

TONANT ENGINEERING LIMITED

COMPANY NUMBER 2765178

REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 30TH JUNE 1996

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# TONANT ENGINEERING LIMITED

## REPORT OF THE DIRECTORS

### DIRECTORS

A.D. Hanham - (Chairman)  
A.P. Roberts

The Directors present their Report together with the Accounts of the Company for the period ended 30th June 1996.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Financial Statements for each financial period 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;
- Prepare 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.

### TRADING RESULTS

The results for the period and the state of the Company's affairs are as set out in the attached accounts.

### DIVIDENDS

The Directors do not recommend the payment of a dividend.

### PRINCIPAL ACTIVITY

The principal activity of the Company during the period has continued to be that of welding and fabrication engineers and the manufacture of gates.

### REVIEW OF THE BUSINESS

Turnover for the period amounted to £164,917. The Directors are confident that the current levels of turnover and resultant profitability will continue during the forthcoming year.

TONANT ENGINEERING LIMITEDREPORT OF THE DIRECTORS - CONTINUEDDIRECTORS AND THEIR INTERESTS

The following persons served as Directors during the period and their interests and those of their families in the Issued Share Capital of the Company were:-

	<u>Ordinary Shares of £1 each</u>	
	<u>30th June 1996</u>	<u>31st March 1995</u>
A.D. Hanham	1	1
A.P. Roberts	1	1

FIXED ASSETS

The movements in Fixed Assets are set out in Note 7 to the accounts.

AUDITORS

The Company continues to be exempt from the requirement to have the Accounts for the period ended 30th June 1996 Audited.

This Report was approved by the Board of Directors on 18<sup>th</sup> December 1996

A.P. Roberts

Secretary

Signed on behalf of the Board of Directors



18<sup>th</sup> December 1996

# ACCOUNTANT'S REPORT

## TO THE SHAREHOLDERS OF TONANT ENGINEERING LIMITED

We have examined, without carrying out an audit, the accounts for the period ended 30th June 1996 set out on pages 4 to 12.

### Respective Responsibilities of Directors and Reporting Accountant

As described on pages 5 and 6 the Company's Directors are responsible for the preparation of the accounts, and they believe that the Company is exempt from an audit. It is our responsibility to examine the accounts and based on this examination to report our opinion, as set out below, to the shareholders.

### Basis of Opinion

We conducted our examination in accordance with the appropriate standards for reporting Accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the Company and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

### Opinion

In our opinion:-

- (a) the accounts are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
- (c) having regard only to, and on the basis of, the information contained in the accounting records kept by the Company under Section 221, the company satisfied the conditions for exemption from an audit of the accounts for the period specified in Section 249A(4) of the Act (as modified by Section 249A(5)) and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

*Edward Friel & Co.*

Edward Friel & Co.,  
Chartered Accountants  
Poole.

19<sup>th</sup> December 1996

TONANT ENGINEERING LIMITEDPROFIT AND LOSS ACCOUNTPERIOD ENDED 30TH JUNE 1996

		<u>15 Months</u>	<u>12 Months</u>
		<u>To</u>	<u>To</u>
		<u>30/6/96</u>	<u>31/3/95</u>
	<u>Notes</u>	<u>£</u>	<u>£</u>
Turnover	1(b)	164,917	125,672
Cost of Sales		130,975	95,605
		-----	-----
Gross Profit		33,942	30,067
Administration Expenses		(28,460)	(23,454)
		-----	-----
Operating Profit		5,482	6,613
Interest Payable	2	(478)	(626)
		-----	-----
Profit on Ordinary			
Activities Before Taxation	3	5,004	5,987
Tax on Profit on Ordinary			
Activities	6	(1,234)	(1,489)
		-----	-----
Retained Profit for Period		£3,770	£4,498
		=====	=====

STATEMENT OF RETAINED PROFIT

Retained Profit for Period	3,770	4,498
Retained Profit Brought Forward	4,600	102
	-----	-----
Retained Profit Carried Forward	£8,370	£4,600
	=====	=====

There are no Gains or Losses arising in the period to 30th June 1996 other than as shown in the Profit and Loss Account.

