

Company Registration No. 923921 (England and Wales)

BARLEY-CHALU LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000



BARLEY-CHALU LIMITED

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BARLEY-CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities and review of the business

The principal activity of the company continued to be that of powder coating and thermal breaking of aluminium.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expected continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Directors

The following directors have held office since 1 January 2000:

T Chalu	
M Munday	(Resigned 9 April 2001)
D Carman	
Mrs R Chalu	

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 2000	1 January 2000
T Chalu	2,500	2,500
M Munday	-	-
D Carman	-	-
Mrs R Chalu	-	-

T Chalu is also a trustee and a beneficiary of a settlement dated 13th July 1981 which holds 5,000 £1 Ordinary shares in the company, and is a trustee of a further settlement which holds 2,500 £1 Ordinary shares in the company.

Political and charitable contributions

During the year the company made political donations to the Conservative party amounting to £220 (1999 : £150).

During the year the company made charitable donations of £141 (1999 : £400).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Larking Gowen be reappointed as auditors of the company will be put to the Annual General Meeting.

BARLEY-CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000

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;
- 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.

On behalf of the board



T Chalu

Director

5.9.01



CHARTERED
ACCOUNTANTS

BARLEY-CHALU LIMITED

AUDITORS' REPORT TO BARLEY-CHALU LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of the company for the year ended 31 December 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 16 are properly prepared in accordance with that provision.

Larking Gowen

Larking Gowen

Chartered Accountants
Registered Auditors
Norwich

11 September 2001.

BARLEY-CHALU LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Gross profit		2,375,163	2,332,243
Distribution costs		(512,125)	(551,478)
Administrative expenses		(1,788,404)	(1,666,275)
Operating profit	2	74,634	114,490
Other interest receivable and similar income		193	-
Interest payable and similar charges	3	(52,799)	(48,418)
Profit on ordinary activities before taxation		22,028	66,072
Tax on profit on ordinary activities	4	(10,630)	(16,344)
Profit on ordinary activities after taxation	13	11,398	49,728

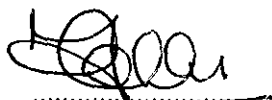
BARLEY-CHALU LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	5		1,275,477		1,286,933
Current assets					
Stocks	6	126,150		120,403	
Debtors	7	1,251,392		1,216,604	
Cash at bank and in hand		3,391		4,619	
		<u>1,380,933</u>		<u>1,341,626</u>	
Creditors: amounts falling due within one year	8	(1,147,149)		(1,068,944)	
Net current assets			<u>233,784</u>		<u>272,682</u>
Total assets less current liabilities			1,509,261		1,559,615
Creditors: amounts falling due after more than one year	9		(233,678)		(295,430)
			<u>1,275,583</u>		<u>1,264,185</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		1,265,583		1,254,185
Shareholders' funds	14		<u>1,275,583</u>		<u>1,264,185</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 5-9-01.



T Chal
Director

BARLEY-CHALU LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

	2000 £	1999 £
Net cash inflow from operating activities	119,811	317,343
Returns on investments and servicing of finance		
Interest received	193	-
Interest paid	(44,282)	(39,376)
Interest element of finance lease rentals	(8,517)	(8,816)
Net cash outflow for returns on investments and servicing of finance	(52,606)	(48,192)
Taxation	(16,344)	(28,622)
Capital expenditure		
Payments to acquire tangible assets	(161,176)	(86,106)
Receipts from sales of tangible assets	41,604	10,900
Net cash outflow for capital expenditure	(119,572)	(75,206)
Net cash (outflow)/inflow before management of liquid resources and financing	(68,711)	165,323
Financing		
Other new long term loans	-	100,000
Repayment of long term bank loan	(31,250)	(75,000)
Repayment of other short term loans	(43,750)	-
Capital element of finance lease contracts	(74,140)	(34,881)
Net cash outflow from financing	(149,140)	(9,881)
(Decrease)/increase in cash in the year	(217,851)	155,442

BARLEY-CHALU LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

1	Reconciliation of operating profit to net cash inflow from operating activities		2000	1999
			£	£
	Operating profit		74,634	114,490
	Depreciation of tangible assets		165,039	174,826
	Loss/(profit) on disposal of tangible assets		30,055	(1,003)
	Increase in stocks		(5,747)	(17,764)
	Increase in debtors		(34,788)	(204,279)
	(Decrease)/Increase in creditors within one year		(109,382)	251,073
	Net cash inflow from operating activities		119,811	317,343

