

Company Registration No. 923921 (England and Wales)

BARLEY CHALU LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2001



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BARLEY CHALU LIMITED

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BARLEY CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and financial statements for the year ended 31 December 2001.

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 2001:

T Chalu	
D Carman	
M Munday	(Resigned 9 April 2001)
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 2001	1 January 2001
T Chalu	2,500	2,500
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 donations	2001 £	2000 £
During the year the company made the following payments:		
Political donations to EU parties and organisations	500	220
Charitable donations	325	141

During the year the company made political donations to the Conservative Party amounting to £500 (2000 : £220).

During the year the company made charitable donations of £325 (2000 : £141).

BARLEY CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

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.

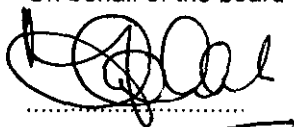
Directors' responsibilities

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

17-7-2002

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 17, together with the financial statements of the company for the year ended 31 December 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

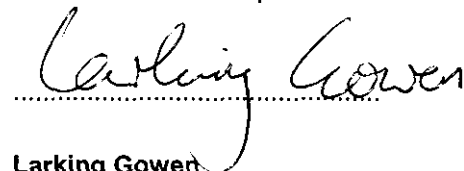
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of 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 17 are properly prepared in accordance with that provision.



Larking Gowen

Chartered Accountants
Registered Auditors
Norwich

26 July 2002

BARLEY CHALU LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

		2001	2000
	Notes	£	as restated £
Gross profit		2,651,774	2,375,163
Distribution costs		(512,448)	(512,125)
Administrative expenses		(1,933,489)	(1,788,404)
Operating profit	2	205,837	74,634
Other interest receivable and similar income		-	193
Interest payable and similar charges	3	(44,536)	(52,799)
Profit on ordinary activities before taxation		161,301	22,028
Tax on profit on ordinary activities	4	(36,060)	(11,934)
Profit on ordinary activities after taxation	13	125,241	10,094

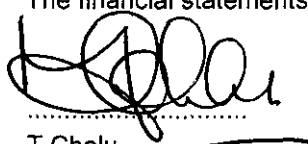
BARLEY CHALU LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2001

		2001		2000 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		1,275,121		1,275,477
Current assets					
Stocks	6	88,467		126,150	
Debtors	7	1,314,950		1,251,392	
Deferred tax asset	7	-		-	
Cash at bank and in hand		3,353		3,391	
		<u>1,406,770</u>		<u>1,380,933</u>	
Creditors: amounts falling due within one year	8	<u>(1,187,814)</u>		<u>(1,147,149)</u>	
Net current assets			218,956		233,784
Total assets less current liabilities			1,494,077		1,509,261
Creditors: amounts falling due after more than one year	9		(90,395)		(233,678)
Provisions for liabilities and charges	10				
Deferred tax liability			(103,979)		(101,121)
			<u>1,299,703</u>		<u>1,174,462</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		1,289,703		1,164,462
Shareholders' funds - equity interests	14		<u>1,299,703</u>		<u>1,174,462</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 17-7-2002...


T Chalu
Director

BARLEY CHALU LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

	2001		2000	
	£	£	£	£
Net cash inflow from operating activities		400,235		119,811
Returns on investments and servicing of finance				
Interest received	-		193	
Interest paid	(32,049)		(44,282)	
Interest element of finance lease rentals	(12,487)		(8,517)	
Net cash outflow for returns on investments and servicing of finance		(44,536)		(52,606)
Taxation		(10,630)		(16,344)
Capital expenditure				
Payments to acquire tangible assets	(198,434)		(161,176)	
Receipts from sales of tangible assets	29,001		41,604	
Net cash outflow for capital expenditure		(169,433)		(119,572)
Net cash inflow/(outflow) before management of liquid resources and financing		175,636		(68,711)
Financing				
Repayment of long term bank loan	(31,250)		(31,250)	
Repayment of other short term loans	(25,000)		(43,750)	
Capital element of finance lease contracts	(52,300)		(74,140)	
Net cash outflow from financing		(108,550)		(149,140)
Increase/(decrease) in cash in the year		67,086		(217,851)

