

MIDLAND SHEETMETAL LIMITED
ABBREVIATED FINANCIAL STATEMENTS

30TH JUNE 2001

Registered number: 2101564

KING FREEMAN
CHARTERED ACCOUNTANTS

Leicester



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MIDLAND SHEETMETAL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30th June 2001

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MIDLAND SHEETMETAL LIMITED**COMPANY INFORMATION****30th June 2001**

Incorporated in England on 19th February 1987

Number 2101564

DirectorsS.M. Smith
P.A.J. Shaw
Mrs. S. Smith
N.T. Smith**Secretary**

S.M. Smith

Registered officeMerrylees Industrial Estate
Merrylees
Desford
Leicestershire**Bankers**Barclays Bank Plc.
118 Narborough Road
Leicester**Auditors**King Freeman
Chartered Accountants
Kimberley House
Vaughan Way
Leicester

MIDLAND SHEETMETAL LIMITED

DIRECTORS' REPORT

30th June 2001

The directors present their report and the abbreviated financial statements for the year ended 30th June 2001.

Principal activity

The principal activity of the company continues to be the supply of sheet metal components to the engineering industry.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £2,811,411.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. Ordinary dividends amounting to £465,015 have been paid.

Fixed assets

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 7.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	30th June 2001 Ordinary shares	1st July 2000 Ordinary shares
S.M. Smith	27,000	27,000
P.A.J. Shaw	-	-
Mrs. S. Smith	3,000	3,000
N.T. Smith	-	-

continued

MIDLAND SHEETMETAL LIMITED

DIRECTORS' REPORT
(continued)

30th June 2001

Employees

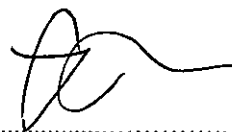
The directors endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as for other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is received.

Regular meetings with employees' representatives are held to inform them of the development of the business.

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary King Freeman will continue in office.

By Order of the board

.....
S.M. Smith
Secretary

Merrylees Industrial Estate
Merrylees
Desford
Leicestershire

16.10.01
.....
Date

MIDLAND SHEETMETAL LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

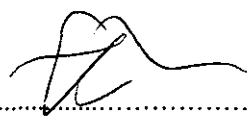
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and 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.

On behalf of the board

11.12.01
Date


.....
S.M. Smith
Director

MIDLAND SHEETMETAL LIMITED**AUDITORS' REPORT**

Auditors' report to the members of

Midland Sheetmetal Limited

We have audited the abbreviated financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the abbreviated financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

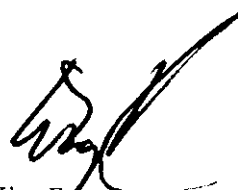
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the abbreviated financial statements give a true and fair view of the state of the company's affairs as at 30th June 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

11/18/01
Leicester



King Freeman
Registered Auditors
Chartered Accountants

MIDLAND SHEETMETAL LIMITED
ABBREIVATED PROFIT AND LOSS ACCOUNT
for the year ended 30th June 2001

	Note	2001 £ Continuing operations	2000 £ Continuing operations
Gross profit		2,511,613	2,087,463
Net operating expenses			
Distribution costs		(283,804)	(223,586)
Administrative expenses		(950,434)	(831,246)
Other operating income		66,244	43,703
Operating profit	3	<u>1,343,619</u>	<u>1,076,334</u>
Interest payable	4	<u>(127,137)</u>	<u>(105,525)</u>
Profit on ordinary activities before taxation		1,216,482	970,809
Taxation	5	<u>(300,656)</u>	<u>(359,574)</u>
Profit on ordinary activities after taxation		915,826	611,235
Dividends	6	<u>(465,015)</u>	-
Retained profit for the year	7	<u><u>450,811</u></u>	<u><u>611,235</u></u>

Movements in reserves are shown in the notes to the financial statements.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 2001 or 2000 other than the profit for the year.

MIDLAND SHEETMETAL LIMITED

ABBREVIATED BALANCE SHEET

at 30th June 2001

	Note	2001		2000	
		£	£	£	£
Fixed assets					
Tangible assets	8		2,053,547		1,706,334
Current assets					
Stocks	9	132,963		110,822	
Debtors	10	2,441,784		2,165,408	
Cash at bank and in hand		1,907,373		1,488,776	
			<u>4,482,120</u>		<u>3,765,006</u>
Creditors: amounts falling due within one year	11	<u>(2,640,392)</u>		<u>(1,777,891)</u>	
Net current assets			<u>1,841,728</u>		<u>1,987,115</u>
Total assets less current liabilities			<u>3,895,275</u>		<u>3,693,449</u>
Creditors: amounts falling due after more than one year	12		<u>(1,083,864)</u>		<u>(1,332,849)</u>
			<u>2,811,411</u>		<u>2,360,600</u>
Capital and reserves					
Called up share capital	13		30,001		30,001
Capital redemption reserve			29,999		29,999
Profit and loss account	7		2,751,411		2,300,600
Total shareholders' funds	14		<u>2,811,411</u>		<u>2,360,600</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium companies.

