

MIDLAND SHEETMETAL LIMITED
ABBREVIATED FINANCIAL STATEMENTS

30TH JUNE 2000

Registered number: 2101564



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COMPANIES HOUSE 23/10/00

KING FREEMAN
CHARTERED ACCOUNTANTS

Leicester

MIDLAND SHEETMETAL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 30th June 2000

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MIDLAND SHEETMETAL LIMITED**COMPANY INFORMATION****30th June 2000**

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 2000

The directors present their report and the abbreviated financial statements for the year ended 30th June 2000.

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 £2,360,600.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not propose payment of an ordinary dividend.

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 2000	1st July 1999
	Ordinary	Ordinary
	shares	shares
S.M. Smith	27,000	27,000
P.A.J. Shaw	-	-
Mrs. S. Smith	3,000	3,000
N.T. Smith (appointed 5-4-00)	-	-

Included in the above holding by S.M. Smith is 6,000 ordinary shares held in trust, S.M. Smith being a trustee.

continued

MIDLAND SHEETMETAL LIMITED

DIRECTORS' REPORT
(continued)

30th June 2000

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

16-10-00
.....
Date

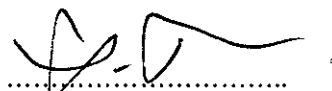
MIDLAND SHEETMETAL LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 materials 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



S.M. Smith
Director

16-10-00
Date

MIDLAND SHEETMETAL LIMITED**Auditors' report to
Midland Sheetmetal Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 5 to 16, together with the financial statements of the company for the year ended 30th June 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are 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 those provisions and to report our opinion to you.

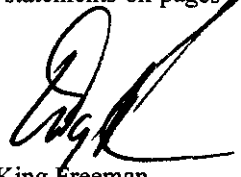
Basis of opinion

We have carried out the procedures we considered 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 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 to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 16 are properly prepared in accordance with those provisions.

17/10/2000
Leicester



King Freeman
Registered Auditors
Chartered Accountants

MIDLAND SHEETMETAL LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 30th June 2000

	Note	2000 £	1999 £
Gross profit		2,087,463	1,748,114
Net operating expenses			
Distribution costs		(223,586)	(215,873)
Administrative expenses		(831,246)	(961,941)
Other operating income		43,703	71,593
Operating profit	3	<u>1,076,334</u>	<u>641,893</u>
Interest payable	4	<u>(105,525)</u>	<u>(148,977)</u>
Profit on ordinary activities before taxation		970,809	492,916
Taxation	5	<u>(359,574)</u>	<u>(179,525)</u>
Retained profit for the year	6	<u><u>611,235</u></u>	<u><u>313,391</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 are no recognised gains and losses in 2000 or 1999 other than the profit for the year.

MIDLAND SHEETMETAL LIMITED

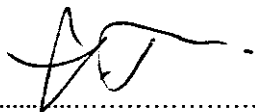
ABBREVIATED BALANCE SHEET

at 30th June 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	7		1,706,334		2,123,060
Current assets					
Stocks	8	110,822		88,208	
Debtors	9	2,165,408		1,646,786	
Cash at bank and in hand		1,488,776		909,981	
			<u>3,765,006</u>		<u>2,644,975</u>
Creditors: amounts falling due within one year	10	<u>(1,777,891)</u>		<u>(1,578,848)</u>	
Net current assets			<u>1,987,115</u>		<u>1,066,127</u>
Total assets less current liabilities			<u>3,693,449</u>		<u>3,189,187</u>
Creditors: amounts falling due after more than one year	11		<u>(1,332,849)</u>		<u>(1,439,822)</u>
			<u>2,360,600</u>		<u>1,749,365</u>
Capital and reserves					
Called up share capital	12		30,001		30,001
Other reserves			29,999		29,999
Profit and loss account	6		2,300,600		1,689,365
Total shareholders' funds	13		<u>2,360,600</u>		<u>1,749,365</u>

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

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



 Director
 S.M. Smith

16.10.00

 Date

MIDLAND SHEETMETAL LIMITED

CASH FLOW STATEMENT

for the year ended 30th June 2000

	Note	2000		1999	
		£	£	£	£
Net cash inflow from operating activities	16		1,212,028		1,241,772
Returns on investments and servicing of finance					
Interest paid		(92,672)		(113,332)	
Interest element of finance lease rental payments		(12,853)		(35,645)	
			(105,525)		(148,977)
Taxation					
Corporation tax paid			(202,776)		(256,561)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(198,655)		(287,581)	
Sale of tangible fixed assets		213		25,000	
			(198,442)		(262,581)
			705,286		573,653
Financing					
Purchase of own shares		-		(1,153,000)	
Bank loan (repayments)/advances		(101,422)		431,389	
Capital element of finance lease and hire purchase rentals		(25,068)		(146,474)	
			(126,490)		(868,085)
Increase in cash			578,795		(294,432)

