

Company registration number 2101564

**MIDLAND SHEETMETAL LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**

**30 JUNE 2002**



**King Freeman**  
**Chartered Accountants & Registered Auditors**  
**1st Floor**  
**Kimberley House**  
**Vaughan Way**  
**Leicester**

**MIDLAND SHEETMETAL LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**

**Year ended 30 June 2002**

<b>Contents</b>	<b>Pages</b>
Company information	1
The directors' report	2 to 3
Independent auditors' report to the company	4
Abbreviated profit and loss account	5
Reconciliation of movements in shareholders' funds	6
Abbreviated balance sheet	7
Cash flow statement	8 to 10
Notes to the abbreviated financial statements	11 to 18

**MIDLAND SHEETMETAL LIMITED**

**COMPANY INFORMATION**

**The board of directors**

S M Smith  
P A J Shaw  
Mrs S Smith  
N T Smith

**Company secretary**

S M Smith

**Registered office**

Merrylees Industrial Estate  
Merrylees  
Desford  
Leicestershire

**Auditors**

King Freeman  
Chartered Accountants  
& Registered Auditors  
1st Floor  
Kimberley House  
Vaughan Way  
Leicester

**Bankers**

Barclays Bank plc  
118 Narborough Road  
Leicester

**MIDLAND SHEETMETAL LIMITED**

**THE DIRECTORS' REPORT**

**Year ended 30 June 2002**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2002.

**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. The company's balance sheet as detailed on page 7 shows a satisfactory position, shareholders funds amounting to £2,784,388.

**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>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Dividends paid on ordinary shares	<u>242,008</u>	<u>465,015</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 30 June 2002</b>	<b>At 1 July 2001</b>
S M Smith	27,000	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 2002

Registered office:  
Merrylees Industrial Estate  
Merrylees  
Desford  
Leicestershire

Signed by order of the directors



S M Smith  
Company Secretary

Approved by the directors on 16-12-02

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 2002 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 18 are properly prepared in accordance with those provisions.

1st Floor  
Kimberley House  
Vaughan Way  
Leicester

17/12/2002



KING FREEMAN  
Chartered Accountants  
& Registered Auditors

**MIDLAND SHEETMETAL LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**

Year ended 30 June 2002

	Note	2002 £	2001 £
<b>Gross profit</b>		1,361,693	2,511,613
Distribution costs		216,407	283,804
Administrative expenses		813,789	950,434
<b>Operating profit</b>	<b>2</b>	<u>331,497</u>	<u>1,277,375</u>
Interest receivable		53,468	66,244
Interest payable and similar charges		(93,818)	(127,137)
<b>Profit on ordinary activities before taxation</b>		<u>291,147</u>	<u>1,216,482</u>
Tax on profit on ordinary activities	<b>6</b>	76,162	300,656
<b>Profit on ordinary activities after taxation</b>		<u>214,985</u>	<u>915,826</u>
Dividends	<b>7</b>	242,008	465,015
<b>(Loss)/retained profit for the financial year</b>		<u><u>(27,023)</u></u>	<u><u>450,811</u></u>

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.

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

## MIDLAND SHEETMETAL LIMITED

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Year ended 30 June 2002

	2002	2001
	£	£
Profit for the financial year	214,985	915,826
Dividends	(242,008)	(465,015)
	<u>(27,023)</u>	<u>450,811</u>
Opening shareholders' equity funds	2,811,411	2,360,600
Closing shareholders' equity funds	<u>2,784,388</u>	<u>2,811,411</u>



