

Hereford Steels Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2002



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Hereford Steels Limited

THE DIRECTORS' REPORT

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the purchase and distribution of industrial fastenings and the hire of industrial equipment.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2002	At 1 April 2001
George V Hyde	3,850	3,850
Jeannette Hyde	<u>1,155</u>	<u>1,155</u>

DONATIONS

During the year the company made the following contributions:

	2002 £	2001 £
Charitable	<u>50</u>	<u>123</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

Elgar House
Holmer Road
Hereford
HR4 9SF

Signed by order of the directors



Jeannette Hyde
Company Secretary

Approved by the directors on 23/12/02

Hereford Steels Limited

PROFIT AND LOSS ACCOUNT

year ended 31 March 2002

	<i>Notes</i>	2002 £	2001 £
TURNOVER		597,352	603,578
Cost of sales		(320,973)	(308,426)
GROSS PROFIT		276,379	295,152
Administrative expenses		(273,983)	(290,478)
Other operating income	2	10,000	10,000
OPERATING PROFIT	3	12,396	14,674
Interest payable		(10)	(246)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,386	14,428
Tax on profit on ordinary activities		(2,320)	(3,666)
RETAINED PROFIT FOR THE FINANCIAL YEAR		10,066	10,762
Balance brought forward		176,307	165,545
Balance carried forward		186,373	176,307

Hereford Steels Limited

BALANCE SHEET

31 March 2002

	Notes	£	2002 £	2001 £
FIXED ASSETS				
Tangible assets	5		41,021	49,888
CURRENT ASSETS				
Stocks		85,548		83,527
Debtors	6	140,798		161,689
Cash at bank and in hand		28,439		22,315
		254,785		267,531
CREDITORS: amounts falling due within one year	7	(103,289)		(135,103)
NET CURRENT ASSETS			151,496	132,428
TOTAL ASSETS LESS CURRENT LIABILITIES			192,517	182,316
PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation	9		(1,139)	(1,004)
			191,378	181,312
CAPITAL AND RESERVES				
Called-up equity share capital	12		5,005	5,005
Profit and loss account			186,373	176,307
SHAREHOLDERS' FUNDS			191,378	181,312

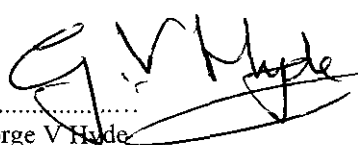
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 23/12/02 and are signed on their behalf by:


George V Hyde

Hereford Steels Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 March 2002

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

TURNOVER

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tool Hire Equipment	- 15%-25% Reducing balance
Plant, equipment and fixtures	- 15%-25% Reducing balance
Motor Vehicles	- 25% Reducing balance

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

HIRE PURCHASE AGREEMENTS

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

DEFERRED TAXATION

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. OTHER OPERATING INCOME

	2002	2001
	£	£
Management charges receivable	<u>10,000</u>	<u>10,000</u>

Hereford Steels Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 March 2002

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Staff pension contributions	4,336	4,936
Depreciation	16,590	19,180
Loss/(profit) on disposal of fixed assets	<u>4,039</u>	<u>(84)</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Aggregate emoluments	<u>11,600</u>	<u>41,087</u>

5. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 April 2001	85,974	55,517	64,471	205,962
Additions	7,267	6,581	10,414	24,262
Disposals	—	(222)	(21,830)	(22,052)
At 31 March 2002	<u>93,241</u>	<u>61,876</u>	<u>53,055</u>	<u>208,172</u>
Depreciation				
At 1 April 2001	80,680	43,666	31,728	156,074
Charge for the year	5,396	4,498	6,696	16,590
On disposals	—	(55)	(5,458)	(5,513)
At 31 March 2002	<u>86,076</u>	<u>48,109</u>	<u>32,966</u>	<u>167,151</u>
Net book value				
At 31 March 2002	<u>7,165</u>	<u>13,767</u>	<u>20,089</u>	<u>41,021</u>
At 31 March 2001	<u>5,294</u>	<u>11,851</u>	<u>32,743</u>	<u>49,888</u>

Hire purchase agreements

Included within the net book value of £41,021 is £Nil (2001 - £7,288) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £Nil (2001 - £2,429).

6. DEBTORS

	2002	2001
	£	£
Trade debtors	121,543	134,546
Other debtors	19,255	27,143
	<u>140,798</u>	<u>161,689</u>

Hereford Steels Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 March 2002

7. CREDITORS: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	77,377	105,341
Corporation tax	2,185	2,662
Other taxation and social security	15,204	16,058
Hire purchase agreements	—	3,239
Other creditors	8,523	7,803
	<u>103,289</u>	<u>135,103</u>

The bank has an unlimited debenture over the assets of the company. There is a group banking facility with Hereford Industrial Supply Company Limited, and a cross-guarantee.

8. PENSIONS

Defined contribution pension scheme

The company operates a defined contribution 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 and amounted to £4,336 (2001 - £4,936) including contributions in respect of employees. No contributions were payable to the fund at 31 March 2002 (2001 - £Nil).

9. DEFERRED TAXATION

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002	2001
	£	£
Excess of taxation allowances over depreciation on fixed assets	1,139	1,004
	<u>1,139</u>	<u>1,004</u>

10. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2002 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2002	2001
	£	£
Operating leases which expire:		
After more than 5 years	<u>11,000</u>	<u>11,000</u>

Hereford Steels Limited

NOTES TO THE FINANCIAL STATEMENTS

year ended 31 March 2002

11. RELATED PARTY TRANSACTIONS

During the year the company traded with Hereford Industrial Supply Company Limited, a company controlled by the same directors. All transactions were at arms length.

Sales for the year were £4,071 (2001 - £7,878) and purchases £105,967 (2001 - £87,563).

At 31 March 2002 £1,348 (2001 - £2,539) was included in debtors and £6,061 (2001 - £29,014) in creditors.

At 31 March 2002 the company were owed £9,029 (2001 - £11,780) by Hereford Industrial Supply Company Limited, in respect of management charges for shared personnel services. The management charge for the year was £10,000 (2001 - £10,000).

During the year the company sold a car to G V Hyde (Director) for £12,500 (This sale was at Market Value). At the year end the company owed G V Hyde (Director) £5,384 (2001 - £5,384).

12. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
250,000 Ordinary shares of £1 each	250,000	250,000

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	5,005	5,005