

Company Registration Number 2101564

**Midland Sheetmetal Limited**  
**Abbreviated Financial Statements**

**30 June 2003**



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**Midland Sheetmetal Limited**

**Abbreviated Accounts**

**year ended 30 June 2003**

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**Midland Sheetmetal Limited**

**Company Information**

<b>Company registration number</b>	2101564
<b>The board of directors</b>	S M Smith P A J Shaw Mrs S Smith N T Smith
<b>Company secretary</b>	S M Smith
<b>Registered office</b>	Merrylees Industrial Estate Merrylees Desford Leicestershire
<b>Auditors</b>	King Freeman Chartered Accountants & Registered Auditors 1st Floor Kimberley House Vaughan Way Leicester
<b>Bankers</b>	Barclays Bank plc 118 Narborough Road Leicester

**Midland Sheetmetal Limited**

**The Directors' Report**

**year ended 30 June 2003**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2003.

**Principal activities and business review**

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

**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:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Dividends paid on ordinary shares	<u>46,502</u>	<u>242,008</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 in the shares of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At</b>	<b>At</b>
	<b>30 June</b>	<b>1 July</b>
	<b>2003</b>	<b>2002</b>
S M Smith	27,001	27,000
P A J Shaw	—	—
Mrs S Smith	3,000	3,000
N T Smith	<u>—</u>	<u>—</u>

**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 11 to 12, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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.

**Midland Sheetmetal Limited**  
**The Directors' Report (*continued*)**  
**year ended 30 June 2003**

Registered office:  
Merrylees Industrial Estate  
Merrylees  
Desford  
Leicestershire

Signed by order of the directors



9.10.03

S M Smith  
Company Secretary

Approved by the directors on .....

**Midland Sheetmetal Limited****Independent Auditors' Report to the Company****Pursuant to Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Reconciliation of Shareholders' Funds, Balance Sheet, Cash Flow Statement and the related notes, together with the financial statements of the company for the year ended 30 June 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**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 18 are properly prepared in accordance with those provisions.

1st Floor  
Kimberley House  
Vaughan Way  
Leicester

9/10/03  
.....



King Freeman  
Chartered Accountants  
& Registered Auditors

**Midland Sheetmetal Limited**  
**Abbreviated Profit and Loss Account**  
**year ended 30 June 2003**

	Note	2003 £	2002 £
<b>Gross profit</b>		1,347,207	1,361,693
Distribution costs		184,558	216,407
Administrative expenses		861,390	813,789
<b>Operating profit</b>	<b>2</b>	<u>301,259</u>	<u>331,497</u>
Plant relocation expenses		(147,378)	—
		<u>153,881</u>	<u>331,497</u>
Interest receivable		43,690	53,468
Interest payable	<b>5</b>	(53,437)	(93,818)
<b>Profit on ordinary activities before taxation</b>		<u>144,134</u>	<u>291,147</u>
Tax on profit on ordinary activities	<b>6</b>	26,537	76,161
<b>Profit on ordinary activities after taxation</b>		<u>117,597</u>	<u>214,986</u>
Dividends	<b>7</b>	46,502	242,008
<b>Retained profit/(loss) for the financial year</b>		<u><u>71,095</u></u>	<u><u>(27,022)</u></u>

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

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

Movement in reserves are shown in the notes to the accounts.

The notes on pages 11 to 18 form part of these abbreviated accounts.

## Midland Sheetmetal Limited

## Reconciliation of Movements in Shareholders' Funds

year ended 30 June 2003

	2003 £	2002 £
Profit for the financial year	117,597	214,986
Dividends	(46,502)	(242,008)
	<u>71,095</u>	<u>(27,022)</u>
Opening shareholders' equity funds	2,784,389	2,811,411
Closing shareholders' equity funds	<u>2,855,484</u>	<u>2,784,389</u>

The notes on pages 11 to 18 form part of these abbreviated accounts.