## MIDLAND SHEETMETAL LIMITED

## ABBREVIATED BALANCE SHEET

Year ended 30 June 2002

	Note	2002		2001	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		1,740,903		2,053,547
<b>Current assets</b>					
Stocks	9	66,450		132,963	
Debtors	10	1,523,943		2,441,784	
Cash at bank and in hand		1,532,385		1,907,373	
		<u>3,122,778</u>		<u>4,482,120</u>	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(1,193,807)</u>		<u>(2,640,392)</u>	
<b>Net current assets</b>			<u>1,928,971</u>		<u>1,841,728</u>
<b>Total assets less current liabilities</b>			<u>3,669,874</u>		<u>3,895,275</u>
<b>Creditors: Amounts falling due after more than one year</b>	12		<u>(871,347)</u>		<u>(1,083,864)</u>
			<u>2,798,527</u>		<u>2,811,411</u>
<b>Provisions for liabilities and charges</b>					
Deferred taxation	13		<u>(14,139)</u>		<u>-</u>
			<u>2,784,388</u>		<u>2,811,411</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		2,724,388		2,751,411
<b>Shareholders' funds</b>			<u>2,784,388</u>		<u>2,811,411</u>

These accounts 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 16-12-2002 and are signed on their behalf by:



.....  
S M Smith

The notes on pages 11 to 18 form part of these financial statements.

## MIDLAND SHEETMETAL LIMITED

## CASH FLOW STATEMENT

Year ended 30 June 2002

	2002		2001	
	£	£	£	£
<b>Net cash inflow from operating activities</b>		1,201,835		1,620,251
<b>Returns on investments and servicing of finance</b>				
Interest received	53,468		66,244	
Interest paid	(53,009)		(94,642)	
Interest element of hire purchase	(40,809)		(32,495)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		(40,350)		(60,893)
<b>Taxation</b>		(300,656)		(359,574)
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets	(121,546)		(897,470)	
Receipts from sale of fixed assets	10,125		105,000	
<b>Net cash outflow from capital expenditure</b>		(111,421)		(792,470)
<b>Equity dividends paid</b>		(242,008)		(465,015)
<b>Cash inflow/(outflow) before use of liquid resources and financing</b>		507,400		(57,701)
<b>Management of liquid resources</b>				
Cash placed in short term deposits	(3,615)		-	
<b>Net cash outflow from management of liquid resources</b>		(3,615)		-
<b>Financing</b>				
Repayment of bank loans	(727,628)		(118,877)	
Capital element of hire purchase	(154,760)		595,175	
<b>Net cash (outflow)/inflow from financing</b>		(882,388)		476,298
<b>(Decrease)/increase in cash</b>		(378,603)		418,597

The notes on pages 11 to 18 form part of these financial statements.

## MIDLAND SHEETMETAL LIMITED

CASH FLOW STATEMENT *(continued)*

Year ended 30 June 2002

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

	2002	2001
	£	£
Operating profit	331,497	1,277,375
Depreciation	430,135	550,257
Profit on disposal of fixed assets	(6,070)	(105,000)
Decrease/(Increase) in stocks	66,513	(22,141)
Decrease/(Increase) in debtors	917,841	(276,376)
(Decrease)/Increase in creditors	(538,081)	196,136
<b>Net cash inflow from operating activities</b>	<u>1,201,835</u>	<u>1,620,251</u>

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

	2002		2001	
	£	£	£	£
(Decrease)/Increase in cash in the period	(378,603)		418,597	
Net cash outflow from/(inflow) from bank loans	727,628		118,877	
Cash outflow in respect of hire purchase	154,760		(595,175)	
Cash used to increase liquid resources	3,615		-	
		<u>507,400</u>		<u>(57,701)</u>
<b>Change in net funds</b>		507,400		(57,701)
<b>Net debt at 1 July 2001</b>		<u>(82,724)</u>		<u>(25,023)</u>
<b>Net funds at 30 June 2002</b>		<u>424,676</u>		<u>(82,724)</u>

**MIDLAND SHEETMETAL LIMITED**  
**CASH FLOW STATEMENT (continued)**

**Year ended 30 June 2002**

**Analysis of changes in net funds**

	At 1 July 2001 £	Cash flows £	At 30 June 2002 £
Net cash:			
Cash in hand and at bank	1,907,373	(374,988)	1,532,385
Less: deposits treated as liquid resources	—	(3,615)	(3,615)
	<u>1,907,373</u>	<u>(378,603)</u>	<u>1,528,770</u>
Liquid resources:			
Deposits included in cash	—	3,615	3,615
Debt:			
Debt due within 1 year	(734,044)	669,189	(64,855)
Debt due after 1 year	(537,590)	58,439	(479,151)
Hire purchase agreements	(718,463)	154,760	(563,703)
	<u>(1,990,097)</u>	<u>882,388</u>	<u>(1,107,709)</u>
<b>Net funds</b>	<u>(82,724)</u>	<u>507,400</u>	<u>424,676</u>

## MIDLAND SHEETMETAL LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

30 June 2002

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

The financial statements have been prepared in accordance with applicable accounting standards and 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.

