

**LANGLEY MECHANICAL
SERVICES LIMITED**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2001



LANGLEY MECHANICAL SERVICES LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

Company registration number: 1536708

Registered office: Langley Bridge Trading Estate
Derby Road
Eastwood
Nottingham
NG16 3RZ

Directors: Mr S A Quigley
Mr A J Whysall
Mrs S Whysall
Mr W E Sweet

Secretary: Mr A J Whysall

Bankers: Barclays Bank PLC
PO Box 18
Old Market Square
Nottingham
NG1 6FF

Solicitors: Robinsons
3 - 5 Munday Street
Heanor
Derbyshire

Auditors: Grant Thornton
Registered auditors
Chartered accountants
30 Hounds Gate
Nottingham
NG1 7DH

LANGLEY MECHANICAL SERVICES LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

INDEX	PAGE
Report of the directors	1 - 2
Report of the auditors	3
Principal accounting policies	4
Abbreviated profit and loss account	5
Abbreviated balance sheet	6
Cash flow statement	7
Notes to the abbreviated accounts	8 - 15

LANGLEY MECHANICAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2001.

Principal activities

The company is principally engaged in the supply, hire and maintenance of fork lift trucks.

Business review

The directors are pleased with the increase in turnover and expect to continue this trend.

There was a profit for the year after taxation amounting to £176,930. An interim dividend of £20,000 was paid. The directors do not recommend the payment of a final dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year, except for Mr M E Whysall and Mrs K B Whysall, as noted below.

The interests of the directors and their families in the shares of the company as at 31 December 2001 and 1 January 2001, were as follows:

	Ordinary shares	
	31 December 2001	1 January 2001
Mr S A Quigley - Managing director	11,500	11,500
Mr A J Whysall - Company Secretary	10,250	10,250
Mrs S Whysall	1,250	1,250
Mr W E Sweet	2,000	2,000
Mr M E Whysall - non-executive director (resigned 5/2/01)	-	-
Mrs K B Whysall - non-executive director (resigned 5/2/01)	-	-

Directors' responsibilities for the financial statements

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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

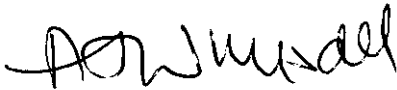
LANGLEY MECHANICAL SERVICES LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



A J Whysall
Director
29 October 2002

**REPORT OF THE INDEPENDENT AUDITORS TO LANGLEY MECHANICAL SERVICES
LIMITED UNDER**

SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 15 which comprise the principal accounting policies, the abbreviated balance sheet and notes 1 to 24 together with the full financial statements of Langley Mechanical Services Limited prepared under section 226 of the Companies Act 1985 for the period ended 31 December 2001.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with the provisions of 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 to the Registrar of Companies abbreviated accounts prepared in accordance with section 246A(3) of the Act and whether the abbreviated accounts have been properly prepared in accordance with that provision.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full 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 15 which comprise the principal accounting policies, the abbreviated balance sheet and notes 1 to 24 have been properly prepared in accordance with that provision.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
NOTTINGHAM**
29 October 2002

LANGLEY MECHANICAL SERVICES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except that certain items of plant and equipment are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

INCOME FROM INVESTMENTS

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The periods generally applicable are:

Plant and equipment	7 - 10 years
Motor vehicles	4 years
Fixtures and fittings	5 years

INVESTMENTS

Investments are included at cost.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the profit and loss account on a straight-line basis over the lease term.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

LANGLEY MECHANICAL SERVICES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2001

	Note	2001 £	2000 £
Gross profit		969,731	878,048
Administrative expenses		(694,250)	(661,600)
Operating profit		275,481	216,448
Income from other fixed asset investments	2	57	36
Net interest	3	(44,597)	(41,446)
Profit on ordinary activities before taxation	1	230,941	175,038
Tax on profit on ordinary activities	5	(54,011)	(35,198)
Profit for the financial year	18	176,930	139,840
Dividends	6		
Equity		(20,000)	(20,000)
Profit transferred to reserves	17	156,930	119,840

