

Company Registration Number 2101564

Midland Sheetmetal Limited
Abbreviated Financial Statements

30 April 2004



Midland Sheetmetal Limited
Abbreviated Accounts
period from 1 July 2003 to 30 April 2004

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Midland Sheetmetal Limited

Company Information

Company registration number	2101564
The board of directors	P A J Shaw N T Smith H R Dalby S D Iles
Company secretary	S D Iles
Registered office	Gloucester Crescent Wigston Leicester
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

period from 1 July 2003 to 30 April 2004

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 July 2003 to 30 April 2004.

Principal activities and review of the business

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 period and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have recommended the following dividends:

	Period to 30 April 2004	Year to 30 June 2003
	£	£
Dividends paid on ordinary shares	<u>147,965</u>	<u>46,502</u>

The directors and their interests in the shares of the company

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 April 2004	At 1 July 2003
S M Smith	27,001	27,001
P A J Shaw	-	-
Mrs S Smith	3,000	3,000
N T Smith	<u>-</u>	<u>-</u>

H R Dalby was appointed as a director on 5 May 2004.

S D Iles was appointed as a director on 5 May 2004.

S M Smith retired as a director on 5 May 2004.

Mrs S Smith retired as a director on 5 May 2004.

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 period and of the profit or loss for the period 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

Midland Sheetmetal Limited

The Directors' Report (*continued*)

period from 1 July 2003 to 30 April 2004

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.

Registered office:
Gloucester Crescent
Wigston
Leicester

Signed by order of the directors



S D Iles
Director and Company Secretary

Approved by the directors on 23 September 2004

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 period from 1 July 2003 to 30 April 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, 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

.....23/9/2004.....



King Freeman
Chartered Accountants
& Registered Auditors

Midland Sheetmetal Limited
Abbreviated Profit and Loss Account
 period from 1 July 2003 to 30 April 2004

	Note	Period to 30 April 2004 £	Year to 30 June 2003 £
Gross profit		1,548,464	1,347,207
Distribution costs		148,242	183,195
Administrative expenses		731,538	862,753
Operating profit	2	668,684	301,259
Cost of restructuring the company		–	(147,378)
		668,684	153,881
Interest receivable		27,893	43,690
Interest payable	5	(15,589)	(53,437)
Profit on ordinary activities before taxation		680,988	144,134
Tax on profit on ordinary activities	6	191,623	26,537
Profit on ordinary activities after taxation		489,365	117,597
Dividends	7	147,965	46,502
Retained profit for the financial period/year		341,400	71,095

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 period as set out above.

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

Midland Sheetmetal Limited

Reconciliation of Movements in Shareholders' Funds

period from 1 July 2003 to 30 April 2004

	Period to 30 April 2004 £	Year to 30 June 2003 £
Profit for the financial period/year	489,365	117,597
Dividends	<u>(147,965)</u>	<u>(46,502)</u>
	341,400	71,095
Opening shareholders' equity funds	2,855,483	2,784,388
Closing shareholders' equity funds	<u>3,196,883</u>	<u>2,855,483</u>

Midland Sheetmetal Limited

Abbreviated Balance Sheet

30 April 2004

	Note	30 April 2004		30 June 2003	
		£	£	£	£
Fixed assets					
Tangible assets	8		1,194,532		1,419,869
Current assets					
Stocks	9	409,897		114,316	
Debtors	10	1,974,324		1,453,500	
Cash at bank and in hand		1,477,405		1,420,201	
		<u>3,861,626</u>		<u>2,988,017</u>	
Creditors: Amounts falling due within one year	11	<u>1,735,590</u>		<u>1,158,320</u>	
Net current assets			2,126,036		1,829,697
Total assets less current liabilities			<u>3,320,568</u>		<u>3,249,566</u>
Creditors: Amounts falling due after more than one year					
	12		<u>115,131</u>		<u>394,083</u>
			3,205,437		2,855,483
Provisions for liabilities and charges					
Deferred taxation	14		<u>8,554</u>		<u>-</u>
			<u>3,196,883</u>		<u>2,855,483</u>
Capital and reserves					
Called-up equity share capital	16		30,001		30,001
Other reserves	17		29,999		29,999
Profit and loss account	17		3,136,883		2,795,483
Shareholders' funds			<u>3,196,883</u>		<u>2,855,483</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 23 September 2004 and are signed on their behalf by:

H R Dalby
Director



S Iles
Director



Midland Sheetmetal Limited

Cash Flow Statement

period from 1 July 2003 to 30 April 2004

	Period to 30 April 2004		Year to 30 June 2003	
	£	£	£	£
Net cash inflow from operating activities		557,603		540,195
Returns on investments and servicing of finance				
Interest received	27,893		43,690	
Interest paid	(7,522)		(23,590)	
Interest element of hire purchase	(8,067)		(29,847)	
Net cash inflow/(outflow) from returns on investments and servicing of finance		12,304		(9,747)
Taxation		(43,727)		(58,971)
Capital expenditure				
Payments to acquire tangible fixed assets	(32,910)		(21,358)	
Receipts from sale of fixed assets	18,462		20,740	
Net cash outflow from capital expenditure		(14,448)		(618)
Equity dividends paid		(147,965)		(46,502)
Cash inflow before use of liquid resources and financing		363,767		424,357
Management of liquid resources				
Cash placed in short term deposits	96,929		(94,376)	
Net cash inflow/(outflow) from management of liquid resources		96,929		(94,376)
Financing				
(Repayment) of bank loans	(178,872)		(365,134)	
Capital element of hire purchase	(127,691)		(171,407)	
Net cash outflow from financing		(306,563)		(536,541)
Increase/(decrease) in cash		154,133		(206,560)

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

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Cash Flow Statement (*continued*)

period from 1 July 2003 to 30 April 2004

Reconciliation of operating profit to net cash inflow from operating activities

	Period to 30 April 2004 £	Year to 30 June 2003 £
Operating profit	668,684	301,259
Depreciation	247,278	342,392
Profit on disposal of fixed assets	(7,493)	(20,740)
Increase in stocks	(295,581)	(47,866)
(Increase)/decrease in debtors	(520,824)	70,443
Increase in creditors	465,539	42,085
Re-organisation costs	—	(147,378)
Net cash inflow from operating activities	<u>557,603</u>	<u>540,195</u>

Reconciliation of net cash flow to movement in net funds

	30 April 2004		30 June 2003	
	£	£	£	£
Increase/(decrease) in cash in the period	154,133		(206,560)	
Net cash outflow from bank loans	178,872		365,134	
Cash outflow in respect of hire purchase	127,691		171,407	
Cash used to decrease/increase liquid resources	(96,929)		94,376	
		<u>363,767</u>		<u>424,357</u>
Change in net funds		363,767		424,357
Net funds at 1 July 2003		849,033		424,676
Net funds at 30 April 2004		<u>1,212,800</u>		<u>849,033</u>

Midland Sheetmetal Limited

Cash Flow Statement (*continued*)

period from 1 July 2003 to 30 April 2004

Analysis of changes in net funds

	At 1 July 2003 £	Cash flows £	At 30 April 2004 £
Net cash:			
Cash in hand and at bank	1,420,201	57,204	1,477,405
Less: deposits treated as liquid resources	(97,991)	96,929	(1,062)
	<u>1,322,210</u>	<u>154,133</u>	<u>1,476,343</u>
Liquid resources:			
Deposits included in cash	<u>97,991</u>	<u>(96,929)</u>	<u>1,062</u>
Debt:			
Debt due within 1 year	(23,855)	23,855	–
Debt due after 1 year	(155,017)	155,017	–
Hire purchase agreements	(392,296)	127,691	(264,605)
	<u>(571,168)</u>	<u>306,563</u>	<u>(264,605)</u>
Net funds	<u>849,033</u>	<u>363,767</u>	<u>1,212,800</u>