BARLEY CHALU LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

1 Reconciliation of operating profit to net cash inflow from operating activities		2001	2000
		£	£
Operating profit		205,837	74,634
Depreciation of tangible assets		150,908	165,039
Loss on disposal of tangible assets		18,882	30,055
Decrease/(increase) in stocks		37,683	(5,747)
Increase in debtors		(63,558)	(34,788)
Increase/(decrease) in creditors within one year		50,483	(109,382)
Net cash inflow from operating activities		400,235	119,811

2 Analysis of net debt	1 January 2001	Cash flow	Other non-cash changes	31 December 2001
	£	£	£	£
Net cash:				
Cash at bank and in hand	3,391	(38)	-	3,353
Bank overdrafts	(289,051)	67,124	-	(221,927)
	(285,660)	67,086	-	(218,574)
Debt:				
Finance leases	(86,736)	52,299	-	(34,437)
Debts falling due within one year	(131,250)	(68,750)	-	(200,000)
Debts falling due after one year	(200,000)	125,000	-	(75,000)
	(417,986)	108,549	-	(309,437)
Net debt	(703,646)	175,635	-	(528,011)

3 Reconciliation of net cash flow to movement in net debt		2001	2000
		£	£
Increase/(decrease) in cash in the year		67,086	(217,851)
Cash outflow from decrease in debt and lease financing		108,549	149,140
Change in net debt resulting from cash flows		175,635	(68,711)
New finance lease		-	(64,066)
Movement in net debt in the year		175,635	(132,777)
Opening net debt		(703,646)	(570,869)
Closing net debt		(528,011)	(703,646)

BARLEY CHALU LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

4 Major non-cash transactions

During the year lease purchase agreements amounting to £Nil (2000:£64,066) were entered into by the company.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

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.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

1 Accounting policies

1.7 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard requires a prior period adjustment to be made to recognise the liability which existed at the start of the financial year and which was not recognised under the old accounting policy. This has increased the deferred tax liability and reduced the retained profits by £101,121.

2	Operating profit	2001	2000
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	150,908	165,039
	Loss on disposal of tangible assets	18,882	30,055
	Operating lease rentals	156,265	145,023
	Auditors' remuneration	8,000	7,600
		<u> </u>	<u> </u>
3	Interest payable	2001	2000
		£	£
	On bank loans and overdrafts	10,301	18,199
	On other loans wholly repayable within 5 years	21,748	26,083
	Lease finance charges	12,487	8,517
		<u> </u>	<u> </u>
		44,536	52,799
		<u> </u>	<u> </u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

4	Taxation	2001 £	2000 £
	Domestic current year tax		
	U.K. corporation tax	33,202	10,630
	Current tax charge	33,202	10,630
	Deferred tax		
	Deferred tax charge/credit current year	2,858	1,304
		36,060	11,934
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	161,301	22,028
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2000: 20.00%)	32,260	4,406
	Effects of:		
	Non deductible expenses	2,838	5,706
	Depreciation	33,737	38,758
	Capital allowances	(35,633)	(38,240)
		942	6,224
	Current tax charge	33,202	10,630

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

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 2001	27,099	629,458	1,187,754	267,839	214,982	2,327,132
Additions	-	-	147,472	42,963	8,000	198,435
Disposals	-	-	-	(154,686)	(73,750)	(228,436)
At 31 December 2001	27,099	629,458	1,335,226	156,116	149,232	2,297,131
Depreciation						
At 1 January 2001	1,254	200,148	565,858	202,365	82,030	1,051,655
On disposals	-	-	-	(138,445)	(42,108)	(180,553)
Charge for the year	114	12,591	98,081	12,724	27,398	150,908
At 31 December 2001	1,368	212,739	663,939	76,644	67,320	1,022,010
Net book value						
At 31 December 2001	25,731	416,719	671,287	79,472	81,912	1,275,121
At 31 December 2000	25,845	429,310	621,896	65,474	132,952	1,275,477

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 2001	31,878	22,973	54,851
At 31 December 2000	59,530	62,343	121,873
Depreciation charge for the year			
31 December 2001	7,850	7,659	15,509
31 December 2000	11,749	15,855	27,604