The abbreviated financial statements on pages 5 to 16 were approved by the board of directors on the date below:

.....
S.M. Smith
Director

11-10-01
.....
Date

MIDLAND SHEETMETAL LIMITED
ABBREVIATED CASH FLOW STATEMENT
for the year ended 30th June 2001

	Note	2001		2000	
		£	£	£	£
Net cash inflow from operating activities	17		1,686,495		1,212,028
Returns on investments and servicing of finance					
Interest paid		(94,642)		(92,672)	
Interest element of finance lease rental payments		(32,495)		(12,853)	
			(127,137)		(105,525)
Taxation					
Corporation tax paid			(359,574)		(202,776)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(897,470)		(198,655)	
Sale of tangible fixed assets		105,000		213	
			(792,470)		(198,442)
			407,314		705,285
Equity dividends paid			(465,015)		-
			(57,701)		705,285
Financing					
Bank loan repayments		(118,877)		(101,422)	
Capital element of finance lease and hire purchase rentals advances/(repayments)		595,175		(25,068)	
			476,298		(126,490)
Increase in cash			418,597		578,795

Analysis of the balances of cash and cash equivalent in the balance sheet:-

	2001	2000	Change in year
	£	£	£
Cash at bank and in hand	1,907,373	1,488,776	418,597

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

1 Accounting policies**Compliance with accounting standards**

The abbreviated financial statements have been prepared in accordance with applicable accounting standards. There were no material departures from these standards.

Basis of accounting

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

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	No depreciation
Freehold buildings	2% per annum on cost
Leasehold land and buildings	Remaining life of the lease
Plant and machinery	20% per annum on cost
Computer equipment (included in plant and machinery)	50% per annum on cost
Motor vehicles	25% per annum on cost

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability. Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pension costs**Defined contribution scheme**

The company makes contributions on behalf of directors as they become payable under the rules of the scheme.

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

2 Turnover

In the opinion of the directors, 1% of the turnover of the company is attributable to geographical markets outside the UK (2000 nil).

3a Operating profit

	2001 £	2000 £
Operating profit is stated after crediting:		
Interest receivable	66,244	43,703
Profit on foreign exchange	20,935	8,142
Profit on sale of assets	105,000	213
	<u> </u>	<u> </u>
and after charging:		
Staff costs (note 3c)	4,546,495	4,079,276
Auditors' remuneration	16,501	13,119
Operating leases:		
Hire of plant and machinery	35,554	42,233
Hire of assets other than plant and machinery	15,358	16,520
Rent	90,231	87,925
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 7):		
Owned assets	415,166	509,321
Leased assets	135,091	106,060
	<u> </u>	<u> </u>
	550,257	615,381
	<u> </u>	<u> </u>
The total amount charged against profits in respect of finance leases and hire purchase contracts is	167,586	118,913
(of which part is shown as depreciation and the balance is shown as interest payable in note 4)	<u> </u>	<u> </u>

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

3b Directors and employees

	2001	2000
Staff costs including directors' emoluments	£	£
Wages and salaries	4,129,718	3,660,199
Social security costs	370,677	336,042
Pension costs	46,100	83,035
	<u>4,546,495</u>	<u>4,079,276</u>
	<u><u>4,546,495</u></u>	<u><u>4,079,276</u></u>
	Number	Number
Average monthly number employed including executive directors:		
Production staff	209	193
Directors	4	3
Administration staff	3	4
	<u>216</u>	<u>200</u>
	<u><u>216</u></u>	<u><u>200</u></u>
	£	£
Directors		
Emoluments	272,043	180,512
Company contributions to money purchase pension schemes	46,100	83,035
	<u>318,143</u>	<u>263,547</u>
	<u><u>318,143</u></u>	<u><u>263,547</u></u>
	£	£
Highest paid director		
Emoluments and amounts receivable under long term incentive schemes	92,246	-
Company contributions to a money purchase pension scheme	26,100	-
	<u>118,346</u>	<u>-</u>
	<u><u>118,346</u></u>	<u><u>-</u></u>
	Number	Number
During the year the following number of directors:		
Accrued retirement benefits under:		
Money purchase pension schemes	3	3
	<u>3</u>	<u>3</u>
	<u><u>3</u></u>	<u><u>3</u></u>

Self administered pension scheme

The company operates a self administered pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £41,100 (2000 £78,035).

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

4	Interest payable	2001	2000
		£	£
	Bank loan interest	94,148	91,996
	Other interest	494	-
	Finance lease and hire purchase interest	32,495	12,853
	Interest on late payment of tax	-	676
		<u>127,137</u>	<u>105,525</u>
5	Taxation	2001	2000
		£	£
	UK Corporation tax:		
	Current tax on income for the period		
	at 30% (2000 30%)	<u>300,656</u>	<u>359,574</u>
6	Dividends	2001	2000
		£	£
	Interim	<u>456,015</u>	<u>-</u>
7	Profit and loss account	2001	
		£	
	1st July 2000	2,300,600	
	Retained profit for the year	450,811	
	30th June 2001	<u>2,751,411</u>	

