

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2002
FOR
TEPARAY PRECISION SHEET METAL LIMITED



TEPARAY PRECISION SHEET METAL LIMITED

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for the year ended 31 August 2002

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TEPARAY PRECISION SHEET METAL LIMITED

COMPANY INFORMATION
for the year ended 31 August 2002

DIRECTORS:

Mr T W Belcher
Mr R D Belcher
Mr T R W Belcher

SECRETARY:

Mr T R W Belcher

REGISTERED OFFICE:

1-5 Fowler Road
Hainault
Ilford
Essex
IG6 3UT

REGISTERED NUMBER:

02596921

AUDITORS:

RAFFINGERS
Chartered Certified Accountants
Registered Auditors
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

TEPARAY PRECISION SHEET METAL LIMITED

REPORT OF THE DIRECTORS **for the year ended 31 August 2002**

The directors present their report with the financial statements of the company for the year ended 31 August 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production of precision sheet metal fabrications.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

Interim dividends per share on the "B" Ordinary £1 shares were paid as follows:

7.92	- 25 April 2002
14.05	- 30 May 2002
10.98	- 27 June 2002
10.99	- 25 July 2002
14.05	- 29 August 2002
£57.99	

The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the "A" Ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 August 2002 will be £52,191.

DIRECTORS

The directors during the year under review were:

Mr T W Belcher
Mr R D Belcher
Mr T R W Belcher

The beneficial interests of the directors holding office on 31 August 2002 in the issued share capital of the company were as follows:

	31.8.02	1.9.01
"A" Ordinary £1 shares		
Mr T W Belcher	60	60
Mr R D Belcher	20	20
Mr T R W Belcher	20	20
"B" Ordinary £1 shares		
Mr T W Belcher	300	300
Mr R D Belcher	300	300
Mr T R W Belcher	300	300

CHARITABLE DONATIONS

The company made charitable donations totalling £302.

TEPARAY PRECISION SHEET METAL LIMITED

REPORT OF THE DIRECTORS
for the year ended 31 August 2002

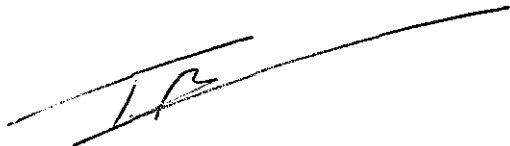
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'T R W Belcher', written over a horizontal line.

Mr T R W Belcher - SECRETARY

Dated: 11 April 2003

TEPARAY PRECISION SHEET METAL LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO
TEPARAY PRECISION SHEET METAL LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to seventeen, together with the full financial statements of the company for the year ended 31 August 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

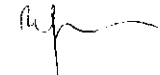
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of 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 financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to seventeen are properly prepared in accordance with that provision.



RAFFINGERS
Chartered Certified Accountants
Registered Auditors
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

Dated: 18 April 2003

TEPARAY PRECISION SHEET METAL LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2002

		2002	2001
	Notes	£	£
GROSS PROFIT		1,183,917	1,179,410
Administrative expenses		1,031,370	1,032,949
OPERATING PROFIT	3	152,547	146,461
Interest receivable and similar income		937	-
		153,484	146,461
Interest payable and similar charges	4	67,482	68,731
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		86,002	77,730
Tax on profit on ordinary activities	5	14,739	16,424
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		71,263	61,306
Dividends	6	52,191	28,700
		19,072	32,606
Retained profit brought forward		366,900	334,294
RETAINED PROFIT CARRIED FORWARD		<u>£385,972</u>	<u>£366,900</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

TEPARAY PRECISION SHEET METAL LIMITED

ABBREVIATED BALANCE SHEET

31 August 2002

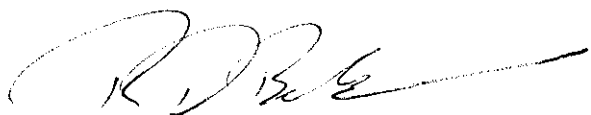
		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		839,932		697,912
CURRENT ASSETS:					
Stocks	8	240,360		185,454	
Debtors	9	1,168,869		1,082,720	
Cash at bank		81,473		73,362	
		<u>1,490,702</u>		<u>1,341,536</u>	
CREDITORS: Amounts falling due within one year	10	<u>1,465,409</u>		<u>1,300,870</u>	
NET CURRENT ASSETS:			<u>25,293</u>		<u>40,666</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			865,225		738,578
CREDITORS: Amounts falling due after more than one year	11		(439,282)		(338,295)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(38,971)		(32,383)
			<u>£386,972</u>		<u>£367,900</u>
CAPITAL AND RESERVES:					
Called up share capital	15		1,000		1,000
Profit and loss account			<u>385,972</u>		<u>366,900</u>
SHAREHOLDERS' FUNDS:	18		<u>£386,972</u>		<u>£367,900</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:



Mr T W Belcher - DIRECTOR



Mr R D Belcher - DIRECTOR

Approved by the Board on 11 April 2003

The notes form part of these financial statements

TEPARAY PRECISION SHEET METAL LIMITED

CASH FLOW STATEMENT
for the year ended 31 August 2002

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(166,423)		515,320
Returns on investments and servicing of finance	2		(66,545)		(68,731)
Taxation			(7,753)		(32,320)
Capital expenditure	2		(66,051)		(54,835)
Equity dividends paid			(52,191)		(28,700)
			<u>(358,963)</u>		<u>330,734</u>
Financing	2		367,074		(214,038)
Increase in cash in the period			<u>£8,111</u>		<u>£116,696</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		8,111		116,696	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(367,074)</u>		<u>214,038</u>	
Change in net debt resulting from cash flows			(358,963)		330,734
New finance leases			(319,989)		(263,586)
Movement in net debt in the period			<u>(678,952)</u>		<u>67,148</u>
Net debt at 1 September			<u>(426,483)</u>		<u>(493,631)</u>
Net debt at 31 August			<u>£(1,105,435)</u>		<u>£(426,483)</u>

The notes form part of these financial statements

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 August 2002

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	152,547	146,461
Depreciation charges	234,658	196,212
Loss on sale of fixed assets	9,362	680
Increase in stocks	(54,906)	(5,368)
Increase in debtors	(86,149)	(78,809)
(Decrease)/Increase in creditors	(421,935)	256,144
Net cash (outflow)/inflow from operating activities	(166,423)	515,320

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	937	-
Interest paid	(23,561)	(25,744)
Interest element of hire purchase payments	(43,921)	(42,987)
Net cash outflow for returns on investments and servicing of finance	(66,545)	(68,731)
Capital expenditure		
Purchase of tangible fixed assets	(68,051)	(54,835)
Sale of tangible fixed assets	2,000	-
Net cash outflow for capital expenditure	(66,051)	(54,835)
Financing		
New loan taken out in year	72,251	-
Loan repayments in year	(192,259)	(214,038)
Amount introduced by directors	412	-
Factoring advances received	486,670	-
Net cash inflow/(outflow) from financing	367,074	(214,038)

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 August 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.9.01 £	Cash flow £	Other non-cash changes £	At 31.8.02 £
Net cash:				
Cash at bank	73,362	8,111		81,473
	<u>73,362</u>	<u>8,111</u>		<u>81,473</u>
Debt:				
Hire purchase	(499,845)	192,258	(319,989)	(627,576)
Debts falling due within one year	-	(559,332)	-	(559,332)
	<u>(499,845)</u>	<u>(367,074)</u>	<u>(319,989)</u>	<u>(1,186,908)</u>
Total	<u>(426,483)</u>	<u>(358,963)</u>	<u>(319,989)</u>	<u>(1,105,435)</u>
Analysed in Balance Sheet				
Cash at bank	73,362			81,473
Hire purchase				
within one year	(161,550)			(188,294)
after one year	(338,295)			(439,282)
Debts falling due within one year	-			(559,332)
	<u>(426,483)</u>			<u>(1,105,435)</u>

4. ANALYSIS OF NET DEBT

Closing net debt includes amounts disclosed in the notes to the accounts as other creditors totalling £559,332 (2001 - nil). This is made up of factoring advances, a loan from the company's pension scheme and directors' loan accounts.

5. MAJOR NON-CASH TRANSACTIONS

During the year the company entered into hire purchase arrangements in respect of assets with a total capital value at the inception of the arrangements of £319,989.

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	1,404,447	1,571,366
Social security costs	134,908	155,385
Other pension costs	11,660	33,900
	<u>1,551,015</u>	<u>1,760,651</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2002

2. STAFF COSTS - continued

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

	2002	2001
Sheet metal workers	39	42
Production and management	6	6
Selling and distribution	3	5
Administration	13	12
	<u>—</u>	<u>—</u>
	61	65
	<u>—</u>	<u>—</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Hire of plant and machinery	19,849	19,046
Depreciation - owned assets	56,942	34,779
Depreciation - assets on hire purchase contracts	177,716	161,433
Loss on disposal of fixed assets	9,362	680
Auditors' remuneration	17,575	4,389
	<u>—</u>	<u>—</u>
Directors' emoluments	146,805	245,633
Directors' pension contributions to money purchase schemes	9,000	31,400
	<u>—</u>	<u>—</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3
	<u>—</u>	<u>—</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	32	72
Factoring interest	17,568	24,164
Pension scheme loan interest	5,961	1,490
Other interest	-	18
Hire purchase interest	43,921	42,987
	<u>—</u>	<u>—</u>
	67,482	68,731
	<u>—</u>	<u>—</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2002

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2002 £	2001 £
Current tax:		
UK corporation tax	8,151	7,753
Deferred tax:		
Origination and reversal of timing differences	6,588	8,671
Tax on profit on ordinary activities	<u>14,739</u>	<u>16,424</u>

UK corporation tax has been charged at 19.01% (2001 - 19.38%).

