

**LANGLEY MECHANICAL
SERVICES LIMITED**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2002



Company no 1536708

LANGLEY MECHANICAL SERVICES LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

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
Market Place
Ilkeston
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 2002

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 - 16

LANGLEY MECHANICAL SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2002.

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 £163,182 (2001: profit £176,930). An interim dividend of £25,000 was paid (2001: £20,000). The directors do not recommend the payment of a final dividend.

Directors

The present membership of the Board is set out below.

The interests of the directors and their families in the shares of the company as at 31 December 2002 and 1 January 2002, were as follows:

	Ordinary shares	
	31 December 2002	1 January 2002
Mr S A Quigley	11,500	11,500
Mr A J Whysall	10,250	10,250
Mrs S Whysall	1,250	1,250
Mr W E Sweet	2,000	2,000

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 handwritten signature in black ink, appearing to read 'A J Whysall', followed by a horizontal line.

A J Whysall
Director
30 October 2003

**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**
30 October 2003

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 2002

	Note	2002 £	2001 £
Gross profit		917,633	969,731
Administrative expenses		(681,349)	(694,250)
Operating profit		236,284	275,481
Income from other fixed asset investments	2	49	57
Net interest	3	(36,706)	(44,597)
Profit on ordinary activities before taxation	1	199,627	230,941
Tax on profit on ordinary activities	5	(36,445)	(54,011)
Profit for the financial year	18	163,182	176,930
Dividends	6		
Equity		(25,000)	(20,000)
Profit transferred to reserves	17	138,182	156,930

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 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Intangible assets	7		-		-
Tangible assets	8		947,752		1,002,494
Investments	9		632		632
			<u>948,384</u>		<u>1,003,126</u>
Current assets					
Stocks	10	101,868		80,627	
Debtors	11	442,664		450,850	
Cash at bank and in hand		625,924		402,296	
			<u>1,170,456</u>		<u>933,773</u>
Creditors: amounts falling due within one year	12	(964,561)		(868,390)	
Net current assets			<u>205,895</u>		<u>65,383</u>
Total assets less current liabilities			<u>1,154,279</u>		<u>1,068,509</u>
Creditors: amounts falling due after more than one year	13		(237,331)		(287,533)
Provisions for liabilities and charges	14		(72,211)		(74,421)
			<u>844,737</u>		<u>706,555</u>
Capital and reserves					
Called up share capital	16		25,000		25,000
Profit and loss account	17		819,737		681,555
Shareholders' funds	18		<u>844,737</u>		<u>706,555</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 30 October 2003.

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 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	19	526,045	468,030
Returns on investments and servicing of finance			
Interest received		5,616	5,572
Interest paid		(2,300)	(2,423)
Finance lease interest paid		(40,022)	(47,746)
Dividends received		49	57
Net cash outflow from returns on investments and servicing of finance		(36,657)	(44,540)
Taxation		(48,662)	(29,590)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(3,555)	(21,011)
Sale of tangible fixed assets		90,201	27,684
Net cash inflow from capital expenditure and financial investment		86,646	6,673
Equity dividends paid		(25,000)	(20,000)
Financing			
Capital element of finance lease rentals		(278,744)	(260,131)
Net cash outflow from financing		(278,744)	(260,131)
Increase in cash	20	223,628	120,442

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 2002

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:	2002 £	2001 £
Auditors' remuneration	4,250	4,100
Depreciation and amortisation:		
Amortisation of leasehold	-	1,443
Tangible fixed assets, owned	116,508	47,793
Tangible fixed assets, held under finance leases and hire purchase contracts	93,515	146,447
Hire of plant and machinery	197,389	251,021
Other operating lease rentals	17,960	20,688

2 INCOME FROM OTHER FIXED ASSET INVESTMENTS

	2002 £	2001 £
Income from listed investments	49	57

3 NET INTEREST

	2002 £	2001 £
On bank overdrafts	2,300	2,423
Finance charges in respect of hire purchase contracts	40,022	47,746
	42,322	50,169
Other interest receivable and similar income	(5,616)	(5,572)
	36,706	44,597

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	2002 £	2001 £
Wages and salaries	626,397	566,902
Social security costs	50,788	54,679
Other pension costs	19,150	26,234
	696,335	647,815

The average number of employees of the company during the year was 21 (2001: 25).

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

Remuneration in respect of directors was as follows:

	2002 £	2001 £
Emoluments	198,757	252,620
Pension contributions to money purchase pension schemes	11,868	19,062
Compensation for loss of office	100,000	16,800
	<u>310,625</u>	<u>288,482</u>

During the year 6 directors (2001: 6) participated in money purchase pension schemes.

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

	2002 £	2001 £
Emoluments and long-term incentive schemes	159,915	112,547
Pension contributions to money purchase pension schemes	<u>4,388</u>	<u>6,582</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	2001 £
UK Corporation tax	38,320	48,327
Adjustments in respect of prior periods: Corporation tax	335	1,011
	<u>38,655</u>	<u>49,338</u>
Deferred taxation	(2,210)	4,673
	<u>36,445</u>	<u>54,011</u>

Tax reconciliation:

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

	2002 £	2001 £
Profit on ordinary activities before taxation	199,627	230,941
Tax on profit on ordinary activities - standard rate 30%	59,888	69,282
Effects of:		
Expenses not deductible for tax	3,366	10,218
Capital allowances in excess of depreciation	(3,525)	(5,525)
Short term timing differences	-	(1,486)
Adjustment for small companies rate of CT	(21,409)	(24,162)
Adjustment on respect of prior periods	335	1,011
	<u>38,655</u>	<u>49,338</u>