## Midland Sheetmetal Limited

## Abbreviated Balance Sheet

30 June 2003

	Note	2003		2002	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		1,419,869		1,740,903
<b>Current assets</b>					
Stocks	9	114,316		66,450	
Debtors	10	1,453,500		1,523,943	
Cash at bank and in hand		1,420,201		1,532,385	
		<u>2,988,017</u>		<u>3,122,778</u>	
<b>Creditors: Amounts falling due within one year</b>	11	<u>1,158,319</u>		<u>1,193,806</u>	
<b>Net current assets</b>			1,829,698		1,928,972
<b>Total assets less current liabilities</b>			<u>3,249,567</u>		<u>3,669,875</u>
<b>Creditors: Amounts falling due after more than one year</b>	12		394,083		871,347
			<u>2,855,484</u>		<u>2,798,528</u>
<b>Provisions for liabilities and charges</b>					
Deferred taxation	14		—		14,139
			<u>2,855,484</u>		<u>2,784,389</u>
<b>Capital and reserves</b>					
Called-up equity share capital	16		30,001		30,001
Other reserves	17		29,999		29,999
Profit and loss account	17		2,795,484		2,724,389
<b>Shareholders' funds</b>			<u>2,855,484</u>		<u>2,784,389</u>

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

These abbreviated accounts were approved by the directors on the 9.10.03..... and are signed on their behalf by:



S M Smith  
Director

The notes on pages 11 to 18 form part of these abbreviated accounts.

## Midland Sheetmetal Limited

## Cash Flow Statement

year ended 30 June 2003

	2003		2002	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		540,195		1,201,835
<b>Returns on investments and servicing of finance</b>				
Interest received	43,690		53,468	
Interest paid	(23,590)		(53,009)	
Interest element of hire purchase	(29,847)		(40,809)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		(9,747)		(40,350)
<b>Taxation</b>		(58,971)		(300,656)
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets	(21,358)		(121,546)	
Receipts from sale of fixed assets	20,740		10,125	
<b>Net cash outflow from capital expenditure</b>		(618)		(111,421)
<b>Equity dividends paid</b>		(46,502)		(242,008)
<b>Cash inflow before use of liquid resources and financing</b>		424,357		507,400
<b>Management of liquid resources</b>				
Cash placed in short term deposits	(94,376)		(3,615)	
<b>Net cash outflow from management of liquid resources</b>		(94,376)		(3,615)
<b>Financing</b>				
Repayment of bank loans	(365,134)		(727,628)	
Capital element of hire purchase	(171,407)		(154,760)	
<b>Net cash outflow from financing</b>		(536,541)		(882,388)
<b>Decrease in cash</b>		(206,560)		(378,603)

The notes on pages 11 to 18 form part of these abbreviated accounts.

**Midland Sheetmetal Limited**  
**Cash Flow Statement (continued)**  
**year ended 30 June 2003**

**Reconciliation of operating profit to net cash inflow from operating activities**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating profit	301,259	331,497
Depreciation	342,392	430,135
Profit on disposal of fixed assets	(20,740)	(6,070)
(Increase)/decrease in stocks	(47,866)	66,513
Decrease in debtors	70,443	917,841
Increase/(decrease) in creditors	42,085	(538,081)
Plant relocation expenses	(147,378)	-
<b>Net cash inflow from operating activities</b>	<u>540,195</u>	<u>1,201,835</u>

**Reconciliation of net cash flow to movement in net funds**

	<b>2003</b>		<b>2002</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Decrease in cash in the period	(206,560)		(378,603)	
Net cash outflow from bank loans	365,134		727,628	
Cash outflow in respect of hire purchase	171,407		154,760	
Cash used to increase liquid resources	94,376		3,615	
		<u>424,357</u>		<u>507,400</u>
<b>Change in net funds</b>		424,357		507,400
<b>Net funds at 1 July 2002</b>		424,676		(82,724)
<b>Net funds at 30 June 2003</b>		<u>849,033</u>		<u>424,676</u>

**Midland Sheetmetal Limited**  
**Cash Flow Statement (continued)**  
**year ended 30 June 2003**

**Analysis of changes in net funds**

	<b>At 1 July 2002 £</b>	<b>Cash flows £</b>	<b>At 30 June 2003 £</b>
Net cash:			
Cash in hand and at bank	1,532,385	(112,184)	1,420,201
Less: deposits treated as liquid resources	(3,615)	(94,376)	(97,991)
	<u>1,528,770</u>	<u>(206,560)</u>	<u>1,322,210</u>
Liquid resources:			
Deposits included in cash	<u>3,615</u>	<u>94,376</u>	<u>97,991</u>
Debt:			
Debt due within 1 year	(64,855)	41,000	(23,855)
Debt due after 1 year	(479,151)	324,134	(155,017)
Hire purchase agreements	(563,703)	171,407	(392,296)
	<u>(1,107,709)</u>	<u>536,541</u>	<u>(571,168)</u>
<b>Net funds</b>	<u><u>424,676</u></u>	<u><u>424,357</u></u>	<u><u>849,033</u></u>

The notes on pages 11 to 18 form part of these abbreviated accounts.

