

200 9921

TARGET FASTENINGS LTD

REPORT & ACCOUNTS

YEAR ENDED 30TH JUNE 1997



TARGET FASTENINGS LTD

Incorporation Details

Incorporated : 14th April 1986
Company Number : 2009921

Directors

C.A. Bury Esq
Mrs W. Winson
R.S. Hall Esq

Company Secretary

Mrs W. Winson

Registered Office

60 High Street
Chobham
Surrey GU24 8AA

Trading Address

Holpur House
5 Albert Road
Crowthorne
Berkshire RG11 7LT

Bankers

National Westminster Bank plc
45 Park Street
Camberley
Surrey GU15 3XQ

Registered Auditors

Kew, Ford & Co
60 High Street
Chobham
Surrey GU24 8AA

TARGET FASTENINGS LTD

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting the Annual Report, together with audited accounts for the year ended 30th June 1997.

BUSINESS REVIEW

The Company's principal activity during the year was that of distributors of Industrial Fastenings and Building Fixings.

The Company has experienced a growth in turnover and profitability during the year.

The Directors consider the results to be satisfactory.

RESULTS & DIVIDENDS

	<u>1997</u>	<u>1996</u>
Turnover (Note 2)	£ 1,198,084	£ 856,206
Profit before Taxation	89,137	38,526
Taxation (Note 6)	(23,872)	(10,008)
Extraordinary Item (Note 7)	-	(6,962)
Profit for Year	£ 65,265	£ 21,556

The Directors recommend that the profit be transferred to Revenue Reserves.

No dividends are recommended.

FUTURE DEVELOPMENTS

The Directors consider that the Company will grow in the forthcoming year and aim to maintain the controlled expansion of the Company.

DIRECTORS

The Directors who served during the year, were:-

C.A. Bury Esq
Mrs W. Winson
R.S. Hall Esq

The interests (all of which are beneficial) of the Directors in the Share Capital of the Company as recorded by the Register of Directors' Interests were:

	<u>At 09.07.97</u>	<u>At 31.05.97</u>	<u>At 31.05.96</u>
C.A. Bury Esq	-	25	50
Mrs W. Winson	-	25	50
R.S. Hall Esq	-	25	-

CHARITABLE CONTRIBUTIONS

During the year the Company made charitable contributions totalling £400.

TARGET FASTENINGS LTD

REPORT OF THE DIRECTORS

POST YEAR EVENTS

On 9th July 1997, Target Fastenings Ltd became a wholly owned subsidiary of Target Group Holdings Ltd a Company registered in England and Wales.

TAX STATUS

This is a close Company as defined by the Income and Corporation Taxes Act, 1988.

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 year. In preparing those financial statements, the Directors are required to:

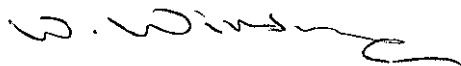
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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.

AUDITORS

A resolution in accordance with Section 384, of the Companies Act 1985, for the re-appointment of Messrs. Kew, Ford & Co. as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



MRS W. WINSON
SECRETARY

Dated This 29th Day of August 1997

REPORT OF THE AUDITORS
TO THE MEMBERS OF
TARGET FASTENINGS LTD

We have audited the financial statements on pages 4 to 10 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.

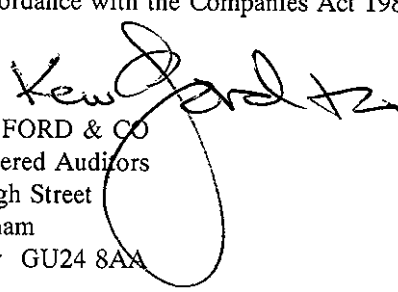
Basis of opinion

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 30th June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KEW FORD & CO
Registered Auditors
60 High Street
Chobham
Surrey GU24 8AA

Dated This 29th Day of August 1997

TARGET FASTENINGS LTD
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1997

	<u>1997</u>	<u>1996</u>
	£	£
Turnover - (Note 2)		
Continuing Operations	1,198,084	856,206
Cost of Sales	(649,330)	(480,249)
GROSS PROFIT	548,754	375,957
Administrative Expenses	(479,079)	(336,392)
Operating Profit -		
Continuing Operations (Note 3)	69,675	39,565
Interest receivable and similar income	1,962	589
Commission Receivable	17,500	-
Interest payable and similar charges	-	(1,628)
Profit on Ordinary Activities		
before Taxation	89,137	38,526
Taxation on Profit on		
Ordinary Activities (Note 5)	(23,872)	(10,008)
Profit on Ordinary		
Activities after Taxation	65,265	28,518
Extraordinary Item	-	(6,962)
Profit for the Financial Year	65,265	21,556
Retained Profit Brought Forward	173,975	152,419
RETAINED PROFIT CARRIED FORWARD	£ 239,240	£ 173,975

There are no recognised gains and losses other than the profit for the financial year.

