

AVENT ENGINEERING LIMITED

REGISTERED NUMBER : 1895378

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1995

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## AVENT ENGINEERING LIMITED

## DIRECTORS AND ADVISORS

## DIRECTORS

E W Avent (Non-Executive)  
M F Avent  
T N Bowditch

## COMPANY SECRETARY

C S Griffiths

## REGISTERED OFFICE

Manor Farmhouse  
Biddestone  
Chippenham  
Wiltshire  
SN14 7DQ

## AUDITORS

Menzies  
Ashby House  
64 High Street  
Walton-on-Thames  
Surrey  
KT12 1BW

## SOLICITORS

Courts & Co  
15 Wimpole Street  
London  
W1M 8AP

## AVENT ENGINEERING LIMITED

### REPORT OF THE DIRECTORS

#### FINANCIAL STATEMENTS

The directors submit their report and the audited financial statements for the year ended 5 April 1995.

#### DIVIDEND

The directors do not recommend the payment of a dividend.

#### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity during the year remained within the pipeline and associated industries including Cable T.V.

The directors are pleased to report a profit of £47,266 before taxation which after deduction of £20,573 tax leaves a sum which raises our reserves by £26,693.

Business within the civil engineering sector remained extremely competitive throughout the past financial year, thus our efforts were concentrated on cost control to improve margins on ongoing contracts; these efforts bore fruit, particularly in the second half of the year. We continued to obtain a flow of one-off contracts despite a paucity of opportunities, while our diversification into the Cable T.V. industry expanded significantly from small beginnings.

Marketing efforts into West Africa have resulted in potential work for 1995/96 while ongoing contracts appear to be holding their own in terms of volume and margin, meanwhile further work areas and clients are being developed. The net result of these various activities give us sufficient confidence to predict an uplift in turnover and an improved contribution to reserves in the coming year.

#### FIXED ASSETS

Movements in fixed assets are as shown in the notes to the financial statements.

The directors do not consider that there is any significant difference between the market value and net book value of the company's tangible fixed assets.

#### DIRECTORS

The directors in office at the end of the year are listed on page 1.

## AVENT ENGINEERING LIMITED

## REPORT OF THE DIRECTORS

## DIRECTORS' INTERESTS

The directors' interests in the share capital of the company at 6 April 1994 and at 5 April 1995 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows

	Ordinary shares of £1 each	
	5 April 1995	6 April 1994
E W Avent (Non-Executive)	-	-
M F Avent	100,000	100,000
T N Bowditch	-	-

## 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.
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

## AUDITORS

Menzies have expressed their willingness to continue in office as auditors and in accordance with Section 385(2) of the Companies Act 1985 a resolution proposing their re-appointment will be submitted to the annual general meeting.

By order of the Board

M F Avent  
Director

Date

*M F Avent*  
16<sup>th</sup> JUNE '95

## REPORT OF THE AUDITORS TO THE MEMBERS OF AVENT ENGINEERING LIMITED

We have audited the financial statements on pages 5 to 14, which have been prepared under the historical cost convention, and the accounting policies set out on pages 7 and 8.

### Respective responsibilities of the directors and auditors

As described on page 3, 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 the 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 at 5 April 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Date 23rd June 1995

Ashby House  
64 High Street  
Walton-on-Thames  
Surrey KT12 1BW

*Menzies*  
Menzies  
Chartered Accountants and  
Registered Auditor

## AVENT ENGINEERING LIMITED

## BALANCE SHEET

5 APRIL 1995

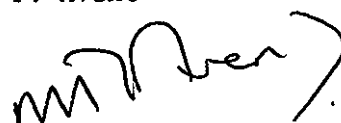
		1995		1994	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	2		3,300		11,247
Tangible assets	3		404,477		459,088
			<u>407,777</u>		<u>470,335</u>
<b>CURRENT ASSETS</b>					
Stock	4	29,319		33,460	
Debtors	5	500,478		517,409	
Cash at bank and in hand		75		150	
		<u>529,872</u>		<u>551,019</u>	
CREDITORS: amounts falling due within one year	6	643,959		693,809	
<b>NET CURRENT LIABILITIES</b>			<u>(114,087)</u>		<u>(142,790)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>293,690</u>		<u>327,545</u>
CREDITORS: amounts falling due after more than one year	7		123,718		184,266
			<u>169,972</u>		<u>143,279</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100,000		100,000
Profit and loss account	11		69,972		43,279
<b>EQUITY SHAREHOLDERS FUNDS</b>			<u>169,972</u>		<u>143,279</u>

