

Registration Number 03230321

Thos Storey Fabrications Limited
Directors' Report and Financial Statements
for the year ended 31 December 2001



Thos Storey Fabrications Limited

Company Information

Directors	F Ellis ACMA J Huggins
Secretary	F Ellis ACMA
Company Number	03230321
Registered Office	Standard Works Station Road Reddish Stockport SK5 6ND
Accountants	Hurst & Company Chartered Accountants & Registered Auditors Lancashire Gate 21 Tiviot Dale Stockport SK1 1TD
Business Address	Standard Works Station Road Reddish Stockport SK5 6ND
Bankers	National Westminster Bank plc PO Box 546 100 Barbirolli Square Manchester M60 2FT
Solicitors	Halliwell Landau St. James's Court Brown Street Manchester M2 2JF

Thos Storey Fabrications Limited

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Thos Storey Fabrications Limited
Directors' Report
for the year ended 31 December 2001

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

Principal Activity and Review of the Business

The principal activities of the company 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.

Sales were adversely affected by the general downturn, which affected all major manufacturing economies as well as the foot and mouth outbreak, which effectively prevented any sales by our major customers to the agricultural sector for the whole of the year. In view of these events the directors are satisfied with the company's performance.

Results And Dividends

The results for the year are set out on page 5.

The directors have paid an interim dividend amounting to £60,000 and they do not recommend payment of a final dividend.

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 who served during the year and their interests in the company are as stated below:

	2001	2000
F Ellis ACMA		
Ordinary £1 shares	50,000	50,000
Ordinary 'A' shares of £1 each	50	50
J Huggins		
Ordinary £1 shares	50,000	50,000
Ordinary 'A' shares of £1 each	50	50

Thos Storey Fabrications Limited

Directors' Report for the year ended 31 December 2001

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

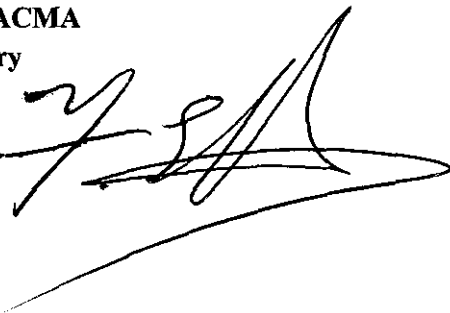
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Hurst & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 6 September 2002 and signed on its behalf by

F Ellis ACMA
Secretary

A large, stylized handwritten signature in black ink, likely belonging to F Ellis, the Secretary.

Thos Storey Fabrications Limited

Independent Auditors' Report to the Shareholders of Thos Storey Fabrications Limited

We have audited the financial statements of Thos Storey Fabrications Limited for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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 misstatement, 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.

Thos Storey Fabrications Limited

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hurst + Company

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

Date *6 September 2002*

Thos Storey Fabrications Limited

Profit & Loss Account for the year ended 31 December 2001

		2001		2000	
	Notes	£	£	£	£
Turnover	2				
Continuing operations		14,463,392		10,394,196	
Acquisitions		<u>-</u>		<u>1,932,772</u>	
		14,463,392		12,326,968	
Discontinued operations		<u>-</u>		<u>-</u>	
		14,463,392		12,326,968	
Cost of sales		(13,206,318)		(10,863,914)	
Gross profit		<u>1,257,074</u>		<u>1,463,054</u>	
Distribution costs		(302,614)		(285,774)	
Administrative expenses		<u>(845,309)</u>		<u>(790,051)</u>	
Operating profit	4				
Continuing operations		109,151		362,570	
Acquisitions		<u>-</u>		<u>24,659</u>	
		109,151		387,229	
Exceptional item	4	(138,812)		-	
(Loss)/profit on ordinary activities before interest		<u>(29,661)</u>		<u>387,229</u>	
Interest receivable and similar income	5	5,400		5,449	
Interest payable and similar charges	6	<u>(149,130)</u>		<u>(127,588)</u>	
(Loss)/profit on ordinary activities before taxation		<u>(173,391)</u>		<u>265,090</u>	
Tax on (loss)/profit on ordinary activities	9	<u>20,352</u>		<u>(14,101)</u>	
(Loss)/profit on ordinary activities after taxation		<u>(153,039)</u>		<u>250,989</u>	
Dividends	10	<u>(60,000)</u>		<u>(60,000)</u>	
(Loss)/retained profit for the year		<u><u>(213,039)</u></u>		<u><u>190,989</u></u>	

