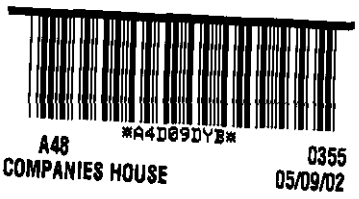
REGISTRAR of COMPANIES

The Regent Engineering Company (Walsall) Limited

Report and Accounts

31 March 2002

Registered number
00551421



The Regent Engineering Company (Walsall) Limited
Directors' Report

The directors present their report and accounts for the year ended 31 March 2002.

Principal activities and review of the business

The company's principal activity during the year continued to be that of presswork and toolmaking.

Turnover has increased by 17% during the year. The company is in a good position to take advantage of any opportunities which may arise in the future.

Results and dividends

The profit for the year, after taxation, amounted to £125,058. The directors recommend a final ordinary dividend of £25,000 for the year which leaves a profit of £100,058 to be retained.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further significant growth in sales.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	2002	2001
Mr Arthur Shaw	12,854	12,854
Mrs Phyllis Mary Shaw	1,090	1,090
Mr John Shaw	28,322	28,322
Mr Alan Shaw	28,322	28,322
Mr Antony Shaw	28,322	28,322

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 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

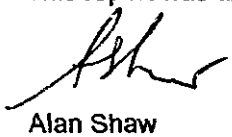
The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Regent Engineering Company (Walsall) Limited
Directors' Report

Auditors

A resolution to reappoint Norman J. Wigley & Partners as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 23 August 2002.



Alan Shaw
Director

The Regent Engineering Company (Walsall) Limited

Independent auditors' report
to the shareholders of The Regent Engineering Company (Walsall) Limited

We have audited the accounts of The Regent Engineering Company (Walsall) Limited for the year ended 31st March, 2002 which comprise pages 4 to 14. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion
In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March, 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Norman J. Wigley & Partners
Registered auditors

Edgar House
12 Birmingham Road
Walsall
West Midlands
WS1 2NA

23 August 2002

The Regent Engineering Company (Walsall) Limited
Profit and Loss Account
for the year ended 31 March 2002

	Notes	2002 £	2001 £
Turnover	2	3,433,796	2,931,916
Cost of sales		(2,723,879)	(2,431,530)
Gross profit		709,917	500,386
Distribution costs		(90,779)	(85,640)
Administrative expenses		(470,415)	(440,349)
Operating profit/(loss)	3	148,723	(25,603)
Exceptional items:			
profit on the disposal of tangible fixed assets	4	6,033	6,989
		154,756	(18,614)
Rent receivable		3,000	-
Interest receivable		-	10
Interest payable	7	(15,719)	(18,676)
Profit/(loss) on ordinary activities before taxation		142,037	(37,280)
Tax on profit/(loss) on ordinary activities	8	(16,979)	-
Profit/(loss) for the financial year		125,058	(37,280)
Dividends:			
ordinary dividend on equity shares	9	(25,000)	-
Retained profit/(loss) for the financial year	19	100,058	(37,280)

Continuing operations
None of the company's activities were acquired or discontinued during the above two financial years.

Statement of total recognised gains and losses
The company has no recognised gains or losses other than the profit/(loss) for the above two financial years.

The Regent Engineering Company (Walsall) Limited
Balance Sheet
as at 31 March 2002

	Notes		2002 £		2001 £
Fixed assets					
Tangible assets	10		513,975		507,227
Current assets					
Stocks	11	215,711		202,914	
Debtors	12	866,937		706,989	
Cash at bank and in hand		3,124		14,886	
		1,085,772		924,789	
Creditors: amounts falling due within one year	13	(936,750)		(841,522)	
Net current assets			149,022		83,267
Total assets less current liabilities			662,997		590,494
Creditors: amounts falling due after more than one year	14		(27,395)		(54,950)
			635,602		535,544
Capital and reserves					
Called up share capital	17		100,000		100,000
Revaluation reserve	18		75,503		75,503
Profit and loss account	19		460,099		360,041
Shareholders' funds:					
Equity			635,602		535,544
	20		635,602		535,544

