Nationwide Access Limited

Annual report

for the year ended 31 December 2002

Registered no: 2268921



Nationwide Access Limited

Annual report
for the year ended 31 December 2002

	Pages
Directors and advisers	1
Directors' report	2 - 6
Independent auditors' report	7
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10 – 24

Nationwide Access Limited

Directors and advisers

Executive directors

D L Price (Chairman)
A G Stokes
A S Merrell
M A Evans
M D Johnson
N J Balmer
R J McMeeking
R D Saunders
T M Bashir
T Graham
K A Appleton

Secretary and registered office

A S Merrell
1 Midland Court
Central Park
Lutterworth
Leicestershire
LE17 4PN

Registered auditors

PricewaterhouseCoopers LLP
Temple Court
35 Bull Street
Birmingham
B4 6JT

Solicitors

Kimbell & Co
352 Silbury Court
Milton Keynes
Bucks
MK9 2HJ

Bankers

Bank of Scotland plc
14 Friar Lane
Leicester
LE1 5RA

Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2002.

Principal activity

The principal activity of the Company continues to be the rental of specialist powered access equipment to provide temporary aerial access for a broad range of applications in industrial repair and maintenance, construction and other sectors, including telecommunications, outside broadcasting, sign erection and highway maintenance.

The profit and loss account for the year is set out on page 8.

Review of business and future developments

The Company has made good progress in the year with turnover and profit on ordinary activities before taxation increasing to £62,486,000 (2001: £55,428,000 as restated) and £10,628,000 (2001: £8,699,000 as restated) respectively.

Looking to the year ahead, the directors are confident that the company will make further progress in its chosen markets.

Results and dividends

The directors have declared the following ordinary dividends during the year:

	Total	Per share
	£	£
Interim paid June 2002	1,500,000	6.00
Interim paid December 2002	5,500,000	22.00

The retained profit for the financial year of £558,000 (2001: £4,136,000 as restated) will be transferred to reserves.

Directors' report
for the year ended 31 December 2002 (continued)

Directors

The directors of the Company at 31 December 2002 and for the whole of the year then ended (unless otherwise stated) were:

D L Price
A G Stokes
A S Merrell
K A Appleton (appointed 1 January 2002)
M A Evans
M D Johnson
N J Balmer
R J McMeeking
R D Saunders
T M Bashir
T Graham

G Gibson resigned as a director of the company on 15 February 2002.

Directors' interests

D L Price, K A Appleton and A S Merrell are also directors of the parent company, and their interests in its share capital are disclosed in the group financial statements.

The interests of the remaining directors in the ordinary share capital of the parent company at 31 December 2002 and 1 January 2002 (or the date of their appointment if later) are as follows:

Beneficial interests in ordinary shares:

	31 December 2002 (no)	1 January 2002 or date of appointment (no)
A G Stokes	1,190	281
M A Evans	2,222	2,222
M D Johnson	-	-
N J Balmer	-	1,758
R J McMeeking	-	2,235
R D Saunders	1,850	-
T M Bashir	14,000	14,000
T Graham	16,263	16,263

Directors' report
for the year ended 31 December 2002 (continued)

Directors' interests (continued)

Their interests in the share option schemes operated by the parent company are as follows:

	Date of grant	Ordinary share options granted (no)	Option price per ordinary share (pence)	Options exercised during 2002 (no)	Exercisable at 31 December 2002 (no)	Notes
A G Stokes	2 September 1997	617	242.5	-	617	2
	16 March 1998	195	381.5	-	195	2
	16 March 1998	7,862	381.5	-	7,862	1
	16 March 1999	681	329.5	-	-	2, 3
	16 March 1999	12,253	329.5	-	-	1, 3
	21 April 1999	13,548	356.0	-	-	1, 3
	26 February 2002	9,844	203.0	-	-	1
M A Evans	16 March 1998	7,862	381.5	-	7,862	1
	16 March 1999	12,253	329.5	-	-	1, 3
	21 April 1999	13,548	356.0	-	-	1, 3
	26 February 2002	11,337	203.0	-	-	1
M D Johnson	18 September 2000	25,455	494.5	-	-	1
	26 February 2002	20,000	203.0	-	-	1
N J Balmer	14 March 2001	25,000	510.0	-	-	1
	26 February 2002	10,000	203.0	-	-	1
R J McMeeking	16 March 1998	1,309	381.5	-	1,309	1
	16 March 1999	1,797	329.5	-	-	2, 3
	16 March 1999	4,900	329.5	-	-	1, 3
	21 April 1999	5,419	356.0	-	-	1, 3
	9 March 2000	748	410.5	-	-	2
	26 February 2002	25,827	203.0	-	-	1
R D Saunders	2 September 1997	1,854	242.5	-	1,854	2
	16 March 1998	97	381.5	-	97	2
	16 March 1998	7,862	381.5	-	7,862	1
	24 August 1998	397	407.5	-	397	2
	16 March 1999	454	329.5	-	-	2, 3
	16 March 1999	12,253	329.5	-	-	1, 3
	21 April 1999	13,548	356.0	-	-	1, 3
	24 August 1999	490	407.5	-	-	2, 3
	26 February 2002	8,045	203.0	-	-	1
T M Bashir	26 February 2002	30,000	203.0	-	-	1
T Graham	16 March 1999	12,253	329.5	-	-	1, 3
	21 April 1999	13,548	356.0	-	-	1, 3
	9 March 2000	10,170	410.5	-	-	2
	26 February 2002	24,029	203.0	-	-	1

Notes:

(1) Option grants in accordance with the Lavendon Group 1996 Unapproved Executive Share Option Scheme.

(2) Option grants in accordance with the Lavendon Group 1996 Company Share Option Plan.

(3) Options granted under the terms of both the Employee Scheme and the Executive Scheme in March, April and August 1999 have not achieved the required performance criteria at 31 December 2002 and remain unexercisable at this date.

Directors' insurance

The Company has maintained insurance throughout the year to cover all directors against liabilities in relation to the company.

Directors' report
for the year ended 31 December 2002 (continued)

Employees

The Company pursues a policy of employee communication through regular team briefings and newsletters. Personal employee development is encouraged through the structure provided by the Investors in People National Standard. Employee involvement in the financial performance of the Company is encouraged through a comprehensive range of well established profit share programmes.

It is the policy of the company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during employment will be retained wherever possible and retrained if necessary. The Company is prepared to modify procedures or equipment wherever this is practicable, to allow full use to be made of an individual's abilities.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2002. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Policy on payment of suppliers

The payment policies adopted reflect the terms and conditions agreed with the Company's suppliers. These differ from one supplier to the next depending on the nature of the supply, contractual terms, and custom and practice. Once terms and conditions have been agreed, it is the Company's policy to honor them provided that there is no cause to do otherwise.

The Company's creditor payment period at 31 December 2002 was 40 days (2001: 22 days) excluding capital creditors. Capital creditors arise due to extended credit periods agreed with suppliers of powered access equipment for the rental fleet.

Directors' report
for the year ended 31 December 2002 (continued)

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 29 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board

Secretary
Date: 5-6-03

Independent auditors' report to the members of Nationwide Access Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit 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 at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham: 5th June 2003

Profit and loss account for the year ended 31 December 2002

	Notes	2002	As restated (note 20) 2001
Turnover	2	**62,486**	55,428
Cost of sales		**(32,503)**	(29,049)
Gross profit		**29,983**	26,379
Operating expenses before exceptional items	3	**(14,886)**	(12,979)
Exceptional operating expenses	4	**(134)**	(132)
Net operating expenses		**(15,020)**	(13,111)
Operating profit	5	**14,963**	13,268
Interest payable and similar charges	8	**(4,335)**	(4,569)
Profit on ordinary activities before taxation		**10,628**	8,699
Taxation on profit on ordinary activities	9	**(3,070)**	(2,063)
Profit on ordinary activities after taxation		**7,558**	6,636
Dividends	*10*	**(7,000)**	(2,500)
Retained profit for the year	19	**558**	4,136

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

All of the company's trading activities relate to continuing operations for the year.

