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HEREFORD STEELS LIMITED
(TRADING AS HEREFORD FASTENINGS COMPANY)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH, 1982

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

SECRETARY:

Jeanette Hyde

REGISTERED OFFICE:

34, Castle Street,
Hereford.

AUDITORS:

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

BANKERS:

Barclays Bank P.L.C.,
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 for the year ended 31st March, 1982.

Directors

The Directors at 31st March, 1982 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 distributions 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>1982</u>	<u>1981</u>
G.V. Hyde	10	10
J. Hyde	3	3
	<u>13</u>	<u>13</u>

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 year were £7553 on which Corporation Tax of £3021 will be payable.

Dividends

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

HEREFORD STEELS LIMITED

DIRECTORS' REPORT (Continued)

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



J. Hyde
Secretary.

12th October, 1982

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, 1982 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 1981, in so far as the provisions of those Acts apply to these Financial Statements.

WAUGH HAINES RIGBY,
Chartered Accountants.

34, Castle Street,
Hereford.

12th October, 1982

HEREFORD STEELS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1982

	£	£	£ <u>1981</u>	£
PROFIT FOR THE YEAR BEFORE TAXATION		19389		5136
after accounting for :-				
Depreciation of Fixed Assets (Note 2a)	1602		368	
Auditors' Remuneration	700		500	
Directors' Emoluments :-				
Fees	-		-	
Pension Contributions	-		-	
Other Emoluments	29779		10826	
Bank Interest	767		355	
Plant Hire	1269		1731	
	<u>609</u>		<u>-</u>	
Deposit Account Interest				
Deduct: Taxation (Note 3)		<u>3021</u>		<u>Nil</u>
PROFIT AFTER TAXATION		16368		5136
Deduct: Preliminary Expenses written off		<u>-</u>		<u>125</u>
		16368		5011
Balance brought forward		<u>5011</u>		<u>-</u>
BALANCE CARRIED FORWARD		<u>21379</u>		<u>5011</u>

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

BALANCE SHEET AS AT 31ST MARCH, 1982

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>Improve- ments to Property</u>	<u>Fixtures and Fittings</u>	<u>Plant</u>	<u>Office Equipment</u>	<u>Vehicles</u>	<u>TOTAL</u>
	£	£	£	£	£	£
COST						
at 1st Apl. 1981	1764	-	340	1044	-	3148
Additions	<u>1270</u>	<u>809</u>	<u>1359</u>	<u>266</u>	<u>3815</u>	<u>7519</u>
	<u>3034</u>	<u>809</u>	<u>1699</u>	<u>1310</u>	<u>3815</u>	<u>10667</u>
DEPRECIATION						
at 1st Apl. 1981	177	-	34	157	-	368
Provision for year	<u>286</u>	<u>81</u>	<u>166</u>	<u>115</u>	<u>954</u>	<u>1602</u>
	<u>463</u>	<u>81</u>	<u>200</u>	<u>272</u>	<u>954</u>	<u>1970</u>
NET BOOK VALUE						
at 31st Mar. 1982	<u>2571</u>	<u>728</u>	<u>1499</u>	<u>1038</u>	<u>2861</u>	<u>8697</u>

2. ACCOUNTING POLICIES

(a) Depreciation

Depreciation is provided by an agreed percentage of (i) the net book value of the assets at the beginning of the accounting period and (ii) the cost of assets acquired during the accounting period. The percentage rates used in these financial statements are :-

Improvements to Property	10%
Fixtures and Fittings	10%
Plant	10%
Office Equipment	15%
Vehicles	25%

(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.

HEREFORD STEELS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (Continued)

3. TAXATION

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
United Kingdom Corporation Tax at 40% based on profit for the year	<u>3021</u>	<u>Nil</u>

4. CAPITAL COMMITMENTS AT BALANCE SHEET DATE

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
Contracted for but not provided for in the Financial Statements	Nil	Nil
Authorised but not contracted for	Nil	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

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
Trade Creditors	73718	25551
Accruals	<u>16738</u>	<u>3908</u>
	<u>90456</u>	<u>29459</u>

7. 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.

