

Company Registration No. 923921 (England and Wales)

BARLEY CHALU LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004



BARLEY CHALU LIMITED

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BARLEY CHALU LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

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.

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 2004:

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 2004	1 January 2004
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	2004 £	2003 £
During the year the company made the following payments:		
Charitable donations	650	300

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 2004

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

25 October 2005



BARLEY CHALU LIMITED

CHARTERED
ACCOUNTANTS

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 2004 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

25 October 2005

BARLEY CHALU LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

		2004 £	2003 £
	Notes		
Gross profit		2,524,663	2,392,154
Distribution costs		(599,505)	(540,801)
Administrative expenses		(1,876,886)	(1,768,143)
Operating profit	2	48,272	83,210
Other interest receivable and similar income		-	11
Interest payable and similar charges	4	(46,786)	(39,106)
Profit on ordinary activities before taxation		1,486	44,115
Tax on profit on ordinary activities	5	(5,650)	(8,453)
(Loss)/profit on ordinary activities after taxation	14	(4,164)	35,662

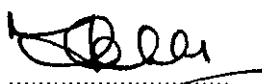
BARLEY CHALU LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	6		1,788,951		1,418,584
Current assets					
Stocks	7	147,790		197,012	
Debtors	8	1,309,536		1,545,073	
Cash at bank and in hand		19,339		97,989	
		<u>1,476,665</u>		<u>1,840,074</u>	
Creditors: amounts falling due within one year	9	<u>(1,388,618)</u>		<u>(1,253,683)</u>	
Net current assets			88,047		586,391
Total assets less current liabilities			1,876,998		2,004,975
Creditors: amounts falling due after more than one year	10		(339,531)		(469,002)
Provisions for liabilities and charges	11		(128,742)		(123,084)
			<u>1,408,725</u>		<u>1,412,889</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Profit and loss account	14		1,398,725		1,402,889
Shareholders' funds - equity interests	15		<u>1,408,725</u>		<u>1,412,889</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 25 October 2005



T Chalu
Director

BARLEY CHALU LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

	2004		2003	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		392,731		11,560
Returns on investments and servicing of finance				
Interest received	-		11	
Interest paid	(41,644)		(34,568)	
Interest element of finance lease rentals	(5,142)		(4,538)	
Net cash outflow for returns on investments and servicing of finance		(46,786)		(39,095)
Taxation		8		(13,757)
Capital expenditure				
Payments to acquire tangible assets	(322,394)		(164,769)	
Receipts from sales of tangible assets	8,400		108,600	
Net cash outflow for capital expenditure		(313,994)		(56,169)
Net cash outflow before management of liquid resources and financing		31,959		(97,461)
Financing				
Repayment of long term bank loan	(45,183)		(40,232)	
Repayment of other long term loans	(75,000)		-	
Capital element of hire purchase contracts	(31,799)		(24,960)	
Net cash outflow from financing		(151,982)		(65,192)
Decrease in cash in the year		(120,023)		(162,653)

BARLEY CHALU LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2004

1	Reconciliation of operating profit to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit	48,272	83,210
	Depreciation of tangible assets	167,057	161,341
	Loss/(profit) on disposal of tangible assets	2,735	(76,226)
	Decrease/(increase) in stocks	49,222	(94,472)
	Decrease/(increase) in debtors	235,537	(249,916)
	Increase in creditors within one year	(110,092)	187,623
	Net cash inflow from operating activities	392,731	11,560

2	Analysis of net debt	1 January 2004	Cash flow	Other non-cash changes	31 December 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	97,989	(78,650)	-	19,339
	Bank overdrafts	(293,474)	(41,373)	-	(334,847)
		<u>(195,485)</u>	<u>(120,023)</u>	<u>-</u>	<u>(315,508)</u>
	Debt:				
	Hire purchase leases	(64,439)	31,799	(89,220)	(121,860)
	Debts falling due within one year	(121,600)	(27,439)	-	(149,039)
	Debts falling due after one year	(429,450)	147,622	-	(281,828)
		<u>(615,489)</u>	<u>151,982</u>	<u>(89,220)</u>	<u>(552,727)</u>
	Net debt	(810,974)	31,959	(89,220)	(868,235)

3	Reconciliation of net cash flow to movement in net debt	2004	2003
		£	£
	Decrease in cash in the year	(120,023)	(162,653)
	Cash outflow from decrease in debt and lease financing	151,982	65,191
	Change in net debt resulting from cash flows	31,959	(97,462)
	New finance lease	(89,220)	(26,725)
	Movement in net debt in the year	(57,261)	(124,187)
	Opening net debt	(810,974)	(686,787)
	Closing net debt	(868,235)	(810,974)

4 Major non-cash transactions

During the year hire purchase agreements amounting to £89,220 (2003:£26,725) were entered into by the company.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

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 an average cost 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 2004

2	Operating profit	2004	2003
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	167,057	161,341
	Operating lease rentals		
	- Plant and machinery	111,467	136,996
	- Other assets	105,176	86,674
	Auditors' remuneration	9,300	8,500
	and after crediting:		
	Loss/(Profit) on disposal of tangible assets	2,735	(76,226)
		<u> </u>	<u> </u>
3	Investment income	2004	2003
		£	£
	Bank interest	-	11
		<u> </u>	<u> </u>
4	Interest payable	2004	2003
		£	£
	On bank loans and overdrafts	26,861	16,596
	On other loans wholly repayable within 5 years	14,783	17,972
	Lease finance charges	5,142	4,538
		<u> </u>	<u> </u>
		46,786	39,106
		<u> </u>	<u> </u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