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

6	Stocks and work in progress	2001	2000
		£	£
	Raw materials and consumables	77,889	110,177
	Work in progress	10,578	15,973
		<u>88,467</u>	<u>126,150</u>
7	Debtors	2001	2000
		£	£
	Trade debtors	1,279,687	1,170,432
	Prepayments and accrued income	35,263	80,960
		<u>1,314,950</u>	<u>1,251,392</u>
8	Creditors: amounts falling due within one year	2001	2000
		£	£
	Bank loans and overdrafts	221,927	320,301
	Net obligations under finance leases	19,042	53,058
	Trade creditors	397,125	352,106
	Corporation tax	33,202	10,630
	Other taxes and social security costs	235,530	220,922
	Other creditors	231,760	154,837
	Accruals and deferred income	49,228	35,295
		<u>1,187,814</u>	<u>1,147,149</u>

Included in other creditors are two loans of £100,000 which are repayable in January 2002 and in November 2002 and bear interest at 3% above Barclays Bank plc base rate. The loans are unsecured.

Post year end, the loan repayable in January 2002 was renegotiated, under the same terms, to be repayable in January 2007.

The bank overdraft is 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 overdraft is also secured by a legal mortgage dated 24th November 1977 over the company's leasehold property.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

9 Creditors: amounts falling due after more than one year	2001 £	2000 £
Other loans	75,000	200,000
Net obligations under finance leases	15,395	33,678
	<u>90,395</u>	<u>233,678</u>
Analysis of loans		
Wholly repayable within five years	275,000	331,250
	<u>275,000</u>	<u>331,250</u>
Included in current liabilities	(200,000)	(131,250)
	<u>75,000</u>	<u>200,000</u>
Loan maturity analysis		
In more than one year but not more than two years	200,000	131,250
In more than two years but not more than five years	75,000	200,000
	<u>275,000</u>	<u>331,250</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.

£75,000 is repayable on 24 January 2004 and bears interest at 3% above Barclays Bank plc base rate.

All loans are unsecured.

Net obligations under finance leases

Repayable within one year	19,042	53,058
Repayable between one and five years	15,394	33,678
	<u>34,436</u>	<u>86,736</u>
Included in liabilities falling due within one year	(19,042)	(53,058)
	<u>15,394</u>	<u>33,678</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 2001

10 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 2001	101,121
Profit and loss account	2,858
Balance at 31 December 2001	<u>103,979</u>

Deferred taxation provided in the financial statements is as follows:

	2001 £	2000 £
Accelerated capital allowances	<u>103,979</u>	<u>101,121</u>

11 Pension costs

Defined contribution

	2001 £	2000 £
Contributions payable by the company for the year	<u>21,507</u>	<u>18,983</u>

12 Share capital

	2001 £	2000 £
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>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2001 as previously reported	1,265,583
Prior year adjustment	(101,121)
Balance at 1 January 2001 as restated	1,164,462
Retained profit for the year	125,241
Balance at 31 December 2001	1,289,703

14 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	125,241	10,094
Opening shareholders' funds	1,174,462	1,164,368
Closing shareholders' funds	1,299,703	1,174,462

15 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001 £	2000 £	2001 £	2000 £
Expiry date:				
Between two and five years	45,000	58,500	120,996	103,175

16 Capital commitments

	2001 £	2000 £
At 31 December 2001 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	282,268	-

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2001

17 Directors' emoluments

	2001 £	2000 £
Emoluments for qualifying services	499,564	432,636
Company pension contributions to money purchase schemes	19,707	17,183
	<u>519,271</u>	<u>449,819</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2000- 3).

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

Emoluments for qualifying services	247,062	249,175
Company pension contributions to money purchase schemes	13,947	7,703
	<u>261,009</u>	<u>256,878</u>

During the year £89,360 was paid as compensation for loss of office.

18 Employees

Number of employees

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

	2001 Number	2000 Number
Production	96	95
Selling and distribution	14	13
Administration	8	8
	<u>118</u>	<u>116</u>

Employment costs

	£	£
Wages and salaries	2,457,365	2,170,952
Social security costs	221,099	206,279
Other pension costs	21,507	18,983
	<u>2,699,971</u>	<u>2,396,214</u>