

ANGLO AFRICAN MACHINERY CO LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 31ST MAY 1996

COMPANY NO 696143

The Directors submit their Report and audited Financial Statements for the year ended 31st May 1996.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of Dealers in Machinery and Property Owners and there was no significant change during the year.

COMPANY DEVELOPMENTS

There were no significant developments during the year.

DIVIDEND

No dividend has been paid or recommended for payment in respect of the year ended 31st May 1996.

RESULTS

	<u>1996</u> £	<u>1995</u> £
Profit on Ordinary Activities after Taxation	265,355	304,792
<u>Add Retained Profit brought forward</u>	<u>1,924,772</u>	<u>1,619,980</u>
	<u>£ 2,190,127</u>	<u>£ 1,924,772</u>

DIRECTORS

The Directors of the Company during the period and their beneficial interests in the Issued Share Capital of the Company at the beginning and end of the year were as follows:-

	<u>Ordinary Shares of £1 each</u>	
	<u>1996</u>	<u>1995</u>
Ernest Stanley Hales	<u>6,666</u>	<u>6,666</u>

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the Accounts.

LAND AND BUILDINGS

The Directors are of the opinion that the market value of the Company's Freehold Property is substantially in excess of the net book amount, but in the absence of a recent valuation, the amount of the excess is not quantified.



ANGLO AFRICAN MACHINERY CO LIMITED
REPORT OF THE DIRECTORS (Continued)

DIRECTORS RESPONSIBILITIES

Company Law requires the Directors to prepare Accounts 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 Accounts, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
 - * make judgements and estimates that are reasonable and prudent;
 - * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Accounts;
 - * prepare the accounts 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 Accounts 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.

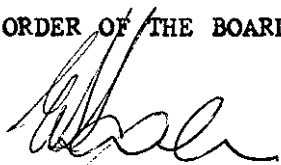
CLOSE COMPANY

The Company is a close Company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

Messrs: Newby & Co, have expressed their willingness to continue in office and a resolution re-appointing them shall be put forward at the Annual General Meeting under Section 384 of the Companies Act 1985.

BY ORDER OF THE BOARD



E. S. Hales

- Director

REGISTERED OFFICE

Union Road,
Oldbury,
Warley,
West Midlands.
B69 3ES.

AUDITORS REPORT TO THE MEMBERS OF
ANGLO AFRICAN MACHINERY CO LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, 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 31st May 1996, and of its Profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

4 Park Road,
Moseley,
Birmingham B13 8AB.

OCTOBER 1996


NEWBY & CO,
REGISTERED AUDITOR
ACCOUNTANTS

ANGLO AFRICAN MACHINERY CO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
<u>TURNOVER</u>	2	1,184,117	860,801
<u>COST OF SALES</u>		(704,385)	(561,572)
<u>GROSS PROFIT</u>		479,732	299,229
<u>ADMINISTRATION AND OVERHEAD EXPENSES</u>		(277,911)	(274,920)
		201,821	24,309
Other Operating Receipts		244,513	228,045
Surplus on disposal of Assets		-	181,356
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	3	446,334	433,710
Taxation	5	180,979	128,918
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		265,355	304,792
<u>RETAINED PROFIT BROUGHT FORWARD</u>		1,924,772	1,619,980
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 2,190,127	£ 1,924,772

All recognised gains and losses for the year have been included in the Profit and Loss Account.

ANGLO AFRICAN MACHINERY CO LIMITED

BALANCE SHEET

AS AT 31ST MAY 1996

	<u>Notes</u>	£	<u>1996</u> £	<u>1995</u> £
<u>FIXED ASSETS</u>				
Tangible Assets	6		1,601,101	1,401,693
<u>CURRENT ASSETS</u>				
Stock and Work in Progress	7	123,765	273,315	
Debtors	8	666,646	563,752	
Cash at Bank and in hand		547,921	930,101	
		<u>1,338,332</u>	<u>1,767,168</u>	
<u>CREDITORS</u>				
Amounts falling due within one year	9	<u>742,639</u>	<u>1,237,422</u>	
<u>NET CURRENT ASSETS</u>				
			<u>595,693</u>	<u>529,746</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>				
			<u>2,196,794</u>	<u>1,931,439</u>
<u>CREDITORS</u>				
Amounts falling due after more than one year	9		<u>NIL</u>	<u>NIL</u>
			<u>£ 2,196,794</u>	<u>£ 1,931,439</u>
<u>CAPITAL AND RESERVES</u>				
Called Up Share Capital	11		6,667	6,667
Profit and Loss Account			<u>2,190,127</u>	<u>1,924,772</u>
			<u>£ 2,196,794</u>	<u>£ 1,931,439</u>

In preparing these Modified Accounts:-

We have relied upon the exemptions for individual Accounts under Sections 247 to 249 of the Companies Act 1985.

We have done so on the grounds that the Company is entitled to the benefit of those exemptions as a small Company.