TONANT ENGINEERING LIMITEDBALANCE SHEETAT 30TH JUNE 1996

	<u>Notes</u>	<u>At</u> <u>30/6/96</u>		<u>At</u> <u>31/3/95</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>					
Tangible Assets	7		2,311		1,998
<u>CURRENT ASSETS</u>					
Stock		1,500		350	
Debtors	8	35,339		24,513	
		-----		-----	
		36,839		24,863	
<u>CREDITORS: Amounts Falling Due Within One Year</u>	9	(22,583)		(12,828)	
		-----		-----	
NET CURRENT ASSETS			14,256		12,035
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			16,567		14,033
<u>CREDITORS: Amounts Falling Due After More Than One Year</u>	9		(8,173)		(9,431)
PROVISIONS FOR LIABILITIES AND CHARGES	10		(22)		-
NET ASSETS			-----		-----
			£8,372		£4,602
			=====		=====
<u>CAPITAL AND RESERVES</u>					
Called Up Share Capital	11		2		2
Profit and Loss Account			8,370		4,600
			-----		-----
SHAREHOLDERS FUNDS	12		£8,372		£4,602
			=====		=====

In approving these financial statements as Directors of the Company we hereby confirm:-

- (a) that for the period in question the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited at the Registered Office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the period ended 30th June 1996, and

## DIRECTORS

TONANT ENGINEERING LIMITED

NOTES TO ACCOUNTS

PERIOD ENDED 30TH JUNE 1996

1. ACCOUNTING POLICIES

- (a) **Accounting Basis and Standards**  
These Accounts have been prepared under the Historical Cost Convention and applicable Accounting Standards. The Company has adopted Format 1 for the presentation of its Profit and Loss Account and Format 1 for the presentation of its Balance Sheet.
- (b) **Turnover**  
Turnover represents the invoiced value of goods and services provided during the year stated net of Value Added Tax.
- (c) **Depreciation**  
Depreciation is provided on all Tangible Fixed Assets, at rates calculated to write off the cost less estimated residual value, of each asset over its expected useful life at the following rates per annum:-  
  

Plant & Machinery	-	25 %	on a Reducing Balance Basis
Office Equipment	-	15 %	on a Reducing Balance Basis
- (d) **Operating Leases**  
Rentals payable under Operating Leases are charged as an expense in the Profit and Loss Account on a Straight Line basis over the period of the Lease.
- (e) **Stock**  
Stock has been valued by the Directors at the lower of cost and net realisable value.
- (f) **Deferred Taxation**  
Taxation deferred by timing differences is provided for by the liability method, except to the extent to which it is considered that the liability is unlikely to materialise in the foreseeable future.
- (g) **Pension Costs**  
The Company operates a Small Self Administered Pension Scheme. The Scheme is a Defined Contributions Scheme. Contributions are charged to the Profit and Loss Account in the period in which they are paid.



TONANT ENGINEERING LIMITEDNOTES TO ACCOUNTS (Continued)PERIOD ENDED 30TH JUNE 19962. INTEREST PAYABLE

	<u>P/E</u> <u>30/6/96</u> £	<u>Y/E</u> <u>31/3/95</u> £
On Bank Loans and Overdrafts wholly Repayable within Five Years	10	11
On Hire Purchase Borrowings Wholly Repayable within Five Years	463	615
Other Interest Paid	5	-
	---	---
	£478	£626
	===	===

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX IS STATED AFTER CHARGING

Depreciation of Fixed Assets	669	666
Director's Remuneration (Note 5)	47,506	38,130
Operating Lease Rentals	138	967
Pension Costs - Defined Contributions Scheme	3,000	1,092
	=====	=====

4. EMPLOYEES

The average weekly number of employees during the period was 3 made up as follows:-

	<u>Number</u>	<u>Number</u>
Office and Administration	1	1
Production	2	2
	---	---
	3	3
	===	===

Staff Costs during the Period including Emoluments of the Directors amounted to:-

	£	£
Wages and Salaries	48,286	42,838
Social Security Costs	4,539	4,256
Pension Costs	3,000	1,092
	-----	-----
	£55,825	£48,186
	=====	=====

TONANT ENGINEERING LIMITEDNOTES TO ACCOUNTS (Continued)PERIOD ENDED 30TH JUNE 1996

	<u>P/E</u> <u>30/6/96</u> <u>£</u>	<u>Y/E</u> <u>31/3/95</u> <u>£</u>
5. <u>DIRECTORS' REMUNERATION</u>		
Emoluments of the Directors		
Fees	-	-
Other Emoluments	44,506	37,038
Pension	3,000	1,092
	-----	-----
	47,506	38,130
Benefits in Kind	-	-
	-----	-----
	£47,506	£38,130
	=====	=====
Emoluments of the Chairman	£23,753	£19,065
	=====	=====
Emoluments of other Directors falling within the following ranges:-	<u>Number</u>	<u>Number</u>
£15,001 To £20,000	-	1
£20,001 To £25,000	1	-
	===	===
6. <u>TAXATION</u>	<u>£</u>	<u>£</u>
The taxation charge which is based on profits of the period is made up as follows:-		
Corporation Tax:-		
Current Year @ 25%	1,212	1,489
Deferred Taxation	22	-
	-----	-----
	£1,234	£1,489
	=====	=====

