

MIDLAND SHEETMETAL LIMITED
ABBREVIATED FINANCIAL STATEMENTS

30TH JUNE 1995

Registered number: 2101564



KING FREEMAN
CHARTERED ACCOUNTANTS

Leicester

MIDLAND SHEETMETAL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30th June 1995

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MIDLAND SHEETMETAL LIMITED

COMPANY INFORMATION

30th June 1995

Incorporated in England on 19th February 1987

Number 2101564

Directors R.K. Weston
S.M. Smith
P.A.J. Shaw

Secretary S.M. Smith

Registered office Merrylees 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 1995

The directors present their report and the audited financial statements for the year ended 30th June 1995.

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 £1,184,969.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5.

An ordinary dividend amounting to £60,000 is proposed and the balance of the profit for the year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in note 7 to the accounts.

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 1995 Ordinary shares	1st July 1994 Ordinary shares
R.K. Weston	30,000	30,000
S.M. Smith	30,000	30,000
P.A.J. Shaw (appointed 7/10/94)	-	-

continued

DIRECTORS' REPORT

(continued)

30th June 1995

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

9-10-95
.....
Date

MIDLAND SHEETMETAL LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES


We are required under company law 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the Board



.....
S.M. Smith
Director

9-10-95

.....
Date

MIDLAND SHEETMETAL LIMITED**AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS**

**Auditors' report to
Midland Sheetmetal Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985**

We have examined the abbreviated financial statements on pages 5 to 16 together with the financial statements of Midland Sheetmetal Limited prepared under section 226 of the Companies Act 1985 for the year ended 30th June 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 6 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 30th June 1995, and the abbreviated financial statements on pages 5 to 16 have been properly prepared in accordance with that Schedule.

Other information

On 11th October 1995, we reported, as auditors of Midland Sheetmetal Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th June 1995, and our audit report was as follows:

'We have audited the financial statements on pages 5 to 16 which have been prepared under 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 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.

continued

MIDLAND SHEETMETAL LIMITED**AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS**
(continued)

**Auditors' report to
Midland Sheetmetal Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985**

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 financial statements give a true and fair view of the state of the company's affairs as at 30th June 1995 and of its profit and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



King Freeman
Registered Auditors
Chartered Accountants

Leicester
11th October 1995

MIDLAND SHEETMETAL LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 30th June 1995

	Note	1995 £	1994 £
Gross profit		1,474,810	677,599
Net operating expenses			
Distribution costs		(132,566)	(78,860)
Administrative expenses		(436,035)	(339,800)
Other operating income		10,685	7,195
Operating profit	2	916,894	266,134
Interest payable	3	(51,313)	(34,917)
Profit on ordinary activities before taxation		865,581	231,217
Taxation	4	(278,910)	(61,581)
Profit on ordinary activities after taxation		586,671	169,636
Dividends	5	(60,000)	(60,000)
Retained profit for the year	6	526,671	109,636

Movements in reserves are shown in note 6.

There are no recognised gains and losses in 1995 or 1994 other than the profit for the year.

MIDLAND SHEETMETAL LIMITED

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ABBREVIATED BALANCE SHEET

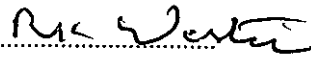
at 30th June 1995

	Note	1995		1994	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,682,845		998,774
Current assets					
Stocks	8	39,978		17,000	
Debtors	9	1,614,055		933,564	
Cash at bank and in hand		405,061		270,854	
			<u>2,059,094</u>		<u>1,221,418</u>
Creditors: amounts falling due within one year	10	<u>(1,609,479)</u>		<u>(1,064,524)</u>	
Net current assets			<u>449,615</u>		<u>156,894</u>
Total assets less current liabilities			<u>2,132,460</u>		<u>1,155,668</u>
Creditors: amounts falling due after more than one year	11		(900,586)		(489,009)
Provision for liabilities and charges	12		<u>(46,905)</u>		<u>(8,361)</u>
			<u>1,184,969</u>		<u>658,298</u>
Capital and reserves					
Called up share capital	14		60,000		60,000
Profit and loss account	6		1,124,969		598,298
Total shareholders' funds	15		<u>1,184,969</u>		<u>658,298</u>

The directors have taken advantage of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a medium company.

