

THOS. STOREY FABRICATIONS LIMITED

**ABBREVIATED
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2000**

REGISTERED NUMBER: 03230321



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THOS. STOREY FABRICATIONS LIMITED

**ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

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THOS. STOREY FABRICATIONS LIMITED

**COMPANY INFORMATION
AS AT 31 DECEMBER 2000**

DIRECTORS

F Ellis ACMA
J Huggins

SECRETARY

F Ellis ACMA

REGISTERED OFFICE

Standard Works
Station Road
Reddish
Stockport
SK5 6ND

BUSINESS ADDRESS

Standard Works
Station Road
Reddish
Stockport
SK5 6ND

AUDITORS

Hurst & Company
Chartered Accountants &
Registered Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

SOLICITORS

Halliwell Landau
St. James's Court
Brown Street
Manchester
M2 2JF

PRINCIPAL BANKERS

National Westminster Bank plc
PO Box 546
100 Barbirolli Square
Manchester
M60 2FT

THOS. STOREY FABRICATIONS LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were the manufacture, sale and distribution of high quality steel fabrications to original equipment manufacturers (OEM'S) in the earth moving, construction, agricultural, materials handling and specialist vehicle sectors.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The last year of the four year capital expenditure programme has seen the successful completion of new powder painting facilities at the Stockport plant as well as the installation of 2 more laser-profiling centres, one in Stockport and one at the Rugby factory. Additional robot welding plant has also been commissioned at Stockport. These investments have strengthened the company's competitive edge in all its sectors. The acquisition of Walton Fabrications in the current year has further widened the company's customer base, which now includes several overseas OEM's.

On 5 September 2000 the company purchased certain trade and assets of Walton Fabrications, a division of Caparo Engineering Limited, a company registered in England & Wales (Company number 3450375).

The net profit after providing for taxation amounted to £250,989.

DIVIDENDS

The directors have paid dividends during the year amounting to £60,000.

INTRODUCTION OF THE SINGLE EUROPEAN CURRENCY

The directors have considered the impact of the introduction of the Euro, and are satisfied that there are no issues which affect the company.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year were as follows:

		Number of Shares	
		2000	1999
F Ellis ACMA	£1 Ordinary shares	50,000	50,000
	£1 Ordinary 'A' shares	50	50
J Huggins	£1 Ordinary shares	50,000	50,000
	£1 Ordinary 'A' shares	50	50

THOS. STOREY FABRICATIONS LIMITED

DIRECTORS' REPORT

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 as at the end of the financial year 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 maintaining 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.

EMPLOYMENT OF DISABLED PERSONS

The Company recognises its obligation towards its employees and the community at large to ensure that individuals with disabilities are given equal opportunities to achieve employment and progression within the organisation.

In order to comply with the requirements of the Disability Discriminations Act 1995, the Company will follow procedures designed to provide for fair consideration and selection of disabled applicants and satisfy their training and development needs.

In the event of employees becoming disabled whilst in service, reasonable steps will be taken to accommodate their disability by making adjustments to their existing employment or redeployment and, through appropriate retraining, enable employees to remain in service wherever possible.

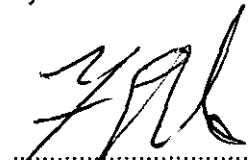
CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Hurst & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the board:



F Ellis ACMA
Secretary

Date: 27/06/01

THOS. STOREY FABRICATIONS LIMITED

AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

'We have audited the financial statements on pages 5 to 25 which have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and on the basis of accounting policies set out on pages 10 and 11.

RESPECTIVE RESPONSIBILITIES OF THE 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 the company's entitlement to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

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 prepared in accordance with section 246 A(3) of the Companies Act 1985 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 246 A(3) of the Companies Act 1985 and the abbreviated accounts on pages 5 to 25 have been properly prepared in accordance with that provision.