**Midland Sheetmetal Limited****Notes to the Abbreviated Accounts**

year ended 30 June 2003

**1. Accounting policies****Basis of accounting**

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

**Turnover**

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

**Fixed assets**

All fixed assets are initially recorded at cost.

**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 land	- No depreciation
Freehold buildings	- 2% per annum on cost
Leasehold land & buildings	- Remaining life of the lease
Plant and machinery	- 20% per annum on cost
Computer equipment	- 50% per annum on cost
Motor vehicles	- 25% per annum on cost

**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.

**Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding. Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**Midland Sheetmetal Limited**  
**Notes to the Abbreviated Accounts**  
**year ended 30 June 2003**

**1. Accounting policies** *(continued)*

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

**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.

**Pension costs**

**Defined contribution scheme**

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

**2. Operating profit**

Operating profit is stated after charging/(crediting):

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	173,812	222,604
Depreciation of assets held under hire purchase agreements	168,580	207,531
Profit on disposal of fixed assets	(20,740)	(6,070)
Auditors' remuneration		
- as auditors	14,750	16,251
Operating lease costs:		
Land and buildings	87,802	90,114
Plant and equipment	62,856	53,809
	<u>          </u>	<u>          </u>

**Midland Sheetmetal Limited**  
**Notes to the Abbreviated Accounts**  
**year ended 30 June 2003**

**3. Particulars of employees**

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

	<b>2003</b>	<b>2002</b>
	<b>No</b>	<b>No</b>
Number of production staff	153	178
Number of administrative staff	3	3
Number directors	4	4
	<u>160</u>	<u>185</u>

The aggregate payroll costs of the above were:

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,039,664	3,437,484
Social security costs	273,042	293,483
Other pension costs	58,100	58,372
	<u>3,370,806</u>	<u>3,789,339</u>

**4. Directors' emoluments**

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

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Emoluments receivable	263,571	259,165
Value of company pension contributions to money purchase schemes	58,100	58,372
	<u>321,671</u>	<u>317,537</u>

**Emoluments of highest paid director:**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Total emoluments (excluding pension contributions):	89,841	92,567
Value of company pension contributions to money purchase schemes	27,000	27,000
	<u>116,841</u>	<u>119,567</u>

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

	<b>2003</b>	<b>2002</b>
	<b>No</b>	<b>No</b>
Money purchase schemes	<u>3</u>	<u>3</u>

**Midland Sheetmetal Limited**  
**Notes to the Abbreviated Accounts**  
**year ended 30 June 2003**

**5. Interest payable**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Interest payable on bank borrowing	23,590	53,009
Finance charges	29,847	40,809
	<u>53,437</u>	<u>93,818</u>

**6. Tax on profit on ordinary activities**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 20%)	43,727	62,022
Over/under provision in prior year	(3,051)	-
Total current tax	<u>40,676</u>	<u>62,022</u>
Deferred tax:		
(Decrease)/increase in deferred tax provision	(14,139)	14,139
Tax on profit on ordinary activities	<u>26,537</u>	<u>76,161</u>

**7. Dividends**

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

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Dividends	<u>46,502</u>	<u>242,008</u>



