

Registered number: 2596921

TEPARAY PRECISION SHEET METAL LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2001**



TEPARAY PRECISION SHEET METAL LIMITED

COMPANY INFORMATION

DIRECTORS

T.W.Belcher
R.D.Belcher
T.R.W.Belcher

SECRETARY

T.R.W.Belcher

COMPANY NUMBER

2596921

REGISTERED OFFICE

1-5 Fowler Road
Hainault Industrial Estate
Hainault
Essex
IG6 3UT

AUDITORS

Levy Blair
Chartered Accountants & Registered Auditors
19-21 Hatton Garden
London
EC1N 8LF

BANKERS

Barclays Bank Plc
320 New North Road
Hainault
Essex
IG6 3GY

TEPARAY PRECISION SHEET METAL LIMITED

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TEPARAY PRECISION SHEET METAL LIMITED

DIRECTORS' REPORT

For the year ended 31 August 2001

The directors present their report and the financial statements for the year ended 31 August 2001.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company, which remained unchanged throughout the year, was that of the production of precision sheet metal fabrications.

The directors are pleased to report a substantial increase in turnover, for the year under review. The trading results were satisfactory and the level of activity is expected to be maintained during the forthcoming year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £61,306 (2000 - £149,187) .

DIRECTORS

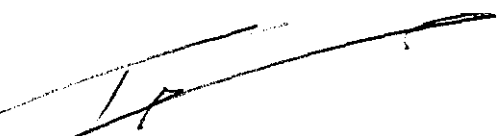
The directors who served during the year and their beneficial interests in the company's issued share capital were:

	"A" Ordinary shares of £1 each		"B" Ordinary shares of £1 each	
	<u>31/8/01</u>	<u>1/9/00</u>	<u>31/8/01</u>	<u>1/9/00</u>
T.W.Belcher	60	60	300	300
R.D.Belcher	20	20	300	300
T.R.W.Belcher	20	20	300	300

AUDITORS

The auditors, Levy Blair, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 27 June 2002 and signed on its behalf.



T.R.W.Belcher
Secretary

TEPARAY PRECISION SHEET METAL LIMITED

INDEPENDENT AUDITORS' REPORT TO TEPARAY PRECISION SHEET METAL LIMITED
Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts of Teparay Precision Sheet Metal Limited for the year ended 31 August 2001 set out on pages 3 to 12, together with the financial statements of the company for the year ended 31 August 2001 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with 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 abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF AUDIT OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 12 are properly prepared in accordance with those provisions.



Levy Blair

Chartered Accountants
Registered Auditors

19-21 Hatton Garden
London
EC1N 8LF

27 June 2002

TEPARAY PRECISION SHEET METAL LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 31 August 2001

	Note	2001 £	2000 £
GROSS PROFIT		977,757	885,529
Selling and distribution costs		(195,855)	(143,681)
Administrative expenses		(635,441)	(495,171)
OPERATING PROFIT	2	146,461	246,677
Interest payable	5	(68,731)	(59,519)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		77,730	187,158
TAX ON PROFIT ON ORDINARY ACTIVITIES	6	(16,424)	(37,971)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		61,306	149,187
DIVIDENDS - On equity shares	7	(28,700)	(30,650)
RETAINED PROFIT FOR THE FINANCIAL YEAR	15	£ 32,606	£ 118,537

All amounts relate to continuing operations.

There were no recognised gains and losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 6 to 12 form part of these financial statements.

TEPARAY PRECISION SHEET METAL LIMITED

ABBREVIATED BALANCE SHEET
As at 31 August 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible fixed assets	8		697,912		576,383
CURRENT ASSETS					
Stocks	9	185,454		180,086	
Debtors	10	1,082,720		1,003,911	
Cash at bank		73,362		-	
			<u>1,341,536</u>	<u>1,183,997</u>	
CREDITORS: amounts falling due within one year	11	(1,300,870)		(1,114,491)	
NET CURRENT ASSETS			<u>40,666</u>	<u>69,506</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>738,578</u>	<u>645,889</u>	
CREDITORS: amounts falling due after more than one year	12		(338,295)	(286,883)	
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	13		(32,383)	(23,712)	
NET ASSETS			<u>£ 367,900</u>	<u>£ 335,294</u>	
CAPITAL AND RESERVES					
Called up share capital	14		1,000	1,000	
Profit and loss account	15		366,900	334,294	
SHAREHOLDERS' FUNDS - All Equity	16		<u>£ 367,900</u>	<u>£ 335,294</u>	

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on 27 June 2002 and signed on its behalf.

T.W.Belcher
Director



R.D.Belcher
Director



The notes on pages 6 to 12 form part of these financial statements.