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

LANGLEY MECHANICAL SERVICES LIMITED

ABBREVIATED BALANCE SHEET AT 31 DECEMBER 2001

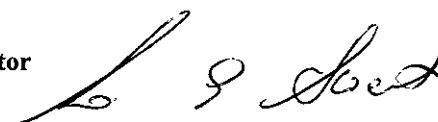
	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Intangible assets	7		-		1,443
Tangible assets	8		1,002,494		988,604
Investments	9		632		632
			<u>1,003,126</u>		<u>990,679</u>
Current assets					
Stocks	10	80,627		84,121	
Debtors	11	450,850		414,721	
Cash at bank and in hand		402,296		281,854	
			<u>933,773</u>	<u>780,696</u>	
Creditors: amounts falling due within one year	12	(868,390)		(853,748)	
Net current assets			<u>65,383</u>		<u>(73,052)</u>
Total assets less current liabilities			<u>1,068,509</u>		<u>917,627</u>
Creditors: amounts falling due after more than one year	13		(287,533)		(298,254)
Provisions for liabilities and charges	14		(74,421)		(69,748)
			<u>706,555</u>		<u>549,625</u>
Capital and reserves					
Called up share capital	16		25,000		25,000
Revaluation reserve	17		-		1,443
Profit and loss account	17		681,555		523,182
Shareholders' funds	18		<u>706,555</u>		<u>549,625</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 abbreviated accounts were approved by the Board of Directors on 29 October 2002.

W E Sweet

Director



A J Whysall

Director



The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

LANGLEY MECHANICAL SERVICES LIMITED**CASH FLOW STATEMENT**

For the year ended 31 December 2001

	Note	2001 £	2000 £
Net cash inflow from operating activities	19	468,030	399,775
Returns on investments and servicing of finance			
Interest received		5,572	3,547
Interest paid		(2,423)	(3,081)
Finance lease interest paid		(47,746)	(41,912)
Dividends received		57	36
Net cash outflow from returns on investments and servicing of finance		(44,540)	(41,410)
Taxation		(29,590)	(25,328)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(21,011)	(2,964)
Sale of tangible fixed assets		27,684	45,167
Net cash inflow from capital expenditure and financial investment		6,673	42,203
Equity dividends paid		(20,000)	(20,000)
Financing			
Capital element of finance lease rentals		(260,131)	(209,781)
Net cash outflow from financing		(260,131)	(209,781)
Increase in cash	20	120,442	145,459

The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:	2001 £	2000 £
Auditors' remuneration	4,100	3,950
Depreciation and amortisation:		
Amortisation of leasehold	1,443	1,398
Tangible fixed assets, owned	47,793	63,073
Tangible fixed assets, held under finance leases and hire purchase contracts	146,447	111,525
Hire of plant and machinery	251,021	155,113
Other operating lease rentals	20,688	13,605

2 INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2001 £	2000 £
Income from listed investments	57	36

3 NET INTEREST

	2001 £	2000 £
On bank overdrafts	2,423	3,081
Finance charges in respect of hire purchase contracts	47,746	41,912
	50,169	44,993
Other interest receivable and similar income	(5,572)	(3,547)
	44,597	41,446

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	2001 £	2000 £
Wages and salaries	566,902	519,865
Social security costs	54,679	51,528
Other pension costs	26,234	36,107
	647,815	607,500

The average number of employees of the company during the year was 25 (2000: 24).

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

Remuneration in respect of directors was as follows:

	2001 £	2000 £
Emoluments	252,620	279,321
Pension contributions to money purchase pension schemes	19,062	28,462
Compensation for loss of office	16,800	-
	<u>288,482</u>	<u>307,783</u>

During the year 6 directors (2000: 6) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid directors as follows:

	2001 £	2000 £
Emoluments and long-term incentive schemes	112,547	103,448
Pension contributions to money purchase pension schemes	6,582	6,582

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2001 £	2000 £
UK Corporation tax	48,327	28,579
Deferred taxation	4,673	5,641
	<u>53,000</u>	<u>34,220</u>
Adjustments in respect of prior periods:		
Corporation tax	1,011	978
	<u>54,011</u>	<u>35,198</u>

6 DIVIDENDS

	2001 £	2000 £
Ordinary shares - interim dividend of 80p per share	<u>20,000</u>	<u>20,000</u>

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

7 INTANGIBLE FIXED ASSETS

	Short leasehold interest £
Valuation	
At 1 January 2001 and at 31 December 2001	14,000
Amortisation	
At 1 January 2001	12,557
Provided in the year	1,443
At 31 December 2001	14,000
Net book amount at 31 December 2001	-
Net book amount at 31 December 2000	1,443

The value of the company's short leasehold interest in its trading premises with vacant possession was considered to be £14,000 in a professional valuation by Peter Rose FRICS, FSVA on 2 April 1992.