Analysis of the balances of cash and cash equivalents in the balance sheet:

	2000	1999	Change in year
	£	£	£
Cash at bank and in hand	1,488,776	909,981	578,795

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2000

1 Accounting policies**Compliance with accounting standards**

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

Turnover

Turnover represents the amount derived from the provision of goods and services after deduction of trade discounts and value added tax.

Tangible fixed assets

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.

Pensions**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 2000

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3a Operating profit

The operating results are analysed as follows:-

	2000 Continuing operations £	1999 Continuing operations £
Gross profit	<u>2,087,463</u>	<u>1,748,114</u>
Net operating expenses		
Distribution costs	223,586	215,873
Administrative expenses	831,246	961,941
Other operating income	(43,703)	(71,593)
	<u>1,011,129</u>	<u>1,106,221</u>
Operating profit	<u>1,076,334</u>	<u>641,893</u>

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2000

3b Operating profit	2000	1999
	£	£
Operating profit is stated after crediting:		
Interest receivable	43,703	71,593
Profit on foreign exchange	8,142	2,303
Profit on sale of assets	213	23,500
	<u> </u>	<u> </u>
and after charging:		
Staff costs (note 3)	4,079,276	4,716,358
Auditors' remuneration	13,119	18,641
Operating leases:		
Hire of plant and machinery	42,233	48,525
Hire of assets other than plant and machinery	16,520	16,562
Rent	87,925	85,662
	<u> </u>	<u> </u>
Depreciation of tangible fixed assets (note 7):		
Owned assets	509,321	538,024
Leased assets	106,060	174,898
	<u> </u>	<u> </u>
	615,381	712,922
	<u> </u>	<u> </u>
The total amount charged against profits in respect of finance leases and hire purchase contracts is	118,913	210,543
(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 2000

3c Directors and employees

	2000 £	1999 £
Staff costs including directors' emoluments		
Wages and salaries	3,660,199	4,226,135
Social security costs	336,042	382,667
Pension costs	83,035	107,556
	<u>4,079,276</u>	<u>4,716,358</u>
Average monthly number employed including executive directors:	Number	Number
Production staff	193	249
Directors	3	3
Administration staff	4	6
	<u>200</u>	<u>258</u>
Directors	£	£
Emoluments	180,512	208,160
Company contributions to money purchase pension schemes	83,035	107,556
	<u>263,547</u>	<u>315,716</u>
During the year the following number of directors:	Number	Number
Accrued retirement benefits under:		
Money purchase pension schemes	3	3

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 £78,035 (1999 £102,556).

4 Interest payable

	2000 £	1999 £
Bank interest	-	13
Bank loan interest	91,996	112,003
Finance lease and hire purchase interest	12,853	35,645
Interest on late payment of tax	676	1,316
	<u>105,525</u>	<u>148,977</u>

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2000

5 Taxation

	2000 £	1999 £
UK Corporation tax:		
Current tax on income for the period at 30% (1999 30/31%)	359,574	203,043
Deferred tax:		
Deferred tax for the period	-	(23,518)
	<u>359,574</u>	<u>179,525</u>

6 Profit and loss account

	2000 £
1st July 1999	1,689,365
Retained profit for the year	611,235
	<u>2,300,600</u>
30th June 2000	<u>2,300,600</u>

7a Tangible fixed assets

	Motor Vehicles £	Plant and Machinery £	Land and Buildings £	Total £
Cost				
1st July 1999	248,155	3,342,308	1,165,943	4,756,406
Additions	71,873	126,782	-	198,655
Disposals	(16,736)	(53,388)	-	(70,124)
	<u>303,292</u>	<u>3,415,702</u>	<u>1,165,943</u>	<u>4,884,937</u>
30th June 2000	<u>303,292</u>	<u>3,415,702</u>	<u>1,165,943</u>	<u>4,884,937</u>
Depreciation				
1st July 1999	191,456	2,222,479	219,412	2,633,346
Charge for the year	31,103	551,512	32,766	615,381
Disposals	(16,736)	(53,388)	-	(70,124)
	<u>205,822</u>	<u>2,720,603</u>	<u>252,178</u>	<u>3,178,603</u>
30th June 2000	<u>205,822</u>	<u>2,720,603</u>	<u>252,178</u>	<u>3,178,603</u>
Net book value				
30th June 2000	<u>97,470</u>	<u>695,099</u>	<u>913,765</u>	<u>1,706,334</u>
30th June 1999	<u>56,700</u>	<u>1,119,829</u>	<u>946,531</u>	<u>2,123,060</u>