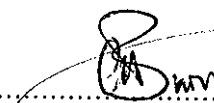
TARGET FASTENINGS LTD

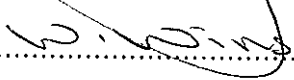
BALANCE SHEET AT 30TH JUNE 1997

	<u>1997</u>	<u>1996</u>
	£	£
TANGIBLE FIXED ASSETS (Note 6)	85,432	83,360
<u>CURRENT ASSETS</u>		
Stocks (Note 1c & 7)	94,595	65,483
Debtors (Note 8)	232,310	212,798
Cash at Bank and In Hand	95,521	20,870
	<u>422,426</u>	<u>299,151</u>
<u>CREDITORS</u>		
Amounts falling due within one year (Note 9)	<u>252,118</u>	<u>201,143</u>
NET CURRENT ASSETS	170,308	98,008
TOTAL ASSETS LESS CURRENT LIABILITIES	255,740	181,368
<u>CREDITORS</u>		
Amounts falling due after more than one year (Note 10)	(16,400)	(6,423)
<u>PROVISIONS</u>		
For liabilities and charges (Note 11)	-	(870)
	<u>£ 239,340</u>	<u>£ 174,075</u>
<u>CAPITAL & RESERVES</u>		
Share Capital - Equity (Note 12)	100	100
Profit & Loss Account	239,240	173,975
Shareholders Funds (Note 15)	<u>£ 239,340</u>	<u>£ 174,075</u>

Approved & Agreed by the Directors

This 29th Day of August 1997


..... C. Bury Esq


..... Mrs W. Winson

TARGET FASTENINGS LTD
NOTES TO THE ACCOUNTS
AT 30TH JUNE 1997

1. **ACCOUNTING POLICIES**

(a) **Basis of Accounting**

The financial statements have been prepared with applicable Accounting Standards under the Historical Cost Convention.

(b) **Turnover**

Turnover is the total amount receivable by the Company for goods supplied and services provided, net of sales discounts, excluding Value Added Tax.

(c) **Depreciation**

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful economic lives, as follows:-

Motor Vehicles	: Between 25%-30% of written down value
Fixtures, Fittings & Equipment	: 4-7 Years
Leasehold Premises	: Over the life of the Lease

(d) **Stocks - Items for Resale**

These are valued on a "first in, first out" basis at the lower of cost and net realisable value.

(e) **Deferred Taxation**

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected, with reasonable probability, to continue in the foreseeable future.

(f) **Pension Costs**

Pension costs relate to contributions made to a Defined Contributions Pension Scheme.

(g) **Cashflow Statement**

A cashflow statement has not been prepared in accordance with FRS1 on the basis that the Company is entitled to the exemption conferred on small Companies.

TARGET FASTENINGS LTD

NOTES TO THE ACCOUNTS

AT 30TH JUNE 1997

2. **TURNOVER**

The turnover and operating profit for the year was derived from the Company's principal activity and was carried out wholly in the UK. The analysis of turnover by activity is as follows:

	<u>1997</u>	<u>1996</u>
	£	£
Industrial Fastenings	596,730	519,661
Building Fixings	601,354	336,545
	<u>£ 1,198,084</u>	<u>£ 856,206</u>

3. **OPERATING PROFIT**

Operating Profit before taxation is stated after charging or crediting the following:-

	<u>1997</u>	<u>1996</u>
	£	£
Interest Receivable	<u>1,962</u>	<u>589</u>
Lease of Plant & Machinery	4,811	-
Depreciation	33,568	33,057
Auditors' Remuneration	5,214	5,269
Directors' Emoluments	<u>100,822</u>	<u>57,917</u>

4. **STAFF NUMBERS & COSTS**

The aggregate payroll costs were as follows:-

	<u>1997</u>	<u>1996</u>
	£	£
Salaries	210,051	145,292
Social Security Costs	22,690	16,046
Other Pension Costs	<u>27,410</u>	<u>23,521</u>
	<u>£ 260,151</u>	<u>£ 184,859</u>

The average number of persons employed by the Company (including Directors) during the year was as follows:-

	<u>1997</u>	<u>1996</u>
Administration & Sales	<u>9</u>	<u>7</u>

DIRECTORS' EMOLUMENTS

Excluding pension contributions, the emoluments of the Chairman, who is the highest paid Director, were £42,000 (1996 - £36,667). The emoluments of the other Directors were within the following range:

	<u>1997</u>	<u>1996</u>
£20,001 - £25,000	1	1
£30,001 - £35,000	<u>1</u>	<u>-</u>

TARGET FASTENINGS LTD
NOTES TO THE ACCOUNTS
AT 30TH JUNE 1997

5.	<u>TAXATION</u>	<u>1997</u>	<u>1996</u>
		£	£
	UK Current Year Taxation		
	Corporation Tax @ 24%	24,742	11,618
	Deferred Tax	(870)	(1,610)
		<u>£ 23,872</u>	<u>£ 10,008</u>

6. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Fixtures, Fittings & Equipment</u>	<u>Leasehold Premises</u>	<u>Total</u>
<u>Cost</u>	£	£	£	£
As at 01.07.96	103,959	53,177	1,050	158,186
Additions	-	41,193	-	41,193
Disposal	(26,581)	-	-	(26,581)
As at 30.06.97	<u>77,378</u>	<u>94,370</u>	<u>1,050</u>	<u>172,798</u>
<u>Depreciation</u>				
As at 01.07.96	44,077	30,174	575	74,826
Charge	19,032	14,461	75	33,568
Disposal	(21,028)	-	-	(21,028)
As at 30.06.97	<u>42,081</u>	<u>44,635</u>	<u>650</u>	<u>87,366</u>
<u>Net Book Value</u>				
As at 30.06.97	<u>£ 35,297</u>	<u>£ 49,735</u>	<u>£ 400</u>	<u>£ 85,432</u>
As at 30.06.96	<u>£ 59,882</u>	<u>£ 23,003</u>	<u>£ 475</u>	<u>£ 83,360</u>

Motor Vehicles include assets, cost £59,105 (1996 - £59,105) and accumulated depreciation of £26,523 (1996 - £10,301) being purchased under Hire Purchase Agreements.

Fixtures Fittings & Equipment included an asset cost of £28,114 (1996 - £NIL) and accumulated depreciation of £1,171 (1996 - £Nil) being purchased under a Hire Purchase Agreement.

7.	<u>STOCKS</u>	<u>1997</u>	<u>1996</u>
		£	£
	Goods held for re-sale	<u>£ 94,595</u>	<u>£ 65,483</u>

TARGET FASTENINGS LTD
NOTES TO THE ACCOUNTS
AT 30TH JUNE 1997

8. **DEBTORS**

	<u>1997</u>	<u>1996</u>
	£	£
Trade Debtors	221,453	195,677
Other Debtors	133	-
Prepayments	10,724	17,121
	<u>£ 232,310</u>	<u>£ 212,798</u>

9. **CREDITORS**

Amounts falling due
within one year:

	<u>1997</u>	<u>1996</u>
		£
Trade Creditors	121,318	110,362
Hire Purchase	16,234	15,374
Corporation Tax	24,742	11,574
Taxation & Social Security	39,485	15,055
Other Loan	-	9,020
Accruals	33,924	21,706
Directors' Current Accounts	16,415	18,052
	<u>£ 252,118</u>	<u>£ 201,143</u>

10. **CREDITORS**

Amounts falling due
after more than one year:

	<u>1997</u>	<u>1996</u>
Hire Purchase	<u>£ 16,400</u>	<u>£ 6,423</u>

11. **PROVISIONS**

For liabilities and charges

	<u>1997</u>	<u>1996</u>
Deferred Taxation	<u>£ -</u>	<u>£ 870</u>

12. **SHARE CAPITAL**

	<u>1997</u>	<u>1996</u>
<u>Equity Shares</u>		
Authorised Ordinary Shares of £1 Each	<u>£ 1,000</u>	<u>£ 1,000</u>
Issued & Fully Paid Ordinary Shares of £1 Each	<u>£ 100</u>	<u>£ 100</u>

TARGET FASTENINGS LTD
NOTES TO THE ACCOUNTS
AT 30TH JUNE 1997

13. **COMMITMENTS UNDER OPERATING LEASES**

The future annual minimum lease payments to which the Company is committed as at 30th June 1997.

	<u>Land & Buildings</u>	<u>Others</u>
Lease expires after more than one year but within five years	<u>£ 30,180</u>	<u>£14,541</u>

14. **CAPITAL COMMITMENTS & CONTINGENT LIABILITIES**

There were no capital commitments or contingent liabilities as at 30th June 1997.

15. **RECONCILIATION OF SHAREHOLDERS FUNDS**

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Profit for the Financial Year	65,265	21,556
Opening Shareholders Funds	<u>174,075</u>	<u>152,519</u>
Closing Shareholders Funds	<u>£ 239,340</u>	<u>£ 174,075</u>