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>86,002</u>	<u>77,730</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.01% (2001 - 19.38%)	16,349	15,064
Effects of:		
Expenses not deductible for tax purposes	2,173	1,224
Capital allowances for year in excess of depreciation	(10,371)	(8,535)
Current tax charge	<u>8,151</u>	<u>7,753</u>

Factors that may affect future tax charges

Based on current capital investment plans, the company expects to continue claiming capital allowances in excess of depreciation in future years.

6. DIVIDENDS

	2002 £	2001 £
Equity shares:		
900 "B" Ordinary shares of £1 each		
Interim - "B" Ordinary shares	52,191	28,700
	<u>52,191</u>	<u>28,700</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2002

7. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 September 2001	1,086,884	126,602	87,888	1,301,374
Additions	385,568	2,472	-	388,040
Disposals	-	-	(20,740)	(20,740)
At 31 August 2002	1,472,452	129,074	67,148	1,668,674
DEPRECIATION:				
At 1 September 2001	508,066	61,117	34,279	603,462
Charge for year	207,204	16,892	10,562	234,658
Eliminated on disposals	-	-	(9,378)	(9,378)
At 31 August 2002	715,270	78,009	35,463	828,742
NET BOOK VALUE:				
At 31 August 2002	757,182	51,065	31,685	839,932
At 31 August 2001	578,818	65,485	53,609	697,912

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 September 2001	978,194	69,555	1,047,749
Additions	377,994	-	377,994
Disposals	-	(20,740)	(20,740)
Transferred to ownership	(340,328)	(10,000)	(350,328)
At 31 August 2002	1,015,860	38,815	1,054,675
DEPRECIATION:			
At 1 September 2001	463,298	23,680	486,978
Charge for year	170,494	7,222	177,716
Eliminated on disposals	-	(9,378)	(9,378)
Transferred to ownership	(263,741)	(4,375)	(268,116)
At 31 August 2002	370,051	17,149	387,200
NET BOOK VALUE:			
At 31 August 2002	645,809	21,666	667,475
At 31 August 2001	514,896	45,875	560,771

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2002

8. STOCKS

	2002	2001
	£	£
Raw materials	75,300	47,509
Work in progress	165,060	137,945
	<u>240,360</u>	<u>185,454</u>

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Trade debtors	1,134,660	1,043,851
Other debtors	14,187	14,220
Prepayments	20,022	24,649
	<u>1,168,869</u>	<u>1,082,720</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002	2001
	£	£
Hire purchase contracts (see note 12)	188,294	161,550
Trade creditors	581,897	442,568
Other creditors	563,719	469,868
Social security and other taxes	80,022	133,896
Taxation	8,151	7,753
Accrued expenses	43,326	85,235
	<u>1,465,409</u>	<u>1,300,870</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2002	2001
	£	£
Hire purchase contracts (see note 12)	<u>439,282</u>	<u>338,295</u>

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2002

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2002 £	2001 £
Gross obligations repayable:		
Within one year	217,710	195,959
Between one and five years	467,419	376,409
	<u>685,129</u>	<u>572,368</u>
Finance charges repayable:		
Within one year	29,416	34,409
Between one and five years	28,137	38,114
	<u>57,553</u>	<u>72,523</u>
Net obligations repayable:		
Within one year	188,294	161,550
Between one and five years	439,282	338,295
	<u>627,576</u>	<u>499,845</u>

The following payments are committed to be paid within one year:

	Operating leases	
	2002 £	2001 £
Expiring:		
Between one and five years	134,518	66,506

13. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Hire purchase contracts	627,576	499,845
Factored debts	486,670	397,198
	<u>1,114,246</u>	<u>897,043</u>

The factoring advances are secured on trade debtors.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred tax	38,971	32,383

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2002

14. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £	
Balance at 1 September 2001	32,383	
Deferred tax charge for year	6,588	
	<u>38,971</u>	
Balance at 31 August 2002	<u>38,971</u>	
Deferred tax provision	2002	2001
	£	£
Deferred tax provision	32,383	23,712
Accelerated capital allowances	6,588	8,671
	<u>38,971</u>	<u>32,383</u>

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
			£	£
1,000	"A" Ordinary	£1	1,000	1,000
1,000	"B" Ordinary	£1	1,000	1,000
			<u>2,000</u>	<u>2,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002	2001
			£	£
100	"A" Ordinary	£1	100	100
900	"B" Ordinary	£1	900	900
			<u>1,000</u>	<u>1,000</u>

16. 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 £11,660 (2001 - £33,900).

17. 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 2003 and interest is charged at the rate of 8.25% per annum.

TEPARAY PRECISION SHEET METAL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 August 2002

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	71,263	61,306
Dividends	(52,191)	(28,700)
Net addition to shareholders' funds	19,072	32,606
Opening shareholders' funds	367,900	335,294
Closing shareholders' funds	386,972	367,900
Equity interests	386,972	367,900