

Hereford Steels Limited
(Unaudited)

FINANCIAL STATEMENTS

for the year ended

31 March 2003



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COMPANIES HOUSE 06/11/03

Company Registration No. 1123765

Hereford Steels Limited

DIRECTORS' REPORT

The directors submit their report and unaudited financial statements of Hereford Steels Limited for the year ended 31 March 2003.

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, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2003	At 1 April 2002
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:

	2003	2002
	£	£
Charitable	<u>90</u>	<u>50</u>
Political	<u>38</u>	<u>—</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

By order of the board



Jeannette Hyde

Company Secretary

20/10/03

Hereford Steels Limited
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2003

	<i>Notes</i>	2003 £	2002 £
TURNOVER		644,888	597,352
Cost of sales		(333,179)	(320,973)
Gross profit		311,709	276,379
Administrative expenses		(275,554)	(273,983)
Other operating income	2	10,000	10,000
OPERATING PROFIT	3	46,155	12,396
Interest receivable		4	—
Interest payable		(1,351)	(10)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		44,808	12,386
Taxation		(8,584)	(2,320)
RETAINED PROFIT FOR THE FINANCIAL YEAR		36,224	10,066

Hereford Steels Limited

BALANCE SHEET

31 March 2003

	<i>Notes</i>	2003 £	2002 £
FIXED ASSETS			
Tangible assets	5	<u>335,565</u>	<u>41,021</u>
CURRENT ASSETS			
Stocks		91,888	85,548
Debtors	6	149,189	140,798
Cash at bank and in hand		<u>8,790</u>	<u>28,439</u>
		249,867	254,785
CREDITORS			
Amounts falling due within one year	7	(282,132)	(103,289)
NET CURRENT (LIABILITIES)/ASSETS		<u>(32,265)</u>	<u>151,496</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		303,300	192,517
CREDITORS			
Amounts falling due after more than one year	8	<u>(75,576)</u>	<u>—</u>
		227,724	192,517
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	10	<u>(122)</u>	<u>(1,139)</u>
		<u>227,602</u>	<u>191,378</u>

The Balance sheet continues on the following page.

Hereford Steels Limited

BALANCE SHEET (continued)

31 March 2003

	Notes	2003 £	2002 £
CAPITAL AND RESERVES			
Called up equity share capital	13	5,005	5,005
Profit and loss account	14	222,597	186,373
SHAREHOLDERS' FUNDS		<u>227,602</u>	<u>191,378</u>

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 20/10/03 and are signed on their behalf by:

George V Hyde
Director



Hereford Steels Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003

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.

FIXED ASSETS

All fixed assets are initially recorded at cost.

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

Depreciation of the Leasehold Building will commence on 1 April 2003.

STOCKS

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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 OTHER OPERATING INCOME

	2003	2002
	£	£
Management charges receivable	<u>10,000</u>	<u>10,000</u>

Hereford Steels Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2003

3 OPERATING PROFIT

Operating profit is stated after charging:

	2003	2002
	£	£
Staff pension contributions	6,936	4,336
Depreciation	14,273	16,590
Loss on disposal of fixed assets	524	4,039
	<u> </u>	<u> </u>

4 DIRECTORS' EMOLUMENTS

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

	2003	2002
	£	£
Aggregate emoluments	<u>12,000</u>	<u>11,600</u>

5 TANGIBLE FIXED ASSETS

	Leasehold Land £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1 April 2002	—	93,241	61,876	53,055	208,172
Additions	305,679	4,062	—	—	309,741
Disposals	—	—	—	(9,223)	(9,223)
At 31 March 2003	<u>305,679</u>	<u>97,303</u>	<u>61,876</u>	<u>43,832</u>	<u>508,690</u>
Depreciation					
At 1 April 2002	—	86,076	48,109	32,966	167,151
Charge for the year	—	6,097	3,385	4,791	14,273
On disposals	—	—	—	(8,299)	(8,299)
At 31 March 2003	<u>—</u>	<u>92,173</u>	<u>51,494</u>	<u>29,458</u>	<u>173,125</u>
Net book value					
At 31 March 2003	<u>305,679</u>	<u>5,130</u>	<u>10,382</u>	<u>14,374</u>	<u>335,565</u>
At 31 March 2002	<u>—</u>	<u>7,165</u>	<u>13,767</u>	<u>20,089</u>	<u>41,021</u>

6 DEBTORS

	2003	2002
	£	£
Trade debtors	142,117	121,543
Other debtors	7,072	19,255
	<u>149,189</u>	<u>140,798</u>

Hereford Steels Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003

7 CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	4,424	—
Trade creditors	73,849	77,377
Corporation tax	9,601	2,185
Other taxation and social security	15,846	15,204
Other creditors	178,412	8,523
	<u>282,132</u>	<u>103,289</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.

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2003	2002
	£	£
Bank loans and overdrafts	<u>4,424</u>	<u>—</u>

8 CREDITORS: Amounts falling due after more than one year

	2003	2002
	£	£
Bank loans and overdrafts	<u>75,576</u>	<u>—</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2003	2002
	£	£
Bank loans and overdrafts	<u>75,576</u>	<u>—</u>

Included within creditors falling due after more than one year is an amount of £48,197 (2002 - £Nil) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

9 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 £6,936 (2002 - £4,336) including contributions in respect of employees. No contributions were payable to the fund at 31 March 2003 (2002 - £Nil).

Hereford Steels Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003

10 DEFERRED TAXATION

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

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	122	1,139
	<u>122</u>	<u>1,139</u>

11 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2003	2002
	£	£
Operating leases which expire:		
After more than 5 years	—	11,000
	<u>—</u>	<u>11,000</u>

12 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 £10,654 (2002 - £4,071) and purchases £111,594 (2002 - £105,967).

At 31 March 2003 £3,509 (2002 - £1,348) was included in debtors and £6,028 (2002 - £6,061) in creditors.

At 31 March 2003 the company were owed £6,645 (2002 - £9,029) by Hereford Industrial Supply Company Limited, in respect of management charges for shared personnel services. The management charge for the year was £10,000 (2002 - £10,000).

During the year the company purchased the building at Netherwood at the market value of £170,000 from G V Hyde (director) During 2002 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) £175,384 (2002 - £5,384).

13 SHARE CAPITAL

	2003	2002
	£	£
Authorised:		
250,000 Ordinary shares of £1 each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
	2003	2002
	£	£
Allotted, called up and fully paid:		
5,005 Ordinary shares of £1 each	5,005	5,005
	<u>5,005</u>	<u>5,005</u>

Hereford Steels Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003

14 PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
At 1 April 2002	186,373	176,307
Retained profit for the financial year	<u>36,224</u>	<u>10,066</u>
At 31 March 2003	<u>222,597</u>	<u>186,373</u>