

COMPANY REGISTRATION NUMBER 35630

WEBSTER & HORSFALL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31 DECEMBER 2001



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WENHAM MAJOR
Chartered Accountants & Registered Auditors
89 Cornwall Street
Birmingham

WEBSTER & HORSFALL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

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WEBSTER & HORSFALL LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of manufacture of wire from steel rod.

The results for the year and the financial position at the end of the year were considered satisfactory by the directors.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2001 £	2000 £
Proposed dividends on ordinary shares	70,038	70,038
Dividends paid on ordinary shares	93,384	93,384
	<u>163,422</u>	<u>163,422</u>

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

		At	
	Class of share	31 December 2001	At 1 January 2001
Mr PJC Robinson	Ordinary "A"	8,000	8,000
	Ordinary "B"	17,875	17,875
Mr CAC Horsfall	Ordinary "B"	2,291	2,291
Mr GHGC Horsfall	Ordinary "A"	12,740	12,740
	Ordinary "B"	2,272	2,272
Col JHC Horsfall	Ordinary "A"	21,220	21,220
	Ordinary "B"	7,200	7,200
Mr JMC Horsfall	Ordinary "A"	-	-
	Ordinary "B"	4,612	4,612
Mr CALC Horsfall	Ordinary "A"	160	160
	Ordinary "B"	6,525	6,525
Mr BP Knox-Peebles	Ordinary "A"	12,040	12,040
	Ordinary "B"	18,060	18,060
Mr CW Bragg	Ordinary "A"	500	500
	Ordinary "B"	3,750	3,750
Mr WI Lawrie	Ordinary "A"	1,370	1,370
	Ordinary "B"	5,500	5,500

WEBSTER & HORSFALL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2001

Mr CAC Horsfall is a joint trustee of a non-beneficial holding of 21,340 ordinary "A" shares (2000: 21,340).

Mr GHGC Horsfall is a joint trustee of a non-beneficial holding of 11,100 ordinary "A" shares (2000: 11,100).

RETIREMENT OF DIRECTORS

The following directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

Mr CAC Horsfall
Mr GHGC Horsfall
Col JHC Horsfall

FIXED ASSETS

The directors are of the opinion that the market value of the properties at the year end would significantly exceed the net book values included in the financial statements, but they are unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the company's intention to retain its existing properties for use in its business for the foreseeable future.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 10 to 11, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

DONATIONS

During the year the company made the following contributions:

	2001	2000
	£	£
Charitable	-	326

WEBSTER & HORSFALL LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2001

AUDITORS

A resolution to re-appoint Wenham Major as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Hay Mills
Birmingham
B25 8DW

Signed on behalf of the directors



PJC Robinson
Director

Approved by the directors on 21 May 2002

WEBSTER & HORSFALL LIMITED
INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 16, together with the financial statements of the company for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and 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 accounts and that the abbreviated accounts 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 financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 16 are properly prepared in accordance with those provisions.

89 Cornwall Street
Birmingham

B3 3BY

21 May 2002

Wenham Major

WENHAM MAJOR
Chartered Accountants
& Registered Auditors

WEBSTER & HORSFALL LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
GROSS PROFIT		1,535,493	1,479,459
Distribution costs		3,458	9,623
Administrative expenses		1,480,718	1,400,826
OPERATING PROFIT	2	51,317	69,010
Income from shares in group undertakings	5	-	4,417
Income from participating interests	6	28,818	16,467
Interest receivable		27,468	44,101
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		107,603	133,995
Tax on profit on ordinary activities	7	(9,626)	(19,500)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		97,977	114,495
Dividends	8	163,422	163,422
LOSS FOR THE FINANCIAL YEAR		(65,445)	(48,927)
Balance brought forward		2,107,111	2,156,038
Balance carried forward		2,041,666	2,107,111

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

WEBSTER & HORSFALL LIMITED**YEAR ENDED 31 DECEMBER 2001****RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001 £	2000 £
Profit for the financial year	97,977	114,495
Dividends	<u>(163,422)</u>	<u>(163,422)</u>
	(65,445)	(48,927)
Opening shareholders' equity funds	<u>2,677,460</u>	<u>2,726,387</u>
Closing shareholders' equity funds	<u>2,612,015</u>	<u>2,677,460</u>

