

Company Registration No. 923921 (England and Wales)

BARLEY CHALU LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003



BARLEY CHALU LIMITED

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BARLEY CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

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 2003:

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 2003	1 January 2003
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.

Charitable donations	2003 £	2002 £
During the year the company made the following payments:		
Charitable donations	300	728

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 2003

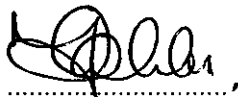
Directors' responsibilities

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

.....16/09/2004



CHARTERED
ACCOUNTANTS

BARLEY CHALU LIMITED

INDEPENDENT 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 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 audit 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

BARLEY CHALU LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Gross profit		2,392,154	2,583,791
Distribution costs		(540,801)	(500,271)
Administrative expenses		(1,768,143)	(1,942,825)
Operating profit	2	83,210	140,695
Other interest receivable and similar income		11	-
Interest payable and similar charges	4	(39,106)	(44,337)
Profit on ordinary activities before taxation		44,115	96,358
Tax on profit on ordinary activities	5	(8,453)	(18,834)
Profit on ordinary activities after taxation	14	35,662	77,524

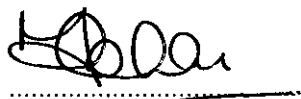
BARLEY CHALU LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6		1,418,584		1,420,804
Current assets					
Stocks	7	197,012		102,540	
Debtors	8	1,545,073		1,289,582	
Cash at bank and in hand		97,989		275	
		<u>1,840,074</u>		<u>1,392,397</u>	
Creditors: amounts falling due within one year	9	<u>(1,253,683)</u>		<u>(733,664)</u>	
Net current assets			586,391		658,733
Total assets less current liabilities			<u>2,004,975</u>		<u>2,079,537</u>
Creditors: amounts falling due after more than one year	10		(469,002)		(593,254)
Provisions for liabilities and charges	11		<u>(123,084)</u>		<u>(109,056)</u>
			<u>1,412,889</u>		<u>1,377,227</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account	14		<u>1,402,889</u>		<u>1,367,227</u>
Shareholders' funds - equity interests	15		<u>1,412,889</u>		<u>1,377,227</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 16/07/2004.



T Chalut
Director

BARLEY CHALU LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		11,560		207,462
Returns on investments and servicing of finance				
Interest received	11		-	
Interest paid	(34,568)		(39,648)	
Interest element of finance lease rentals	(4,538)		(4,689)	
Net cash outflow for returns on investments and servicing of finance		(39,095)		(44,337)
Taxation		(13,757)		(33,202)
Capital expenditure				
Payments to acquire tangible assets	(164,769)		(284,899)	
Receipts from sales of tangible assets	108,600		46,200	
Net cash outflow for capital expenditure		(56,169)		(238,699)
Net cash outflow before management of liquid resources and financing		(97,461)		(108,776)
Financing				
New long term bank loan	-		276,049	
New long term bank loan	-		40,232	
Repayment of long term bank loan	(40,232)		-	
Capital element of hire purchase contracts	(24,960)		(21,763)	
Net cash (outflow)/inflow from financing		(65,192)		294,518
(Decrease)/increase in cash in the year		(162,653)		185,742

BARLEY CHALU LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

1	Reconciliation of operating profit to net cash inflow from operating activities	2003	2002
		£	£
	Operating profit	83,210	140,695
	Depreciation of tangible assets	161,341	144,976
	Profit on disposal of tangible assets	(76,226)	(1,960)
	Increase in stocks	(94,472)	(14,073)
	(Increase)/decrease in debtors	(249,916)	25,368
	Increase/(decrease) in creditors within one year	187,623	(87,544)
	Net cash inflow from operating activities	11,560	207,462

2	Analysis of net debt	1 January 2003	Cash flow	Other non-cash changes	31 December 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	275	97,714	-	97,989
	Bank overdrafts	(33,107)	(260,367)	-	(293,474)
		<u>(32,832)</u>	<u>(162,653)</u>	<u>-</u>	<u>(195,485)</u>
	Debt:				
	Hire purchase leases	(62,674)	24,960	(26,725)	(64,439)
	Debts falling due within one year	(40,232)	(81,368)	-	(121,600)
	Debts falling due after one year	(551,049)	121,599	-	(429,450)
		<u>(653,955)</u>	<u>65,191</u>	<u>(26,725)</u>	<u>(615,489)</u>
	Net debt	<u>(686,787)</u>	<u>(97,462)</u>	<u>(26,725)</u>	<u>(810,974)</u>