Alan Shaw
Director
Approved by the board on 23 August 2002

The Regent Engineering Company (Walsall) Limited
Cash Flow Statement
for the year ended 31 March 2002

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit/(loss)		148,723	(25,603)
Depreciation charges		56,332	58,081
Increase in stocks		(12,797)	(47,861)
Increase in debtors		(159,948)	(134,041)
Increase in creditors		56,437	182,021
Net cash inflow from operating activities		88,747	32,597
CASH FLOW STATEMENT			
Net cash inflow from operating activities		88,747	32,597
Returns on investments and servicing of finance	21	(12,719)	(18,666)
Taxation		-	4,889
Capital expenditure	21	(50,295)	52,313
		25,733	71,133
Financing	21	(32,431)	(29,935)
(Decrease)/increase in cash		(6,698)	41,198
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the period		(6,698)	41,198
Decrease in debt and lease financing		32,431	29,935
New finance leases		(6,752)	(12,825)
Change in net debt	22	18,981	58,308
Net debt at 1 April		(211,173)	(269,481)
Net debt at 31 March		(192,192)	(211,173)

The Regent Engineering Company (Walsall) Limited
Notes to the Accounts
for the year ended 31 March 2002

1 Accounting policies

Accounting convention
The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation
Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	15% on reducing balance
Fixtures and fittings	15% on reducing balance
Motor vehicles	25% on reducing balance

Freehold property is not depreciated as the directors consider that the residual value and life of the property is such that depreciation would not be material.

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

Deferred taxation
Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments
Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover is attributable to one continuing activity.

Analysis by geographical market:	2002	2001
	£	£
United Kingdom	3,422,979	2,904,836
Europe	10,817	27,080
	3,433,796	2,931,916

3 Operating profit

	2002	2001
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	53,660	52,983
Depreciation of assets held under finance leases and hire purchase contracts	2,672	5,098
Operating lease rentals - plant and machinery	22,691	17,983
Operating lease rentals - land buildings	31,750	15,157
Auditors' remuneration	4,400	4,200

4 Exceptional items

	2002	2001
	£	£
Profit on disposal of land and buildings	-	6,989
Profit on disposal of plant and machinery	6,033	-
	6,033	6,989

5 Directors' emoluments

	2002 £	2001 £
Emoluments	116,401	115,026
Company contributions to money purchase pension schemes	-	4,080
	116,401	119,106

Number of directors in company pension schemes:	2002 Number	2001 Number
Money purchase schemes	-	3

6 Staff costs

	2002 £	2001 £
Wages and salaries	889,094	821,229
Social security costs	72,741	70,901
Other pension costs	33,938	27,995
	995,773	920,125

Average number of employees during the year	Number	Number
Directors	5	5
Administration	5	5
Production	53	53
	63	63

7 Interest payable

	2002 £	2001 £
Bank loans and overdrafts	14,199	16,997
Finance charges payable under finance leases and hire purchase contracts	1,520	1,679
	15,719	18,676

8 Taxation

	2002 £	2001 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	16,979	-
Tax on profit on ordinary activities	16,979	-

9 Equity dividends

	2002 £	2001 £
Equity dividends on ordinary shares - final proposed	25,000	-

10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Total £
Cost			
At 1 April 2001	213,614	809,176	1,022,790
Additions	-	65,919	65,919
Disposals	-	(8,266)	(8,266)
At 31 March 2002	213,614	866,829	1,080,443
Depreciation			
At 1 April 2001	-	515,563	515,563
Charge for the year	-	56,332	56,332
On disposals	-	(5,427)	(5,427)
At 31 March 2002	-	566,468	566,468
Net book value			
At 31 March 2002	213,614	300,361	513,975
At 31 March 2001	213,614	293,613	507,227

	2002 £	2001 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	8,015	15,293

11 Stocks

	2002 £	2001 £
Raw materials and consumables	93,001	105,642
Work in progress	61,251	39,559
Finished goods and goods for resale	61,459	57,713
	215,711	202,914

The difference between purchase price or production cost of stocks and their replacement cost is not material.