The financial statements were approved by the Board of Directors on

16<sup>th</sup> JUNE '95

DIRECTOR

M. F. Avent



## AVENT ENGINEERING LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 5 APRIL 1995

		1995	1994
	Note	£	£
TURNOVER	13	2,846,301	3,085,515
Cost of sales		2,390,589	2,652,805
		<hr/>	<hr/>
GROSS PROFIT		455,712	432,710
Administrative expenses		372,513	450,215
		<hr/>	<hr/>
OPERATING PROFIT(LOSS)		83,199	(17,505)
Interest payable	14	35,933	45,582
		<hr/>	<hr/>
PROFIT(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	13	47,266	(63,087)
Tax on profit(loss) on ordinary activities	15	20,573	(16,610)
		<hr/>	<hr/>
RETAINED PROFIT(DEFICIT) FOR THE FINANCIAL YEAR	11	26,693	(46,477)
		<hr/>	<hr/>

All amounts above are derived from continuing operations, and the company has no recognised gains or losses other than the profit(loss) for the financial years detailed above.

## AVENT ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1995

## 1. ACCOUNTING POLICIES

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

**Accounting convention**

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

**Deferred taxation**

Provision is made for deferred taxation on the liability method for all short-term timing differences. Provision is also made for long-term timing differences, except to the extent that there is a reasonable probability of the tax not falling due for payment in the foreseeable future. Such tax not provided for is disclosed as a contingent liability.

**Depreciation**

Depreciation is charged on the following bases to reduce the cost of the company's tangible fixed assets to their net realisable values over their estimated useful lives at the following rates

Office equipment	-	20% of cost
Motor vehicles	-	33.33% of cost
Plant and equipment	-	20% of cost
U-Liner equipment	-	20% of cost
Freehold land	-	Nil

**Intangible fixed assets**

The cost, less estimated residual value, of the company's intangible fixed assets is amortised over their estimated useful lives to the business as follows

Know-how	-	20% of cost
Goodwill	-	20% of cost

**Stock**

Stock is valued at the lower of cost and net realisable value.

In the case of raw materials and consumable stores, cost means purchase price calculated on a first in, first out basis.

Net realisable value means estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution.



## AVENT ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1995

## 1. ACCOUNTING POLICIES (continued)

## Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding value added tax and trade discounts.

## Lease and hire purchase commitments

Payments under operating leases are charged to the profit and loss account as incurred.

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

Assets financed under finance leases are capitalised in the balance sheet at their fair value and are depreciated over the shorter of the term of the lease and their estimated useful economic lives.

Finance charges and interest in connection with finance leases and hire purchase contracts are charged to the profit and loss account on the sum of the digits basis.

## 2. INTANGIBLE FIXED ASSETS

	Know-how	Goodwill	Total
	£	£	£
<b>COST</b>			
At 6 April 1994	22,000	3,547	25,547
	<hr/>	<hr/>	<hr/>
At 5 April 1995	22,000	3,547	25,547
	<hr/>	<hr/>	<hr/>
<b>AMORTISATION</b>			
At 6 April 1994	14,300	-	14,300
Charge for the year	4,400	3,547	11,247
	<hr/>	<hr/>	<hr/>
At 5 April 1995	18,700	3,547	25,547
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 5 April 1994	7,700	3,547	11,247
	<hr/>	<hr/>	<hr/>
At 5 April 1995	3,300	-	3,300
	<hr/>	<hr/>	<hr/>

## AVENT ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 5 APRIL 1995

## 3. TANGIBLE FIXED ASSETS

	Office equipment	Motor vehicles	Plant and equipment	U-Liner equipment	Freehold land	Total
	£	£	£	£	£	£
<b>COST</b>						
At 6 April 1994	10,888	247,943	197,163	85,533	179,790	721,317
Additions	-	73,048	3,812	-	3,504	80,364
Disposals	-	(35,533)	(10,000)	-	-	(45,533)
At 5 April 1995	10,888	285,458	190,975	85,533	183,294	756,148
<b>DEPRECIATION</b>						
At 6 April 1994	7,561	117,943	87,531	49,194	-	262,229
Charge for the year	1,019	76,941	33,646	17,103	-	128,709
Released on disposals	-	(29,267)	(10,000)	-	-	(39,267)
At 5 April 1995	8,580	165,617	111,177	66,297	-	351,671
<b>NET BOOK VALUE</b>						
At 5 April 1994	3,327	130,000	109,632	36,339	179,790	459,088
At 5 April 1995	2,308	119,841	79,798	19,236	183,294	404,477

Included above are assets with a net book value of £90,756 (1994 - £146,208) on which depreciation of £58,797 (1994 - £45,337) was charged during the year which are held under hire purchase and lease agreements.

## AVENT ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1995

## 4. STOCK

	1995	1994
	£	£
Raw materials and consumables	29,319	33,460

There were no significant differences between the replacement cost and the values disclosed for all categories of stock.