2	Analysis of net debt	1 January 2000	Cash flow	Other non-cash changes	31 December 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	4,619	(1,228)	-	3,391
	Bank overdrafts	(72,428)	(216,623)	-	(289,051)
		(67,809)	(217,851)	-	(285,660)
	Debt:				
	Finance leases	(96,810)	74,140	(64,066)	(86,736)
	Debts falling due within one year	(175,000)	43,750	-	(131,250)
	Debts falling due after one year	(231,250)	31,250	-	(200,000)
		(503,060)	149,140	(64,066)	(417,986)
	Net debt	(570,869)	(68,711)	(64,066)	(703,646)

3	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	(Decrease)/increase in cash in the year	(217,851)	155,442
	Cash outflow from decrease in debt and lease financing	149,140	9,881
	Change in net debt resulting from cash flows	(68,711)	165,323
	New finance lease	(64,066)	-
	Movement in net debt in the year	(132,777)	165,323
	Opening net debt	(570,869)	(736,192)
	Closing net debt	(703,646)	(570,869)

4	Major non-cash transactions
	During the year lease purchase agreements amounting to £64,066 (1999 - £Nil) were entered into by the company.

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the value of goods and services invoiced to customers, less returns, after deducting trade and other discounts and excluding value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost, together with any incidental costs of acquisition less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line basis
Land and buildings Long Leasehold	2% straight line basis
Plant and machinery	15%/25% reducing balance basis
Fixtures, fittings & equipment	15%/20% reducing balance basis
Motor vehicles	25 % reducing balance basis

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business. Provision is made where necessary for obsolescent, slow moving and defective stocks.

1.6 Pensions

The company operates a defined contribution scheme for certain qualifying employees.

The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents the contributions payable by the company.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

2	Operating profit	2000	1999
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	165,039	174,826
	Operating lease rentals	145,023	122,859
	Auditors' remuneration	7,600	7,400
		<u> </u>	<u> </u>
3	Interest payable	2000	1999
		£	£
	On bank loans and overdrafts	18,199	22,354
	On other loans wholly repayable within 5 years	26,083	17,248
	Lease finance charges	8,517	8,816
		<u> </u>	<u> </u>
		52,799	48,418
		<u> </u>	<u> </u>
4	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 20%)	10,630	21,447
	Prior years		
	U.K. corporation tax	-	(5,103)
		<u> </u>	<u> </u>
		10,630	16,344
		<u> </u>	<u> </u>

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

5 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Long Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2000	27,099	629,459	1,289,354	260,719	144,374	2,351,005
Additions	-	-	114,539	13,319	97,383	225,241
Disposals	-	-	(216,140)	(6,199)	(26,775)	(249,114)
At 31 December 2000	27,099	629,459	1,187,753	267,839	214,982	2,327,132
Depreciation						
At 1 January 2000	1,140	187,560	619,265	192,325	63,782	1,064,072
On disposals	-	-	(161,550)	(614)	(15,291)	(177,455)
Charge for the year	114	12,589	108,142	10,654	33,539	165,038
At 31 December 2000	1,254	200,149	565,857	202,365	82,030	1,051,655
Net book value						
At 31 December 2000	25,845	429,310	621,896	65,474	132,952	1,275,477
At 31 December 1999	25,959	441,899	670,089	68,394	80,592	1,286,933

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 December 2000	59,530	62,343	121,873
At 31 December 1999	73,692	47,218	120,910
Depreciation charge for the year			
31 December 2000	11,749	15,855	27,604
31 December 1999	20,910	15,740	36,650

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

6	Stocks and work in progress	2000	1999
		£	£
	Raw materials and consumables	110,177	110,961
	Work in progress	15,973	9,442
		<u>126,150</u>	<u>120,403</u>
7	Debtors	2000	1999
		£	£
	Trade debtors	1,170,432	1,099,854
	Other debtors	-	19,417
	Prepayments and accrued income	80,960	97,333
		<u>1,251,392</u>	<u>1,216,604</u>
8	Creditors: amounts falling due within one year	2000	1999
		£	£
	Bank loans and overdrafts	320,301	147,428
	Net obligations under finance leases	53,058	32,630
	Trade creditors	352,106	493,909
	Corporation tax	10,630	16,344
	Other taxes and social security costs	220,922	139,084
	Other creditors	154,837	206,282
	Accruals and deferred income	35,295	33,267
		<u>1,147,149</u>	<u>1,068,944</u>

Included in other creditors is a loan of £100,000 which is repayable January 2001 and bears interest at 3% above Barclays Bank plc base rate. The loan is unsecured.

The bank loans and overdrafts are secured by a mortgage debenture dated 30th September 1977, incorporating specific charges over all freehold and leasehold property, book debts, stocks and shares and a floating charge over all other assets.

The bank loans and overdrafts are also secured by a legal mortgage dated 24th November 1977 over the company's leasehold property.

The bank loan is a fixed interest rate loan at 9.25% and is repayable in monthly instalments.