Hurst & Company
Hurst & Company
Chartered Accountants &
Registered Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

Date: *27 June 2001*

THOS. STOREY FABRICATIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
GROSS PROFIT	2	1,463,054	963,825
Distribution costs	2	285,774	159,687
Administrative expenses	2	790,051	620,775
OPERATING PROFIT	3	387,229	183,363
Investment income and interest receivable	4	5,449	12,542
Interest payable and similar charges	5	(127,588)	(46,496)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		265,090	149,409
Tax on profit on ordinary activities	8	(14,101)	(17,744)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		250,989	131,665
Dividends	9	(60,000)	(60,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR	24	190,989	71,665

Acquired operations

On 5 September 2000 the company purchased certain trade and assets of Walton Fabrications, a division of Caparo Engineering Limited, a company registered in England & Wales, company number 3450375. It is the trade arising from the acquisition of Walton Fabrications which is shown as acquired activities in the profit and loss account.

Please refer to notes 2 & 10 for further details.

In 1999 the company purchased the entire share capital of Lloyds UK Limited, a company registered in England & Wales, company number 1241040. On 3 September 1999 the trade and assets of that company were hived up into Thos. Storey Fabrications Limited. It is the trade arising from the acquisition of Lloyds UK Limited which is shown as acquired activities in the profit and loss account last year.

No activities have been discontinued in the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit for the above two financial years.

THOS. STOREY FABRICATIONS LIMITED

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2000**

	2000 £	1999 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	265,090	149,409
Realisation of property revaluation gains in previous years	12,070	12,070
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	277,160	161,479
Historical cost profit for the year retained after taxation, minority interests, dividends and transfers to reserves	236,694	162,270

The notes on pages 10 to 25 form part of these financial statements.

THOS. STOREY FABRICATIONS LIMITED**ABBREVIATED BALANCE SHEET
AT 31 DECEMBER 2000**

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Intangible assets	10				
Positive goodwill		184,175		190,916	
Negative goodwill		(302,338)		-	
Net purchased goodwill			(118,163)		190,916
Tangible assets	11		2,960,683		2,215,432
Investments	12		1		1
			2,842,521		2,406,349
CURRENT ASSETS					
Stocks	13	1,101,169		505,607	
Debtors	14	3,270,983		2,116,588	
Debtors due after more than one year	15	98,269		100,000	
Cash at bank and in hand		67,347		144,704	
		4,537,768		2,866,899	
CREDITORS: amounts falling due within one year	16	(4,327,495)		(2,841,659)	
NET CURRENT ASSETS			210,273		25,240
TOTAL ASSETS LESS CURRENT LIABILITIES			3,052,794		2,431,589
CREDITORS: amounts falling due after more than one year	17		(1,025,386)		(598,092)
PROVISIONS FOR LIABILITIES AND CHARGES	20		(26,090)		(23,168)
NET ASSETS			2,001,318		1,810,329

The notes on pages 10 to 25 form part of these financial statements.

THOS. STOREY FABRICATIONS LIMITED

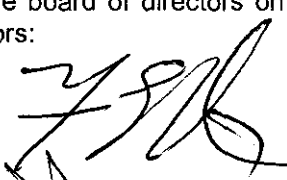
ABBREVIATED BALANCE SHEET AT 31 DECEMBER 2000

	Notes	£	2000 £	£	1999 £
CAPITAL AND RESERVES					
Called up share capital	21		100,100		100,100
Revaluation reserve	22		579,360		591,430
Other reserves	23		507,364		540,999
Profit and loss account	24		814,494		577,800
TOTAL SHAREHOLDERS' FUNDS					
	25		2,001,318		1,810,329

The 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.

Approved by the board of directors on 27/06/01 and signed on its behalf by the following directors:

F Ellis ACMA:

)

J Huggins:

)

The notes on pages 10 to 25 form part of these financial statements.

