

Abbreviated Financial Statements
for the Year Ended 31 March 2003
for
Lochwynd Ltd



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for the Year Ended 31 March 2003**

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Lochwynd Ltd

**Company Information
for the Year Ended 31 March 2003**

DIRECTOR: W P Geary

SECRETARY: R Killorn

REGISTERED OFFICE: 48 Graham Street
Johnstone
Renfrewshire
PA5 8QY

REGISTERED NUMBER: SC143213

AUDITORS: Campbell Dallas
Chartered Accountants
Registered Auditors
Campbell House
126 Drymen Road
Bearsden
Glasgow G61 3RB

Lochwynd Ltd

Report of the Director for the Year Ended 31 March 2003

The director presents his report with the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of slot cutting and civil engineering.

REVIEW OF BUSINESS

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

DIVIDENDS

An interim dividend of £64 per share was paid on 31 March 2003. The director recommends that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2003 will be £16,000.

DIRECTOR

W P Geary was the sole director during the year under review.

His beneficial interest in the issued share capital of the company was as follows:

	31.3.03	1.4.02
Ordinary £1 shares	750	750

CHARITABLE DONATIONS

During the year the company made charitable donations to the value of £1,330.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Lochwynd Ltd

**Report of the Director
for the Year Ended 31 March 2003**

AUDITORS

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

ON BEHALF OF THE BOARD:


.....

R Killorn - Secretary

Date: 17/9/03.....

Lochwynd Ltd

**Report of the Independent Auditors to
Lochwynd Ltd
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages five to eighteen, together with the full financial statements of the company for the year ended 31 March 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

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

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

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



Campbell Dallas
Chartered Accountants
Registered Auditors
Campbell House
126 Drymen Road
Bearsden
Glasgow G61 3RB

Date: 17/9/03.....

Lochwynd Ltd**Abbreviated Profit and Loss Account
for the Year Ended 31 March 2003**

		2003	2002
	Notes	£	£
GROSS PROFIT		1,614,537	943,308
Administrative expenses		1,335,691	840,071
OPERATING PROFIT	3	278,846	103,237
Interest receivable and similar income		2,001	49
		280,847	103,286
Interest payable and similar charges	4	28,833	11,423
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		252,014	91,863
Tax on profit on ordinary activities	5	53,047	29,759
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		198,967	62,104
Dividends	6	16,000	100,000
		182,967	(37,896)
Retained profit brought forward		757,935	795,831
RETAINED PROFIT CARRIED FORWARD		£940,902	£757,935

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements

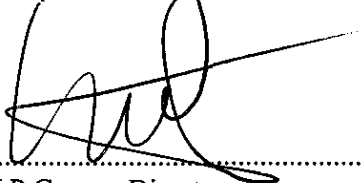
Lochwynd Ltd

**Abbreviated Balance Sheet
31 March 2003**

		2003		2002	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	7		1		1
Tangible assets	8		790,468		684,050
			<u>790,469</u>		<u>684,051</u>
CURRENT ASSETS:					
Stocks	9	81,593		41,559	
Debtors	10	1,673,304		560,714	
Cash at bank and in hand		14,023		113,531	
		<u>1,768,920</u>		<u>715,804</u>	
CREDITORS: Amounts falling due within one year	11	1,509,873		467,978	
NET CURRENT ASSETS:			<u>259,047</u>		<u>247,826</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,049,516		931,877
CREDITORS: Amounts falling due after more than one year	12		(103,312)		(165,647)
PROVISIONS FOR LIABILITIES AND CHARGES:	16		(4,302)		(7,295)
			<u>£941,902</u>		<u>£758,935</u>
CAPITAL AND RESERVES:					
Called up share capital	17		1,000		1,000
Profit and loss account			940,902		757,935
SHAREHOLDERS' FUNDS:	18		<u>£941,902</u>		<u>£758,935</u>

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

ON BEHALF OF THE BOARD:


.....
W P Geary - Director

Approved by the Board on 17 / 09 / 03

The notes form part of these financial statements

Lochwynd Ltd

**Cash Flow Statement
for the Year Ended 31 March 2003**

	Notes	2003		2002	
		£	£	£	£
Net cash inflow from operating activities	1		192,477		316,867
Returns on investments and servicing of finance	2		(26,832)		(11,374)
Taxation			(21,829)		(40,718)
Capital expenditure	2		(108,703)		1,993
Equity dividends paid			(16,000)		(100,000)
			<u>19,113</u>		<u>166,768</u>
Financing	2		(190,099)		(161,990)
(Decrease)/Increase in cash in the period			<u><u>£(170,986)</u></u>		<u><u>£4,778</u></u>
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period			(170,986)		4,778
Cash outflow from decrease in debt and lease financing			<u>180,157</u>		<u>120,479</u>
Change in net debt resulting from cash flows			9,171		125,257
New finance leases			<u>(148,618)</u>		<u>(222,492)</u>
Movement in net debt in the period			<u>(139,447)</u>		<u>(97,235)</u>
Net debt at 1 April			<u>(171,418)</u>		<u>(74,183)</u>
Net debt at 31 March			<u><u>£(310,865)</u></u>		<u><u>£(171,418)</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2003**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	278,846	103,237
Depreciation charges	153,830	139,408
Loss on sale of fixed assets	-	9,924
Profit on sale of fixed assets	(2,926)	-
(Increase)/Decrease in stocks	(40,034)	2,978
(Increase)/Decrease in debtors	(1,112,590)	118,101
Increase/(Decrease) in creditors	915,351	(56,781)
Net cash inflow from operating activities	<u>192,477</u>	<u>316,867</u>