There are no recognised gains or losses other than the profit or loss for the above two financial years.

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

Thos Storey Fabrications Limited

Note of historical cost profits and losses for the year ended 31 December 2001

	2001	2000
	£	£
(Loss)/profit on ordinary activities before taxation	(173,391)	265,090
Realisation of property revaluation gains from previous years	12,070	12,070
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	11,274	33,635
Historical cost (loss)/profit on ordinary activities before taxation	(150,047)	310,795
Historic cost (loss)/profit for the year retained after taxation and dividends	(189,695)	236,694

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

Thos Storey Fabrications Limited

**Balance Sheet
as at 31 December 2001**

		2001		2000	
	Notes	£	£	£	£
Fixed Assets					
Positive Goodwill	11	163,715		184,175	
Negative Goodwill	11	<u>(236,538)</u>		<u>(302,338)</u>	
			(72,823)		(118,163)
Tangible assets	12		2,933,110		2,960,683
Investments	13		<u>1</u>		<u>1</u>
			2,860,288		2,842,521
Current Assets					
Stocks	14	843,799		1,101,169	
Debtors	15	2,772,037		3,270,983	
Debtors due after more than one year	15	110,000		98,269	
Cash at bank and in hand		60,695		67,347	
		3,786,531		4,537,768	
Creditors: amounts falling due within one year	16	<u>(3,568,679)</u>		<u>(4,327,495)</u>	
Net Current Assets			<u>217,852</u>		<u>210,273</u>
Total Assets Less Current Liabilities			3,078,140		3,052,794
Creditors: amounts falling due after more than one year	17		(1,284,123)		(1,025,386)
Provisions for Liabilities and Charges	18		<u>(5,738)</u>		<u>(26,090)</u>
Net Assets			<u><u>1,788,279</u></u>		<u><u>2,001,318</u></u>

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

Thos Storey Fabrications Limited

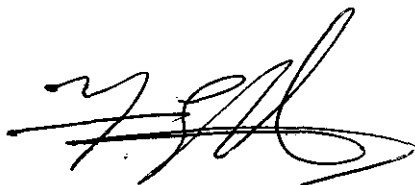
Balance Sheet
as at 31 December 2001

Capital and Reserves

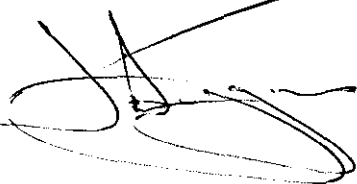
Called up share capital	20	100,100	100,100
Revaluation reserve	21	567,290	579,360
Other reserves	21	496,090	507,364
Profit and loss account	21	624,799	814,494
Shareholders' Funds	22	<u>1,788,279</u>	<u>2,001,318</u>

The financial statements were approved by the Board on 6 September 2002 and signed on its behalf by

F Ellis ACMA



J Huggins



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

Thos Storey Fabrications Limited

**Cash Flow Statement
for the year ended 31 December 2001**

	Notes	2001 £	2000 £
Reconciliation of operating (loss)/profit to net cash inflow from operating activities			
Operating (loss)/profit		109,151	387,229
Depreciation		295,172	297,284
Decrease in stocks		257,370	(595,562)
Decrease in debtors		487,215	(1,152,664)
(Decrease) in creditors		(906,391)	1,304,987
Exceptional item		(138,812)	-
Net cash inflow from operating activities		<u>103,705</u>	<u>241,274</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		103,705	241,274
Returns on investments and servicing of finance	27	(143,730)	(122,139)
Taxation	27	(11,179)	(17,744)
Capital expenditure	27	(168,978)	54,020
		(220,182)	155,411
Equity dividends paid		(60,000)	(60,000)
		(280,182)	95,411
Financing	27	177,898	(274,926)
Decrease in cash in the year		<u>(102,284)</u>	<u>(179,515)</u>

