



Glenson Limited

Directors' report and financial statements

31 December 2000

Registered number 3171237



Glenson Limited

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7-13

Glenson Limited

Directors' report

The directors submit their report and the audited financial statements for the year ended 31 December 2000.

Principal activity

The principal activity of the company is the manufacture and sale of flexible metallic tubing and hose assemblies. There has been no significant change in the activity during the year.

Business review

The highly competitive trading conditions that have prevailed in this market for a number of years continued to put pressure on both turnover and margins and gave rise to the somewhat disappointing results achieved for the year under review. The contribution of both management and employees in these demanding circumstances is both recognised and appreciated. The directors are hopeful that the performance of the business can be maintained at a satisfactory level.

Details of the results for the year are as follows:-

	2000 £	1999 £
Turnover	<u>1,344,303</u>	<u>1,539,680</u>
Profit on ordinary activities before taxation	6,819	28,923
Taxation	<u>(1,316)</u>	<u>(6,097)</u>
Retained profit for the financial year	<u>5,503</u>	<u>22,826</u>

The turnover of £1,344,303 (of which £327,263 was exported) all relates to the principal activity noted above.

Glenson Limited

Directors' report *(continued)*

Dividend

The directors do not recommend the payment of a dividend for the year (1999: £Nil). It is proposed that the retained profit of £5,503 be transferred to reserves.

Fixed assets

Details of movements in fixed assets are set out in note 8 to the financial statements.

Directors

The directors who served throughout the year were:-

Mr MI Lloyd (chairman)
Mrs ME Lloyd
Mrs MA Jones
Mr DR Jones
Mr CJ Ball
Mr CC Nurton

Mrs MA Jones, Mr DR Jones, Mr CC Nurton and Mr CJ Ball had no interest in the share capital of any group company at any time during the year.

Mr MI Lloyd and Mrs ME Lloyd are also directors of the ultimate holding company and their interests fall to be disclosed in the financial statements of that company.

Taxation status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Glenson Limited

Directors' report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- prepare the financial statements on a 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Clay Shaw Thomas as auditors of the company is to be proposed at the forthcoming annual general meeting.

This report was approved by the board of directors on 31 October 2001 and signed on its behalf by:-



RA Alderson
Company secretary

Summerhill Works
Powell Street
Birmingham
B1 3DH

Clay Shaw Thomas

Charter House
46/48 Coity Road
Bridgend
Mid Glamorgan
CF31 1LR

Report of the auditors to the members of Glenson Limited

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

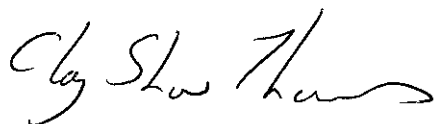
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Clay Shaw Thomas
Chartered Accountants
Registered Auditors

31 October 2001

Glenison Limited

Profit and loss account

for the year ended 31 December 2000

	Note	2000		1999	
		£	£	£	£
Turnover	2		1,344,303		1,539,680
Change in stocks of finished goods and work in progress		(5,301)		(38,356)	
Raw materials and consumables		(951,658)		(1,041,782)	
Other external charges		(104,013)		(141,892)	
			<u>(1,060,972)</u>		<u>(1,222,030)</u>
			283,331		317,650
Staff costs	3		(268,961)		(280,944)
Depreciation and other amounts written off tangible and intangible assets			(9,231)		(10,272)
Other operating income			<u>2,000</u>		<u>3,000</u>
Operating profit			7,139		29,434
Interest payable	4		<u>(320)</u>		<u>(511)</u>
Profit on ordinary activities before taxation	5		6,819		28,923
Taxation on profit on ordinary activities	7		<u>(1,316)</u>		<u>(6,097)</u>
Retained profit for the financial year	14		<u>5,503</u>		<u>22,826</u>

The movements on reserves and in shareholders' funds are set out in note 14.

All turnover and operating profit arises from continuing activities.

The company has no recognised gains or losses in either the current or preceding year other than the profits for those years.