Statement of total recognised gains and losses

	Notes	2002	As restated (note 20) 2001
		£'000	£'000
Profit for the financial year		**558**	4,136
Prior year restatement	20	**(2,778)**	
Total losses since the last annual report		**(2,220)**	

Balance sheet
at 31 December 2002

	Notes	2002	As restated (note 20) 2001
		£'000	£'000
Fixed assets			
Intangible assets	11	**197**	-
Tangible assets	12	**114,069**	116,556
		114,266	116,556
Current assets			
Stocks	13	**529**	476
Debtors	14	**16,874**	15,199
Cash at bank and in hand		**20**	646
		17,423	16,321
Creditors: amounts falling due within one year	15	**(84,364)**	(87,612)
Net current liabilities		**(66,941)**	(71,291)
Total assets less current liabilities		**47,325**	45,265
Creditors: amounts falling due after more than one year	16	**(15,155)**	(15,456)
Provisions for liabilities and charges	17	**(14,001)**	(12,198)
Net assets		**18,169**	17,611
Capital and reserves			
Called up share capital	18	**250**	250
Profit and loss account	19	**17,919**	17,361
Equity shareholders' funds	21	**18,169**	17,611

The financial statements on pages 8 to 24 were approved by the board of directors on the date shown below and were signed on its behalf by:

Director

Date: 5-6-03

Notes to the financial statements for the year ended 31 December 2002

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. Other than the changes resulting from the adoption of Financial Reporting Standard 19, as set out in note 20, the principal accounting policies and estimation techniques have been applied consistently and are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Adoption of new accounting standards

The Company has adopted Financial Reporting Standard 19 "Deferred Taxation" in the financial statements this year. Details of the effects of the adoption of this new accounting standard are given in note 20.

Intangible fixed assets

Costs associated with registering trademarks are capitalised at the value of monetary costs incurred in establishing and protecting their economic benefit to the Company and amortised over their estimated useful life.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets down to their estimated residual values, on a straight line basis, over the expected useful economic lives of the assets concerned. The principal economic lives used for this purpose are:

	Years
Plant and machinery	4 - 12
Motor vehicles	3 - 10
Office fixtures and equipment	3 - 4

The Company's powered access rental equipment is considered to have a residual value equivalent to 10-30% of original cost, depending on the size of the platform concerned.

Short leasehold properties are amortised over the period of the lease.

The Company reviews the carrying values of assets on an annual basis in order to identify any potential impairment in value.

Notes to the financial statements for the year ended 31 December 2002 (continued)

1 Principal accounting policies (continued)

Foreign currencies

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

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling on the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Hire purchase and finance lease obligations

Hire purchase and finance lease payments are treated as consisting of capital and interest elements. The capital element is applied to reduce its outstanding obligation and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance lease agreements are depreciated over the shorter of the period of the lease or their useful economic lives.

Operating leases

Net rentals under operating leases are charged to the profit and loss account on a straight line basis over the period of use of the leased asset.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost includes transport and handling charges. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Cash flow statement

The company is a wholly-owned subsidiary of Lavendon Group plc and is included in the consolidated financial statements of Lavendon Group plc, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Other operating income

Other operating income is credited to the profit and loss account in the period in which it arises.

Amounts include payment for warranty claims, contractual penalties for late deliveries of equipment and other reimbursement of costs received.

Notes to the financial statements for the year ended 31 December 2002 (continued)

1 Principal accounting policies (continued)

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences. The measurement uses a non-discounted basis at the applicable taxation rates. Deferred taxation assets are only recognised where they are considered to be recoverable.

Pension costs

The company operates several defined contribution pension schemes, the assets of which are held separately from those of the Company. The amount of any contributions payable to the schemes in respect of the accounting period are charged to the profit and loss account. Any outstanding or prepaid contributions at the balance sheet date are shown as liabilities or assets respectively.

The Company provides no other post retirement benefits to its employees.

2 Turnover

	2002		2001	
	Sales by destination	**Sales by origin**	Sales by Destination	Sales by origin
	£'000	**£'000**	£'000	£'000
United Kingdom	**60,886**	**62,486**	53,678	55,428
Rest of Europe	**9**	**-**	364	-
Rest of World	**1,591**	**-**	1,386	-
	62,486	**62,486**	55,428	55,428

3 Net operating expenses before exceptional items

	2002	2001
	£'000	£'000
Selling and distribution costs	**6,731**	6,205
Administrative expenses	**8,986**	7,613
Other operating income	**(831)**	(839)
	14,886	12,979

Notes to the financial statements for the year ended 31 December 2002 (continued)

4 Exceptional operating expenses

Exceptional administrative expenses during the year comprise £134,000 for restructuring costs, including termination costs and associated professional fees.