3	Reconciliation of net cash flow to movement in net debt	2003	2002
		£	£
	(Decrease)/increase in cash in the year	(162,653)	185,742
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	65,191	(294,518)
	Change in net debt resulting from cash flows	(97,462)	(108,776)
	New finance lease	(26,725)	(50,000)
	Movement in net debt in the year	(124,187)	(158,776)
	Opening net debt	(686,787)	(528,011)
	Closing net debt	(810,974)	(686,787)

4 Major non-cash transactions

During the year hire purchase agreements amounting to £26,725 (2002:£50,000) were entered into by the company.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

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	Nil
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

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 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.

1.8 Foreign currency transactions

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

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

2	Operating profit	2003	2002
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	161,341	144,976
	Operating lease rentals		
	- Plant and machinery	136,996	90,312
	- Other assets	86,674	51,334
	Auditors' remuneration	8,500	8,400
	and after crediting:		
	Profit on disposal of tangible assets	(76,226)	(1,960)
		<u><u> </u></u>	<u><u> </u></u>
3	Investment income	2003	2002
		£	£
	Bank interest	11	-
		<u><u> </u></u>	<u><u> </u></u>
4	Interest payable	2003	2002
		£	£
	On bank loans and overdrafts	16,596	20,884
	On other loans wholly repayable within 5 years	17,972	18,764
	Lease finance charges	4,538	4,689
		<u><u> </u></u>	<u><u> </u></u>
		39,106	44,337
		<u><u> </u></u>	<u><u> </u></u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

5	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	(5,575)	13,757
	Current tax charge	<u>(5,575)</u>	<u>13,757</u>
	Deferred tax		
	Deferred tax charge current year	14,634	5,077
	Deferred tax adjustment re previous year	(606)	-
		<u>14,028</u>	<u>5,077</u>
		<u>8,453</u>	<u>18,834</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>44,115</u>	<u>96,358</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 19.25%)	<u>8,382</u>	<u>18,549</u>
	Effects of:		
	Non deductible expenses	4,655	5,105
	Capital allowances for the period in excess of depreciation	(28,241)	(9,897)
	Chargeable disposals	9,955	-
	Other tax adjustments	(326)	-
		<u>(13,957)</u>	<u>(4,792)</u>
	Current tax charge	<u>(5,575)</u>	<u>13,757</u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

6 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 2003	138,051	686,633	1,376,915	194,199	144,830	2,540,628
Transfer of finished goods	(80,523)	5,823	74,700	-	-	-
Additions	111,575	-	20,900	13,200	45,820	191,495
Disposals	-	(27,099)	-	-	(22,400)	(49,499)
At 31 December 2003	169,103	665,357	1,472,515	207,399	168,250	2,682,624
Depreciation						
At 1 January 2003	-	226,811	760,908	92,426	39,679	1,119,824
On disposals	-	(1,529)	-	-	(15,596)	(17,125)
Charge for the year	-	13,336	102,735	16,521	28,749	161,341
At 31 December 2003	-	238,618	863,643	108,947	52,832	1,264,040
Net book value						
At 31 December 2003	169,103	426,739	608,872	98,452	115,418	1,418,584
At 31 December 2002	138,051	459,822	616,007	101,773	105,151	1,420,804

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 2003	-	92,654	92,654
At 31 December 2002	25,679	92,293	117,972
Depreciation charge for the year			
At 31 December 2003	-	24,007	24,007
At 31 December 2002	6,199	8,403	14,602

Included in the net book value of land and buildings at the 31 December 2003 was £426,739 (2002: £434,205) of long leasehold property and £Nil (2002: £25,617) of freehold property.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