SIGNED ON BEHALF OF THE BOARD


E. S. Hales

- Director

OCTOBER 1996

ANGLO AFRICAN MACHINERY CO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1996

1. ACCOUNTING POLICIES

a) Accounting Convention

The Accounts have been prepared under the historical cost convention.

b) Depreciation

No depreciation is provided on Freehold Land and Buildings.
 Depreciation has been charged on the written down value of the assets and charged at rates calculated to write off the costs, less estimated residual value over the assets useful life.

Plant and Equipment	10% per annum
Fixtures and Fittings	10% per annum
Motor Vehicles	20% per annum

c) Stock

Stock and Work in Progress is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

d) Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions.

2. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided, net of Value Added Tax.

The Turnover and pre-tax profit is attributable to the Company's principal activities and is as follows:-

<u>Turnover</u>		<u>Pre-Tax Profit</u>	
<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
<u>£1,184,117</u>	<u>£860,801</u>	<u>£446,334</u>	<u>£433,710</u>

3. OPERATING PROFIT

a) The Operating Profit is stated after charging:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Directors Remuneration	50,000	50,000
Auditors Remuneration	5,250	5,000
Depreciation Charge on Owned Assets	<u>15,171</u>	<u>16,938</u>

ANGLO AFRICAN MACHINERY CO LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1996

3. OPERATING PROFIT Cont'd...

b) Directors Remuneration	<u>1996</u>	<u>1995</u>
Emoluments	50,000	50,000
Benefits in Kind	43,453	40,773
	<u>£ 93,453</u>	<u>£ 90,773</u>

The emoluments of the Chairman and highest paid Director, excluding pension contributions, were £50,000 (1995 £50,000). Other Directors emoluments, excluding pension contributions fall within the following ranges:-

	No	No
£NIL to £5,000)	
£5,001 to £10,000)	
£10,001 to £15,000)	NONE
£15,001 to £20,000)	NONE
£20,001 to £25,000)	

4. STAFF COSTS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Salaries and Wages	42,350	31,559
Social Security costs	11,946	10,887
	<u>£ 54,296</u>	<u>£ 42,446</u>

The average weekly number of employees during the year was 5 (1995 - 6).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Based on the profit for the year:		
Corporation Tax	<u>£ 180,979</u>	<u>£ 128,918</u>

ANGLO AFRICAN MACHINERY CO LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1996

6. FIXED ASSETS

	<u>Freehold Property</u>	<u>Lease- Hold Property</u>	<u>Plant & Machinery</u>	<u>Fixtures & Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£	£
Cost:						
At 31/5/95	419,574	847,976	118,030	197,996	22,875	1,606,45
Additions in year	203,545	8,100	-	7,684	-	219,32
Disposals in year	-	-	(4,750)	-	-	(4,75
At 31/5/96	<u>623,119</u>	<u>856,076</u>	<u>113,280</u>	<u>205,680</u>	<u>22,875</u>	<u>1,821,03</u>
Depreciation:						
At 31/5/95	-	-	80,249	116,274	8,235	204,75
Charge for year	-	-	3,303	8,940	2,928	15,17
on Disposals	-	-	-	-	-	-
At 31/5/96	<u>-</u>	<u>-</u>	<u>83,552</u>	<u>125,214</u>	<u>11,163</u>	<u>219,92</u>
Net Book Value:						
At 31/5/96	<u>623,119</u>	<u>856,076</u>	<u>29,728</u>	<u>80,466</u>	<u>11,712</u>	<u>1,601,10</u>
At 31/5/95	<u>419,574</u>	<u>847,976</u>	<u>37,781</u>	<u>81,722</u>	<u>14,640</u>	<u>1,401,69</u>

7. STOCKS

	<u>1996</u>	<u>1995</u>
	£	£
Stock	123,765	273,315
Work in Progress	-	-
	<u>£ 123,765</u>	<u>£ 273,315</u>

8. DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Trade Debtors	516,325	433,428
Other Debtors	144,962	114,902
Prepayments	5,359	15,422
	<u>£ 666,646</u>	<u>£ 563,752</u>

ANGLO AFRICAN MACHINERY CO LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1996

9. CREDITORS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Bank Overdraft	192,762	84,385
Trade Creditors	67,299	603,641
Other Taxes & Social Security costs	155,138	103,598
Other Creditors	301,153	416,153
Accruals	26,287	29,645
	<u>£ 742,639</u>	<u>£ 1,237,422</u>
Amounts falling due after more than one year:		
Directors Loan Account	<u>NIL</u>	<u>NIL</u>

10. TRANSACTIONS WITH DIRECTORS

Included in Debtors is a balance of £144,962, due from a Director, Mr. E. S. Hales on his Current Account with the Company.

11. SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	<u>No</u>	<u>No</u>
Authorised		
Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, Issued and Fully Paid		
Ordinary Shares of £1 each	<u>£ 6,667</u>	<u>£ 6,667</u>