**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 FINANCIAL STATEMENTS

30 June 2002

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):

	2002	2001
	£	£
Depreciation	430,135	550,257
Profit on disposal of fixed assets	(6,070)	(105,000)
Auditors' remuneration		
- as auditors	16,251	16,501
Operating lease costs:		
Land and buildings	90,114	90,231
Plant and equipment	53,809	50,912
Net gain on foreign exchange	(20,452)	(20,935)
	<u>430,135</u>	<u>550,257</u>
Depreciation of tangible fixed assets (note 7)		
Owned assets	222,604	415,166
Leased assets	207,531	135,091
	<u>430,135</u>	<u>550,257</u>
The total amount charged against profits in respect of finance leases and hire purchase contracts is	<u>248,340</u>	<u>167,586</u>

## MIDLAND SHEETMETAL LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

30 June 2002

## 3. Particulars of employees

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

	2002	2001
	No.	No.
Number of production staff	178	209
Number of administrative staff	3	3
Number of directors	4	4
	<u>185</u>	<u>216</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	3,437,484	4,096,516
Social security costs	293,483	370,677
Other pension costs	58,372	46,100
	<u>3,789,339</u>	<u>4,513,293</u>

## 4. Directors' emoluments

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

	2002	2001
	£	£
Emoluments receivable	259,165	272,043
Value of company pension contributions to money purchase schemes	58,372	46,100
	<u>317,537</u>	<u>318,143</u>

## Emoluments of highest paid director:

	2002	2001
	£	£
Total emoluments (excluding pension contributions):	92,567	92,246
Value of company pension contributions to money purchase schemes	27,000	26,100
	<u>119,567</u>	<u>118,346</u>

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

	2002	2001
	No.	No.
Money purchase schemes	<u>3</u>	<u>3</u>

## MIDLAND SHEETMETAL LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

30 June 2002

4. Directors' emoluments (*continued*)**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 £53,100 (2001 £41,100).

**Money purchase pension scheme**

The company also contributes to a money purchase pension scheme on behalf of one of the directors

## 5. Interest payable and similar charges

	2002 £	2001 £
Interest payable on bank borrowing	53,009	94,148
Finance charges	40,809	32,495
Other similar charges payable	—	494
	<u>93,818</u>	<u>127,137</u>

## 6. Tax on profit on ordinary activities

**Taxation**

	2002 £	2001 £
Current tax:		
In respect of the year:		
UK corporation tax based on the results for the year at 19%/20% (2001 - 30%)	62,023	300,656
Total current tax	62,023	300,656
Deferred tax:		
Increase in deferred tax provision	14,139	—
Total deferred tax ( <b>note 15</b> )	14,139	—
Tax on profit on ordinary activities	<u>76,162</u>	<u>300,656</u>

## 7. Dividends

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

	2002 £	2001 £
Dividends	<u>242,008</u>	<u>465,015</u>



## MIDLAND SHEETMETAL LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

30 June 2002

## 8. Tangible fixed assets

	Freehold Property £	Short Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 July 2001	758,867	407,075	3,894,592	303,292	5,363,826
Additions	11,850	–	71,093	38,603	121,546
Disposals	–	–	–	(70,022)	(70,022)
<b>At 30 June 2002</b>	<u>770,717</u>	<u>407,075</u>	<u>3,965,685</u>	<u>271,873</u>	<u>5,415,350</u>
<b>Depreciation</b>					
At 1 July 2001	66,519	218,416	2,784,134	241,210	3,310,279
Charge for the year	12,042	20,964	362,960	34,169	430,135
On disposals	–	–	–	(65,967)	(65,967)
<b>At 30 June 2002</b>	<u>78,561</u>	<u>239,380</u>	<u>3,147,094</u>	<u>209,412</u>	<u>3,674,447</u>
<b>Net book value</b>					
<b>At 30 June 2002</b>	<u>692,156</u>	<u>167,695</u>	<u>818,591</u>	<u>62,461</u>	<u>1,740,903</u>
At 30 June 2001	<u>692,348</u>	<u>188,659</u>	<u>1,110,458</u>	<u>62,082</u>	<u>2,053,547</u>