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

9-10-95
Date


R.K. Weston
Director

MIDLAND SHEETMETAL LIMITED

CASH FLOW STATEMENT

for the year ended 30th June 1995

	Note	1995		1994	
		£	£	£	£
Net cash inflow from operating activities	18		819,379		485,016
Returns on investments and servicing of finance					
Interest paid		(31,192)		(26,185)	
Dividends paid		(60,000)		(60,000)	
Hire purchase interest		(20,121)		(8,732)	
		<u> </u>		<u> </u>	
Net cash outflow from returns on investments and servicing of finance			(111,313)		(94,917)
Taxation					
Corporation tax paid		(57,442)		(61,709)	
		<u> </u>		<u> </u>	
			(57,442)		(61,709)
Investing activities					
Payments to acquire:					
Tangible fixed assets		(973,097)		(592,793)	
Receipts from sales of:					
Tangible fixed assets		96,235		-	
		<u> </u>		<u> </u>	
Net cash outflow from investing activities			(876,862)		(592,793)
Net cash outflow before financing			<u> </u>		<u> </u>
			(226,238)		(264,403)
Financing					
New secured bank loan		300,000		318,750	
New hire purchase contracts		375,696		161,330	
Capital element of					
hire purchase instalments		(93,287)		(90,136)	
Decrease in long term creditors		(221,964)		(11,597)	
		<u> </u>		<u> </u>	
Net cash inflow from financing	20		(360,445)		(378,347)
Increase in cash and cash equivalents	19		<u> </u>		<u> </u>
			134,207		113,944

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 1995

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

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
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.

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 1995

2a Operating profit

The operating results are analysed
as follows:-

	1995 Continuing operations £	1994 Continuing operations £
Gross profit	1,474,810	677,599
Net operating expenses		
Distribution costs	132,566	78,860
Administrative expenses	436,035	339,800
Other operating income	(10,685)	(7,195)
	<u>557,916</u>	<u>411,465</u>
Operating profit	<u>916,894</u>	<u>266,134</u>

2b Operating profit

	1995 £	1994 £
Operating profit is stated after crediting		
Profit on sale of assets	80,000	-
and after charging		
Staff costs (note 2c)	2,813,432	1,673,216
Audit and accountancy	9,904	9,433
Operating leases		
Hire of plant and machinery	6,033	2,284
Other than plant & machinery hire	5,417	5,748
Rent	42,400	42,400
Loss on sale of assets	3,899	1,600
Depreciation of tangible fixed assets (note 7)		
Depreciation of owned assets	149,708	108,834
Depreciation of assets held under finance lease and hire purchase contracts	119,184	70,038
	<u>268,892</u>	<u>178,872</u>
The total amount charged against profits in respect of finance leases and hire purchase contracts is:	<u>139,305</u>	<u>78,770</u>
(of which part is shown as depreciation and the balance is shown as interest payable in note 3)		

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 1995

2c Directors and employees

	1995 £	1994 £
Staff costs including directors' emoluments		
Wages and salaries	2,552,495	1,507,605
Social security costs	220,921	125,595
Pension costs	40,016	40,016
	<u>2,813,432</u>	<u>1,673,216</u>
	Number	Number
Average number employed including executive directors		
Production staff	181	109
Directors	3	2
Administration staff	3	3
	<u>187</u>	<u>114</u>
Directors' emoluments	£	£
Fees	-	-
Other emoluments	116,349	84,416
	<u>116,349</u>	<u>84,416</u>
Emoluments excluding pension scheme contributions		
Chairman and highest paid director	<u>30,000</u>	<u>22,200</u>
Other directors	Number	Number
£15,000 - £20,000	1	-
£20,001 - £25,000	-	1
£25,001 - £30,000	1	-

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 1995

3	Interest payable	1995	1994
		£	£
	Bank loans and overdraft wholly repayable within five years	26,223	20,878
	Bank loans repayable after five years	4,569	5,307
	Finance lease and hire purchase interest	20,121	8,732
		<u>51,313</u>	<u>34,917</u>
4	Taxation	1995	1994
		£	£
	Corporation tax on profit on ordinary activities at 33% (1994 25%)	240,366	57,443
	Deferred taxation	38,544	4,138
		<u>278,910</u>	<u>61,581</u>
5	Dividends	1995	1994
		£	£
	An interim dividend of £1 per ordinary share was paid on 9th June 1995	<u>60,000</u>	<u>60,000</u>
6	Profit and loss account	1995	
		£	
	1st July 1994	598,298	
	Retained profit for the year	526,671	
	30th June 1995	<u>1,124,969</u>	

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 1995

7a Tangible fixed assets

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Land and Buildings £	Total £
1st July 1994	108,673	888,085	557,668	1,554,426
Additions	133,690	605,682	233,725	973,097
Disposals	(51,652)	(157,594)	-	(209,246)
30th June 1995	<u>190,711</u>	<u>1,336,173</u>	<u>791,393</u>	<u>2,318,277</u>
Depreciation				
1st July 1994	51,781	431,885	71,986	555,652
Charge for year	19,834	224,017	25,041	268,892
Disposals	(31,518)	(157,594)	-	(189,112)
30th June 1995	<u>40,097</u>	<u>498,308</u>	<u>97,027</u>	<u>635,432</u>
Net book value				
30th June 1995	<u>150,614</u>	<u>837,865</u>	<u>694,366</u>	<u>1,682,845</u>
30th June 1994	<u>56,892</u>	<u>456,200</u>	<u>485,682</u>	<u>998,774</u>

The net book amount of fixed assets includes £671,797 (1994 £290,425) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2b.

