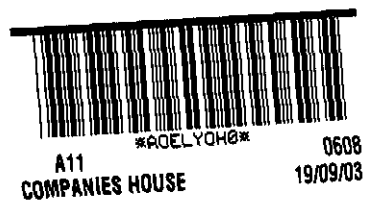


Company Registration No. 923921 (England and Wales)

BARLEY CHALU LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2002



BARLEY CHALU LIMITED

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BARLEY CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

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

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 2002:

T Chalu
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 2002	1 January 2002
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

	2002	2001
	£	£
During the year the company made the following payments:		
Political donations to EU parties and organisations	150	500
Charitable donations	728	325
	<u> </u>	<u> </u>

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 2002

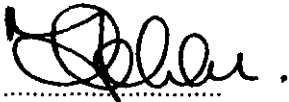
Directors' responsibilities

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

2 September 2003

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 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

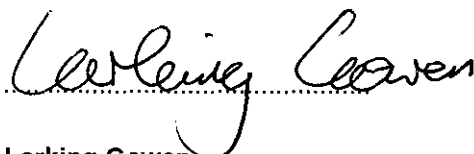
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of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

Chartered Accountants
Registered Auditors
Norwich

16 September 2003

BARLEY CHALU LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Gross profit		2,583,791	2,651,774
Distribution costs		(500,271)	(512,448)
Administrative expenses		(1,942,825)	(1,933,489)
Operating profit	2	140,695	205,837
Interest payable and similar charges	3	(44,337)	(44,536)
Profit on ordinary activities before taxation		96,358	161,301
Tax on profit on ordinary activities	4	(18,834)	(36,060)
Profit on ordinary activities after taxation	13	77,524	125,241

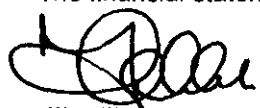
BARLEY CHALU LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	5		1,420,804		1,275,121
Current assets					
Stocks	6	102,540		88,467	
Debtors	7	1,289,582		1,314,950	
Cash at bank and in hand		275		3,353	
			1,392,397		1,406,770
Creditors: amounts falling due within one year	8	(1,009,713)		(1,187,814)	
Net current assets			382,684		218,956
Total assets less current liabilities			1,803,488		1,494,077
Creditors: amounts falling due after more than one year	9		(317,205)		(90,395)
Provisions for liabilities and charges	10		(109,056)		(103,979)
			1,377,227		1,299,703
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		1,367,227		1,289,703
Shareholders' funds - equity interests	14		1,377,227		1,299,703

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 2 September 2003



T Chalu
Director

BARLEY CHALU LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		161,635		400,235
Returns on investments and servicing of finance				
Interest paid	(39,648)		(32,049)	
Interest element of finance lease rentals	(4,689)		(12,487)	
Net cash outflow for returns on investments and servicing of finance		(44,337)		(44,536)
Taxation		(33,202)		(10,630)
Capital expenditure				
Payments to acquire tangible assets	(239,072)		(198,434)	
Receipts from sales of tangible assets	46,200		29,001	
Net cash outflow for capital expenditure		(192,872)		(169,433)
Net cash (outflow)/inflow before management of liquid resources and financing		(108,776)		175,636
Financing				
Repayment of other short term loans	-		(56,250)	
Capital element of hire purchase contracts	(21,763)		(52,300)	
Net cash outflow from financing		(21,763)		(108,550)
(Decrease)/increase in cash in the year		(130,539)		67,086