Exceptional administrative expenses during 2001 were £132,000, being the Company's share of the costs of the appointment and resignation of the Group Chief Executive Officer, G S Gestetner, during the year.

5 Operating profit

	2002	2001
	£'000	£'000
Operating profit is stated after charging:		
Depreciation (note 12)	**14,221**	13,015
Amortisation (note 11)	**3**	-
Staff costs (note 7)	**17,168**	12,548
Auditors' remuneration for audit services	**23**	21
Hire of plant and machinery	**2,190**	2,123
Other operating leases – property	**1,541**	1,376
And after crediting:		
Profit on disposal of tangible fixed assets	**377**	299

The directors believe that it is not practicable to analyse the depreciation charge between owned assets and assets held under hire purchase agreements and bills of exchange.

Profits and losses arising on disposal of tangible fixed assets from the company's rental fleet reflect adjustments to the carrying value of the assets at the time of their disposal and as such are included within operating profits above.

6 Directors' emoluments

	2002	2001
	£'000	£'000
Emoluments	**1,320**	1,104
Company pension contributions to money purchase schemes	**229**	205
Compensation for loss of office	**9**	75
Total emoluments	**1,558**	1,384

Retirement benefits are accruing to eleven directors (2001: thirteen) under the Company's money purchase pension schemes.

Compensation for loss of office during 2002 relates to payments made to G Gibson.

Notes to the financial statements for the year ended 31 December 2002 (continued)

6 Directors' emoluments (continued)

Compensation during 2001 for loss of office relates to G S Gestetner and includes an amount of £14,000 for pension contributions and £4,000 for benefits in kind.

Highest paid director	**2002**	2001
	£'000	£'000
Aggregate emoluments	**230**	215
Company pension contributions to money purchase schemes	**80**	76

7 Staff costs

The average monthly number of persons (including executive directors) employed by the company during the year, analysed by category, was:

	2002	2001
	Number	Number
Operations	**364**	320
Selling and distribution	**217**	196
Administration	**54**	64
	635	580

Aggregate payroll costs for the above persons (including executive directors):

	2002	2001
	£'000	£'000
Wages and salaries	**15,416**	11,146
Social security costs	**1,371**	1,022
Other pension costs	**381**	380
	17,168	12,548

Notes to the financial statements for the year ended 31 December 2002 (continued)

8 Interest payable and similar charges

	2002	2001
	£'000	£'000
On hire purchase and finance lease agreements	1,151	1,587
On bills of exchange	-	3
On loans from group undertakings	3,184	2,979
	4,335	4,569

9 Taxation on profit on ordinary activities

	2002	As restated 2001
	£'000	£'000
Corporation taxation		
Current	1,442	-
Release of over provision in prior years	(175)	(83)
Group relief receivable	-	(443)
Total corporation taxation	1,267	(526)
Deferred taxation	1,803	2,589
Taxation on profit on ordinary activities	3,070	2,063

Notes to the financial statements for the year ended 31 December 2002 (continued)

9 Taxation on profit on ordinary activities (continued)

Reconciliation of corporation taxation change:

The tax for the period is lower (2001: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002	As restated 2001
	£'000	£'000
Profit on ordinary activities before taxation	**10,628**	8,699
Profit on ordinary activities at standard rate of corporation taxation in the UK: 30% (2001: 30%)	**3,188**	2,610
Effects of:		
Adjustment to tax in respect of prior years	**(175)**	(83)
Group relief receivable	**-**	(443)
Expenses not deductable for tax purposes	**57**	15
Capital allowances in excess of depreciation	**(1,607)**	(2,901)
Trading losses (utilised)/carried forward	**(170)**	294
Other short term timing differences	**(26)**	(18)
	1,267	(526)

10 Dividends

	2002	2001
	£'000	£'000
Ordinary shares - interim paid of £28.00 (2001: £10.00) per share	**7,000**	2,500

Notes to the financial statements for the year ended 31 December 2002 (continued)

11 Intangible fixed assets

	Trademarks £'000
Cost	
At 1 January 2002	-
Additions	200
At 31 December 2002	**200**
Amortisation	
At 1 January 2002	-
Charge for the year	3
At 31 December 2002	**3**
Net book value	
At 31 December 2002	**197**

Costs incurred during 2002 in establishing trademarks have been capitalised and are being amortised on a straight line basis over a period of 5 years, being the estimated economic life.