## 5. DEBTORS

	1995	1994
	£	£
Trade debtors	461,990	445,225
Amounts due from related undertakings	18,089	-
Taxation recoverable	-	35,826
Other debtors	15,725	17,260
Prepayments and accrued income	4,674	19,098
	<u>500,478</u>	<u>517,409</u>

All amounts included above are considered receivable within one year of the balance sheet date.

## 6. CREDITORS: amounts falling due within one year

	1995	1994
	£	£
Bank loan and overdraft	150,612	359,510
Trade creditors	275,502	138,856
Current corporation tax	20,573	-
Social security and other taxes	92,404	73,832
Net obligations under finance leases and hire purchase contracts	52,910	58,647
Other creditors	-	8,624
Accruals and deferred income	51,958	54,340
	<u>643,959</u>	<u>693,809</u>

The bank overdraft is secured by a charge over the assets and undertakings of the business.

The bank loan is secured by a charge over the freehold land and buildings.

## AVENT ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1995

## 7. CREDITORS: amounts falling due after more than one year

	1995	1994
	£	£
Bank loan	94,318	105,242
Net obligations under finance leases and hire purchase contracts	29,400	79,024
	<u>123,718</u>	<u>184,266</u>

The bank loan is secured by a charge over the freehold land and buildings.

## 8. BANK LOANS

	1995	1994
	£	£
Not wholly repayable within five years		
- bank loan incurring interest at 3% above the bank's published base rate repayable over 20 years in equal monthly instalments	104,338	114,580
	<u>          </u>	<u>          </u>
Amounts repayable by instalments		
- within five years	57,100	45,418
- after five years	47,238	69,162
	<u>          </u>	<u>          </u>
	104,338	114,580
Included in current liabilities	(10,020)	(9,338)
	<u>94,318</u>	<u>105,242</u>

## AVENT ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1995

## 9. LEASE COMMITMENTS AND HIRE PURCHASE CONTRACTS

Net obligations under finance leases and hire purchase contracts

	1995	1994
	£	£
Within one year	52,910	58,647
Between two to five years	29,400	79,024
	<u>82,310</u>	<u>137,671</u>

The obligations under finance leases and hire purchase contracts are repayable by instalments.

## 10. CALLED UP SHARE CAPITAL

	1995	1994
	£	£
Authorised 100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

## 11. PROFIT AND LOSS ACCOUNT

	1995	1994
	£	£
At 6 April 1994	43,279	89,756
Retained profit(loss) for the financial year	26,693	(46,477)
At 5 April 1995	<u>69,972</u>	<u>43,279</u>

## 12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1995	1994
	£	£
Profit(loss) for the financial year	26,693	(46,477)
Opening shareholders' funds	<u>143,279</u>	<u>189,756</u>
Closing shareholders' funds	<u>169,972</u>	<u>143,279</u>

## AVENT ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1995

## 13. TURNOVER AND PROFIT(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit(loss) on ordinary activities before taxation is attributable to the principal activity of the company.

The profit(loss) is stated after charging

	1995	1994
	£	£
Operating lease rentals for plant and machinery	362,196	489,348
Depreciation	128,709	116,676
Amortisation of intangible fixed assets	7,947	4,400
Profit on disposal of fixed assets	(12,309)	(722)
Directors' emoluments	52,912	41,005
Auditors' remuneration	5,000	6,000
	<u>          </u>	<u>          </u>

## 14. INTEREST PAYABLE

	1995	1994
	£	£
On bank loans, overdrafts and other loans wholly repayable within five years		
Bank overdraft interest	14,230	21,683
Finance lease and hire purchase contracts repayable by instalments	12,965	14,160
	<u>          </u>	<u>          </u>
	27,195	35,843
On borrowings not wholly repayable within five years		
Bank and other loans	8,738	9,739
	<u>          </u>	<u>          </u>
	35,933	45,582
	<u>          </u>	<u>          </u>

## AVENT ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 1995

## 15. TAX ON PROFIT(LOSS) ON ORDINARY ACTIVITIES

	1995	1994
	£	£
Corporation tax at 25% (1994 - 25%)	20,573	-
Corporation tax recoverable by utilisation of losses	-	(16,610)
	<u>20,573</u>	<u>(16,610)</u>

## 16. STAFF COSTS

Staff costs, including directors remuneration, were as follows

	1995	1994
	£	£
Wages and salaries	799,156	847,236
Social Security costs	73,180	80,848
	<u>872,336</u>	<u>928,084</u>

The average weekly number of employees during the year was 49 (1994 - 57).

## 17. DIRECTORS' EMOLUMENTS

Directors' remuneration, included in the staff costs note above, was as follows

	1995	1994
	£	£
Management remuneration	<u>49,220</u>	<u>37,591</u>

## 18. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had no capital commitments or contingent liabilities at 5 April 1995 (1994 - £nil).