**Midland Sheetmetal Limited**  
**Notes to the Abbreviated Accounts**  
**year ended 30 June 2003**

**8. Tangible fixed assets**

	Freehold Property £	Short Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 July 2002	770,717	407,075	3,965,685	271,873	5,415,350
Additions	—	—	10,838	10,520	21,358
Disposals	—	—	(287,457)	(72,305)	(359,762)
<b>At 30 June 2003</b>	<u>770,717</u>	<u>407,075</u>	<u>3,689,066</u>	<u>210,088</u>	<u>5,076,946</u>
<b>Depreciation</b>					
At 1 July 2002	78,561	239,380	3,147,094	209,412	3,674,447
Charge for the year	12,025	20,964	281,345	28,058	342,392
On disposals	—	—	(287,457)	(72,305)	(359,762)
<b>At 30 June 2003</b>	<u>90,586</u>	<u>260,344</u>	<u>3,140,982</u>	<u>165,165</u>	<u>3,657,077</u>
<b>Net book value</b>					
<b>At 30 June 2003</b>	<u>680,131</u>	<u>146,731</u>	<u>548,084</u>	<u>44,923</u>	<u>1,419,869</u>
At 30 June 2002	<u>692,156</u>	<u>167,695</u>	<u>818,591</u>	<u>62,461</u>	<u>1,740,903</u>

The cost of depreciable assets included in land and buildings at 30 June 2003 was £1,008,320 (2002 £1,008,320).

**Hire purchase agreements**

Included within the net book value of £1,419,869 is £435,175 (2002 - £665,193) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £168,580 (2002 - £207,531).

**9. Stocks**

	2003 £	2002 £
Raw materials	65,066	33,200
Work in progress	48,000	32,000
Consumables	1,250	1,250
	<u>114,316</u>	<u>66,450</u>

**Midland Sheetmetal Limited**  
**Notes to the Abbreviated Accounts**  
**year ended 30 June 2003**

**10. Debtors**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,374,917	1,453,811
Other debtors	4,691	17,647
Prepayments and accrued income	73,892	52,485
	<u>1,453,500</u>	<u>1,523,943</u>

**11. Creditors: Amounts falling due within one year**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank loan	23,855	64,855
Trade creditors	603,436	484,224
Other creditors including taxation and social security:		
Corporation tax	43,727	62,022
PAYE and social security	108,548	71,621
VAT	122,789	148,136
Hire purchase agreements	153,230	171,507
Other creditors	47,790	46,870
Directors current accounts	462	1,326
	<u>1,103,837</u>	<u>1,050,561</u>
Accruals and deferred income	54,482	143,245
	<u>1,158,319</u>	<u>1,193,806</u>

The bank loan is secured by way of fixed and floating charge over the assets of the company.

**12. Creditors: Amounts falling due after more than one year**

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Bank loan	155,017	479,151
Other creditors:		
Hire purchase agreements	239,066	392,196
	<u>394,083</u>	<u>871,347</u>
<b>Amounts payable after more than 5 years:</b>		
Bank loan	<u>49,597</u>	<u>207,731</u>

The bank loan with installments due after more than five years is repayable at £2,779.57 per month with interest charged at 2.5% above bank base rate.

## Midland Sheetmetal Limited

## Notes to the Abbreviated Accounts

year ended 30 June 2003

## 13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2003 £	2002 £
Amounts payable within 1 year	153,230	171,507
Amounts payable between 2 to 5 years	239,066	392,196
	<u>392,296</u>	<u>563,703</u>

## 14. Deferred taxation

	2003 £
The movement in the deferred taxation provision during the year was:	
Provision brought forward	14,139
Profit and loss account movement arising during the year	(14,139)
Provision carried forward	<u>—</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	8,413	14,139
Other timing differences	(8,413)	—
	<u>—</u>	<u>14,139</u>

## 15. Commitments under operating leases

At 30 June 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003		2002	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	2,500	16,875	—
Within 2 to 5 years	—	25,388	—	32,224
After more than 5 years	73,300	—	73,300	—
	<u>73,300</u>	<u>27,888</u>	<u>90,175</u>	<u>32,224</u>

## Midland Sheetmetal Limited

## Notes to the Abbreviated Accounts

year ended 30 June 2003

## 16. Share capital

## Authorised share capital:

	2003	2002
	£	£
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

## Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>30,001</u>	<u>30,001</u>	<u>30,001</u>	<u>30,001</u>

## 17. Reserves

	Capital redemption reserve	Profit and loss account
	£	£
Balance brought forward	29,999	2,724,389
Retained profit for the year	—	<u>71,095</u>
Balance carried forward	<u>29,999</u>	<u>2,795,484</u>

## 18. Related party transactions

S M Smith owns land and buildings occupied by the company and received 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.