7b Land and buildings

	1995 £	1994 £
Freehold	384,608	169,473
Short leasehold	309,758	316,209
	<u>694,366</u>	<u>485,682</u>

8 Stocks

	1995 £	1994 £
Work in progress	18,228	-
Consumable stock	21,750	17,000
	<u>39,978</u>	<u>17,000</u>

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 1995

9 Debtors	1995	1994
	£	£
Amounts falling due within one year		
Trade debtors	1,565,747	890,973
Other debtors	9,413	6,695
Prepayments and accrued income	38,895	35,896
	<u>1,614,055</u>	<u>933,564</u>
	<u><u>1,614,055</u></u>	<u><u>933,564</u></u>
10 Creditors: amounts falling due within one year	1995	1994
	£	£
Bank loans	83,375	223,028
Trade creditors	886,957	566,291
Corporation tax	240,367	42,443
Other taxation and social security	232,943	101,899
Other creditors	-	32,234
Accruals and deferred income	15,547	36,860
Finance leases and hire purchase contracts - note 11	150,290	61,769
	<u>1,609,479</u>	<u>1,064,524</u>
	<u><u>1,609,479</u></u>	<u><u>1,064,524</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 1995

11 Creditors: amounts falling due after more than one year

	1995 £	1994 £
Bank loans	555,314	337,625
Obligations under finance leases and hire purchase contracts	345,272	151,384
	<u>900,586</u>	<u>489,009</u>
Maturity of debt included above		
In one year or less, or on demand	83,375	223,028
Between one and two years	83,375	63,375
Between two and five years	191,500	155,188
In five years or more	280,439	119,062
	<u>638,689</u>	<u>560,653</u>
Creditors other than finance lease and hire purchase contracts		
Creditors with instalments due for payment after more than five years	638,689	560,653
	<u>638,689</u>	<u>560,653</u>
Instalments due after more than five years	280,439	119,062
	<u>280,439</u>	<u>119,062</u>
Obligations under finance leases and hire purchase contracts		
Amounts included above are repayable over varying periods by monthly instalments as follows:		
In the next year	150,290	61,769
In the second to fifth year	345,272	151,384
	<u>495,562</u>	<u>213,153</u>

12 Provision for liabilities and charges

	1994 £	Profit and loss account £	Other movements £	1995 £
Deferred taxation (notes 4 and 13)	<u>(8,361)</u>	<u>(38,544)</u>	<u>-</u>	<u>(46,905)</u>

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 1995

13 Deferred taxation

	1995		1994	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Corporation tax deferred by				
Excess capital allowances over corresponding depreciation	46,905	46,905	8,361	8,361
	<u>46,905</u>	<u>46,905</u>	<u>8,361</u>	<u>8,361</u>
	<u><u>46,905</u></u>	<u><u>46,905</u></u>	<u><u>8,361</u></u>	<u><u>8,361</u></u>

The potential liability and provision are based on a corporation tax rate of 33% (1994 25%).

14 Called up share capital

	1995		1994	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>

15 Reconciliation of movements in shareholders' funds

	1995	1994
	£	£
Profit for the financial year	586,671	169,636
Dividends	(60,000)	(60,000)
Net addition to shareholders' funds	<u>526,671</u>	<u>109,636</u>
Opening shareholders' funds	658,298	548,662
Closing shareholders' funds	<u><u>1,184,969</u></u>	<u><u>658,298</u></u>

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 1995

16 Leasing commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30th June 1996

	1995 Land and Buildings £	1995 Other £	1994 Land and Buildings £	1994 Other £
Expiring				
Within two to five years	-	2,212	-	889
After five years	54,400	-	42,400	1,323
	<u>54,400</u>	<u>2,212</u>	<u>42,400</u>	<u>2,212</u>

17 Transactions involving directors

Mr S.M. Smith and Mr R.K. Weston own the land and some buildings occupied by the company and received a rental income amounting to £42,400 in the financial year, from the company.

Notes to the cash flow statement

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

	1995 £	1994 £
Operating profit	916,894	266,134
Depreciation charges	268,892	178,872
(Profit)/loss on sale of fixed assets	(76,101)	1,600
(Increase) in stocks	(22,978)	(6,120)
(Increase) in debtors	(680,491)	(278,263)
Increase in creditors	413,613	322,793
Net cash inflow from operating activities	<u>819,379</u>	<u>485,016</u>

19 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995 £	1994 £	Change in year £
Cash at bank and in hand	<u>405,061</u>	<u>270,854</u>	<u>134,207</u>

20 Analysis of changes in financing during the year

	Total £	Bank Loans £	Hire Purchase Loans £
Balance at 1st July 1994	773,806	560,653	213,153
Cash inflow from financing	675,696	300,000	375,696
Cash outflow from financing	(315,251)	(221,964)	(93,287)
Balance at 30th June 1995	<u>1,134,251</u>	<u>638,689</u>	<u>495,562</u>