

Registration number 03230321

Thos Storey Fabrications Limited
Directors' report and financial statements
for the year ended 31 December 2002



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
Auditors	Hurst & Company 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 2002

The directors present their report and the financial statements for the year ended 31 December 2002.

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.

To counter-act the loss of basic fabrication work to low labour cost manufacturers in Eastern Europe the company has introduced more complex high value added work for several new customers in the same sectors. In order to perform this high quality work a major extension to the painting facilities at Stockport has been completed in the year. The cost of this disruption as well as the re-training of personnel has impacted on the Profit & Loss Account but is obviously of a one-off nature. The company is now well established to continue in this very demanding area of expertise.

Following the 2001 re-organisations - which incurred significant redundancy costs in that year at the Rugby and Wolverhampton plants - the beneficial effects are now being seen at both, with Rugby in particular now attracting work more suited to its capacity, from new customers.

Results and dividends

The results for the year are set out on page 5 - 6.

The directors have paid an interim dividend amounting to £65,200 and they do not recommend payment of a final dividend.

Directors and their interests

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

	£1 Ordinary shares		£1 Ordinary 'A' shares	
	31/12/02	01/01/02	31/12/02	01/01/02
F Ellis ACMA	50,000	50,000	50	50
J Huggins	50,000	50,000	50	50

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.

Thos Storey Fabrications Limited

**Directors' report
for the year ended 31 December 2002**

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.

The directors recommend that Hurst & Company remain in office until further notice.

This report was approved by the Board on 17 April 2003 and signed on its behalf by



F Ellis ACMA
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 2002 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 the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 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

Independent auditors' report to the shareholders of Thos Storey Fabrications Limited continued

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 2002 and of its profit 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: *17 April 2003*
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Thos Storey Fabrications Limited

**Profit and loss account
for the year ended 31 December 2002**

		Continuing operations	
		2002	2001
	Notes	£	£
Turnover	2	15,195,061	14,463,392
Cost of sales		(13,885,873)	(13,194,318)
Gross profit		1,309,188	1,269,074
Distribution costs		(311,137)	(280,841)
Administrative expenses		(807,991)	(879,082)
Operating profit	3	190,060	109,151
Exceptional item	3	-	(138,812)
Profit/(loss) on ordinary activities before interest		190,060	(29,661)
Other interest receivable and similar income	4	5,773	5,400
Interest payable and similar charges	5	(153,136)	(149,130)
Profit/(loss) on ordinary activities before taxation		42,697	(173,391)
Tax on profit/(loss) on ordinary activities	7	(36,957)	20,352
Profit/(loss) on ordinary activities after taxation		5,740	(153,039)
Dividends	8	(65,200)	(60,000)
Loss for the year		(59,460)	(213,039)

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 24 form an integral part of these financial statements.

Thos Storey Fabrications Limited

**Profit and loss account
for the year ended 31 December 2002**

	Continuing operations	
	2002	2001
Note of historical cost profits and losses	£	£
Profit/(loss) on ordinary activities before taxation	42,697	(173,391)
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	<u>4,159</u>	<u>11,274</u>
Historical cost profit/(loss) on ordinary activities before taxation	<u>58,926</u>	<u>(150,047)</u>
Historic cost loss for the year retained after taxation and dividends	<u>(43,231)</u>	<u>(189,695)</u>

The notes on pages 10 to 24 form an integral part of these financial statements.