6 DIVIDENDS

	2002 £	2001 £
Ordinary shares - interim dividend £1 per share (2001: 80p per share)	<u>25,000</u>	<u>20,000</u>

7 INTANGIBLE FIXED ASSETS

	Short leasehold interest £
Valuation	
At 1 January 2002 and at 31 December 2002	<u>14,000</u>
Amortisation	
At 1 January 2002 and at 31 December 2002	<u>14,000</u>
Net book amount at 31 December 2002	<u>-</u>
Net book amount at 31 December 2001	<u>-</u>

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.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

8 TANGIBLE FIXED ASSETS

	Plant and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2002	1,813,003	270,578	53,164	2,136,745
Additions	146,875	68,734	2,801	218,410
Disposals	(119,667)	(77,985)	(2,651)	(200,303)
At 31 December 2002	1,840,211	261,327	53,314	2,154,852
Depreciation				
At 1 January 2002	896,855	187,963	49,433	1,134,251
Provided in the year	162,621	44,106	3,296	210,023
Eliminated on disposals	(57,512)	(77,011)	(2,651)	(137,174)
At 31 December 2002	1,001,964	155,058	50,078	1,207,100
Net book amount at 31 December 2002	<u>838,247</u>	<u>106,269</u>	<u>3,236</u>	<u>947,752</u>
Net book amount at 31 December 2001	<u>916,148</u>	<u>82,615</u>	<u>3,731</u>	<u>1,002,494</u>

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 2002	<u>515,383</u>	<u>79,592</u>
Net book amount at 31 December 2001	<u>782,406</u>	<u>71,521</u>
Depreciation provided during year	<u>73,655</u>	<u>19,860</u>

9 FIXED ASSETS INVESTMENTS

	Other investments £
Cost and net book amount at 1 January 2002 and at 31 December 2002	<u>632</u>

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

Investments at net book amount include:	2002 £	2001 £
Investments listed on a recognised exchange	<u>632</u>	<u>632</u>

The aggregate market value of these investments at 31 December 2002 was £1,284 (2001: £1,477)

10 STOCKS

	2002 £	2001 £
Consumable stores and parts	39,656	43,892
Fork lift trucks	<u>62,212</u>	<u>36,735</u>
	<u>101,868</u>	<u>80,627</u>

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

11 DEBTORS

	2002 £	2001 £
Trade debtors	442,664	450,287
Other debtors	<u>-</u>	<u>563</u>
	<u>442,664</u>	<u>450,850</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	588,093	479,516
Corporation tax	38,320	48,327
Social security and other taxes	53,288	55,908
Accruals and deferred income	112,275	98,367
Amounts due under hire purchase agreements	<u>172,585</u>	<u>186,272</u>
	<u>964,561</u>	<u>868,390</u>

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Amounts due under hire purchase agreements (net of finance charges allocated to future periods)	<u>237,331</u>	<u>287,533</u>
Borrowings are repayable as follows:	2002 £	2001 £
Within one year		
Hire purchase agreements	172,585	186,272
After one and within two years		
Hire purchase agreements	114,887	128,977
After two and within five years		
Hire purchase agreements	119,873	148,150
After five years		
Hire purchase agreements	<u>2,571</u>	<u>10,406</u>
	<u>409,916</u>	<u>473,805</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.

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 January 2002	74,421
Utilised during the year	<u>(2,210)</u>
At 31 December 2002	<u>72,211</u>

15 DEFERRED TAXATION

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

	Amount provided 2002 £	2001 £
Accelerated capital allowances	<u>72,211</u>	<u>74,421</u>

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

16 SHARE CAPITAL

	2002 £	2001 £
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

	Profit and loss account £
At 1 January 2002	681,555
Retained profit for the year	<u>138,182</u>
At 31 December 2002	<u>819,737</u>

The revaluation reserve may not be distributed.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	163,182	176,930
Dividends	<u>(25,000)</u>	<u>(20,000)</u>
Net increase in shareholders' funds	138,182	156,930
Shareholders' funds at 1 January 2002	<u>706,555</u>	<u>549,625</u>
Shareholders' funds at 31 December 2002	<u>844,737</u>	<u>706,555</u>

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

19 NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	236,284	275,481
Depreciation	210,023	195,683
(Profit)/loss on sale of tangible fixed assets	(27,072)	52
(Increase)/decrease in stocks	(21,241)	3,494
Decrease/(increase) in debtors	8,186	(36,129)
Increase in creditors	119,865	29,449
Net cash inflow from continuing operating activities	<u>526,045</u>	<u>468,030</u>

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2002 £	2001 £
Increase in cash in the year	223,628	120,442
Cash outflow from finance leases in the year	278,744	260,131
Change in net debt resulting from cashflows	<u>502,372</u>	<u>380,573</u>
Inception of finance leases	(214,855)	(214,855)
Movement in net debt in the year	<u>287,517</u>	<u>165,718</u>
Net debt at 1 January 2002	(71,509)	(237,227)
Net funds at 31 December 2002	<u>216,008</u>	<u>(71,509)</u>

21 ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2002 £	Cash flow £	Non - cash items £	At 31 December 2002 £
Cash in hand and at bank	402,296	223,628	-	625,924
Finance leases	(473,805)	278,744	(214,855)	(409,916)
	<u>(71,509)</u>	<u>502,372</u>	<u>(214,855)</u>	<u>216,008</u>

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 2002

22 CAPITAL COMMITMENTS

	2002 £	2001 £
Contracted for but not provided in these statements	<u>32,097</u>	<u>-</u>

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 2002 was £117,249 (2001: £110,282).

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.