THOS. STOREY FABRICATIONS LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	Notes	2000 £	1999 £
Net cash inflow from operating activities	3	241,275	551,960
Returns on investments and servicing of finance	26	(122,139)	(33,954)
Taxation	26	(17,744)	(47,679)
Capital expenditure	26	54,020	(701,553)
Acquisitions and disposals	26	-	(1)
Equity dividends paid		(60,000)	(60,000)
Cash inflow / (outflow) before use of liquid resources and financing		95,412	(291,227)
Financing	26	(274,927)	(8,959)
DECREASE IN CASH IN THE YEAR		<u>(179,515)</u>	<u>(300,186)</u>

**RECONCILIATION OF NET CASH FLOW TO
MOVEMENT IN NET DEBT**

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DECREASE IN CASH IN THE YEAR	(179,515)	(300,186)
Cash outflow from movement in debt and lease financing	<u>274,927</u>	<u>8,959</u>
Change in net debt resulting from cash flows	95,412	(291,227)
New hire purchase contracts	<u>(787,476)</u>	<u>(301,248)</u>
Movement in debt in the year	(692,064)	(592,475)
Net debt at 1 January 2000	<u>(739,871)</u>	<u>(147,396)</u>
Net debt at 31 December 2000	<u>(1,431,935)</u>	<u>(739,871)</u>

The notes on pages 10 to 25 form part of these financial statements.

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets, and are in accordance with applicable accounting standards.

Consolidation

The company and its subsidiary comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold land and buildings	2% on cost
Plant and machinery	5-50% on cost
Motor vehicles	10-20% on cost
Office equipment	5-33.3% on cost
Computer Equipment	12-33.3% on cost

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Positive goodwill is capitalised and amortised through the profit and loss account over ten years, being the directors' estimate of its estimated economic life. Negative goodwill is capitalised and is amortised through the profit and loss account over the lives of the tangible fixed assets which is estimated at five years.

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials and direct labour appropriate to the relevant stage of production, plus variable production overheads. Net realisable value is based on estimated selling price less further costs to completion and disposal. Certain finished goods are valued at selling price less an appropriate profit margin.

Operating lease commitments

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

1. STATEMENT OF ACCOUNTING POLICIES - (continued)

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease period and their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease. The capital element of the future payments is treated as a liability.

Pension costs

The company operates a defined contribution pension scheme for directors. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

2. ANALYSIS OF OPERATIONS

	2000		
	Continuing £	Acquisitions £	Total £
Gross profit	1,288,104	174,950	1,463,054
Distribution costs	251,644	34,130	285,774
Administrative expenses	673,890	116,161	790,051
	925,534	150,291	1,075,825
Operating profit/(loss)	362,570	24,659	387,229

	1999		
	Continuing £	Acquisitions £	Total £
Gross profit	893,988	69,837	963,825
Distribution costs	138,604	21,083	159,687
Administrative expenses	542,674	78,101	620,775
	681,278	99,184	780,462
Operating profit/(loss)	212,710	(29,347)	183,363

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

2. ANALYSIS OF OPERATIONS - (continued)

Acquired operations

On 5 September 2000 the company purchased certain trade and assets of Walton Fabrications, a division of Caparo Engineering Limited, a company registered in England and Wales, company number 3450375. It is the trade arising from the acquisition of Walton Fabrications which is shown as acquired activities in the profit and loss account.

In 1999 the company purchased the entire share capital of Lloyds UK Limited, a company registered in England & Wales, company number 1241040. On 3 September 1999 the trade and assets of that company were hived up into Thos. Storey Fabrications Limited. It is the trade arising from the acquisition of Lloyds UK Limited which is shown as acquired activities in the profit and loss account last year.

Please refer to notes 10 & 12 for further details.

3. OPERATING PROFIT

Operating profit is stated	2000 £	1999 £
After charging:		
Depreciation of fixed assets	302,953	229,914
Amortisation of Goodwill	20,464	-
Loss on disposal of tangible assets	-	38,700
Auditors' remuneration	14,000	8,500
Operating lease rentals		
Land and buildings	107,620	71,234
Plant and machinery	29,405	13,938
After crediting:		
Profit on disposal of tangible assets	4,200	-
Profit on foreign currencies	2,868	-

Reconciliation of operating profit to net cash inflow from operating activities

	2000 £	1999 £
Operating profit	387,229	183,362
Depreciation	302,953	229,914
Amortisation	(1,469)	-
Loss on disposal of fixed assets	(4,200)	38,700
Increase in stocks	(595,562)	(191,163)
Increase in debtors	(1,152,664)	(1,138,922)
Increase in creditors	1,304,988	1,428,015
Deferred tax provision acquired on hive-up	-	2,053
Net cash inflow from operating activities	241,275	551,959

