

**WEBSTER & HORSFALL LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR**  
**31 DECEMBER 2000**

**WENHAM MAJOR**

Chartered Accountants & Registered Auditors  
89 Cornwall Street  
Birmingham  
B3 3BY



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**WEBSTER & HORSFALL LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2000**

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**WEBSTER & HORSFALL LIMITED**

**AUDITORS' REPORT TO THE COMPANY**

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 16, together with the financial statements of the company for the year ended 31 December 2000 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**

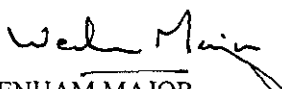
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 16

89 Cornwall Street  
Birmingham  
B3 3BY

22 May 2001

  
WENHAM MAJOR  
Chartered Accountants  
& Registered Auditors

# WEBSTER & HORSFALL LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2000.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of manufacture of wire from steel rod.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

### 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:

	2000	1999
	£	£
Proposed dividends on ordinary shares	70,038	23,346
Dividends paid on ordinary shares	93,384	58,365
	<u>163,422</u>	<u>81,711</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, including family holdings, in the shares of the company were as follows:

		At 31 December 2000	At 1 January 2000
Mr PJC Robinson	Ordinary "A"	8,000	8,000
"	Ordinary "B"	17,875	17,875
Mr CAC Horsfall	Ordinary "B"	2,291	2,291
Mr GHGC Horsfall	Ordinary "A"	12,740	12,740
"	Ordinary "B"	2,272	2,272
Col JHC Horsfall	Ordinary "A"	21,220	21,220
"	Ordinary "B"	7,200	7,200
Mr JMC Horsfall	Ordinary "A"	-	11,100
"	Ordinary "B"	4,612	4,612
Mr CALC Horsfall	Ordinary "A"	160	160
"	Ordinary "B"	6,525	6,525
Mr BP Knox-Peebles	Ordinary "A"	12,040	12,040
"	Ordinary "B"	18,060	18,060
Mr CW Bragg	Ordinary "A"	500	500
"	Ordinary "B"	3,750	3,650
Mr WI Lawrie	Ordinary "A"	1,370	1,370
"	Ordinary "B"	<u>5,500</u>	<u>5,500</u>

## WEBSTER & HORSFALL LIMITED

### THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2000

Mr CAC Horsfall is a joint trustee of a non-beneficial holding of 21,340 ordinary "A" shares (1999: 21,340).

Mr GHGC Horsfall is a joint trustee of a non-beneficial holding of 11,100 ordinary "A" shares (1999: Nil).

#### RETIREMENT OF DIRECTORS

The following directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

Mr BP Knox-Peebles

Mr CW Bragg

Mr WI Lawrie

#### FIXED ASSETS

The directors are of the opinion that the market value of the properties at the year end would significantly exceed the net book values included in the financial statements, but they are unable to quantify this excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the company's intention to retain its existing properties for use in its business for the foreseeable future.

#### 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 10 to 11, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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.

#### CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

**WEBSTER & HORSFALL LIMITED****THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 31 DECEMBER 2000****DONATIONS**

During the year the company made the following contributions:

	2000	1999
	£	£
Charitable	326	30

**AUDITORS**

A resolution to re-appoint Wenham Major as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Hay Mills  
Birmingham  
B25 8DW

Signed on behalf of the directors



PJC ROBINSON  
Director

Approved by the directors on 22 May 2001

**WEBSTER & HORSFALL LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2000**

	Note	2000 £	1999 £
<b>GROSS PROFIT</b>		1,479,459	1,373,546
Distribution costs		(9,623)	-
Administrative expenses		(1,400,826)	(1,535,280)
<b>OPERATING PROFIT/(LOSS)</b>	<b>2</b>	69,010	(161,734)
Income from shares in group undertakings	<b>5</b>	4,417	4,168
Income from participating interests	<b>6</b>	16,467	16,467
Interest receivable		44,101	30,264
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		133,995	(110,835)
Tax on profit/(loss) on ordinary activities	<b>7</b>	(19,500)	35,641
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		114,495	(75,194)
Dividends	<b>8</b>	(163,422)	(81,711)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(48,927)	(156,905)
Balance brought forward		2,156,038	2,312,943
Balance carried forward		2,107,111	2,156,038

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.