Midland Sheetmetal Limited

Notes to the Abbreviated Accounts

period from 1 July 2003 to 30 April 2004

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 period, 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

period from 1 July 2003 to 30 April 2004

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):

	Period to 30 April 2004 £	Year to 30 June 2003 £
Depreciation of owned fixed assets	106,795	173,812
Depreciation of assets held under hire purchase agreements	140,483	168,580
Profit on disposal of fixed assets	(7,493)	(20,740)
Auditors' remuneration		
- as auditors	24,427	14,750
Operating lease costs:		
Land and buildings	61,083	87,802
Plant and equipment	44,067	62,856

Midland Sheetmetal Limited

Notes to the Abbreviated Accounts

period from 1 July 2003 to 30 April 2004

3. Particulars of employees

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

	Period to 30 April 2004 No	Year to 30 June 2003 No
Number of production staff	165	153
Number of administrative staff	3	3
Number of directors	4	4
	<u>172</u>	<u>160</u>

The aggregate payroll costs of the above were:

	Period to 30 April 2004 £	Year to 30 June 2003 £
Wages and salaries	2,908,974	3,039,664
Social security costs	263,964	273,042
Other pension costs	42,058	58,100
	<u>3,214,996</u>	<u>3,370,806</u>

4. Directors' emoluments

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

	Period to 30 April 2004 £	Year to 30 June 2003 £
Emoluments receivable	257,224	263,571
Value of company pension contributions to money purchase schemes	42,058	58,100
	<u>299,282</u>	<u>321,671</u>

Emoluments of highest paid director:

	Period to 30 April 2004 £	Year to 30 June 2003 £
Total emoluments (excluding pension contributions)	80,465	89,841
Value of company pension contributions to money purchase schemes	24,558	27,000
	<u>105,023</u>	<u>116,841</u>

Midland Sheetmetal Limited

Notes to the Abbreviated Accounts

period from 1 July 2003 to 30 April 2004

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

	Period to 30 April 2004 No	Year to 30 June 2003 No
Money purchase schemes	<u>3</u>	<u>3</u>

5. Interest payable and similar charges

	Period to 30 April 2004 £	Year to 30 June 2003 £
Interest payable on bank borrowing	62	—
Finance charges	8,067	29,847
Other similar charges payable	7,460	23,590
	<u>15,589</u>	<u>53,437</u>

6. Taxation on ordinary activities

	Period to 30 April 2004 £	Year to 30 June 2003 £
Current tax:		
In respect of the period:		
UK Corporation tax based on the results for the period at 30% (2003 - 19%)	183,069	43,727
Over/under provision in prior year	—	(3,051)
Total current tax	<u>183,069</u>	<u>40,676</u>
Deferred tax:		
Origination and reversal of timing differences	8,554	(14,139)
Tax on profit on ordinary activities	<u>191,623</u>	<u>26,537</u>

Midland Sheetmetal Limited

Notes to the Abbreviated Accounts

period from 1 July 2003 to 30 April 2004

7. Dividends

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

	Period to 30 April 2004 £	Year to 30 June 2003 £
Dividends	<u>147,965</u>	<u>46,502</u>

8. Tangible fixed assets

	Freehold Property £	Leasehold Property £	Plant & Machinery £	Motor Vehicles £	Total £
Cost					
At 1 July 2003	770,717	407,075	3,689,066	210,088	5,076,946
Additions	—	—	32,910	—	32,910
Disposals	—	—	(364,993)	(45,829)	(410,822)
At 30 April 2004	<u>770,717</u>	<u>407,075</u>	<u>3,356,983</u>	<u>164,259</u>	<u>4,699,034</u>
Depreciation					
At 1 July 2003	90,586	260,344	3,140,982	165,165	3,657,069
Charge for the period	10,020	17,470	199,475	20,313	247,278
Disposals	—	—	(357,164)	(42,689)	(399,853)
At 30 April 2004	<u>100,606</u>	<u>277,814</u>	<u>2,983,293</u>	<u>142,789</u>	<u>3,504,502</u>
Net book value					
At 30 April 2004	<u>670,111</u>	<u>129,261</u>	<u>373,690</u>	<u>21,470</u>	<u>1,194,532</u>
At 30 June 2003	<u>680,131</u>	<u>146,731</u>	<u>548,084</u>	<u>44,923</u>	<u>1,419,869</u>