BARLEY CHALU LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

1	Reconciliation of operating profit to net cash inflow from operating activities		2002	2001	
			£	£	
	Operating profit		140,695	205,837	
	Depreciation of tangible assets		144,976	150,908	
	(Profit)/loss on disposal of tangible assets		(1,960)	18,882	
	(Increase)/decrease in stocks		(14,073)	37,683	
	Decrease/(increase) in debtors		25,368	(63,558)	
	(Decrease)/Increase in creditors within one year		(87,544)	50,483	
	Net effect of foreign exchange differences		(45,827)	-	
	Net cash inflow from operating activities		161,635	400,235	
2	Analysis of net debt	1 January 2002	Cash flow	Other non-cash changes	31 December 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	3,353	(3,078)	-	275
	Bank overdrafts	(221,927)	(127,461)	-	(349,388)
		<u>(218,574)</u>	<u>(130,539)</u>	<u>-</u>	<u>(349,113)</u>
	Debt:				
	Finance leases	(34,437)	21,763	(50,000)	(62,674)
	Debts falling due within one year	(200,000)	200,000	-	-
	Debts falling due after one year	(75,000)	(200,000)	-	(275,000)
		<u>(309,437)</u>	<u>21,763</u>	<u>(50,000)</u>	<u>(337,674)</u>
	Net debt	<u>(528,011)</u>	<u>(108,776)</u>	<u>(50,000)</u>	<u>(686,787)</u>
3	Reconciliation of net cash flow to movement in net debt		2002	2001	
			£	£	
	(Decrease)/increase in cash in the year		(130,539)	67,086	
	Cash outflow from decrease in debt and lease financing		21,763	108,549	
			<u>(108,776)</u>	<u>175,635</u>	
	Change in net debt resulting from cash flows		(108,776)	175,635	
	New finance lease		(50,000)	-	
			<u>(158,776)</u>	<u>175,635</u>	
	Movement in net debt in the year		(158,776)	175,635	
	Opening net debt		(528,011)	(703,646)	
			<u>(686,787)</u>	<u>(528,011)</u>	
4	Major non-cash transactions				
	During the year hire purchase agreements amounting to £50,000 (2001:£nil) were entered into by the company.				

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

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:

Assets in the course of construction	2% straight line basis
Land and buildings freehold & 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 is 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 2002

2	Operating profit	2002	2001
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	144,976	150,908
	Loss on disposal of tangible assets	-	18,882
	Operating lease rentals	87,860	103,037
	Auditors' remuneration	8,400	8,000
	and after crediting:		
	Profit on disposal of tangible assets	(1,960)	-
		<u> </u>	<u> </u>
3	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	20,884	10,301
	On other loans wholly repayable within 5 years	18,764	21,748
	Lease finance charges	4,689	12,487
		<u> </u>	<u> </u>
		<u>44,337</u>	<u>44,536</u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

4	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	13,757	33,202
	Current tax charge	13,757	33,202
	Deferred tax		
	Deferred tax charge/credit current year	5,077	2,858
		18,834	36,060
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	96,358	161,301
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2001: 20.00%)	18,549	32,260
	Effects of:		
	Non deductible expenses	5,105	2,838
	Depreciation add back	27,349	33,737
	Capital allowances	(37,246)	(35,633)
		(4,792)	942
	Current tax charge	13,757	33,202

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

5 Tangible fixed assets

	Assets in the course of construction	Land and buildings freehold & leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2002	120,972	656,557	1,214,254	156,116	149,232	2,297,131
Exchange differences	-	-	45,827	-	-	45,827
Additions	62,906	30,076	116,834	38,083	87,000	334,899
Revaluation	(45,827)	-	-	-	-	(45,827)
Disposals	-	-	-	-	(91,402)	(91,402)
At 31 December 2002	138,051	686,633	1,376,915	194,199	144,830	2,540,628
Depreciation						
At 1 January 2002	-	214,107	663,939	76,644	67,320	1,022,010
On disposals	-	-	-	-	(47,162)	(47,162)
Charge for the year	-	12,704	96,969	15,782	19,521	144,976
At 31 December 2002	-	226,811	760,908	92,426	39,679	1,119,824
Net book value						
At 31 December 2002	138,051	459,822	616,007	101,773	105,151	1,420,804
At 31 December 2001	120,972	442,450	550,315	79,472	81,912	1,275,121

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 2002	25,679	92,293	117,972
At 31 December 2001	31,878	22,973	54,851
Depreciation charge for the year			
31 December 2002	6,199	8,403	14,602
31 December 2001	7,850	7,659	15,509