THOS. STOREY FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****4. INVESTMENT INCOME AND INTEREST RECEIVABLE**

	2000 £	1999 £
Interest received and receivable		
Bank interest	49	-
Other interest	-	9,942
	<u>49</u>	<u>9,942</u>
 Investment income		
Income from related undertakings	<u>5,400</u>	<u>2,600</u>
 Total investment income	<u>5,449</u>	<u>12,542</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
On bank loans and overdrafts	28,174	26,264
Lease finance charges and hire purchase interest	47,049	10,965
Other interest	52,365	9,267
	<u>127,588</u>	<u>46,496</u>

6. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000 £	1999 £
Staff costs		
Wages and salaries	4,154,124	2,406,368
Social security costs	325,060	226,075
Other pension costs	48,073	93,800
	<u>4,527,257</u>	<u>2,726,243</u>

	2000 No.	1999 No.
The average number of employees during the year was made up as follows:		
Manufacturing	169	138
Management/Administration	30	29
	<u>199</u>	<u>167</u>

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

6. INFORMATION ON DIRECTORS AND EMPLOYEES - (continued)

	2000 £	1999 £
Directors' emoluments		
Emoluments	198,704	209,462
Pension contributions to money purchase (defined contribution) schemes	48,073	93,800
	<u>246,777</u>	<u>303,262</u>
	2000 No.	1999 No.
During the year the following number of directors accrued benefits under money purchase (defined contribution) pension schemes	<u>2</u>	<u>2</u>
	2000 £	1999 £
Details of highest paid director's emoluments		
Emoluments	99,352	104,876
Company contributions to money purchase (defined contribution) pension schemes	24,037	46,900
	<u>123,389</u>	<u>151,776</u>

7. PENSION COSTS

Money purchase (defined contribution) pension scheme

The company operates a money purchase (defined contribution) 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 £48,073 (1999: £93,800).

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
The taxation charge comprises:		
Current tax on income for the year	679	17,744
Adjustment in respect of prior years	10,500	-
	<u>11,179</u>	<u>17,744</u>
Transfer to / (from) deferred tax	2,922	-
	<u>14,101</u>	<u>17,744</u>

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

8. TAX ON PROFIT ON ORDINARY ACTIVITIES - (continued)

The current year's tax charge is as a result of brought forward trading losses.

9. DIVIDENDS PAID OR PROPOSED

	2000	1999
	£	£
On ordinary shares:		
Interim dividends paid		
Dividend - 'A' Ordinary shares	60,000	60,000

10. INTANGIBLE FIXED ASSETS

	Goodwill	Negative Goodwill	Total
	£	£	£
Cost:			
At 1 January 2000	190,916	-	190,916
Additions	13,723	(324,271)	(310,548)
At 31 December 2000	204,639	(324,271)	(119,632)
Amortisation:			
Charge for year	20,464	(21,933)	(1,469)
Net book value:			
At 31 December 2000	184,175	(302,338)	(118,163)
At 31 December 1999	190,916	-	190,916

On 5 September 2000 the company acquired certain trade and assets of Walton Fabrications, a division of Caparo Engineering Limited, a company registered in England & Wales, company number 3450375. Consideration was as follows:

- £150,000 for the fixed assets of the division.
- £850,000 for the net current assets of the division.

In addition to the above costs, £59,624 was spent on legal and professional costs associated with the acquisition of Walton Fabrications, bringing the total consideration to £1,059,624.

The book values immediately prior to acquisition and the fair values of the assets and liabilities acquired are shown below:

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

10. INTANGIBLE FIXED ASSETS - (continued)

	Book value £	Fair value adjustment £	Fair value £
Tangible fixed assets	464,814	69,081	533,895
Stocks	593,136	-	593,136
Trade debtors	1,100,205	-	1,100,205
Other debtors	46,363	-	46,363
Trade creditors	(822,671)	-	(822,671)
Taxation and social security	(2,647)	-	(2,647)
Other creditors	(64,386)	-	(64,386)
	<u>1,314,814</u>	<u>69,081</u>	<u>1,383,895</u>

Accordingly, negative goodwill of £324,271 arises, being the difference between the consideration and the fair values of the assets and liabilities acquired.