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

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	2,001	49
Interest paid	(8,268)	(3,567)
Interest element of hire purchase payments	<u>(20,565)</u>	<u>(7,856)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(26,832)</u>	<u>(11,374)</u>
Capital expenditure		
Purchase of tangible fixed assets	(220,374)	(41,227)
Sale of tangible fixed assets	<u>111,671</u>	<u>43,220</u>
Net cash (outflow)/inflow for capital expenditure	<u>(108,703)</u>	<u>1,993</u>
Financing		
New loan taken out in year	18,761	-
Loan repayments in year	(179,544)	(217,173)
Amount introduced by directors	-	75,000
Amount withdrawn by directors	<u>(29,316)</u>	<u>(19,817)</u>
Net cash outflow from financing	<u>(190,099)</u>	<u>(161,990)</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 March 2003**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.02 £	Cash flow £	Other non-cash changes £	At 31.3.03 £
Net cash:				
Cash at bank and in hand	113,531	(99,508)		14,023
Bank overdraft	-	(71,478)		(71,478)
	<u>113,531</u>	<u>(170,986)</u>		<u>(57,455)</u>
Debt:				
Hire purchase	(284,949)	180,157	(148,618)	(253,410)
	<u>(284,949)</u>	<u>180,157</u>	<u>(148,618)</u>	<u>(253,410)</u>
Total	<u>(171,418)</u>	<u>9,171</u>	<u>(148,618)</u>	<u>(310,865)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	113,531			14,023
Bank overdraft	-			(71,478)
Hire purchase				
within one year	(138,846)			(183,504)
after one year	(146,103)			(69,906)
	<u>(171,418)</u>			<u>(310,865)</u>

The notes form part of these financial statements

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

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

Intangible fixed assets

Plastic franchise costs, being an investment in the rights to use a specialised manufacturing process, are written off over two years, being the period in which benefits are anticipated to accrue to the company.

Tangible fixed assets

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

Freehold property	- 2% on cost
Improvements to property	- 20% on reducing balance
Plant & Machinery	- 25% on cost
Fixtures and Fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Stocks

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

Deferred tax

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

Hire purchase and leasing commitments

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

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

Pensions

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

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003**

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	1,694,606	1,061,176
Social security costs	207,270	103,997
Other pension costs	291,149	2,073
	<u>2,193,025</u>	<u>1,167,246</u>

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

	2003	2002
Management and administration	25	24
Direct labour	82	81
	<u>107</u>	<u>105</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Hire of plant and machinery	174,668	51,212
Depreciation - owned assets	44,691	44,321
Depreciation - assets on hire purchase contracts	109,139	95,087
(Profit)/Loss on disposal of fixed assets	(2,926)	9,924
Auditors' remuneration	4,000	4,000
	<u>218,393</u>	<u>55,886</u>

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

Money purchase schemes	1	-
	<u>1</u>	<u>-</u>

Information regarding the highest paid director for the year ended 31 March 2003 is as follows:

	2003
	£
Emoluments etc	<u>218,393</u>

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	4,049	700
Bank loan interest	4,219	2,867
Hire purchase	20,565	7,856
	<u>28,833</u>	<u>11,423</u>

5. TAXATION

Analysis of the tax charge

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

	2003	2002
	£	£
Current tax:		
UK corporation tax	56,664	22,453
Overprovision prior year	(624)	-
Underprovision prior year	-	11
	<u>56,040</u>	<u>22,464</u>
Total current tax	56,040	22,464
Deferred tax:		
Charge for year	<u>(2,993)</u>	<u>7,295</u>
	<u>53,047</u>	<u>29,759</u>
Tax on profit on ordinary activities	<u>53,047</u>	<u>29,759</u>

UK corporation tax has been charged at 19% (2002 - 20%).