Thos Storey Fabrications Limited

**Balance sheet
as at 31 December 2002**

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Intangible assets:					
Positive goodwill	9	143,255		163,715	
Negative goodwill	9	(170,738)		(236,538)	
			(27,483)		(72,823)
Tangible assets	10		2,826,128		2,933,110
Investments	11		1		1
			2,798,646		2,860,288
Current assets					
Stocks	12	1,297,461		843,799	
Debtors	13				
falling due after more than one year		98,193		110,000	
falling due within one year		2,261,302		2,772,037	
Cash at bank and in hand		278,387		60,695	
		3,935,343		3,786,531	
Creditors: amounts falling due within one year	14	(3,956,110)		(3,568,679)	
Net current (liabilities)/assets			(20,767)		217,852
Total assets less current liabilities			2,777,879		3,078,140
Creditors: amounts falling due after more than one year	15		(1,020,372)		(1,284,123)
Provisions for liabilities and charges	16		(28,688)		(5,738)
Net assets			1,728,819		1,788,279

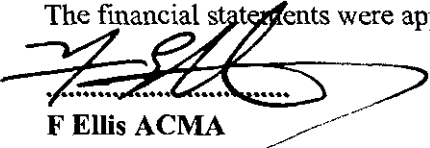
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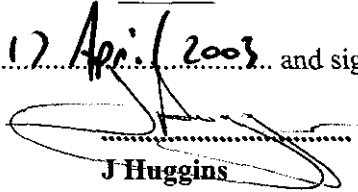
Thos Storey Fabrications Limited

**Balance sheet
as at 31 December 2002**

		2002	2001
	Notes	£	£
Capital and reserves			
Called up share capital	18	100,100	100,100
Revaluation reserve	19	555,220	567,290
Other reserves	19	484,816	496,090
Profit and loss account	19	588,683	624,799
Equity shareholders' funds	20	<u>1,728,819</u>	<u>1,788,279</u>

The financial statements were approved by the Board on 17 April 2003 and signed on its behalf by


F Ellis ACMA
Director


J Huggins
Director

The notes on pages 10 to 24 form an integral part of these financial statements.

Thos Storey Fabrications Limited

**Cash flow statement
for the year ended 31 December 2002**

	Notes	2002 £	2001 £
Reconciliation of operating profit/(loss) to net cash inflow from operating activities			
Operating profit/(loss)		190,060	109,151
Depreciation		288,557	295,172
(Increase) in stocks		(453,662)	257,370
Decrease in debtors		522,542	487,215
Increase in creditors		333,226	(906,391)
Redundancy costs		-	(138,812)
Net cash inflow from operating activities		<u>880,723</u>	<u>103,705</u>
Cash flow statement			
Net cash inflow from operating activities		880,723	103,705
Returns on investments and servicing of finance	25	(147,363)	(143,730)
Taxation	25	(5,484)	(11,179)
Capital expenditure	25	(81,272)	(168,978)
		<u>646,604</u>	<u>(220,182)</u>
Equity dividends paid		(65,200)	(60,000)
		<u>581,404</u>	<u>(280,182)</u>
Financing	25	(391,821)	177,898
Increase in cash in the year		<u>189,583</u>	<u>(102,284)</u>
Reconciliation of net cash flow to movement in net funds (Note 26)			
Increase in cash in the year		189,583	(102,284)
Cash outflow from increase in debts and lease financing		391,821	(177,898)
		<u>581,404</u>	<u>(280,182)</u>
Change in net funds resulting from cash flows		581,404	(280,182)
New finance leases and hire purchase contracts		(145,643)	(143,961)
		<u>435,761</u>	<u>(424,143)</u>
Movement in net funds in the year		435,761	(424,143)
Net debt at 1 January 2002		(1,856,078)	(1,431,935)
Net debt at 31 December 2002		<u>(1,420,317)</u>	<u>(1,856,078)</u>

Thos Storey Fabrications Limited

Notes to the financial statements for the year ended 31 December 2002

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. 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.

1.4. 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.

1.5. 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 2002

..... continued

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

In accordance with FRS 19, deferred taxation is provided using the full provision method for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition for corporation tax purposes.