Also additional goodwill of £13,723 has been capitalised in respect of the acquisition in the previous year.

11. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Total £
Cost:					
At 1 Jan. 00	1,200,004	1,326,443	155,229	58,933	2,740,609
Additions	1,035	995,590	53,684	5,895	1,056,204
Disposals	-	(16,000)	-	(12,755)	(28,755)
At 31 Dec. 00	<u>1,201,039</u>	<u>2,306,033</u>	<u>208,913</u>	<u>52,073</u>	<u>3,768,058</u>
Depreciation:					
At 1 Jan. 00	24,000	425,760	57,781	17,636	525,177
Charge for year	24,116	234,308	34,279	10,250	302,953
On disposals	-	(8,000)	-	(12,755)	(20,755)
At 31 Dec. 00	<u>48,116</u>	<u>652,068</u>	<u>92,060</u>	<u>15,131</u>	<u>807,375</u>
Net book value:					
At 31 Dec. 00	<u>1,152,923</u>	<u>1,653,965</u>	<u>116,853</u>	<u>36,942</u>	<u>2,960,683</u>
At 31 Dec. 99	<u>1,176,004</u>	<u>900,683</u>	<u>97,448</u>	<u>41,297</u>	<u>2,215,432</u>
				2000 £	1999 £
Analysis of net book value of land and buildings:					
Freehold				<u>1,152,923</u>	<u>1,176,004</u>

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

11. TANGIBLE FIXED ASSETS - (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	2000 £	1999 £
Net book values:		
Plant and machinery	859,948	449,513
Motor vehicles	16,084	8,108
	<u>876,032</u>	<u>457,621</u>
Depreciation charge for the year:		
Plant and machinery	71,667	100,361
Motor vehicles	2,361	854
	<u>74,028</u>	<u>101,215</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

The company's freehold land and buildings were revalued to open market value of £1,200,004 on 14 January 1999 by Roger Hannah & Co. Chartered Surveyors with an effective date of 31 December 1998. The land and buildings have a historical cost of £34,004, and accumulated depreciation for the year ended 31 December 2000 of £4,760.

Included within land & buildings is land with a valuation of £240,000.

12. INVESTMENTS

Cost or valuation:

	1 January 2000 and 31 December 2000 £
Shares:	
Group undertaking	<u>1</u>
Net book value	<u><u>1</u></u>

The investment is the entire share capital of Lloyds UK Limited. This company has capital and reserves of £1 and is dormant.

THOS. STOREY FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****13. STOCKS**

	2000	1999
	£	£
Raw materials	471,564	355,968
Short term work in progress	500,632	58,124
Finished goods and goods for resale	128,973	91,515
	<u>1,101,169</u>	<u>505,607</u>

14. DEBTORS

	2000	1999
	£	£
Trade debtors	3,033,656	2,021,719
Amounts due from related undertakings	111,994	22,560
Other debtors	77,423	37,710
Prepayments and accrued income	47,910	34,599
	<u>3,270,983</u>	<u>2,116,588</u>

Please refer to note 30 for details of the terms regarding the balance due from related undertakings.

15. DEBTORS DUE AFTER MORE THAN ONE YEAR

	2000	1999
	£	£
Amounts due from related undertakings	<u>98,269</u>	<u>100,000</u>

16. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	259,209	154,774
Net obligations under finance leases and hire purchase contracts	214,687	131,709
Amounts due to invoice discounter	1,038,686	939,204
Trade creditors	1,841,197	1,065,507
Corporation tax	11,179	17,744
Other taxes and social security costs	473,790	245,749
Other creditors	95,823	76,765
Accruals and deferred income	392,924	210,207
	<u>4,327,495</u>	<u>2,841,659</u>

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

16. CREDITORS: amounts falling due within one year - (continued)

Bank overdrafts amounting to £178,149 (1999: £75,991) are secured by a mortgage debenture dated 27 December 1996, over unscheduled assets.

The amounts due to the invoice discounter amounting to £1,038,686 (1999: £939,204) are secured by a debenture dated 24 December 1996 over the book debts, in favour of the discounter.