Notes to the financial statements for the year ended 31 December 2002 (continued)

12 Tangible fixed assets

	Short leasehold properties	Plant and machinery	Motor vehicles	Office fixtures and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2002	737	145,257	7,618	3,126	156,738
Additions	-	10,392	2,088	296	12,776
Net transfers with group companies	-	2,602	-	-	2,602
Disposals	-	(4,691)	(2,358)	(2)	(7,051)
At 31 December 2002	**737**	**153,560**	**7,348**	**3,420**	**165,065**
Depreciation					
At 1 January 2002	310	35,008	3,300	1,564	40,182
Charge for the year	166	11,867	1,694	494	14,221
Net transfers with group companies	-	(9)	-	-	(9)
Disposals	-	(2,225)	(1,171)	(2)	(3,398)
At 31 December 2002	**476**	**44,641**	**3,823**	**2,056**	**50,996**
Net book value					
At 31 December 2002	**261**	**108,919**	**3,525**	**1,364**	**114,069**
At 31 December 2001	427	110,249	4,318	1,562	116,556

The net book value of tangible fixed assets includes an amount of £28,697,000 (2001: £33,909,000) in respect of assets held under hire purchase and finance lease agreements.

Notes to the financial statements for the year ended 31 December 2002 (continued)

13 Stocks

	2002	2001
	£'000	£'000
Spares	**471**	396
Consumables	**58**	77
Assets for resale	**-**	3
	529	476

14 Debtors

	2002	2001
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	**13,637**	12,556
Amounts owed by group undertakings	**993**	649
Corporation tax	**620**	620
Other debtors	**411**	56
Prepayments and accrued income	**1,213**	1,318
	16,874	15,199

15 Creditors: amounts falling due within one year

	2002	2001
	£'000	£'000
Bank loans and overdrafts (note 15(a))	**1,065**	-
Amounts owed to group undertakings (note 15(b))	**67,202**	65,935
Hire purchase and finance lease liabilities	**7,541**	6,730
Trade creditors	**1,937**	2,119
Capital creditors (note 15(c))	**1,853**	7,424
Other taxation and social security	**2,078**	2,756
Corporation tax	**824**	-
Other creditors	**234**	225
Accruals and deferred income	**1,630**	2,423
	84,364	87,612

Notes to the financial statements for the year ended 31 December 2002 (continued)

15 Creditors: amounts falling due within one year (continued)

(a) The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company and by cross guarantees (note 24).

(b) Amounts owed to group undertakings in 2002 include a sterling denominated loan from a fellow subsidiary repayable within less than one year. Interest is charged on the outstanding balance at a commercial rate.

(c) Capital creditors arise from the purchase of powered access equipment for the rental fleet on extended credit terms.

16 Creditors: amounts falling due after more than one year

	2002	2001
	£'000	£'000
Hire purchase and finance lease liabilities	**14,843**	14,966
Other creditors	**312**	490
	15,155	15,456

Hire purchase, finance lease liabilities and bills of exchange are repayable as follows:

	2002	2001
	£'000	£'000
In one year or less	**7,541**	6,730
Between one and two years	**5,591**	5,936
Between two and five years	**9,252**	9,030
	22,384	21,696

Notes to the financial statements for the year ended 31 December 2002 (continued)

17 Provisions for liabilities and charges

Deferred taxation provided in the financial statements is as follows:

	2002 Amount Provided £'000	As restated 2001 Amount Provided £'000
Tax effect of timing differences Because of:		
Excess of capital allowances over depreciation	**14,001**	12,394
Short term timing differences	**-**	(26)
Trading losses	**-**	(170)
	14,001	12,198