Reconciliation of net cash flow to movement in net debt (Note 28)

Decrease in cash in the year	(102,284)	(179,515)
Cash inflow from decrease in debts and lease financing	(177,898)	274,926
Change in net debt resulting from cash flows	(280,182)	95,411
New finance leases and hire purchase contracts	(143,961)	(787,476)
Movement in net debt in the year	(424,143)	(692,065)
Net debt at 1 January 2001	(1,431,935)	(739,870)
Net debt at 31 December 2001	<u>(1,856,078)</u>	<u>(1,431,935)</u>

Thos Storey Fabrications Limited

Notes to the Financial Statements for the year ended 31 December 2001

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets .

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	Straight Line over fifty years
Plant and machinery	-	5 - 50% on cost
Fixtures, fittings and equipment	-	5 - 33.33% on cost
Motor vehicles	-	10 - 20% on cost

Where useful economic life is revised, depreciation will be charged over the remaining useful economic life.

1.4. Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair values of its separate net assets. Positive goodwill is capitalised and amortised over 10 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 5 years.

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the above accounting policy. 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 constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Thos Storey Fabrications Limited

Notes to the Financial Statements for the year ended 31 December 2001

1.7. Stock and work in progress

Stock and work in progress are valued 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 future costs to completion and disposal. Certain finished goods are valued at selling price less an appropriate profit margin.

1.8. Pensions

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.

1.9. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Deferred tax has been calculated at the current rate of tax being the best estimate of the rate which is likely to be applicable when it is anticipated that the timing differences will reverse.

1.10. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Thos Storey Fabrications Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

3. Analysis of Operations

	Continuing £	Acquisitions £	2001 Total £
Turnover	14,463,392	-	14,463,392
Cost of sales	13,206,318	-	13,206,318
Gross Profit/(Loss)	1,257,074	-	1,257,074
Distribution costs	302,614	-	302,614
Administrative expenses	845,309	-	845,309
	1,147,923	-	1,147,923
Operating Profit/(Loss)	109,151	-	109,151

	Continuing £	Acquisitions £	2000 Total £
Turnover	10,394,196	1,932,772	12,326,968
Cost of sales	9,106,092	1,757,822	10,863,914
Gross Profit/(Loss)	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

In 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 last year.

Please refer to note 11 for further details.

Thos Storey Fabrications Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

4. Operating profit	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	(45,340)	(1,469)
Depreciation and other amounts written off tangible assets	347,015	302,953
Operating lease rentals		
- Plant and machinery	35,732	29,405
- Land and buildings	169,981	107,620
Auditors' remuneration	18,900	14,000
and after crediting:		
Profit on foreign currencies	8,891	2,868
	<u> </u>	<u> </u>
Exceptional item		
Redundancy costs on reorganisation	138,812	-
	<u> </u>	<u> </u>
 5. Interest receivable and similar income	 2001	 2000
	£	£
Bank interest	-	49
Income from related undertakings	5,400	5,400
	<u> </u>	<u> </u>
	5,400	5,449
	<u> </u>	<u> </u>
 6. Interest payable and similar charges	 2001	 2000
	£	£
On bank loans and overdrafts	90,177	56,957
On loans repayable in five years or more	-	23,582
Hire purchase interest	58,953	47,049
	<u> </u>	<u> </u>
	149,130	127,588
	<u> </u>	<u> </u>

Thos Storey Fabrications Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

7. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2001	2000
Manufacturing	242	169
Management / Administration	54	30
	<u>296</u>	<u>199</u>