Glenison Limited

Balance sheet

at 31 December 2000

	Note	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	8		39,591		38,702
Current assets					
Stocks	9	100,874		99,194	
Debtors	10	328,715		216,424	
Cash at bank and in hand		22		99	
		<u>429,611</u>		<u>315,717</u>	
Creditors: amounts falling due within one year	11	<u>(374,445)</u>		<u>(265,165)</u>	
Net current assets			<u>55,166</u>		<u>50,552</u>
Net assets			<u>94,757</u>		<u>89,254</u>
Capital and reserves					
Called up share capital	13	10,000		10,000	
Profit and loss account	14	84,757		79,254	
Shareholders' funds			<u>94,757</u>		<u>89,254</u>

Shareholders' funds are wholly attributable to equity interests.

These financial statements were approved by the board of directors on 31 October 2001 and were signed on its behalf by:-



MI Lloyd
Director



ME Lloyd
Director

Glenson Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been used in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets in equal annual instalments over their estimated useful lives as follows:-

Plant and machinery	Between 5 and 15 years
Motor vehicles	Between 3 and 5 years
Fixtures, fittings, tooling and equipment	Between 4 and 10 years

Additions to fixed assets during the accounting period are depreciated at an appropriate proportion of the annual rate attributable to that category of asset.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost in relation to finished goods and work in progress includes attributable production overheads.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effects of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

Pensions

The company operates a defined benefit pension scheme covering the majority of its permanent employees. Contributions to the defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' service lives with the company.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Any amounts receivable or payable at the balance sheet date are converted at the rate then ruling and any differences are taken to the profit and loss account.

Operating leases

Payments under operating leases are charged to revenue in the financial period in which they are incurred.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by FRS 1 on the grounds that it is a small company as defined in Section 247 of the Companies Act 1985.

Glenson Limited

Notes (continued)

2 Turnover

Turnover represents invoiced sales less returns, excluding VAT, in respect of goods sold. The analysis of turnover by geographical area is as follows:-

	2000 £	1999 £
United Kingdom	1,017,040	985,256
Rest of Europe	19,886	70,350
Middle East	281,366	463,777
Far East and Australia	26,011	20,297
	<u>1,344,303</u>	<u>1,539,680</u>

3 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year was as follows:-

	2000 Number	1999 Number
Management	6	6
Administration and sales	2	1
Production	14	15
	<u>22</u>	<u>22</u>

The aggregate payroll costs of these persons were as follows:-

	£	£
Wages and salaries	236,184	249,159
Social security costs	17,734	18,536
Other pension costs	15,043	13,249
	<u>268,961</u>	<u>280,944</u>

4 Interest payable

	2000 £	1999 £
Bank loans and overdraft repayable within 5 years	320	471
Other interest	-	40
	<u>320</u>	<u>511</u>

Glenison Limited

Notes (continued)

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging the following:-

	2000 £	1999 £
Auditors' remuneration	1,875	1,875
Directors' emoluments	59,600	57,400
Directors' pension contributions	5,168	4,968
Operating lease rentals:		
Hire of plant and machinery	3,500	3,500
Other	28,000	28,000
Depreciation	9,231	10,272

6 Directors' emoluments

The chairman and three other directors are paid by other group companies and their emoluments are shown in the financial statements of those companies. Two other directors are accruing retirement benefits under a defined benefits pension scheme (1999: two).

7 Taxation on profit on ordinary activities

	2000 £	1999 £
Corporation tax based on the adjusted profit for the year at 20% (1999: 20.25%)	1,316	6,097
Deferred taxation	-	-
	<u>1,316</u>	<u>6,097</u>

The tax charge for the year is reduced by the effects of marginal relief and timing differences for which deferred tax is not provided.