The movement in deferred taxation provided may be summarised as follows:

	2002 £'000	As restated 2001 £'000
At beginning of period as originally stated	**9,420**	7,274
Prior year adjustment (note 20)	**2,778**	2,335
At beginning of period as restated	**12,198**	9,609
Charge to profit and loss account (note 9)	**1,803**	2,589
At end of period	**14,001**	12,198

18 Called up share capital

	2002 £'000	2001 £'000
Authorised		
250,000 ordinary shares of £1 each	**250**	250
Allotted, called up and fully paid		
250,000 ordinary shares of £1 each	**250**	250

Notes to the financial statements for the year ended 31 December 2002 (continued)

19 Profit and loss account

	2002
	£'000
At 1 January 2002	
As previously reported	**20,139**
Prior year restatement (note 20)	**(2,778)**
As restated	**17,361**
Profit retained for the year	**558**
At 31 December 2002	**17,919**

20 Prior year restatement

The company has adopted the new Financial Reporting Standard 19 (FRS 19) "Deferred taxation" which requires full provision for deferred taxation. FRS19 replaces the accounting standard SSAP15 which previously required deferred taxation to be provided on a partial basis to reflect taxation timing differences to the extent that they could be anticipated to reverse in future years. The effect of this change in accounting policy is to increase the deferred taxation provision in the prior years and hence reduce retained profits, by an amount of £2,778,000, of which £443,000 related to the year to 31 December 2001. The effect of the change in accounting policy in the current year has been a reduction in the deferred taxation provision and hence an increase in retained profits by an amount of £97,000.

21 Reconciliation of movements in shareholders' funds

	2002	As restated 2001
	£'000	£'000
Profit for the year	**7,558**	6,636
Dividends	**(7,000)**	(2,500)
Net addition to shareholders' funds	**558**	4,136
Shareholders' funds as at 1 January (originally £20,389,000 before deducting prior year adjustment of £2,778,000 (note 20))	**17,611**	13,475
Shareholders' funds as at 31 December	**18,169**	17,611

Notes to the financial statements for the year ended 31 December 2002 (continued)

22 Leasing commitments

At 31 December 2002, the Company had annual commitments under non-cancellable operating leases expiring as follows:

	2002		2001	
	Land and buildings	**Other**	Land and buildings	Other
	£'000	**£'000**	£'000	£'000
Within one year	**211**	**-**	137	-
Between two to five years	**947**	**2,130**	863	2,204
After five years	**279**	**-**	219	-
	1,437	**2,130**	1,219	2,204

23 Capital commitments

	2002	2001
	£'000	£'000
Contracts placed for future capital expenditure and not provided in the financial statements	**1,940**	3,446

24 Contingent liabilities

The Company is party to an unlimited cross guarantee to secure the bank facilities of its parent undertaking and certain fellow subsidiaries, which amounted to £66,635,000 at 31 December 2002 (2001: £64,158,000).

A potential liability exists at 31 December 2002 amounting to a maximum of £2,275,000 (2001: £2,275,000) relating to a restocking fee under the terms of one of the Company's operating lease agreements. Having considered the situation at 31 December 2002, the directors are of the opinion that no material provision is currently appropriate.

The Company has contracted to repurchase machinery from finance houses at specified future dates relating to machinery sold to customers by the Company, where the customers utilised finance house funding to purchase the assets. These repurchase obligations amounted to £51,000 at 31 December 2002 (2001: £51,000).

25 Related party transactions

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing other related party transactions with entities that are part of the Lavendon Group plc or investees of the Lavendon Group plc.

Notes to the financial statements for the year ended 31 December 2002 (continued)

26 Parent undertaking

The directors regard Lavendon Group plc, a company registered in England, as the parent undertaking. The directors regard Lavendon Group plc as the controlling party by virtue of its controlling interest in the Company's equity capital. According to the register kept by the Company, Lavendon Group plc has a 100% interest in the equity capital of Nationwide Access Limited at 31 December 2002. Copies of the parent's consolidated financial statements may be requested from A S Merrell, Lavendon Group plc, 1 Midland Court, Central Park, Lutterworth, Leicestershire LE17 4PN.