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 2002**

..... continued

3. Operating profit	2002	2001
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	(45,340)	(45,340)
Depreciation and other amounts written off tangible assets	338,813	347,015
Operating lease rentals		
- Plant and machinery	64,847	35,732
- Land and buildings	177,062	169,981
Auditors' remuneration	16,400	18,900
	<u> </u>	<u> </u>
and after crediting:		
Profit on disposal of tangible fixed assets	4,916	6,503
Profit on foreign currencies	3,521	8,891
	<u> </u>	<u> </u>
Exceptional item		
Redundancy costs on reorganisation	-	138,812
	<u> </u>	<u> </u>
 4. Interest receivable and similar income	 2002	 2001
	£	£
Other interest	5,773	5,400
	<u> </u>	<u> </u>
 5. Interest payable and similar charges	 2002	 2001
	£	£
On bank loans and overdrafts	94,712	90,177
Hire purchase interest	58,410	58,953
On overdue tax	14	-
	<u> </u>	<u> </u>
	153,136	149,130
	<u> </u>	<u> </u>

Thos Storey Fabrications Limited

**Notes to the financial statements
for the year ended 31 December 2002**

..... continued

6. Employees

Number of employees

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

	2002	2001
Manufacturing	233	242
Management / Administration	46	54
	<u>279</u>	<u>296</u>

Employment costs

	2002 £	2001 £
Wages and salaries	5,058,466	5,070,430
Social security costs	451,382	466,141
	<u>5,509,848</u>	<u>5,536,571</u>

6.1. Directors' emoluments

	2002 £	2001 £
Remuneration and other emoluments	<u>213,894</u>	<u>235,125</u>

	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>

Highest paid director

Amounts included above:

	£	£
Emoluments and other benefits	<u>109,007</u>	<u>117,854</u>

Thos Storey Fabrications Limited

Notes to the financial statements for the year ended 31 December 2002

..... continued

7. Tax on profit/(loss) on ordinary activities

Analysis of charge in period	2002 £	2001 £
Current tax		
UK corporation tax	8,523	-
Prior period adjustments	5,484	-
	<u>14,007</u>	<u>-</u>
Total current tax charge	<u>14,007</u>	<u>-</u>
Deferred tax		
Timing differences, origination and reversal	22,950	(20,352)
Total deferred tax	<u>22,950</u>	<u>(20,352)</u>
Tax on profit on ordinary activities	<u>36,957</u>	<u>(20,352)</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 per cent). The differences are explained below:

	2002 £	2001 £
Profit/(loss) on ordinary activities before taxation	<u>42,697</u>	<u>(173,391)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (31 December 2001 : 20%)	8,112	(34,678)
Expenses not deductible for tax purposes	(9,182)	14,326
Capital allowances for period in excess of depreciation	(27,247)	20,352
Utilisation of tax losses	36,840	-
Current tax charge for period	<u>8,523</u>	<u>-</u>

8. Dividends

Dividends on equity shares:

	2002 £	2001 £
£1 Ordinary 'A' shares - interim paid	<u>65,200</u>	<u>60,000</u>

Thos Storey Fabrications Limited

Notes to the financial statements for the year ended 31 December 2002

..... continued

9. Intangible fixed assets

	Positive Goodwill £	Negative Goodwill £	Total £
Cost			
At 1 January 2002	204,639	(324,271)	(119,632)
At 31 December 2002	204,639	(324,271)	(119,632)
Provision for diminution in value			
At 1 January 2002	40,924	(87,733)	(46,809)
Charge for year	20,460	(65,800)	(45,340)
At 31 December 2002	61,384	(153,533)	(92,149)
Net book values			
At 31 December 2002	143,255	(170,738)	(27,483)
At 31 December 2001	163,715	(236,538)	(72,823)

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

10. Tangible fixed assets

	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
COST/REVALUATION					
At 1 January 2002	1,201,039	2,525,634	239,000	52,073	4,017,746
Additions	-	231,412	17,435	25,109	273,956
Disposals	-	(106,000)	-	(21,221)	(127,221)
At 31 December 2002	1,201,039	2,651,046	256,435	55,961	4,164,481
Depreciation					
At 1 January 2002	72,464	857,528	127,704	26,940	1,084,636
On disposals	-	(66,427)	-	(18,669)	(85,096)
Charge for the year	24,348	266,990	36,830	10,645	338,813
At 31 December 2002	96,812	1,058,091	164,534	18,916	1,338,353
Net book values					
At 31 December 2002	1,104,227	1,592,955	91,901	37,045	2,826,128
At 31 December 2001	1,128,575	1,668,106	111,296	25,133	2,933,110