5	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	-	(5,575)
	Adjustment for prior years	(8)	-
	Current tax charge	(8)	(5,575)
	Deferred tax		
	Deferred tax charge current year	5,658	14,634
	Deferred tax adjustment re previous year	-	(606)
		5,658	14,028
		5,650	8,453
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,486	44,115
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	282	8,382
	Effects of:		
	Non deductible expenses	3,760	4,655
	Capital allowances for the period in excess of depreciation	(29,537)	(28,241)
	Adjustments to previous periods	(8)	-
	Chargeable disposals	-	9,955
	Other tax adjustments	25,495	(326)
		(290)	(13,957)
	Current tax charge	(8)	(5,575)

The company has estimated losses of £ 133,682 (2003: £ nil) available for carry forward against future trading profits.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

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 2004	169,103	665,357	1,472,515	207,399	168,250	2,682,624
Transfer of finished goods	(286,745)	-	286,745	-	-	-
Additions	117,642	-	307,222	9,800	113,895	548,559
Disposals	-	-	-	-	(30,980)	(30,980)
At 31 December 2004	-	665,357	2,066,482	217,199	251,165	3,200,203
Depreciation						
At 1 January 2004	-	238,618	863,643	108,947	52,832	1,264,040
On disposals	-	-	-	-	(19,845)	(19,845)
Charge for the year	-	13,308	102,082	15,633	36,034	167,057
At 31 December 2004	-	251,926	965,725	124,580	69,021	1,411,252
Net book value						
At 31 December 2004	-	413,431	1,100,757	92,619	182,144	1,788,951
At 31 December 2003	169,103	426,739	608,872	98,452	115,418	1,418,584

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

	Motor vehicles £
Net book values	
At 31 December 2004	157,822
At 31 December 2003	92,654
Depreciation charge for the year	
At 31 December 2004	27,079
At 31 December 2003	24,007

Included in the net book value of land and buildings at the 31 December 2004 was £413,431 (2003: £426,739) of long leasehold property.

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

7	Stocks	2004	2003
		£	£
	Raw materials and consumables	147,790	197,012
		<u> </u>	<u> </u>
8	Debtors	2004	2003
		£	£
	Trade debtors	1,218,416	1,470,047
	Corporation tax	5,575	5,575
	Other debtors	38,042	31,741
	Prepayments and accrued income	47,503	37,710
		<u> </u>	<u> </u>
		1,309,536	1,545,073
		<u> </u>	<u> </u>
9	Creditors: amounts falling due within one year	2004	2003
		£	£
	Bank loans and overdrafts	383,886	340,074
	Net obligations under finance leases	64,157	24,887
	Trade creditors	572,133	464,249
	Taxes and social security costs	223,004	275,920
	Other creditors	100,094	75,000
	Accruals and deferred income	45,344	73,553
		<u> </u>	<u> </u>
		1,388,618	1,253,683
		<u> </u>	<u> </u>
	Debt due in one year or less	149,039	121,600
		<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 2004

10 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	181,828	229,450
Other loans	100,000	200,000
Net obligations under finance leases	57,703	39,552
	<u>339,531</u>	<u>469,002</u>
Analysis of loans		
Wholly repayable within five years	430,867	551,050
	<u>430,867</u>	<u>551,050</u>
Included in current liabilities	(149,039)	(121,600)
	<u>281,828</u>	<u>429,450</u>
Loan maturity analysis		
In more than one year but not more than two years	151,693	149,116
In more than two years but not more than five years	130,135	263,872
In more than five years	-	16,462
	<u></u>	<u></u>
Other Loans - Barley Chalu Limited Retirement Benefit Scheme loan		
£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.		
This loan is unsecured.		
Net obligations under finance leases		
Repayable within one year	64,157	24,887
Repayable between one and five years	57,703	39,552
	<u>121,860</u>	<u>64,439</u>
Included in liabilities falling due within one year	(64,157)	(24,887)
	<u>57,703</u>	<u>39,552</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 2004

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2004	123,084
Profit and loss account	5,658
Balance at 31 December 2004	128,742

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	154,142	123,084
Tax losses available	(25,400)	-
	128,742	123,084

The deferred tax asset in respect of the tax losses carried forward has been recognised in these financial statements as it is regarded as more likely than not that they will be recovered.

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.

	2004 £	2003 £
Contributions payable by the company for the year	4,350	5,700

13 Share capital

	2004 £	2003 £
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2004	1,402,889
Retained loss for the year	(4,164)
Balance at 31 December 2004	1,398,725

15 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
(Loss)/Profit for the financial year	(4,164)	35,662
Opening shareholders' funds	1,412,889	1,377,227
Closing shareholders' funds	1,408,725	1,412,889

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 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004	2003	2004	2003
	£	£	£	£
Expiry date:				
Within one year	61,500	73,500	20,175	22,171
Between two and five years	-	-	20,138	85,799
In over five years	24,655	24,655	204	3,497
	86,155	98,155	40,517	111,467

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

18 Directors' emoluments	2004 £	2003 £
Emoluments for qualifying services	322,707	411,074
Company pension contributions to money purchase schemes	3,900	3,900
	<u>326,607</u>	<u>414,974</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2003- 2).

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

Emoluments for qualifying services	228,651	304,207
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
	2004	2003	in year
	£	£	£
T Chalu	-	24,038	24,038
	<u>-</u>	<u>24,038</u>	<u>24,038</u>

BARLEY CHALU LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

20 Employees

Number of employees

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

	2004 Number	2003 Number
Production	126	106
Selling and distribution	18	19
Administration	8	8
	<u>152</u>	<u>133</u>

Employment costs

	£	£
Wages and salaries	2,800,212	2,659,885
Social security costs	280,576	261,804
Other pension costs	4,350	5,700
	<u>3,085,138</u>	<u>2,927,389</u>