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

8a Tangible fixed assets

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Land and Buildings £	Total £
1st July 2000	303,292	3,415,702	1,165,943	4,884,937
Additions	-	897,470	-	897,470
Disposals	-	(418,580)	-	(418,580)
30th June 2001	<u>303,292</u>	<u>3,894,592</u>	<u>1,165,943</u>	<u>5,363,827</u>
Depreciation				
1st July 2000	205,822	2,720,603	252,178	3,178,603
Charge for year	35,388	482,111	32,758	550,257
Disposals	-	(418,580)	-	(418,580)
30th June 2001	<u>241,210</u>	<u>2,784,134</u>	<u>284,936</u>	<u>3,310,280</u>
Net book value				
30th June 2001	<u>62,082</u>	<u>1,110,458</u>	<u>881,007</u>	<u>2,053,547</u>
30th June 2000	<u>97,470</u>	<u>695,099</u>	<u>913,765</u>	<u>1,706,334</u>

The net book value of fixed assets includes £856,841 (2000 £180,697) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

8b Land and buildings

	2001 £	2000 £
Freehold	692,348	704,143
Short leasehold	188,659	209,622
	<u>881,008</u>	<u>913,765</u>

The cost of depreciable assets included in land and buildings at 30th June 2001 was £996,470 (2000 £996,470).

9 Stocks

	2001 £	2000 £
Work in progress	64,000	58,000
General stock	1,250	1,250
Raw materials	67,713	51,572
	<u>132,963</u>	<u>110,822</u>

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

10 Debtors		
	2001	2000
	£	£
Amounts falling due within one year		
Trade debtors	2,349,330	2,121,318
Other debtors	3,315	1,940
Prepayments and accrued income	89,139	42,150
	<u>2,441,784</u>	<u>2,165,408</u>
	<u><u>2,441,784</u></u>	<u><u>2,165,408</u></u>
11 Creditors: amounts falling due within one year		
	2001	2000
	£	£
Bank loans	734,044	102,412
Trade creditors	851,783	774,381
Corporation tax	300,656	359,574
Other taxation and social security	417,844	331,309
Other creditors	8,769	6,734
Accruals and deferred income	155,107	124,943
Obligations under finance leases and hire purchase contracts - note 12	172,189	78,538
	<u>2,640,392</u>	<u>1,777,891</u>
	<u><u>2,640,392</u></u>	<u><u>1,777,891</u></u>

The bank loans are secured by way of a fixed and floating charge over the assets of the company.

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

12 Creditors: amounts falling due
after more than one year

	2001 £	2000 £
Bank loans	537,590	1,288,099
Obligations under finance leases and hire purchase contracts	546,274	44,750
	<u>1,083,864</u>	<u>1,332,849</u>

Maturity of debt

In one year or less, or on demand - see note 10	734,044	102,412
In more than one year but not more than two years	61,468	738,412
In more than two years but less than five years	184,402	202,427
In five years or more (part of)	291,720	347,260
	<u>1,271,634</u>	<u>1,390,511</u>

**Amounts falling due
after more than five years:**

Bank loans	<u>291,720</u>	<u>347,260</u>
------------	----------------	----------------

The above bank loans with instalments due after five years are repayable at £2747.55 per month with interest charged at 2.5% above bank base rate, and £15,925.15 per quarter with interest charged at 1.95% above base rate.

**Obligations under finance leases
and hire purchase contracts**

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 11	172,189	78,538
In the second to fifth years	546,274	44,750
	<u>718,463</u>	<u>123,288</u>

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

13 Called up share capital

	2001		2000	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	60,000	60,000	60,000	60,000
Allotted, called up and fully paid				
Ordinary shares of £1 each	30,001	30,001	30,001	30,001

14 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	915,826	611,235
Dividends	(465,015)	-
Net addition to shareholders' funds	450,811	611,235
Opening shareholders' funds	2,360,600	1,749,365
Closing shareholders' funds	2,811,411	2,360,600

15 Leasing commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30th June 2002

	2001 Land and Buildings £	2001 Plant and Other £	2000 Land and Buildings £	2000 Plant and Other £
Expiring				
Within one year	-	3,460	-	11,292
Within two to five years	16,875	12,293	16,875	26,133
After five years	73,300	-	73,300	-
	90,175	15,753	90,175	37,425

16 Transactions involving directors

S.M. Smith owns land and buildings occupied by the company and received a rental income amounting to £54,400 in the financial year, from the company.

The company also occupies property owned by a self-administered pension scheme of which S.M. Smith and Mrs. S. Smith are both members. The company paid rent of £18,900 to the pension scheme in the financial year.

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2001

17 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	2001 £	2000 £
Operating profit	1,343,619	1,076,334
Depreciation charges	550,257	615,381
Profit on sale of fixed assets	(105,000)	(213)
Increase in stocks	(22,141)	(22,614)
Increase in debtors	(276,376)	(518,622)
Increase in creditors	196,136	61,762
Net cash inflow from operating activities	<u>1,686,495</u>	<u>1,212,028</u>

18 Control relationship

The company is under the control of S.M. Smith and Mrs. S. Smith who together own 99.9% of the issued share capital.