Thos Storey Fabrications Limited

Notes to the financial statements for the year ended 31 December 2002

..... continued

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

Asset description	2002		2001	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Plant and machinery	887,645	101,540	893,581	123,837
Motor vehicles	-	-	3,941	1,392
	<u>887,645</u>	<u>101,540</u>	<u>897,522</u>	<u>125,229</u>

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	2002 £	2001 £
Cost	34,004	34,004
Depreciation	6,120	5,440
Net book value	<u>27,884</u>	<u>28,564</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.

11. Fixed asset investments

	Subsidiary undertakings shares £	Total £
Cost		
At 1 January 2002		
At 31 December 2002	1	1
Net book values		
At 31 December 2002	1	1
At 31 December 2001	1	1

Thos Storey Fabrications Limited

Notes to the financial statements for the year ended 31 December 2002

..... continued

11.1. 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%

12. Stocks

	2002 £	2001 £
Raw materials and consumables	297,865	284,810
Work in progress	943,021	483,152
	<u>1,240,886</u>	<u>767,962</u>
Finished goods and goods for resale	56,575	75,837
	<u>1,297,461</u>	<u>843,799</u>

13. Debtors

	2002 £	2001 £
Trade debtors	1,948,301	2,441,794
Amount owed by connected companies	166,574	221,686
Other debtors	38,072	71,862
Prepayments and accrued income	206,548	146,695
	<u>2,359,495</u>	<u>2,882,037</u>

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

Amounts owed by connected companies	<u>98,193</u>	<u>110,000</u>
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Thos Storey Fabrications Limited

Notes to the financial statements for the year ended 31 December 2002

..... continued

14. Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	301,890	273,781
Bank loan	118,985	122,336
Amounts due to invoice discounter	399,193	558,799
Net obligations under finance leases and hire purchase contracts	257,457	236,533
Trade creditors	2,054,591	1,640,765
Corporation tax	8,523	-
Other taxes and social security costs	639,396	487,832
Other creditors	73,893	57,456
Accruals and deferred income	102,182	191,177
	<u>3,956,110</u>	<u>3,568,679</u>

Bank overdrafts amounting to £301,890 (2001 £273,781) are secured by a mortgage debenture dated 27 December 1996, over unscheduled assets.

The amounts due to the invoice discounter amounting to £399,193 (2001 £558,799) are secured by a debenture dated 24 December 1996 over the book debts, in favour of the discounter.

Bank loans amounting to £644,856 (2001 £733,881) (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 £57,309 (2001 £107,990) (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 2002**

..... continued

15. Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loan	583,180	719,535
Net obligations under finance leases and hire purchase contracts	437,192	564,588
	<u>1,020,372</u>	<u>1,284,123</u>
Loans		
Repayable in one year or less, or on demand (Note 14)	118,985	122,336
Repayable between one and two years	106,719	111,026
Repayable between two and five years	239,377	263,728
Repayable in five years or more	237,084	344,781
	<u>702,165</u>	<u>841,871</u>

Included within bank loans are the following:

£460,314 repayable over 10 years. The final repayment falls due in December 2011, with interest payable at 1.75% above the base rate.

£184,541 repayable over 10 years. The final repayment falls due in December 2006, with interest payable at 1.75% above the base rate.

£37,605 repayable over 4 years. The final repayment falls due in July 2003, with interest payable at 1.9% above the base rate.