Employment costs

	2001	2000
	£	£
Wages and salaries	5,476,000	4,413,027
Social security costs	60,571	66,157
Other pension costs	-	48,073
	<u>5,536,571</u>	<u>4,527,257</u>

7.1. Directors' emoluments

	2001	2000
	£	£
Remuneration and other emoluments	235,125	198,704
Pension contributions	-	48,073
	<u>235,125</u>	<u>246,777</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	2	2

Highest Paid Director

Amounts included above:

	£	£
Emoluments and other benefits	117,854	99,352
Pension contributions	-	24,037
	<u>117,854</u>	<u>123,389</u>

Thos Storey Fabrications Limited

Notes to the Financial Statements for the year ended 31 December 2001

8. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £- (2000 - £48,073).

9. Taxation	2001 £	2000 £
UK current year taxation		
UK Corporation Tax	-	679
Transfer from deferred taxation	(20,352)	2,922
	<u>(20,352)</u>	<u>3,601</u>
Prior years		
UK Corporation Tax	-	10,500
	<u>(20,352)</u>	<u>14,101</u>

10. Dividends	2001 £	2000 £
Dividends on equity shares:		
Ordinary shares - Interim paid	<u>60,000</u>	<u>60,000</u>

Thos Storey Fabrications Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

11. Intangible fixed assets

	Goodwill	Negative Goodwill	Total
	£	£	£
At 1 January 2001			
At 31 December 2001	204,639	(324,271)	(119,632)
Provision for diminution in value			
At 1 January 2001	20,464	(21,933)	(1,469)
Charge for year	20,460	(65,800)	(45,340)
At 31 December 2001	40,924	(87,733)	(46,809)
Net book values			
At 31 December 2001	163,715	(236,538)	(72,823)
At 31 December 2000	184,175	(302,338)	(118,163)

Negative goodwill arose on the acquisition of Walton Fabrications on the 5 September 2000.
Positive goodwill arose on the acquisition of Lloyds UK Limited in 1999.

Thos Storey Fabrications Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

12. Tangible fixed assets

	Land and buildings freehold	Plant and machinery	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£	£	£
Cost/revaluation					
At 1 January 2001	1,201,039	2,306,033	208,913	52,073	3,768,058
Additions	-	302,356	30,087	-	332,443
Disposals	-	(82,755)	-	-	(82,755)
At 31 December 2001	<u>1,201,039</u>	<u>2,525,634</u>	<u>239,000</u>	<u>52,073</u>	<u>4,017,746</u>
Depreciation					
At 1 January 2001	48,116	652,068	92,060	15,131	807,375
On disposals	-	(69,754)	-	-	(69,754)
Charge for the year	24,348	275,214	35,644	11,809	347,015
At 31 December 2001	<u>72,464</u>	<u>857,528</u>	<u>127,704</u>	<u>26,940</u>	<u>1,084,636</u>
Net book values					
At 31 December 2001	<u>1,128,575</u>	<u>1,668,106</u>	<u>111,296</u>	<u>25,133</u>	<u>2,933,110</u>
At 31 December 2000	<u>1,152,923</u>	<u>1,653,965</u>	<u>116,853</u>	<u>36,942</u>	<u>2,960,683</u>

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 directors approve this value of the land and buildings. The land and buildings have a historical cost of £34,004 and accumulated depreciation for the year ended 31 December 2001 of £5,440.

