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HEREFORD STEELS LIMITED
(TRADING AS HEREFORD FASTENINGS COMPANY)

REPORT AND FINANCIAL STATEMENTS
PERIOD FROM 17TH MARCH, 1980 TO
31ST MARCH, 1981

WAUGH HAINES RIGBY,
CHARTERED ACCOUNTANTS,
34, CASTLE STREET,
HEREFORD.



HEREFORD STEELS LIMITED

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HEREFORD STEELS LIMITED

GENERAL INFORMATION

BOARD OF DIRECTORS:

George Vincent Hyde
Jeanette Hyde

SE RETARY:

Jeanette Hyde

REGISTERED OFFICE:

34, Castle Street,
Hereford.

AUDITORS:

Waugh Haines Rigby,
Chartered Accountants,
34, Castle Street,
Hereford.

BANKERS:

Barclays Bank Limited,
Lye Branch,
37, High Street,
Lye,
Stourbridge,
West Midlands.

SOLICITORS:

Holt and Sellars,
Droitwich,
Worcestershire.

ADMINISTRATIVE OFFICE:

Hereford Fastenings Company,
21, Tarsmill Court,
Rotherwas,
Hereford.

REGISTERED NUMBER:

1123765.

HEREFORD STEELS LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their Report together with the audited Financial Statements of the Company covering the first period of trading from 17th March, 1980 to 31st March, 1981.

Directors

The directors at 31st March, 1981 were as set out on Page 1.

No other persons have held the office of director during the period under review.

Principal Activities

The principal activity of the Company during the accounting period has been the purchase and distribution of Industrial Fastenings.

Directors' Interests in Shares of the Company

The directors of the Company have the following interests, including family interests, in the shares of the Company :-

	<u>Ordinary £1 Shares</u>	
	<u>1981</u>	<u>1980</u>
G.V. Hyde	10	10
J. Hyde	3	3
	<u>13</u>	<u>13</u>

Directors' Interests in Contracts with Company

No director is or was materially interested in any contract subsisting during or at the end of the financial period which is or was significant in relation to the Company's business.

Fixed Assets

Details of the Fixed Assets appearing in the Balance Sheet are set out in Note 1 on Page 7 of these Financial Statements.

Charitable and Political Contributions

During the accounting period the Company did not make any charitable or political contributions.

State of Affairs

The directors consider the state of the Company's affairs at the date of the Balance Sheet to be satisfactory.

Profits and Taxation

Profits for the period were £5135 on which no Corporation Tax will be payable due to relief available for (a) First Year Capital Allowances and (b) Increases in Stock Values.

HEREFORD STEELS LIMITED

DIRECTORS' REPORT (Continued)

Dividends

The directors do not recommend payment of a dividend to ordinary shareholders.

Company Status

The Company is a close company and is, therefore, potentially liable to assessment on any excess of relevant investment income over distributions. However, it is considered that the contents of Schedule 16, Finance Act 1972, as amended by Schedule 9, Finance Act 1980, do not affect the Company in respect of this period.

Auditors

The Auditors, Waugh Haines Rigby, have signified their willingness to be re-appointed under Section 14 (1), Companies Act 1976 at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

Secretary

1st June, 1981

HEREFORD STEELS LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF HEREFORD STEELS LIMITED

We have audited the Financial Statements on Pages 5 to 9. Our audit was conducted in accordance with approved Auditing Standards, having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation, the Company's system of control is dependent upon the close involvement of the Directors (who are major shareholders). Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

We did not carry out a physical stock check and have, therefore, accepted the Directors' assessments of stock quantities.

Subject to the foregoing, in our opinion the Financial Statements, which have been prepared under the historical cost convention as modified by the revaluation of land and buildings, give a true and fair view of the state of the Company's affairs at 31st March, 1981 and of its profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1980, in so far as the provisions of those Acts apply to these Financial Statements.

WAUGH HAINES RIGBY,
Chartered Accountants.

34, Castle Street,
Hereford.

1st June, 1981

HEREFORD STEELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 17TH MARCH, 1980 TO 31ST MARCH, 1981

	£	£
PROFIT FOR THE PERIOD BEFORE TAXATION		5135.70
after accounting for :-		
Depreciation of Fixed Assets (Note 2a)	368	
Auditors' Remuneration	500	
Directors' Emoluments :-		
Fees	-	
Pension Contributions	-	
Other emoluments	9860	
Bank Interest	355	
Plant Hire	1731	
Deduct: Taxation (Note 3)		<u>Nil</u>
PROFIT AFTER TAXATION		5135.70
Deduct: Preliminary Expenses written off		<u>124.80</u>
BALANCE CARRIED FORWARD		<u>5010.90</u>

The Notes on Pages 7 and 8 form part of these Financial Statements.