£19,705 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	257,457	236,533
Repayable between one and five years	437,192	564,588
	<u>694,649</u>	<u>801,121</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 2002**

..... continued

16. Provisions for liabilities and charges

	Deferred taxation (Note 17) £	Total £
At 1 January 2002	5,738	5,738
Movements in the year	22,950	22,950
At 31 December 2002	<u>28,688</u>	<u>28,688</u>

17. Provision for deferred taxation

	2002 £	2001 £
Accelerated capital allowances	28,688	5,738
Undiscounted provision for deferred tax	<u>28,688</u>	<u>5,738</u>
Provision at 1 January 2002	5,738	
Deferred tax charge in profit and loss account	22,950	
Provision at 31 December 2002	<u>28,688</u>	

Thos Storey Fabrications Limited

Notes to the financial statements for the year ended 31 December 2002

..... continued

18. Share capital	2002 £	2001 £
Authorised equity		
110,000 £1 Ordinary shares	110,000	110,000
100 £1 Ordinary 'A' shares	100	100
	<u>110,100</u>	<u>110,100</u>
Allotted, called up and fully paid equity		
100,000 £1 Ordinary shares	100,000	100,000
100 £1 Ordinary 'A' shares	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.

19. Equity Reserves	Revaluation reserve £	Profit and loss account £	Other reserve £	Total £
At 1 January 2002	567,290	624,799	496,090	1,688,179
Transfer of realised profit	(12,070)	23,344		11,274
Loss for the year		(59,460)		(59,460)
Other movements	-	-	(11,274)	(11,274)
At 31 December 2002	<u>555,220</u>	<u>588,683</u>	<u>484,816</u>	<u>1,628,719</u>

Thos Storey Fabrications Limited

Notes to the financial statements for the year ended 31 December 2002

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20. Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit/(loss) for the year	5,740	(153,039)
Dividends	(65,200)	(60,000)
	<u>(59,460)</u>	<u>(213,039)</u>
Opening shareholders' funds	1,788,279	2,001,318
Closing shareholders' funds	<u>1,728,819</u>	<u>1,788,279</u>

21. Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	96,000	-	4,323	22,704
Between one and five years	75,000	171,000	104,805	6,060
	<u>171,000</u>	<u>171,000</u>	<u>109,128</u>	<u>28,764</u>

22. Capital commitments	2002	2001
	£	£
Details of capital commitments at the accounting date are as follows:		
Contracted for but not provided in the financial statements	<u>4,795</u>	<u>33,750</u>

Thos Storey Fabrications Limited

**Notes to the financial statements
for the year ended 31 December 2002**

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23. 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 £166,574 (2001 £221,686) of which £68,381 (2001 £111,686) falls due within one year and £98,193 (2001 £110,000) 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.

(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 £5,650 interest on this loan during the year (2001: £5,400).

24. 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 2002**

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25. Gross cash flows

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	5,773	5,400
Interest paid	(153,136)	(149,130)
	<u>(147,363)</u>	<u>(143,730)</u>
Taxation		
Corporation tax paid	(5,484)	(11,179)
Capital expenditure		
Payments to acquire tangible assets	(128,313)	(188,482)
Receipts from sales of tangible assets	47,041	19,504
	<u>(81,272)</u>	<u>(168,978)</u>
Financing		
New long term bank loan	-	500,000
Repayment of long term bank loan	(139,706)	(89,300)
Capital element of finance leases and hire purchase contracts	(252,115)	(232,802)
	<u>(391,821)</u>	<u>177,898</u>

26. Analysis of changes in net debt

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	60,695	217,692		278,387
Overdrafts	(273,781)	(28,109)		(301,890)
	<u>(213,086)</u>	189,583		<u>(23,503)</u>
Debt due within one year	(122,336)	139,706	(136,355)	(118,985)
Debt due after one year	(719,535)	-	136,355	(583,180)
Finance leases and hire purchase contracts	(801,121)	252,115	(145,643)	(694,649)
	<u>(1,642,992)</u>	391,821	(145,643)	<u>(1,396,814)</u>
Net debt	<u>(1,856,078)</u>	<u>581,404</u>	<u>(145,643)</u>	<u>(1,420,317)</u>