WEBSTER & HORSFALL LIMITED

ABBREVIATED BALANCE SHEET

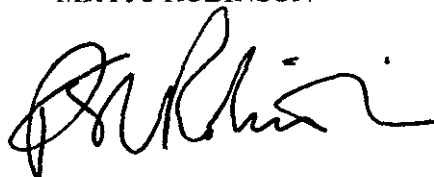
31 DECEMBER 2001

	Note	2001		2000	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		21,007		21,007
Investments	10		18,340		18,340
			<u>39,347</u>		<u>39,347</u>
CURRENT ASSETS					
Stocks	11	743,454		877,663	
Debtors	12	1,702,881		1,570,645	
Cash at bank and in hand		763,065		1,050,952	
		<u>3,209,400</u>		<u>3,499,260</u>	
CREDITORS: Amounts falling due within one year	13	<u>(636,732)</u>		<u>(861,147)</u>	
NET CURRENT ASSETS			<u>2,572,668</u>		<u>2,638,113</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,612,015</u>		<u>2,677,460</u>
CAPITAL AND RESERVES					
Called-up equity share capital	16		233,461		233,461
Other reserves	17		336,888		336,888
Profit and Loss Account			2,041,666		2,107,111
SHAREHOLDERS' FUNDS			<u>2,612,015</u>		<u>2,677,460</u>

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

These financial statements were approved by the directors on the 21 May 2002 and are signed on their behalf by:

MR PJC ROBINSON



MR CAC HORSFALL



WEBSTER & HORSFALL LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2001

	2001		2000	
	£	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(122,527)		449,269
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Income from group undertakings	-		4,417	
Income from participating interests	28,818		16,467	
Interest received	27,468		44,101	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		56,286		64,985
TAXATION		(19,472)		41,062
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(43,602)		(100,371)	
Receipts from sale of fixed assets	4,850		16,100	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(38,752)		(84,271)
EQUITY DIVIDENDS PAID		(163,422)		(116,730)
(DECREASE)/INCREASE IN CASH		<u>(287,887)</u>		<u>354,315</u>
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
		2001		2000
		£		£
Operating profit		51,317		69,010
Depreciation		43,602		100,371
Profit on disposal of fixed assets		(4,850)		(16,100)
Decrease in stocks		134,209		6,036
(Increase)/Decrease in debtors		(132,236)		158,955
(Decrease)/Increase in creditors		(214,569)		130,997
Net cash (outflow)/inflow from operating activities		<u>(122,527)</u>		<u>449,269</u>

WEBSTER & HORSFALL LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2001

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2001 £	2000 £
(Decrease)/Increase in cash in the period	<u>(287,887)</u>	354,315
Movement in net funds in the period	<u>(287,887)</u>	<u>354,315</u>
Net funds at 1 January 2001	1,050,952	696,637
Net funds at 31 December 2001	<u>763,065</u>	<u>1,050,952</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2001 £	Cash flows £	At 31 Dec 2001 £
Net cash:			
Cash in hand and at bank	<u>1,050,952</u>	<u>(287,887)</u>	<u>763,065</u>
Net funds	<u>1,050,952</u>	<u>(287,887)</u>	<u>763,065</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings 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

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	Over 40 years
Plant & Machinery	-	Written off as expenditure incurred
Fixtures & Fittings	-	Written off as expenditure incurred
Motor Vehicles	-	Written off as expenditure incurred

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

1. 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 account in arriving at the operating profit.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2001	2000
	£	£
Depreciation	43,602	100,371
Profit on disposal of fixed assets	(4,850)	(16,100)
Auditors' remuneration		
- as auditors	26,905	27,765
Operating lease costs:		
Plant and equipment	2,560	2,560
Net profit on foreign currency translation	<u>(5,854)</u>	<u>(201)</u>

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2001	2000
	No.	No.
Number of production staff	70	72
Number of distribution staff	6	5
Number of administrative staff	16	16
	<u>92</u>	<u>93</u>

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	1,616,153	1,529,767
Social security costs	143,903	140,217
Staff pension contributions	85,967	95,047
Other pension costs	9,900	2,000
	<u>1,855,923</u>	<u>1,767,031</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2001 £	2000 £
Emoluments receivable	180,441	173,727
Value of company pension contributions to money purchase schemes	9,817	9,108
	<u>190,258</u>	<u>182,835</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001 No.	2000 No.
Money purchase schemes	<u>2</u>	<u>2</u>

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2001 £	2000 £
Income from group undertakings	<u>-</u>	<u>4,417</u>

6. INCOME FROM PARTICIPATING INTERESTS

	2001 £	2000 £
Income from participating interests	<u>28,818</u>	<u>16,467</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
In respect of the year:		
Corporation Tax based on the results for the year at 20% (2000 - 20%)	9,654	19,500
Adjustment in respect of previous years:		
Corporation Tax	<u>(28)</u>	<u>-</u>
	<u>9,626</u>	<u>19,500</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