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

Asset description	2001		2000	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Plant and machinery	879,438	137,980	859,948	71,667
Motor vehicles	12,163	3,922	16,084	2,361
	<u>891,601</u>	<u>141,902</u>	<u>876,032</u>	<u>74,028</u>

Thos Storey Fabrications Limited

Notes to the Financial Statements for the year ended 31 December 2001

13. Fixed Asset Investments

	Subsidiary Undertakings Shares	Total
	£	£
Cost		
At 1 January 2001		
At 31 December 2001	1	1
Net book values		
At 31 December 2001	1	1
At 31 December 2000	1	1

13.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held Class	Proportion of shares held
Subsidiary undertaking				
Lloyds UK Limited	England & Wales	Dormant	Ordinary	100%

14. Stocks

	2001 £	2000 £
Raw materials and consumables	284,810	471,564
Work in progress	483,152	500,632
	767,962	972,196
Finished goods and goods for resale	75,837	128,973
	843,799	1,101,169

Thos Storey Fabrications Limited

Notes to the Financial Statements for the year ended 31 December 2001

15. Debtors

	2001 £	2000 £
Trade debtors	2,441,794	3,033,656
Amount owed by connected companies	221,686	210,263
Other debtors	71,862	77,423
Prepayments and accrued income	146,695	47,910
	<u>2,882,037</u>	<u>3,369,252</u>

Amounts falling due after more than one year and included in debtors are:

Amounts owed by connected companies	<u>110,000</u>	<u>98,269</u>
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16. Creditors: amounts falling due within one year

	2001 £	2000 £
Bank overdraft	273,781	178,149
Bank loan	122,336	81,060
Amounts due to invoice discounter	558,799	1,038,686
Net obligations under finance leases and hire purchase contracts	236,533	214,687
Trade creditors	1,640,765	1,841,197
Corporation tax	-	11,179
Other taxes and social security costs	487,832	473,790
Other creditors	57,456	95,823
Accruals and deferred income	191,177	392,924
	<u>3,568,679</u>	<u>4,327,495</u>

Bank overdrafts amounting to £273,781 (2000 £178,149) are secured by a mortgage debenture dated 27 December 1996, over unscheduled assets.

The amounts due to the invoice discounter amounting to £558,799 (2000 £1,038,686) are secured by a debenture dated 24 December 1996 over the book debts, in favour of the discounter.

Bank loans amounting to £733,881 (2000 £269,882) (shown within short term and long term creditors) are secured by a first legal mortgage dated 27 December 1996, over the works at Station Road, Reddish, Stockport, Cheshire.

Chattel mortgages amounting to £107,990 (2000 £161,289) (shown as bank loans within short term and long term creditors) are secured on plant and machinery.

Thos Storey Fabrications Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

17. Creditors: amounts falling due after more than one year	2001 £	2000 £
Bank loan	719,535	350,111
Net obligations under finance leases and hire purchase contracts	564,588	675,275
	<u>1,284,123</u>	<u>1,025,386</u>
Loans		
Repayable in one year or less, or on demand (Note 16)	122,336	1,297,895
Repayable between one and two years	111,026	81,060
Repayable between two and five years	263,728	149,169
Repayable in five years or more	344,781	119,882
	<u>841,871</u>	<u>1,648,006</u>

Included within bank loans are the following:

£500,000 repayable over 10 years. The final repayment falls due in December 2011, with interest payable at 1.75% above the base rate.

£233,881 repayable over 10 years. The final repayment falls due in December 2006, with interest payable at 1.75% above the base rate.

£57,225 repayable over 4 years. The final repayment falls due in July 2003, with interest payable at 1.9% above the base rate.

£50,765 repayable over 5 years. The final repayment falls due in December 2004, with interest payable at 1.9% above the base rate.

**Net obligations under finance leases
and hire purchase contracts**

Repayable within one year	236,533	214,687
Repayable between one and five years	564,588	675,275
	<u>801,121</u>	<u>889,962</u>

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

Thos Storey Fabrications Limited
Notes to the Financial Statements
for the year ended 31 December 2001

18 Provisions for liabilities and charges

	Deferred Taxation (Note 19) £	Total £
At 1 January 2001	26,090	26,090
Movements in the year	20,352	20,352
At 31 December 2001	<u>5,738</u>	<u>5,738</u>

19. Deferred Taxation

Deferred tax is analysed over the following timing differences:

	2001 £	Provided 2000 £
Accelerated capital allowances	5,738	26,090
	<u>5,738</u>	<u>26,090</u>

Movements on the provision for deferred taxation are:

	2001 £	2000 £
At 1 January 2001	26,090	23,168
Transferred to profit and loss account	(20,352)	2,922
At 31 December 2001	<u>5,738</u>	<u>26,090</u>

Thos Storey Fabrications Limited

**Notes to the Financial Statements
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20. Share capital	2001	2000
	£	£
Authorised		
110,000 Ordinary £1 shares	110,000	110,000
100 Ordinary 'A' shares of £1 each	100	100
	<u>110,100</u>	<u>110,100</u>
Allotted, called up and fully paid equity		
100,000 Ordinary £1 shares	100,000	100,000
100 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 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.

21. Equity Reserves

	Revaluation reserve	Profit and loss account	Other reserve	Total
	£	£	£	£
At 1 January 2001	579,360	814,494	507,364	1,901,218
Transfer of realised profit	(12,070)	23,344		11,274
(Loss)/retained profit for the year		(213,039)		(213,039)
Other movements	-	-	(11,274)	(11,274)
At 31 December 2001	<u>567,290</u>	<u>624,799</u>	<u>496,090</u>	<u>1,688,179</u>

Thos Storey Fabrications Limited

**Notes to the Financial Statements
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22. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
(Loss)/profit for the year	(153,039)	250,989
Dividends	(60,000)	(60,000)
	<u>(213,039)</u>	<u>190,989</u>
Opening shareholders' funds	2,001,318	1,810,329
	<u>1,788,279</u>	<u>2,001,318</u>

23. Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001 £	2000 £	2001 £	2000 £
Expiry date:				
Within one year	-	-	22,704	-
Between one and five years	171,000	96,000	6,060	28,767
In over five years	-	75,000	-	-
	<u>171,000</u>	<u>171,000</u>	<u>28,764</u>	<u>28,767</u>

24. Capital commitments

	2001 £	2000 £
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>33,750</u>	<u>19,137</u>

Thos Storey Fabrications Limited

**Notes to the Financial Statements
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25. Related party transactions

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 £221,686 (2000 £210,263) of which £111,686 (2000 £111,994) falls due within one year and £110,000 (2000 £98,269) 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.

(C) 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.

26. Controlling interest

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

Thos Storey Fabrications Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

27. Gross Cash Flows

	2001	2000
	£	£
Returns on investments and servicing of finance		
Interest received	5,400	5,449
Interest paid	(149,130)	(127,588)
	<u>(143,730)</u>	<u>(122,139)</u>
Taxation		
Corporation tax paid	(11,179)	(17,744)
Capital expenditure		
Payments to acquire intangible assets	-	310,548
Payments to acquire tangible assets	(188,482)	(268,728)
Receipts from sales of tangible assets	19,504	12,200
	<u>(168,978)</u>	<u>54,020</u>
Financing		
New long term bank loan	500,000	11,385
Repayment of long term bank loan	(89,300)	(82,050)
Capital element of finance leases and hire purchase contracts	(232,802)	(204,261)
	<u>177,898</u>	<u>(274,926)</u>

28. Analysis of changes in net funds

	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	67,347	(6,652)		60,695
Overdrafts	(178,149)	(95,632)		(273,781)
	<u>(110,802)</u>	<u>(102,284)</u>		<u>(213,086)</u>
Debt due within one year	(81,060)	89,300	(130,576)	(122,336)
Debt due after one year	(350,111)	(500,000)	130,576	(719,535)
Finance leases and hire purchase contracts	(889,962)	232,802	(143,961)	(801,121)
	<u>(1,321,133)</u>	<u>(177,898)</u>	<u>(143,961)</u>	<u>(1,642,992)</u>
Net funds	<u>(1,431,935)</u>	<u>(280,182)</u>	<u>(143,961)</u>	<u>(1,856,078)</u>