The cost of depreciable assets included in land and buildings at 30 April 2004 was £1,008,320 (30 June 2002 £1,008,320).

Hire purchase agreements

Included within the net book value of £1,194,532 is £294,692 (30 June 2003 - £435,175) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the period in respect of such assets amounted to £140,483 (30 June 2003 - £168,580).

Midland Sheetmetal Limited

Notes to the Abbreviated Accounts

period from 1 July 2003 to 30 April 2004

9. Stocks

	30 April 2004 £	30 June 2003 £
Raw materials	226,327	65,066
Work in progress	182,320	48,000
Finished goods	1,250	1,250
	<u>409,897</u>	<u>114,316</u>

10. Debtors

	30 April 2004 £	30 June 2003 £
Trade debtors	1,957,349	1,374,917
Other debtors	1,800	4,691
Prepayments and accrued income	15,175	73,892
	<u>1,974,324</u>	<u>1,453,500</u>

11. Creditors: Amounts falling due within one year

	30 April 2004 £	30 June 2003 £
Bank loans	—	23,855
Trade creditors	966,156	603,437
Other creditors including taxation and social security:		
Corporation tax	183,069	43,727
PAYE and social security	92,231	108,548
VAT	217,682	122,789
Hire purchase agreements	149,474	153,230
Other creditors	69,551	47,790
Directors current accounts	—	462
	<u>1,678,163</u>	<u>1,103,838</u>
Accruals and deferred income	57,427	54,482
	<u>1,735,590</u>	<u>1,158,320</u>

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

	30 April 2004 £	30 June 2003 £
Bank loans	—	155,017
Other creditors:		
Hire purchase agreements	115,131	239,066
	<u>115,131</u>	<u>394,083</u>

Midland Sheetmetal Limited

Notes to the Abbreviated Accounts

period from 1 July 2003 to 30 April 2004

13. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

	30 April 2004 £	30 June 2003 £
Amounts payable within 1 year	149,474	153,230
Amounts payable between 2 to 5 years	115,131	239,066
	<u>264,605</u>	<u>392,296</u>

14. Deferred taxation

	30 April 2004 £
The movement in the deferred taxation provision during the period was:	
Profit and loss account movement arising during the period	8,554
Provision carried forward	<u>8,554</u>

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

	30 April 2004 £	30 June 2003 £
Excess of taxation allowances over depreciation on fixed assets	8,554	8,413
Other timing differences	—	(8,413)
	<u>8,554</u>	<u>—</u>

15. Commitments under operating leases

At 30 April 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	30 April 2004		30 June 2003	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	5,460	—	2,500
Within 2 to 5 years	—	19,928	—	25,388
After more than 5 years	73,300	9,231	73,300	—
	<u>73,300</u>	<u>34,619</u>	<u>73,300</u>	<u>27,888</u>

Midland Sheetmetal Limited

Notes to the Abbreviated Accounts

period from 1 July 2003 to 30 April 2004

16. Share capital

Authorised share capital:

	30 April 2004 £	30 June 2003 £
60,000 Ordinary shares of £1 each	<u>60,000</u>	<u>60,000</u>

Allotted, called up and fully paid:

	30 April 2004		30 June 2003	
	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	2,795,483
Retained profit for the period	—	<u>341,400</u>
Balance carried forward	<u>29,999</u>	<u>3,136,883</u>

18. Post balance sheet events

On 5 May 2004 the entire share capital of the company was acquired by Dalby Holdings Limited, a company incorporated in England.