TEPARAY PRECISION SHEET METAL LIMITED

ABBREVIATED CASH FLOW STATEMENT

For the year ended 31 August 2001

	Note	2001 £	2000 £
Net cash flow from operating activities	17	515,320	328,349
Returns on investments and servicing of finance	18	(68,731)	(59,519)
Taxation		(32,320)	(40,570)
Capital expenditure and financial investment	18	(54,835)	(67,581)
Equity dividends paid		(28,700)	(30,650)
CASH INFLOW BEFORE FINANCING		330,734	130,029
Financing	18	(214,038)	(149,023)
INCREASE/(DECREASE) IN CASH IN THE PERIOD		£ 116,696	£ (18,994)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 19)

For the year ended 31 August 2001

	2001 £	2000 £
Increase/(Decrease) in cash in the period	116,696	(18,994)
Cash decrease from decrease in debt and lease financing	214,038	149,023
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	330,734	130,029
New finance leases	(263,586)	(108,655)
MOVEMENT IN NET DEBT IN THE PERIOD	67,148	21,374
Net debt at 1 September 2000	(493,631)	(515,005)
NET DEBT AT 31 AUGUST 2001	£ (426,483)	£ (493,631)

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 August 2001

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and equipment	-	25%	reducing balance basis
Motor vehicles	-	25%	reducing balance basis
Fixtures and fittings	-	25%	reducing balance basis
Office equipment	-	25%	reducing balance basis

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets:		
- owned by the company	34,780	24,861
- held under finance leases	161,432	129,885
Auditors' remuneration	4,389	4,500

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 August 2001

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2001 £	2000 £
Wages and salaries	1,571,366	1,144,141
Social security costs	155,385	112,834
Other pension costs	33,900	35,083
	<u>£ 1,760,651</u>	<u>£ 1,292,058</u>

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
Sheet metal workers	42	31
Production and management	6	4
Selling and distribution	5	4
Administration	12	11
	<u>65</u>	<u>50</u>

4. DIRECTORS' REMUNERATION

	2001 £	2000 £
Emoluments	<u>£ 245,633</u>	<u>£ 166,904</u>
Company pension contributions to money purchase pension schemes	<u>£ 31,400</u>	<u>£ 32,484</u>

During the year retirement benefits were accruing to 3 directors (2000 - 3) in respect of money purchase pension schemes.

The highest paid director received remuneration of £96,267 (2000 - £68,361).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £1,800 (2000 - £1,800).

5. INTEREST PAYABLE

	2001 £	2000 £
On bank overdraft	72	-
On finance leases and hire purchase contracts	42,987	40,673
On loan from Pension Scheme	1,490	-
On other loans	24,182	18,846
	<u>£ 68,731</u>	<u>£ 59,519</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 August 2001

6. TAXATION

	2001 £	2000 £
UK corporation tax		
Current tax on income for the period	7,753	32,320
Transfer to deferred taxation in respect of current period	8,671	5,685
Adjustments in respect of prior periods - corporation tax	-	(34)
	<u>£ 16,424</u>	<u>£ 37,971</u>

7. DIVIDENDS

	2001 £	2000 £
Total dividends paid	<u>£ 28,700</u>	<u>£ 30,650</u>

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 September 2000	802,431	77,388	32,870	71,505	984,194
Additions	284,453	10,500	15,545	7,923	318,421
Disposals	-	-	-	(1,241)	(1,241)
At 31 August 2001	<u>1,086,884</u>	<u>87,888</u>	<u>48,415</u>	<u>78,187</u>	<u>1,301,374</u>
Depreciation					
At 1 September 2000	347,427	18,159	6,704	35,521	407,811
Charge for the year	160,639	16,120	9,383	10,070	196,212
On disposals	-	-	-	(561)	(561)
At 31 August 2001	<u>508,066</u>	<u>34,279</u>	<u>16,087</u>	<u>45,030</u>	<u>603,462</u>
Net book value					
At 31 August 2001	<u>£ 578,818</u>	<u>£ 53,609</u>	<u>£ 32,328</u>	<u>£ 33,157</u>	<u>£ 697,912</u>
At 31 August 2000	<u>£ 455,004</u>	<u>£ 59,229</u>	<u>£ 26,166</u>	<u>£ 35,984</u>	<u>£ 576,383</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 August 2001

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2001 £	2000 £
Plant and machinery	514,896	412,529
Motor vehicles	45,875	59,229
	<u>£ 560,771</u>	<u>£ 471,758</u>

9. STOCKS

	2001 £	2000 £
Raw materials	47,509	49,215
Work in progress	137,945	130,871
	<u>£ 185,454</u>	<u>£ 180,086</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