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

9 Creditors: amounts falling due after more than one year	2000 £	1999 £
Bank loans	-	31,250
Other loans	200,000	200,000
Net obligations under finance leases	33,678	64,180
	<u>233,678</u>	<u>295,430</u>
Analysis of loans		
Wholly repayable within five years	<u>331,250</u>	406,250
	331,250	406,250
Included in current liabilities	<u>(131,250)</u>	<u>(175,000)</u>
	<u>200,000</u>	<u>231,250</u>
Loan maturity analysis		
In more than one year but not more than two years	131,250	175,000
In more than two years but not more than five years	<u>200,000</u>	<u>231,250</u>
Other Loans		
£100,000 is repayable on 15 January 2002 and bears interest at 3% above Barclays Bank plc base rate.		
£100,000 is repayable on 9 November 2002 and bears interest at 3% above Barclays Bank plc base rate.		
Both loans are unsecured.		
Net obligations under finance leases		
Repayable within one year	53,058	32,630
Repayable between one and five years	33,678	64,180
	<u>86,736</u>	96,810
Included in liabilities falling due within one year	<u>(53,058)</u>	<u>(32,630)</u>
	<u>33,678</u>	<u>64,180</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

10 Provisions for liabilities and charges

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	Not provided		Provided	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	<u>101,121</u>	<u>99,817</u>	<u>-</u>	<u>-</u>

11 Pension costs

The company operates a defined contribution scheme and formerly operated a defined benefit scheme.

a. Defined benefit

The defined benefit scheme was closed on 6th April 1991 with existing members ceasing to accrue pensionable service. The benefits accrued at the date of closure of the defined benefit scheme are secured for all members, and there is no further liability to the company.

b. Defined contribution

The assets of the defined contribution scheme are held separately from those of the company in an independently administered fund. The company paid contributions to the fund in the year amounting to £10,949 (1999: £62,930).

In addition the company contributes to employees and directors personal pension plans. These are at the company's discretion and amounted to £9,503 (1999: £9,503).

12 Share capital	2000	1999
	£	£
Authorised		
10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2000	1,254,185
Retained profit for the year	<u>11,398</u>
Balance at 31 December 2000	<u>1,265,583</u>

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

14 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the financial year	11,398	49,728
Opening shareholders' funds	1,264,185	1,214,457
Closing shareholders' funds	1,275,583	1,264,185

15 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Expiry date:				
Within one year	-	-	-	22,426
Between two and five years	58,500	56,875	103,175	42,412
	58,500	56,875	103,175	64,838

16 Capital commitments	2000 £	1999 £
At 31 December 2000 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	57,922

17 Directors' emoluments	2000 £	1999 £
Emoluments for qualifying services	432,636	338,885
Company pension contributions to money purchase schemes	17,183	70,633
Compensation for loss of office	-	42,987
	449,819	452,505

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (1999 - 3).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	249,175	140,233
Company pension contributions to money purchase schemes	7,703	7,703

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

18 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2000	1999	in year
	£	£	£
T Chalu	-	-	60,000

This loan balance was repaid in full by the year end.

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Production	95	74
Selling and distribution	13	12
Administration	8	8
	<u>116</u>	<u>94</u>

Employment costs

	£	£
Wages and salaries	2,170,952	1,813,005
Social security costs	206,279	168,516
Other pension costs	18,983	74,933
	<u>2,396,214</u>	<u>2,056,454</u>

20 Control

The ultimate controlling party is T Chalu by virtue of his personal interest in 25% of the issued share capital and as a trustee and beneficiary of settlements which hold the remaining 75%.

BARLEY-CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

21 Related party transactions

(i) Mastercote Limited is a related party of Barley-Chalu Limited by virtue of M Munday, being a director of Barley-Chalu Limited and holding shares in Mastercote Limited. Transactions are conducted between the companies at arms length under normal trading terms. The value of sales to Mastercote Limited and purchases from Mastercote Limited during the year amounted to £34,897 (1999: £54,980) and £825,043 (1999: £573,409), respectively. At the year end the balance owed to Mastercote Limited amounted to £51,692 (1999: £63,368).

(ii) Barley Chalu Limited Retirement Benefit Scheme is a related party of Barley-Chalu Limited. During the year, the company has made payments of £26,615 (1999: £17,248) in respect of loan interest and £38,500 (1999: £38,500) in respect of rent. During the year, £Nil (1999: £100,000) was advanced from the Barley-Chalu Limited Retirement Benefit Scheme resulting in an amount owed at the year end of £300,000 (1999: £300,000). The Barley Chalu Retirement Benefit Scheme is a shareholder in Mastercote Limited.

(iii) Winegate Limited is a related party of Barley-Chalu Limited by virtue of T Chalu being the Chairman of Barley-Chalu Limited and a 50% shareholder of Winegate Limited. During the year, the value of purchases from Winegate Limited amounted to £292 (1999: £1,756).