7	Stocks	2003	2002
		£	£
	Raw materials and consumables	197,012	102,540
		<u> </u>	<u> </u>
8	Debtors	2003	2002
		£	£
	Trade debtors	1,470,047	1,199,641
	Corporation tax	5,575	-
	Other debtors	31,741	47,255
	Prepayments and accrued income	37,710	42,686
		<u> </u>	<u> </u>
		1,545,073	1,289,582
		<u> </u>	<u> </u>
9	Creditors: amounts falling due within one year	2003	2002
		£	£
	Bank loans and overdrafts	340,074	73,339
	Net obligations under finance leases	24,887	20,469
	Trade creditors	464,249	365,147
	Corporation tax	-	13,757
	Other taxes and social security costs	275,920	202,539
	Other creditors	75,000	-
	Accruals and deferred income	73,553	58,413
		<u> </u>	<u> </u>
		1,253,683	733,664
		<u> </u>	<u> </u>
	Debt due in one year or less	121,600	40,232
		<u> </u>	<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 2003

10 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	229,450	276,049
Other loans	200,000	275,000
Net obligations under finance leases	39,552	42,205
	<u>469,002</u>	<u>593,254</u>
Analysis of loans		
Wholly repayable within five years	551,050	591,281
	<u>551,050</u>	<u>591,281</u>
Included in current liabilities	(121,600)	(40,232)
	<u>429,450</u>	<u>551,049</u>
Loan maturity analysis		
In more than one year but not more than two years	149,116	121,595
In more than two years but not more than five years	263,872	355,462
In more than five years	16,462	73,992
	<u>429,450</u>	<u>551,049</u>
Other Loans		
£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	24,887	20,469
Repayable between one and five years	39,552	42,205
	<u>64,439</u>	<u>62,674</u>
Included in liabilities falling due within one year	(24,887)	(20,469)
	<u>39,552</u>	<u>42,205</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 2003

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2003	109,056
Profit and loss account	14,028
	<u>123,084</u>
Balance at 31 December 2003	<u>123,084</u>

The deferred tax liability is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	<u>123,084</u>	<u>109,056</u>

12 Pension costs

Defined contribution

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

	2003 £	2002 £
Contributions payable by the company for the year	<u>5,700</u>	<u>20,920</u>

13 Share capital

	2003 £	2002 £
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 2003

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2003	1,367,227
Retained profit for the year	35,662
	<u>1,402,889</u>
Balance at 31 December 2003	<u>1,402,889</u>

15 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	35,662	77,524
Opening shareholders' funds	1,377,227	1,299,703
	<u>1,412,889</u>	<u>1,377,227</u>
Closing shareholders' funds	<u>1,412,889</u>	<u>1,377,227</u>

16 Contingent liabilities

Contingent liabilities arise in the normal course of business on the warranties given on work carried out by the company.

17 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
Expiry date:				
Within one year	98,155	84,655	22,171	-
Between two and five years	-	-	85,799	118,178
In over five years	-	-	3,497	18,818
	<u>98,155</u>	<u>84,655</u>	<u>111,467</u>	<u>136,996</u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

18 Directors' emoluments	2003 £	2002 £
Emoluments for qualifying services	411,074	418,438
Company pension contributions to money purchase schemes	3,900	19,120
	<u>414,974</u>	<u>437,558</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002- 2).

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

Emoluments for qualifying services	304,207	303,007
Company pension contributions to money purchase schemes	-	15,220
	<u>-</u>	<u>15,220</u>

19 Transactions with directors

The following director received an interest free loan during the year. The movement on this loan is as follows:

	Amount outstanding		Maximum
	2003	2002	in year
	£	£	£
T Chalu	<u>24,038</u>	<u>-</u>	<u>64,039</u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

20 Employees

Number of employees

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

	2003 Number	2002 Number
Production	106	108
Selling and distribution	19	18
Administration	8	9
	<u>133</u>	<u>135</u>

Employment costs

	£	£
Wages and salaries	2,659,885	2,644,075
Social security costs	261,804	237,157
Other pension costs	5,700	20,920
	<u>2,927,389</u>	<u>2,902,152</u>

21 Comparative figures

The comparative figures for 'Creditors: amounts falling due within one year' and 'Creditors: amounts falling due after more than one year' have been adjusted by £276,049 to reflect a reclassification of the maturity of a bank loan. This has also affected the cash flow statement and the cash flow statement notes.