8 TANGIBLE FIXED ASSETS

	Plant and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2001	1,651,199	233,608	49,538	1,934,345
Additions	195,270	36,970	3,626	235,866
Disposals	(33,466)	-	-	(33,466)
At 31 December 2001	1,813,003	270,578	53,164	2,136,745
Depreciation				
At 1 January 2001	749,300	149,847	46,594	945,741
Provided in the year	153,285	38,116	2,839	194,240
Eliminated on disposals	(5,730)	-	-	(5,730)
At 31 December 2001	896,855	187,963	49,433	1,134,251
Net book amount at 31 December 2001	916,148	82,615	3,731	1,002,494
Net book amount at 31 December 2000	901,899	83,761	2,944	988,604

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and equipment £	Motor vehicles £
Net book amount at 31 December 2001	<u>782,406</u>	<u>71,521</u>
Net book amount at 31 December 2000	<u>683,297</u>	<u>83,760</u>
Depreciation provided during year	<u>109,621</u>	<u>36,826</u>

9 FIXED ASSETS INVESTMENTS

	Other investments £	
Cost and net book amount at 31 December 2001 and 31 December 2000	<u>632</u>	
Investments at net book amount include:	2001 £	2000 £
Investments listed on a recognised exchange	<u>632</u>	<u>632</u>

The aggregate market value of these investments at 31 December 2001 was £1,477 (2000: £649)

10 STOCKS

	2001 £	2000 £
Consumable stores and parts	43,892	41,393
Fork lift trucks	<u>36,735</u>	<u>42,728</u>
	<u>80,627</u>	<u>84,121</u>

There were no significant differences between the replacement cost and the values disclosed for stock.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

11 DEBTORS

	2001 £	2000 £
Trade debtors	450,287	414,233
Other debtors	563	488
	<u>450,850</u>	<u>414,721</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	479,516	511,362
Corporation tax	48,327	28,579
Social security and other taxes	55,908	53,422
Accruals and deferred income	98,367	39,558
Amounts due under hire purchase agreements	186,272	220,827
	<u>868,390</u>	<u>853,748</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
Amounts due under hire purchase agreements (net of finance charges allocated to future periods)	<u>287,533</u>	<u>298,254</u>

Borrowings are repayable as follows:

	2001 £	2000 £
Within one year		
Hire purchase agreements	186,272	220,827
After one and within two years		
Hire purchase agreements	128,977	142,955
After two and within five years		
Hire purchase agreements	148,150	144,786
Hire purchase agreements	10,406	10,513
	<u>473,805</u>	<u>519,081</u>

Certain hire purchase agreements are secured by a fixed charge over related customer leasing agreements and hire income in the event of a default on repayments.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 2001	69,748
Provided during the year	4,673
At 31 December 2001	<u>74,421</u>

15 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	Amount provided	
	2001 £	2000 £
Accelerated capital allowances	74,421	70,748
Less:		
General provisions	-	(1,000)
	<u>74,421</u>	<u>69,748</u>

16 SHARE CAPITAL

	2001 £	2000 £
Authorised 25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid 25,000 ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

17 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 January 2001	1,443	523,182
Retained profit for the year	-	156,930
Transfer from revaluation reserve to profit and loss account	(1,443)	1,443
At 31 December 2001	<u>-</u>	<u>681,555</u>

The revaluation reserve may not be distributed.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	176,930	139,840
Dividends	(20,000)	(20,000)
Net increase in shareholders' funds	156,930	119,840
Shareholders' funds at 1 January 2001	549,625	429,785
Shareholders' funds at 31 December 2001	706,555	549,625

19 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	275,481	216,448
Depreciation	195,683	175,996
Loss/ (profit) on sale of tangible fixed assets	52	(15,446)
Decrease/ (increase) in stocks	3,494	(14,907)
(Increase) in debtors	(36,129)	(131,171)
Increase in creditors	29,449	168,855
Net cash inflow from continuing operating activities	468,030	399,775

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Increase in cash in the year	120,442	145,459
Cash outflow from finance leases in the year	260,131	209,781
Change in net debt resulting from cashflows	380,573	355,240
Inception of finance leases	(214,855)	(303,863)
Movement in net debt in the year	165,718	51,377
Net debt at 1 January 2001	(237,227)	(288,604)
Net debt at 31 December 2001	(71,509)	(237,227)

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2001

21 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2001 £	Cash flow £	Non - cash items £	At 31 December 2001 £
Cash in hand and at bank	281,854	120,442	-	402,296
Finance leases	(519,081)	260,131	(214,855)	(473,805)
	<u>(237,227)</u>	<u>380,573</u>	<u>(214,855)</u>	<u>(71,509)</u>

22 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2001 or 31 December 2000.

23 CONTINGENT LIABILITIES

The company operates a buy back deal on certain leased forklift trucks in which the vehicle will be repurchased from the customer at the end of the lease period. The amounts relating to these deals at 31 December 2001 was £110,282 (2000: £59,774).

24 PENSIONS

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.