TONANT ENGINEERING LIMITEDNOTES TO ACCOUNTS (Continued)PERIOD ENDED 30TH JUNE 1996

7. <u>TANGIBLE FIXED ASSETS</u>	<u>Total</u> £	<u>Plant &amp; Machinery</u> £	<u>Office Equipment</u> £
<u>COST</u>			
At 1st April 1995	4,059	4,059	-
Additions	982	772	210
	-----	-----	---
At 30th June 1996	£5,041	£4,831	£210
	=====	=====	===
<u>DEPRECIATION</u>			
At 1st April 1995	2,061	2,061	-
Charge for Period	669	656	13
	-----	-----	--
At 30th June 1996	£2,730	£2,717	£13
	=====	=====	==
<u>NET BOOK VALUE</u>			
At 31st March 1995	£1,998	£1,998	£-
	=====	=====	==
At 30th June 1996	£2,311	£2,114	£197
	=====	=====	===

Included within Tangible Fixed Assets are assets formerly held under Hire Purchase agreements, the Net Book Value of which at 30th June 1996 was £1,373.

During the period to 30th June 1996, depreciation has been charged in respect of Tangible Fixed Assets as follows:-

	£
Held Under Hire Purchase Agreements	468
Wholly Owned Assets	201
	---
	£669
	===

8. DEBTORS

	<u>At</u> <u>30/6/96</u>	<u>At</u> <u>31/3/95</u>
Amounts Falling Due Within One Year:-	£	£
Trade Debtors	33,324	22,638
Other Debtors	1,005	611
Prepayments	1,010	1,264
	-----	-----
	£35,339	£24,513
	=====	=====

TONANT ENGINEERING LIMITEDNOTES TO ACCOUNTS (Continued)PERIOD ENDED 30TH JUNE 19969. CREDITORS

	<u>Amounts Falling</u> <u>Due Within One</u> <u>Year</u>		<u>Amounts Falling</u> <u>Due After More</u> <u>Than One Year</u>	
	<u>At</u>	<u>At</u>	<u>At</u>	<u>At</u>
	<u>30/6/96</u>	<u>31/3/95</u>	<u>30/6/96</u>	<u>31/3/95</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank Overdraft	3,978	1,620	-	-
Trade Creditors	7,573	2,592	-	-
Hire Purchase	-	887	-	-
Current Corporation Tax	1,212	1,061	-	-
Other Taxes and Social				
Security Costs	6,574	3,968	-	-
Director's Loan Account	-	-	8,173	9,431
Accruals	3,246	2,700	-	-
	-----	-----	-----	-----
	£22,583	£12,828	£8,173	£9,431
	=====	=====	=====	=====

10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts is as follows:-

	<u>Amounts</u> <u>Provided</u>		<u>Amounts</u> <u>Unprovided</u>	
	<u>At</u>	<u>At</u>	<u>At</u>	<u>At</u>
	<u>30/6/96</u>	<u>31/3/95</u>	<u>30/6/96</u>	<u>31/3/95</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Capital Allowances in				
Advance of Depreciation	£ 22	£ -	£ -	£ -
	===	===	===	===

11. SHARE CAPITAL

	<u>Authorised</u>		<u>Called Up</u> <u>and Fully paid</u>	
	<u>At</u>	<u>At</u>	<u>At</u>	<u>At</u>
	<u>30/6/96</u>	<u>31/3/95</u>	<u>30/6/96</u>	<u>31/3/95</u>
			<u>£</u>	<u>£</u>
Ordinary Shares of				
£1 each	1,000	1,000	£ 2	£ 2
	=====	=====	===	===

All the above shares carry full voting rights and full rights to any dividends declared by the Company.

However, in the event of the Company being wound up, holders of the above shares rank behind all other Creditors of the Company and are only entitled to any remaining Distributable Reserves in proportion to their individual shareholdings.