10. DEBTORS

	2001 £	2000 £
Due within one year		
Trade debtors	1,043,851	981,899
Other debtors	14,220	-
Prepayments and accrued income	24,649	22,012
	<u>£ 1,082,720</u>	<u>£ 1,003,911</u>

11. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Bank overdraft	-	43,334
Net obligations under finance leases and hire purchase contracts	161,550	163,414
Trade creditors	442,568	449,322
Corporation tax	7,753	32,320
Social security and other taxes	133,896	115,461
Other creditors	469,868	225,090
Accruals and deferred income	85,235	85,550
	<u>£ 1,300,870</u>	<u>£ 1,114,491</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 August 2001

12. CREDITORS:

Amounts falling due after more than one year

	2001 £	2000 £
Net obligations under finance leases and hire purchase contracts	<u>£ 338,295</u>	<u>£ 286,883</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2001 £	2000 £
Between two and five years	<u>£ 338,295</u>	<u>£ 286,883</u>

13. DEFERRED TAXATION

	2001 £	2000 £
At 1 September 2000	23,712	18,027
Charge for the year	8,671	5,685
At 31 August 2001	<u>£ 32,383</u>	<u>£ 23,712</u>

The provision for deferred taxation and the amounts not provided are as follows:

	Amounts provided 2001 £	Amounts not provided 2001 £	Amounts provided 2000 £	Amounts not provided 2000 £
Accelerated capital allowances	<u>£ 32,383</u>	<u>£ -</u>	<u>£ 23,712</u>	<u>£ -</u>

14. SHARE CAPITAL

	2001 £	2000 £
Authorised		
1,000 "A" Ordinary shares of £1 each	1,000	1,000
1,000 "B" Ordinary shares of £1 each	1,000	1,000
	<u>£ 2,000</u>	<u>£ 2,000</u>
Allotted, called up and fully paid		
100 "A" Ordinary shares of £1 each	100	100
900 "B" Ordinary shares of £1 each	900	900
	<u>£ 1,000</u>	<u>£ 1,000</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 August 2001

15. RESERVES

Profit and loss account	£
At 1 September 2000	334,294
Profit retained for the year	32,606
	<u> </u>
At 31 August 2001	<u><u>£ 366,900</u></u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the year	61,306	149,187
Dividends	(28,700)	(30,650)
	<u>32,606</u>	<u>118,537</u>
Opening shareholders' funds	335,294	216,757
	<u> </u>	<u> </u>
Closing shareholders' funds	<u><u>£ 367,900</u></u>	<u><u>£ 335,294</u></u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2001	2000
	£	£
Operating profit	146,461	246,677
Depreciation of tangible fixed assets	196,212	154,746
Loss on disposal of tangible fixed assets	680	422
Increase in stocks	(5,368)	(51,073)
Increase in debtors	(78,809)	(340,205)
Increase in creditors	256,144	317,782
	<u> </u>	<u> </u>
NET CASH INFLOW FROM OPERATIONS	<u><u>£ 515,320</u></u>	<u><u>£ 328,349</u></u>

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001	2000
	£	£
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(25,744)	(18,846)
Hire purchase interest	(42,987)	(40,673)
	<u> </u>	<u> </u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	<u><u>£ (68,731)</u></u>	<u><u>£ (59,519)</u></u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 August 2001

	2001 £	2000 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	£ (54,835)	£ (67,581)
	<u>2001</u> £	<u>2000</u> £
FINANCING		
Capital payments under finance leases	£ (214,038)	£ (149,023)

19. ANALYSIS OF CHANGES IN NET DEBT

	1 September 2000 £	Cash flow £	Other non-cash changes £	31 August 2001 £
Cash at bank and in hand:	-	73,362	-	73,362
Bank overdraft	(43,334)	43,334	-	-
	<u>(43,334)</u>	<u>116,696</u>	<u>-</u>	<u>73,362</u>
DEBT :				
Finance leases	(450,297)	214,038	(263,586)	(499,845)
NET DEBT	<u>£ (493,631)</u>	<u>£ 330,734</u>	<u>£ (263,586)</u>	<u>£ (426,483)</u>

20. MAJOR NON-CASH TRANSACTIONS

During the year, the company entered into finance lease arrangements in respect of assets with a total capital value, at the inception of the leases, of £263,586 (2000 - £108,655)

21. PENSION COMMITMENTS

The company operates a defined contributions pension 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 £31,400 (2000 - £32,484).

22. TRANSACTIONS WITH DIRECTORS

The directors, together with Suntrust Limited, are trustees of the Teparay Precision Sheet Metal Limited Retirement Benefits Scheme. During the year, the scheme made a loan to the company, in the sum of £72,251. The loan is repayable on 31 May 2002 and interest is charged at the rate of 8.25% per annum.