HEREFORD STEELS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	£	£	£ <u>1981</u>	£
SOURCE OF FUNDS				
Profit before tax		19389		5136
Adjustments for items not involving the movement of funds :-				
Depreciation		<u>1602</u>		<u>368</u>
TOTAL GENERATED FROM OPERATIONS		20991		5504
FUNDS FROM OTHER SOURCES				
Issue of shares for cash		-		13
Increase in Hire Purchase Account		<u>2590</u>		<u>-</u>
		23581		5517
APPLICATION OF FUNDS				
Purchase of Fixed Assets	(7519)		(3148)	
Preliminary Expenses written off	<u>-</u>	<u>(7519)</u>	<u>(125)</u>	<u>(3273)</u>
		16062		2244
INCREASE/DECREASE IN WORKING CAPITAL				
(Increase) in Stocks	(11577)		(22838)	
(Increase) in Debtors and Prepayments	(71104)		(32216)	
Increase in Creditors and Accruals	60997		29459	
Increase in Directors' Loan Accounts	<u>15175</u>	<u>(6609)</u>	<u>12526</u>	<u>(13069)</u>
		9453		(10825)
MOVEMENT IN NET LIQUID FUNDS				
(Decrease)/Increase in Bank Overdraft	(8544)		10825	
Increase in Bank Accounts :-				
No. 2 Account	(557)		-	
Deposit Account	<u>(352)</u>	<u>(9453)</u>	<u>-</u>	<u>10825</u>

FEREFORD STEELS LIMITEDTRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1982

	£	£	£	17/3/80 - 31/3/81 £
Sales		327889		113209
Discount Received		<u>479</u>		<u>144</u>
		328368		113353
		<u> </u>		<u> </u>
<u>Deduct</u> Cost of Sales				
Purchases		247683		104529
Packaging		1270		274
Stock Valuation :-				
At 1st April, 1981	22838		-	
At 31st March, 1982	<u>(34515)</u>	<u>(11677)</u>	<u>(22838)</u>	<u>(22838)</u>
		237276		81965
		<u> </u>		<u> </u>
Gross Profit for the Year/Period		91092		31388
<u>Add</u> Sundry Income :-				
Deposit Account Interest		<u>609</u>		<u>-</u>
Gross Profit and Sundry Income		<u>91701</u>		<u>31388</u>
		<u> </u>		<u> </u>
<u>Deduct</u> Establishment Expenses				
Rent	2249		1421	
Rates	462		389	
Insurance	240		240	
Light, Heat and Power	416		214	
Repairs and Renewals	<u>734</u>	4101	<u>267</u>	2531
<u>Administration Expenses</u>				
Directors' Remuneration	29779		10826	
Wages	20315		3430	
Motor Expenses	4626		2046	
Telephone	2723		1816	
Printing and Stationery	1790		932	
Bank Charges	525		66	
Audit Fee	700		500	
Accountancy Charges	600		400	
Legal Fees	-		194	
Carriage and Postage	978		276	
Subscriptions	162		70	
Vehicle Leasing	1269		1731	
Use of House as Office	104		104	
Sundry Expenses	<u>1827</u>	<u>65398</u>	<u>550</u>	<u>22941</u>
Carried forward		69499		25472

HEREFORD STEELS LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 1982
(Continued)

	£	£	<u>17/3/80</u> - <u>31/3/81</u>	£
Brought forward		69499		25472
<u>Deduct Selling Expenses</u>				
Advertising		376	50	
Discount Allowed		-	<u>7</u>	57
<u>Finance Charges</u>				
Bank Interest	767			355
Hire Purchase Interest	<u>68</u>	835		-
<u>Depreciation</u>		1602		368
TOTAL OPERATING COSTS		<u>72312</u>		<u>26252</u>
NET PROFIT FOR THE YEAR/PERIOD		<u>19389</u>		<u>5136</u>