6. DIVIDENDS

	2003	2002
	£	£
Equity shares:		
Interim	<u>16,000</u>	<u>100,000</u>

Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003

7. INTANGIBLE FIXED ASSETS

	Plastic franchise
	£
COST:	
At 1 April 2002	
and 31 March 2003	11,001
AMORTISATION:	
At 1 April 2002	
and 31 March 2003	11,000
NET BOOK VALUE:	
At 31 March 2003	1
	=
At 31 March 2002	1
	=

8. TANGIBLE FIXED ASSETS

	Freehold property	Improvements to property	Plant & Machinery
	£	£	£
COST:			
At 1 April 2002	304,196	115,078	146,190
Additions	149,305	42,242	65,054
Disposals	(82,499)	(31,276)	-
At 31 March 2003	371,002	126,044	211,244
DEPRECIATION:			
At 1 April 2002	12,010	65,678	105,490
Charge for year	1,530	12,419	36,342
Eliminated on disposals	(3,300)	(1,730)	-
At 31 March 2003	10,240	76,367	141,832
NET BOOK VALUE:			
At 31 March 2003	360,762	49,677	69,412
At 31 March 2002	292,186	49,400	40,699

Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003

8. TANGIBLE FIXED ASSETS - continued

	Fixtures and Fittings	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 April 2002	45,993	581,281	32,142	1,224,880
Additions	4,466	85,618	22,307	368,992
Disposals	-	-	-	(113,775)
At 31 March 2003	50,459	666,899	54,449	1,480,097
DEPRECIATION:				
At 1 April 2002	33,508	306,340	17,803	540,829
Charge for year	4,238	90,139	9,162	153,830
Eliminated on disposals	-	-	-	(5,030)
At 31 March 2003	37,746	396,479	26,965	689,629
NET BOOK VALUE:				
At 31 March 2003	12,713	270,420	27,484	790,468
At 31 March 2002	12,485	274,941	14,339	684,050

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

	Plant & Machinery	Motor vehicles	Totals
	£	£	£
COST:			
At 1 April 2002	60,299	421,183	481,482
Additions	63,000	85,618	148,618
At 31 March 2003	123,299	506,801	630,100
DEPRECIATION:			
At 1 April 2002	36,349	181,143	217,492
Charge for year	27,725	81,414	109,139
At 31 March 2003	64,074	262,557	326,631
NET BOOK VALUE:			
At 31 March 2003	59,225	244,244	303,469
At 31 March 2002	23,949	240,040	263,989

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003**

9. STOCKS

	2003	2002
	£	£
Stock	<u>81,593</u>	<u>41,559</u>

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

	2003	2002
	£	£
Trade debtors	1,432,538	551,188
Prepayments & accrued income	5,145	9,526
Payment applications	235,621	-
	<u>1,673,304</u>	<u>560,714</u>

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

	2003	2002
	£	£
Bank loans and overdrafts (see note 13)	91,991	15,000
Hire purchase contracts (see note 14)	183,504	138,846
Trade creditors	774,550	63,929
W P Geary - loan account	28,778	58,094
R Killorn - loan account	16,887	14,453
V.A.T.	158,967	62,045
Social security & other taxes	65,890	25,354
Taxation	56,664	22,453
Accrued expenses	132,642	67,804
	<u>1,509,873</u>	<u>467,978</u>

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

	2003	2002
	£	£
Bank loans (see note 13)	33,406	19,544
Hire purchase contracts (see note 14)	69,906	146,103
	<u>103,312</u>	<u>165,647</u>

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003**

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	71,478	-
Bank loans	20,513	15,000
	<u>91,991</u>	<u>15,000</u>
Amounts falling due between two and five years:		
Bank loans	<u>33,406</u>	<u>19,544</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2003 £	2002 £
Gross obligations repayable:		
Within one year	188,183	147,076
Between one and five years	70,433	150,465
	<u>258,616</u>	<u>297,541</u>
Finance charges repayable:		
Within one year	4,679	8,230
Between one and five years	527	4,362
	<u>5,206</u>	<u>12,592</u>
Net obligations repayable:		
Within one year	183,504	138,846
Between one and five years	69,906	146,103
	<u>253,410</u>	<u>284,949</u>

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003**

15. SECURED DEBTS

The following secured debts are included within creditors:

	2003	2002
	£	£
Bank overdrafts	71,478	-
Bank loans	53,919	34,544
Hire purchase contracts	253,410	284,949
	<u>378,807</u>	<u>319,493</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred tax	<u>4,302</u>	<u>7,295</u>

	Deferred tax £
Balance at 1 April 2002	7,295
Charge for year	<u>(2,993)</u>
Balance at 31 March 2003	<u>4,302</u>

Deferred tax provision

	2003	2002
	£	£
Accelerated capital allowances	<u>4,302</u>	<u>7,295</u>
	<u>4,302</u>	<u>7,295</u>

17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003	2002
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2003**

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	198,967	62,104
Dividends	(16,000)	(100,000)
	<u>182,967</u>	<u>(37,896)</u>
Net addition/(reduction) to shareholders' funds	182,967	(37,896)
Opening shareholders' funds	758,935	796,831
	<u>941,902</u>	<u>758,935</u>
Closing shareholders' funds	941,902	758,935
	<u>941,902</u>	<u>758,935</u>
Equity interests	941,902	758,935
	<u>941,902</u>	<u>758,935</u>