Bank loans amounting to £269,882 (1999 £303,303) (shown within short term and long term creditors) is secured by a first legal mortgage dated 27 December 1996, over the works at Station Road, Reddish, Stockport, Cheshire.

Chattel mortgages amounting to £161,289 (1999 £198,534) (shown as bank loans within short term and long term creditors) are secured on plant and machinery.

17. CREDITORS: amounts falling due after more than one year

	2000 £	1999 £
Bank loans and overdrafts	350,111	423,054
Net obligations under finance leases and hire purchase contracts	675,275	175,038
	<u>1,025,386</u>	<u>598,092</u>

Included within bank loans are the following:

£269,882 repayable over 10 years. The final repayment falls due in December 2006, with interest payable at 1.75% above the base rate of the National Westminster Bank plc.

£76,844 repayable over 4 years. The final repayment falls due in July 2003, with interest payable at 1.9% above the base rate of the National Westminster Bank plc.

£75,337 repayable over 5 years. The final repayment falls due in December 2004, with interest payable at 1.9% above the base rate of the National Westminster Bank plc.

£9,108 repayable over 5 years. The final repayment falls due in December 2004, with interest payable at 1.9% above the base rate of the National Westminster Bank Plc.

THOS. STOREY FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****18. BORROWINGS**

	2000 £	1999 £
The company's borrowings are repayable as follows		
Up to one year and on demand	1,297,895	1,093,978
Between one and two years	81,060	78,783
Between two and five years	149,169	190,968
After five years	119,882	153,303
	<u>1,648,006</u>	<u>1,517,032</u>
Wholly repayable within five years	<u>1,528,124</u>	<u>1,363,729</u>
Included in current liabilities	<u>1,297,895</u>	<u>1,093,978</u>

19. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2000 £	1999 £
The company's obligations are repayable as follows:		
Within one year or on demand	214,687	131,709
In two to five years	675,275	175,038
Total net obligations	<u>889,962</u>	<u>306,747</u>
Net obligations analysed as follows:		
Included in creditors - amounts falling due within one year	214,687	131,709
Included in creditors - amounts falling due after more than one year	675,275	175,038
	<u>889,962</u>	<u>306,747</u>

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

20. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Deferred taxation (see below)		
Balance at 1 January 2000	23,168	21,115
Transferred to profit and loss account	2,922	-
Provision acquired on hive-up	-	2,053
Balance at 31 December 2000	<u>26,090</u>	<u>23,168</u>
Total provision for liabilities and charges	<u>26,090</u>	<u>23,168</u>

	Fully provided 2000 £	1999 £
Deferred tax is calculated at 20% (1999 - 21%) analysed over the following timing differences:		
On the excess of capital allowances over depreciation	<u>26,090</u>	<u>23,168</u>

21. SHARE CAPITAL

	2000 £	1999 £
Authorised:		
Equity interests:		
Ordinary shares of £1 each	110,000	110,000
Ordinary 'A' shares of £1 each	100	100
	<u>110,100</u>	<u>110,100</u>
Allotted, called up and fully paid:		
Equity interests:		
Ordinary shares of £1 each	100,000	100,000
Ordinary 'A' shares of £1 each	100	100
	<u>100,100</u>	<u>100,100</u>

The ordinary 'A' shares have the following rights attached:

Capital - the right in a winding-up to a return of the capital paid up thereon in priority to any payment on the ordinary shares but to no further right to share in surplus assets.

Voting - there is no right to receive notice of any general meeting or to attend and vote thereon.

Dividends - the 'A' shares shall carry the right to a dividend at the rate to be declared by the directors from time to time.