8. DIVIDENDS

The following dividends have been paid or proposed in respect of the year:

	2001 £	2000 £
Proposed dividend on ordinary shares	70,038	70,038
Dividend paid on ordinary shares	93,384	93,384
	<u>163,422</u>	<u>163,422</u>

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 January 2001	115,536	995,022	151,888	402,216	1,664,662
Additions	-	19,139	1,499	22,964	43,602
Disposals	-	-	-	(23,043)	(23,043)
At 31 December 2001	<u>115,536</u>	<u>1,014,161</u>	<u>153,387</u>	<u>402,137</u>	<u>1,685,221</u>
DEPRECIATION					
At 1 January 2001	94,529	995,022	151,888	402,216	1,643,655
Charge for the year	-	19,139	1,499	22,964	43,602
On disposals	-	-	-	(23,043)	(23,043)
At 31 December 2001	<u>94,529</u>	<u>1,014,161</u>	<u>153,387</u>	<u>402,137</u>	<u>1,664,214</u>
NET BOOK VALUE					
At 31 December 2001	<u>21,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,007</u>
At 31 December 2000	<u>21,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,007</u>

The cost of depreciable assets included in land and buildings at the year end is £94,529.

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

10. INVESTMENTS

	Webster and Horsfall (Canada) Limited £	Latch and Batchelor Limited £	Total £
COST			
At 1 January 2001 and 31 December 2001	<u>5,000</u>	<u>13,340</u>	<u>18,340</u>
NET BOOK VALUE			
At 31 December 2001	<u>5,000</u>	<u>13,340</u>	<u>18,340</u>
At 31 December 2000	<u>5,000</u>	<u>13,340</u>	<u>18,340</u>

The company owns 100% of the issued share capital of Webster & Horsfall (Canada) Limited, a company incorporated in Canada. The company ceased trading on 28th January 1993.

The company owns 42.9% of the issued share capital of Latch & Batchelor Limited, a company incorporated in England and Wales. The company manufactures and factors steel wire rope.

	2001 £	2000 £
Aggregate capital and reserves		
Webster & Horsfall (Canada) Limited	43,204	43,889
Latch & Batchelor Limited	522,920	449,189
Profit and (loss) for the year		
Webster & Horsfall (Canada) Limited	1,550	1,375
Latch & Batchelor Limited	190,591	64,489

11. STOCKS

	2001 £	2000 £
Raw materials	248,800	285,807
Work in progress	235,719	269,404
Finished goods	<u>258,935</u>	<u>322,452</u>
	<u>743,454</u>	<u>877,663</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

12. DEBTORS

	2001	2000
	£	£
Trade debtors	1,242,291	1,277,317
Amounts owed by undertakings in which the company has a participating interest	394,113	271,083
Prepayments and accrued income	66,477	22,245
	<u>1,702,881</u>	<u>1,570,645</u>

13. CREDITORS: Amounts falling due within one year

	2001	2000
	£	£
Trade creditors	327,015	487,428
Other creditors including taxation and social security:		
Corporation Tax	9,654	19,500
Other taxation and social security	127,088	123,980
Dividends payable	70,038	70,038
Accruals and deferred income	102,937	160,201
	<u>636,732</u>	<u>861,147</u>

14. PENSIONS

The company operates a defined contribution pension scheme. The funds of the scheme are administered by Trustees and are separate from the company. The company's contribution for the year was £85,967 (2000: £95,047)

15. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2001	2000
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>2,560</u>	<u>2,560</u>

WEBSTER & HORSFALL LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2001

16. SHARE CAPITAL**Authorised share capital:**

	2001	2000
	£	£
97,982 Ordinary "A" shares of £1.00 each	97,982	97,982
135,479 Ordinary "B" shares of £1.00 each	135,479	135,479
161,539 11% non-cumulative preference shares of £1.00 each	161,539	161,539
	<u>395,000</u>	<u>395,000</u>

Allotted and called up:

	2001		2000	
	No.	£	No.	£
Ordinary "A" shares fully paid	97,982	97,982	97,982	97,982
Ordinary "B" shares fully paid	135,479	135,479	135,479	135,479
	<u>233,461</u>	<u>233,461</u>	<u>233,461</u>	<u>233,461</u>

17. OTHER RESERVES

	2001	2000
	£	£
Capital redemption reserve	161,539	161,539
Plant replacement reserve balance brought forward	31,000	31,000
Capital reserve balance brought forward	100,000	100,000
General reserve balance brought forward	44,349	44,349
	<u>336,888</u>	<u>336,888</u>