12 Debtors

	2002 £	2001 £
Trade debtors	850,572	690,947
Other debtors	166	111
Prepayments and accrued income	16,199	15,931
	866,937	706,989

All of the above debtors are recoverable within one year.

13 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	161,980	167,044
Obligations under finance lease and hire purchase contracts	5,941	4,065
Trade creditors	595,567	548,918
Corporation tax	16,979	-
Other taxes and social security costs	87,321	82,439
Directors loan accounts	11,970	17,373
Other creditors	18,248	3,135
Accruals and deferred income	13,744	18,548
Proposed dividend	25,000	-
	936,750	841,522

14 Creditors: amounts falling due after one year

	2002 £	2001 £
Bank loans	19,722	46,400
Obligations under finance lease and hire purchase contracts	7,673	8,550
	27,395	54,950

15 Loans

	2002 £	2001 £
Analysis of maturity of debt:		
Within one year or on demand	161,980	167,044
Between one and two years	14,163	31,586
Between two and five years	5,559	14,814
	181,702	213,444

The bank holds a legal mortgage over the freehold property and a mortgage debenture given by the company.

16 Obligations under finance leases and hire purchase contracts

	2002 £	2001 £
Amounts payable:		
Within one year	5,941	4,065
Within two to five years	7,673	8,550
	13,614	12,615

17 Share capital

	2002 £	2001 £
Authorised:		
Ordinary shares of £1 each	1,000,000	1,000,000

	2002 No	2001 No	2002 £	2001 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

18 Revaluation reserve

	2002 £	2001 £
At 1 April	75,503	43,751
Adjustment re disposal of property	-	31,752
At 31 March	75,503	75,503

19 Profit and loss account

	2002 £	2001 £
At 1 April	360,041	397,321
Retained profit/(loss)	100,058	(37,280)
At 31 March	460,099	360,041

20 Reconciliation of movement in shareholders' funds

	2002 £	2001 £
At 1 April	535,544	541,072
Profit/(loss) for the financial year	125,058	(37,280)
Dividends	(25,000)	-
Other recognised gains and losses	-	31,752
At 31 March	635,602	535,544

21 Gross cash flows

	2002 £	2001 £
Returns on investments and servicing of finance		
Rent received	3,000	-
Interest received	-	10
Interest paid	(14,199)	(16,997)
Interest element of finance lease rental payments	(1,520)	(1,679)
	(12,719)	(18,666)
Capital expenditure		
Payments to acquire tangible fixed assets	(59,167)	(31,428)
Receipts from sales of tangible fixed assets	8,872	83,741
	(50,295)	52,313
Financing		
Loan repayments	(26,678)	(23,849)
Capital element of finance lease rental payments	(5,753)	(6,086)
	(32,431)	(29,935)

22 Analysis of changes in net debt

	At 1 Apr 2001 £	Cash flows £	Non-cash changes £	At 31 Mar 2002 £
Cash at bank and in hand	14,886	(11,762)		3,124
Overdrafts	(135,458)	5,064		(130,394)
		(6,698)		
Debt due within 1 year	(31,586)	-		(31,586)
Debt due after 1 year	(46,400)	26,678		(19,722)
Finance leases	(12,615)	(999)		(13,614)
		25,679		
Total	(211,173)	18,981	-	(192,192)

23 Major non-cash transactions

	2002 £
Capital value of new finance lease arrangements	6,752

24 Capital commitments

	2002 £	2001 £
Amounts contracted for but not provided in the accounts	-	45,500

25 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2002 £	Land and buildings 2001 £	Other 2002 £	Other 2001 £
Operating leases which expire:				
within one year	-	-	-	333
within two to five years	-	-	26,149	19,313
in over five years	31,750	31,750	-	-
	31,750	31,750	26,149	19,646