THOS. STOREY FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****22. REVALUATION RESERVE**

	2000 £	1999 £
Balance at beginning of year	591,430	603,500
Released during the year	(12,070)	(12,070)
Balance at year end	<u>579,360</u>	<u>591,430</u>

23. OTHER RESERVES

	2000 £	1999 £
Fair value reserve		
Balance at beginning and end of year	540,999	619,534
Transferred to profit and loss account	(33,635)	(78,535)
Balance at end of year	<u>507,364</u>	<u>540,999</u>
Total other reserves	<u>507,364</u>	<u>540,999</u>

24. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Retained profit as at 1 January 2000	577,800	415,530
Profit for the year	190,989	71,665
Transfer from revaluation reserve	12,070	12,070
Transfer from fair value reserve	33,635	78,535
Retained profit as at 31 December 2000	<u>814,494</u>	<u>577,800</u>

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the year	250,989	131,665
Dividends	(60,000)	(60,000)
Net addition to shareholders' funds	<u>190,989</u>	<u>71,665</u>
Opening shareholders' funds	1,810,329	1,738,664
Closing shareholders' funds	<u>2,001,318</u>	<u>1,810,329</u>
Represented by:-		
Equity interests	<u>2,001,318</u>	<u>1,810,329</u>

THOS. STOREY FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000****26. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	5,449	12,542
Interest paid	(80,539)	(35,531)
Interest element of hire purchase contracts	(47,049)	(10,965)
Net cash outflow from returns on investments and servicing of finance	<u>(122,139)</u>	<u>(33,954)</u>
Taxation		
Corporation tax paid	(17,744)	(47,679)
Net cash outflow from taxation	<u>(17,744)</u>	<u>(47,679)</u>
Capital expenditure		
Purchase of intangible fixed assets	310,548	(190,916)
Purchase of tangible fixed assets	(268,728)	(531,437)
Receipts from sale of tangible fixed assets	12,200	20,800
Net cash inflow / (outflow) from capital expenditure	<u>54,020</u>	<u>(701,553)</u>
Acquisitions and disposals		
Purchase of subsidiary undertakings	-	(1)
Net cash outflow from acquisitions and disposals	<u>-</u>	<u>(1)</u>
Financing		
New long-term loans	11,385	214,750
Repayments of long term loans	(82,050)	(54,113)
Capital element of hire purchase contract payments	(204,261)	(169,596)
Net cash outflow from financing	<u>(274,927)</u>	<u>(8,959)</u>

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

27. ANALYSIS OF CHANGES IN NET DEBT

	1999 £	Cash flow £	Other movements £	2000 £
Cash at bank and in hand	144,704	(77,357)	-	67,347
Bank overdraft	(75,991)	(102,158)	-	(178,149)
		(179,515)		
Debt due within one year	(78,783)	-	(2,277)	(81,060)
Debt due after one year	(423,054)	70,665	2,277	(350,112)
Hire purchase contracts and finance lease agreements	(306,747)	204,261	(787,476)	(889,962)
	<u>(739,871)</u>	<u>95,411</u>	<u>(787,476)</u>	<u>(1,431,936)</u>

28. REVENUE COMMITMENTS

At the year end the company was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land and buildings		Other	
	2000 £	1999 £	2000 £	1999 £
Within one year	-	7,580	-	10,384
More than one year and less than five years	96,000	-	28,767	-
More than five years	75,000	75,000	-	-
	<u>171,000</u>	<u>82,580</u>	<u>28,767</u>	<u>10,384</u>

29. CAPITAL COMMITMENTS

Details of capital commitments at the accounting date are as follows:

	2000 £	1999 £
Contracted but not provided for in the financial statements	<u>19,137</u>	<u>236,600</u>

THOS. STOREY FABRICATIONS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

30. RELATED PARTY DISCLOSURES

The directors consider that the following related party transactions require disclosure:

(A) Personal guarantees were given by the directors, F Ellis and J Huggins, in respect of the confidential invoice discounting for security of the book debts.

(B) Amounts due from related undertakings totalling £210,263 (1999 £122,560), of which £111,994 (1999: £22,560) falls due within one year and £98,269 (1999:£100,000) falls due after one year, relates to amounts due from Lloyds International Limited, a company registered in England and Wales (company number 2647069). Lloyds International Limited is a company under the control of the directors of Thos. Storey Fabrications Limited. The balance has arisen during the year through loans from Thos. Storey Fabrications Limited.

Interest is charged at 2.5% over base rate and there are no fixed repayment dates associated with the balance. Lloyds International Limited has paid £5,400 interest on this loan during the year.

31. CONTROL

The company is under the joint control of the two directors, Mr F Ellis and Mr J Huggins.