Glenson Limited

Notes (continued)

8 Tangible assets

	Plant and machinery	Fixtures, fittings, tooling and equipment	Motor vehicles	Total
<i>Cost</i>	£	£	£	£
At beginning of year	290,481	42,909	24,933	358,323
Additions	-	120	10,000	10,120
At end of year	290,481	43,029	34,933	368,443
<i>Depreciation</i>				
At beginning of year	256,739	37,949	24,933	319,621
Charge for the year	6,391	1,173	1,667	9,231
At end of year	263,130	39,122	26,600	328,852
<i>Net book value</i>				
At 31 December 2000	27,351	3,907	8,333	39,591
At 31 December 1999	33,742	4,960	-	38,702

Capital commitments

The company had no contractual commitments for capital expenditure at 31 December 2000 (1999: £Nil).

9 Stocks

	2000 £	1999 £
Raw materials	66,120	59,139
Work in progress	34,754	40,055
	100,874	99,194

Glenson Limited

Notes (continued)

10 Debtors

	2000 £	1999 £
Trade debtors	267,958	170,035
Amounts due from group undertakings - fellow subsidiary	55,594	43,080
Other debtors	500	-
Prepayments	4,663	3,309
	<u>328,715</u>	<u>216,424</u>

11 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank overdraft	28,298	20,734
Trade creditors	77,631	87,498
Amounts due to group undertakings - parent	136,122	30,122
Amounts due to group undertakings - fellow subsidiary	97,138	100,172
Other creditors including taxation and social security	21,735	20,867
Accruals	13,521	5,772
	<u>374,445</u>	<u>265,165</u>

Other creditors including taxation and social security comprise:-

Social security and PAYE	6,717	7,310
Corporation tax	1,316	6,097
VAT	6,345	868
Other creditors	7,357	6,592
	<u>21,735</u>	<u>20,867</u>

Glenson Limited

Notes (continued)

12 Provisions for liabilities and charges

No provision has been made in these financial statements for deferred taxation as it is the directors' opinion that no liability will arise in the foreseeable future.

The full potential liability, calculated on the liability method at a corporation tax rate of 30% (1999: 30%) is set out below:-

	2000 Amount not provided £	1999 Amount not provided £
Difference between accumulated depreciation and amortisation and capital allowances	<u>2,991</u>	<u>2,920</u>

13 Called up share capital

	2000 £	1999 £
<i>Authorised:</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Allotted:</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Called up and paid:</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14 Reserves and reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss account £	Total £
At beginning of year	10,000	79,254	89,254
Retained profit for the financial year	-	5,503	5,503
At end of year	<u>10,000</u>	<u>84,757</u>	<u>94,757</u>

Glenson Limited

Notes (continued)

15 Lease commitments

Annual commitments under operating leases are as follows:-

	2000	1999
	£	£
Land and Buildings		
Expiring in over five years	<u>28,000</u>	<u>28,000</u>

16 Pension contributions

The company participates in a group pension scheme providing benefits for its employees which are based on final pensionable earnings, contributions being charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives. The assets of the scheme are administered by trustees and are held separately from the group. The contributions for the scheme have been determined by a qualified actuary using the attained age method.

The most recent formal actuarial valuation was at 5 April 1998. The principal assumption was that long term investment returns will be 2% per annum above the general rate of increase in earnings. The market value of the assets at the valuation date was more than adequate to cover the benefits that had accrued to members, after allowing for expected future increases in earnings.

There were no contributions prepaid or outstanding at 31 December 2000 (1999: £Nil).

17 Related party transactions

Throughout the year the company has, in the ordinary course of business, purchased certain raw materials from Currie & Warner Limited, a group undertaking, on similar terms to those available from other suppliers. These transactions amounted to £646,456 during the year and at the year end £97,138 was due in relation to them.

18 Parent companies

The immediate parent company is Glenson (Holdings) Limited and the ultimate parent company is Currie & Warner (Holdings) Limited, both of which are incorporated in Great Britain and registered in England and Wales.

The results of the company are incorporated into the consolidated financial statements of Currie & Warner (Holdings) Limited. Copies of these financial statements can be obtained from Summerhill Works, Powell Street, Birmingham, B1 3DH.