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

6	Stocks and work in progress	2002	2001
		£	£
	Raw materials and consumables	102,540	77,889
	Work in progress	-	10,578
		<u>102,540</u>	<u>88,467</u>
		<u><u>102,540</u></u>	<u><u>88,467</u></u>
7	Debtors	2002	2001
		£	£
	Trade debtors	1,199,641	1,279,687
	Other debtors	47,255	-
	Prepayments and accrued income	42,686	35,263
		<u>1,289,582</u>	<u>1,314,950</u>
		<u><u>1,289,582</u></u>	<u><u>1,314,950</u></u>
8	Creditors: amounts falling due within one year	2002	2001
		£	£
	Bank loans and overdrafts	349,388	221,927
	Net obligations under finance leases	20,469	19,042
	Trade creditors	365,147	397,125
	Corporation tax	13,757	33,202
	Other taxes and social security costs	202,539	235,530
	Other creditors	-	231,760
	Accruals and deferred income	58,413	49,228
		<u>1,009,713</u>	<u>1,187,814</u>
		<u><u>1,009,713</u></u>	<u><u>1,187,814</u></u>

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 2002

9 Creditors: amounts falling due after more than one year	2002 £	2001 £
Other loans	275,000	75,000
Net obligations under finance leases	42,205	15,395
	<u>317,205</u>	<u>90,395</u>
Analysis of loans		
Wholly repayable within five years	275,000	275,000
	<u>275,000</u>	<u>275,000</u>
Included in current liabilities	-	(200,000)
	<u>275,000</u>	<u>75,000</u>
Loan maturity analysis		
In more than one year but not more than two years	75,000	200,000
In more than two years but not more than five years	200,000	75,000
	<u>275,000</u>	<u>275,000</u>
Other Loans		
£75,000 is repayable on 24 January 2004 and bears interest at 3% above Barclays Bank plc base rate.		
£100,000 is repayable on 9 November 2005 and bears interest at 3% above Barclays Bank plc base rate.		
£100,000 is repayable on 15 January 2007 and bears interest at 3% above Barclays Bank plc base rate.		
All loans are unsecured.		
Net obligations under finance leases		
Repayable within one year	20,469	19,042
Repayable between one and five years	42,205	15,395
	<u>62,674</u>	<u>34,437</u>
Included in liabilities falling due within one year	(20,469)	(19,042)
	<u>42,205</u>	<u>15,395</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 2002

10 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2002	103,979
Profit and loss account	5,077
	<u>109,056</u>
Balance at 31 December 2002	<u>109,056</u>

The deferred tax liability is made up as follows:

	2002 £	2001 £
Accelerated capital allowances	<u>109,056</u>	<u>103,979</u>

11 Pension costs

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	<u>20,920</u>	<u>21,507</u>

12 Share capital

	2002 £	2001 £
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 2002	1,289,703
Retained profit for the year	77,524
	<u>1,367,227</u>
Balance at 31 December 2002	<u>1,367,227</u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	77,524	125,241
Opening shareholders' funds	1,299,703	1,174,462
Closing shareholders' funds	1,377,227	1,299,703

15 Financial commitments

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

	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Expiry date:				
Within one year	28,218	-	-	-
Between two and five years	-	45,000	75,923	120,996
In over five years	-	-	11,145	-
	28,218	45,000	87,068	120,996

16 Capital commitments

	2002 £	2001 £
At 31 December 2002 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	282,268

17 Directors' emoluments

	2002 £	2001 £
Emoluments for qualifying services	418,438	499,564
Company pension contributions to money purchase schemes	19,120	19,707
	437,558	519,271

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2 001- 3).

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

Emoluments for qualifying services	303,007	247,062
Company pension contributions to money purchase schemes	15,220	13,947

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

18 Employees

Number of employees

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

	2002 Number	2001 Number
Production	109	96
Selling and distribution	12	14
Administration	9	8
	<u>130</u>	<u>118</u>

Employment costs

	£	£
Wages and salaries	2,644,075	2,457,365
Social security costs	237,157	221,099
Other pension costs	20,920	21,507
	<u>2,902,152</u>	<u>2,699,971</u>