-	-	(4,075)	(4,075)
At 31 March 1996	14,475	20,499	19,091	54,065
DEPRECIATION				
At 1 April 1995	10,421	11,984	6,273	28,678
Charge for the year	507	1,300	3,621	5,428
On disposals	-	-	(4,074)	(4,074)
At 31 March 1996	10,928	13,284	5,820	30,032
WRITTEN DOWN VALUES				
At 31 March 1996	3,547	7,215	13,271	24,033
Owned assets	3,547	7,215	3,157	13,919
Lease and hire purchase assets	-	-	10,114	10,114
	3,547	7,215	13,271	24,033
At 31 March 1995	4,054	7,457	6,597	18,108

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996 (continued)

6.	GOODWILL		£
	COST		
	At 1 April 1995		12,500
	Additions		-
	At 31 March 1996		<u>12,500</u>
	AMORTISATION		
	At 1 April 1995		11,560
	Charge for the year		940
	At 31 March 1996		<u>12,500</u>
	WRITTEN DOWN VALUE		
	At 31 March 1996		-
	At 31 March 1995		<u>940</u>
7.	DEBTORS	<u>1996</u>	<u>1995</u>
		£	£
	Trade debtors	96,346	102,322
	Other debtors	460	250
	Prepayments	867	1,222
		<u>97,673</u>	<u>103,794</u>
8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	£	£
	Trade creditors	41,818	45,678
	Amount owed to parent company	26,580	4,239
	Hire purchase	2,622	3,829
	Social security and other taxes	8,655	8,425
	Other creditors	-	307
	Accruals	6,005	6,185
		<u>85,680</u>	<u>68,663</u>
9.	OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE AGREEMENTS	£	£
	The aggregate amount of the obligations is as follows:		
	Falling due within one year	2,622	3,829
	Falling due after more than one year	660	1,039
		<u>3,282</u>	<u>4,868</u>

COZENS & COLE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996 (continued)****10. DEFERRED TAXATION**1996
£1995
£

The amounts provided for were as follows:

Accelerated capital allowances	1,615	1,420
Losses available for future relief	-	(178)
	<u>1,615</u>	<u>1,242</u>

DEFERRED TAXATION MOVEMENT

£

At 1 April 1995
Transfer from profit and loss account

1,242
373

At 31 March 1996

1,615**11. SHARE CAPITAL**

£

£

Authorised:

15,000 ordinary shares of £1 each

15,00015,000

Allotted, issued and fully paid:

12,000 ordinary shares of £1 each

12,00012,000**12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 April 1994	12,000	116,685	128,685
Profit for the year		<u>13,444</u>	<u>13,444</u>
At 31 March 1995	12,000	130,129	142,129
Profit for the year		<u>802</u>	<u>802</u>
At 31 March 1996	<u>12,000</u>	<u>130,931</u>	<u>142,931</u>

13. CAPITAL COMMITMENTS1996
£1995
£

Capital expenditure contracted for
but not provided for in the
financial statements.

2,520-

Capital expenditure authorised by
the board but not yet contracted for.

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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1996 (continued)**14. OTHER FINANCIAL COMMITMENTS**

At 31 March 1996 the company had the following annual commitments under non-cancellable operating leases.

	<u>1996</u>		<u>1995</u>	
	<u>Land and building</u>	<u>Other</u>	<u>Land and building</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Operating leases which expire:				
within one year			-	1,755
Within five years	3,500	4,089	3,000	5,134
	<u>3,500</u>	<u>4,089</u>	<u>3,000</u>	<u>6,889</u>

15. CONTINGENT LIABILITIES

The company has guaranteed bank facilities of the holding company and fellow subsidiary amounting to £51,156 (1994:£65,744).

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.

17. POST BALANCE SHEET EVENTS

On 1 April 1996 the company took over the trade of its fellow subsidiary Henry A. Cole & Co Limited. All assets, liabilities and financial commitments were taken over at that date, and amounted to:

	<u>£</u>
Net assets	1,316
Annual financial commitments	9,034