The net book value of fixed assets includes £180,697 (1999 £183,063) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2000

7b Land and buildings	2000	1999
	£	£
Freehold	704,143	715,945
Short leasehold	209,622	230,586
	<u>913,765</u>	<u>946,531</u>

The cost of depreciable assets included in land and buildings at 30th June 2000 was £996,470 (1999 £996,470).

8 Stocks	2000	1999
	£	£
Work in progress	58,000	41,000
Raw materials	1,250	1,250
General stock	51,572	45,958
	<u>110,822</u>	<u>88,208</u>

9 Debtors	2000	1999
	£	£
Amounts falling due within one year		
Trade debtors	2,121,318	1,604,722
Other debtors	1,940	3,313
Prepayments and accrued income	42,150	38,751
	<u>2,165,408</u>	<u>1,646,786</u>

10 Creditors: amounts falling due within one year	2000	1999
	£	£
Bank loans -- note 11	102,412	106,290
Trade creditors	774,381	726,431
Corporation tax	359,574	202,776
Other taxation and social security	331,309	263,313
Other creditors	6,734	60,983
Accruals and deferred income	124,943	124,878
Obligations under finance leases and hire purchase contracts - note 11	78,538	94,177
	<u>1,777,891</u>	<u>1,578,848</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 2000

11 Creditors: amounts falling due
after more than one year

	2000 £	1999 £
Bank loans	1,288,099	1,385,643
Obligations under finance leases and hire purchase contracts	44,750	54,179
	<u>1,332,849</u>	<u>1,439,822</u>
Maturity of debt		
In one year or less, or on demand - see note 10	102,412	106,290
In more than one year but not more than two years	102,412	106,290
In more than two years but not more than five years	838,427	889,156
In more than five years	347,260	390,197
	<u>1,390,511</u>	<u>1,491,933</u>
Amounts falling due after more than five years:		
Bank loans	<u>347,260</u>	<u>390,197</u>

The above bank loans with instalments due after five years are repayable at £2,747.55 per month with interest charged at 2.5% above 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 10	78,538	94,177
In the second to fifth years	44,750	54,179
	<u>123,288</u>	<u>148,356</u>

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

		30th June 2000			
12	Called up share capital	2000		1999	
		Number of shares	£	Number of shares	£
	Authorised				
	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				
	Ordinary shares of £1 each	<u>30,001</u>	<u>30,001</u>	<u>30,001</u>	<u>30,001</u>
13	Reconciliation of movements in shareholders' funds		2000		1999
			£		£
	Profit for the financial year		611,235		313,391
	Own shares purchased		-		(1,153,000)
	Net addition to/(subtraction from) shareholders' funds		<u>611,235</u>		<u>(839,609)</u>
	Opening shareholders' funds		1,749,365		2,588,974
	Closing shareholders' funds		<u><u>2,360,600</u></u>		<u><u>1,749,365</u></u>
14	Leasing commitments				

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30th June 2001:

	2000 Land and Buildings £	2000 Plant & Other £	1999 Land and Buildings £	1999 Plant & Other £
Expiring				
Within one year	-	11,292	-	-
Within two to five years	16,875	26,133	15,000	7,436
After five years	73,300	-	68,800	-
	<u>90,175</u>	<u>37,425</u>	<u>83,800</u>	<u>7,436</u>

15 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 the members of which are S.M. Smith and Mrs S. Smith. The company paid rent of £16,650 to the pension scheme in the financial year.

MIDLAND SHEETMETAL LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

30th June 2000

16 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	2000 £	1999 £
Operating profit	1,076,334	641,893
Depreciation charges	615,381	712,922
Profit on sale of fixed assets	(213)	(23,500)
(Increase)/decrease in stocks	(22,614)	44,611
(Increase)/decrease in debtors	(518,622)	768,660
Increase/(decrease) in creditors	61,762	(902,814)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,212,028	1,241,772
	<hr/> <hr/>	<hr/> <hr/>

17 Control relationship

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