HEREFORD STEELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 1981

	£	£
FIXED ASSETS (Note 1)		2780.00
CURRENT ASSETS		
Stocks (Note 2b)	22838.49	
Trade Debtors	31722.98	
Prepayments	<u>492.70</u>	
	55054.17	
CURRENT LIABILITIES		
Sundry Creditors and Accruals (Note 6)	29458.75	
Bank Overdraft	<u>10825.72</u>	
	40284.47	
NET CURRENT ASSETS		14769.70
		<u>17549.70</u>
Financed by :-		
SHARE CAPITAL AND RESERVES		
SHARE CAPITAL	<u>Authorised</u>	<u>Issued and Fully Paid</u>
Ordinary Shares of £1 each	<u>100</u>	13.00
RESERVE		
Profit and Loss Account		<u>5010.90</u>
		5023.90
DIRECTORS' LOAN ACCOUNTS		<u>12525.80</u>
		<u>17549.70</u>


.....)
..... J. A. Hyde) DIRECTORS
.....)

The Notes on Pages 7 and 8 form part of these Financial Statements.

HEREFORD STEELS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. MOVEMENT OF FIXED ASSETS

	<u>Improvements to Property</u> £	<u>Plant</u> £	<u>Office Equipment</u> £	<u>TOTAL</u> £
ADDITIONS	1763.79	340.00	1043.90	3147.69
DEPRECIATION Rate	(10%)	(10%)	(15%)	
Provision for period	<u>176.79</u>	<u>34.00</u>	<u>156.90</u>	<u>367.69</u>
NET BOOK VALUE at 31st March, 1981	<u>1587.00</u>	<u>306.00</u>	<u>887.00</u>	<u>2780.00</u>

2. ACCOUNTING POLICIES

(a) Depreciation

Depreciation is based on historical cost and has been provided by an agreed percentage of the cost of assets acquired during the accounting period. The depreciation rates used are those calculated to write off the assets over their effective useful lives and are shown in Note 1 above.

(b) Stocks

Stocks have been valued at the lower of cost and net realisable value.

(c) Deferred Taxation

The directors do not consider that the liability accrued in the accounting period in respect of deferred taxation will materialise in the foreseeable future. Their policy is, therefore, not to take account of this potential liability in the Balance Sheet.

(d) Value Added Tax

Items in the Financial Statements are shown net of value added tax.

(e) Historical Cost

The Financial Statements have been prepared on an historical cost basis.

3. TAXATION

United Kingdom Corporation Tax at 40%
based on profit for the period

1981
£

Nil

HEREFORD STEELS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

4. CAPITAL COMMITMENTS AT BALANCE SHEET DATE

Contracted for but not provided in the Financial Statements	£Nil
Authorised but not contracted for	Nil

5. CONTINGENT LIABILITIES

There were no contingent liabilities at the Balance Sheet date so far as the directors are aware.

6. SUNDRY CREDITORS AND ACCRUALS

Trade Creditors	25550.63
Accruals	<u>3908.12</u>
	<u>£29458.75</u>

HEREFORD STEELS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	£	£
SOURCE OF FUNDS		
Profit before tax		5135.70
Adjustments for items not involving the movement of funds :-		
Depreciation		<u>367.69</u>
TOTAL GENERATED FROM OPERATIONS		<u>5503.39</u>
FUNDS FROM OTHER SOURCES		
Issue of shares for cash		<u>13.00</u>
		<u>5516.39</u>
APPLICATION OF FUNDS		
Purchase of Fixed Assets	(3147.69)	
Preliminary Expenses written off	<u>(124.80)</u>	<u>(3272.49)</u>
		<u>2243.90</u>
INCREASE/DECREASE IN WORKING CAPITAL		
(Increase) in Stocks	(22838.49)	
(Increase) in Debtors and Prepayments	(32215.68)	
Increase in Creditors and Accruals	29458.75	
Increase in Directors' Loan Accounts	<u>12525.80</u>	<u>(13069.62)</u>
		<u>(10825.72)</u>
MOVEMENT IN NET LIQUID FUNDS		
Increase in Bank Overdraft		<u><u>10825.72</u></u>