The net book value of fixed assets includes £665,193 (2001 £856,841) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

The cost of depreciable assets included in land and buildings at 30 June 2002 was £1,008,320 (2001 £996,470).

## 9. Stocks

	2002 £	2001 £
Raw materials	33,200	67,713
Work in progress	32,000	64,000
Finished goods	1,250	1,250
	<u>66,450</u>	<u>132,963</u>

## 10. Debtors

	2002 £	2001 £
Trade debtors	1,453,811	2,349,330
Other debtors	17,647	3,315
Prepayments and accrued income	52,485	89,139
	<u>1,523,943</u>	<u>2,441,784</u>

## MIDLAND SHEETMETAL LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

30 June 2002

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

	2002	2001
	£	£
Bank loans and overdrafts	64,855	734,044
Trade creditors	484,224	851,783
Corporation tax	62,023	300,656
PAYE and social security	71,621	106,194
VAT	148,136	311,650
Other creditors	219,703	180,958
Accruals and deferred income	143,245	155,107
	<u>1,193,807</u>	<u>2,640,392</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

	2002	2001
	£	£
Bank loans and overdrafts	479,151	537,590
Other creditors:		
Hire purchase agreements	392,196	546,274
	<u>871,347</u>	<u>1,083,864</u>

## Maturity of debt:

	2002	2001
	£	£
Amounts payable within 1 year	64,855	734,044
Amounts payable between 2 to 5 years	271,420	245,870
Amounts payable after more than 5 years	207,731	291,720
	<u>544,006</u>	<u>1,271,634</u>

## Amounts payable after more than 5 years:

Bank loans	<u>207,731</u>	<u>291,720</u>
------------	----------------	----------------

The bank loans with installments due after more than five years are repayable at £2,779.57 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 bank base rate..

## MIDLAND SHEETMETAL LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

30 June 2002

## 13. Deferred taxation

	2002 £
The movement in the deferred taxation provision during the year was:	
Profit and loss account movement arising during the year	14,139
Provision carried forward	<u>14,139</u>

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

	2002 £	2001 £
Excess of taxation allowances over depreciation on fixed assets	14,139	-
	<u>14,139</u>	<u>-</u>

## 14. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	2002 £	2001 £
Amounts payable within 1 year	171,507	172,189
Amounts payable between 2 to 5 years	392,196	546,274
	<u>563,703</u>	<u>718,463</u>
Hire purchase agreements are analysed as follows:		
Current obligations	171,507	172,189
Non-current obligations	392,196	546,274
	<u>563,703</u>	<u>718,463</u>

## 15. Commitments under operating leases

At 30 June 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	2002		2001	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	16,875	-	-	3,460
Within 2 to 5 years	-	32,224	16,875	12,293
After more than 5 years	73,300	-	73,300	-
	<u>90,175</u>	<u>32,224</u>	<u>90,175</u>	<u>15,753</u>

## MIDLAND SHEETMETAL LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

30 June 2002

## 16. Share capital

## Authorised share capital:

	2002	2001
	£	£
60,000 ordinary shares of £1 each	60,000	60,000

## Allotted, called up and fully paid:

	2002	2001
	£	£
Issued ordinary shares of £1 each	30,001	30,001

## 17. Reserves

	Capital redemption reserve	Profit and loss account
	£	£
Balance brought forward	29,999	2,751,411
Retained profit for the year	-	216,918
Dividends	-	(242,008)
Balance carried forward	29,999	2,726,321

## 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.

During the year, S M Smith purchased a car from the company for £7,000 which was considered to be a fair market value.