The notes on pages 10 to 16 form part of these financial statements.

## WEBSTER &amp; HORSFALL LIMITED

YEAR ENDED 31 DECEMBER 2000

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit/(Loss) for the financial year	114,495	(75,194)
Dividends	(163,422)	(81,711)
	<u>(48,927)</u>	<u>(156,905)</u>
Opening shareholders' equity funds	2,726,387	2,883,292
Closing shareholders' equity funds	<u>2,677,460</u>	<u>2,726,387</u>

The notes on pages 10 to 16 form part of these financial statements.



## WEBSTER &amp; HORSFALL LIMITED

## ABBREVIATED BALANCE SHEET

31 DECEMBER 2000

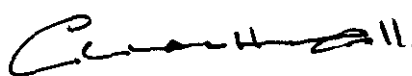
	Note	2000		1999	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		21,007		21,007
Investments	10		18,340		18,340
			<u>39,347</u>		<u>39,347</u>
<b>CURRENT ASSETS</b>					
Stocks	11	877,663		883,699	
Debtors	12	1,570,645		1,770,662	
Cash at bank and in hand		1,050,952		696,637	
		<u>3,499,260</u>		<u>3,350,998</u>	
<b>CREDITORS: Amounts falling due within one year</b>	13	(861,147)		(663,958)	
<b>NET CURRENT ASSETS</b>			<u>2,638,113</u>		<u>2,687,040</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,677,460</u>		<u>2,726,387</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	16		233,461		233,461
Other reserves	17		336,888		336,888
Profit and loss account			2,107,111		2,156,038
<b>SHAREHOLDERS' FUNDS</b>			<u>2,677,460</u>		<u>2,726,387</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 22 May 2001 and are signed on their behalf by:

MR PJC ROBINSON

MR CAC HORSFALL

## WEBSTER &amp; HORSFALL LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2000

	2000		1999	
	£	£	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		449,269		147,850
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>				
Income from group undertakings	4,417		4,168	
Income from participating interests	16,467		16,467	
Interest received	44,101		30,264	
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		64,985		50,899
<b>TAXATION</b>		41,062		(5,864)
<b>CAPITAL EXPENDITURE</b>				
Payments to acquire tangible fixed assets	(100,371)		(80,454)	
Receipts from sale of fixed assets	16,100		3,500	
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(84,271)		(76,954)
<b>EQUITY DIVIDENDS PAID</b>		(116,730)		(116,610)
<b>INCREASE/(DECREASE) IN CASH</b>		<u>354,315</u>		<u>(679)</u>
<b>RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>				
		<b>2000</b>		<b>1999</b>
		£		£
Operating profit/(loss)		69,010		(161,734)
Depreciation		100,371		80,454
Profit on disposal of fixed assets		(16,100)		(3,500)
Decrease in stocks		6,036		232,316
Decrease/(Increase) in debtors		158,955		(11,088)
Increase in creditors		130,997		11,402
<b>Net cash inflow from operating activities</b>		<u>449,269</u>		<u>147,850</u>

## WEBSTER &amp; HORSFALL LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 DECEMBER 2000

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2000 £	1999 £
Increase/(Decrease) in cash in the period	354,315	(679)
Movement in net funds in the period	<u>354,315</u>	<u>(679)</u>
Net funds at 1 January 2000	696,637	697,316
Net funds at 31 December 2000	<u>1,050,952</u>	<u>696,637</u>

## ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jan 2000 £	Cash flows £	At 31 Dec 2000 £
Net cash:			
Cash in hand and at bank	696,637	354,315	1,050,952
Net funds	<u>696,637</u>	<u>354,315</u>	<u>1,050,952</u>

**WEBSTER & HORSFALL LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2000**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

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

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

**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 Property	-	Over 40 years
Plant & Machinery	-	Written off as expenditure incurred
Fixtures & Fittings	-	Written off as expenditure incurred
Motor Vehicles	-	Written off as expenditure incurred

**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.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**WEBSTER & HORSFALL LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2000**

**1. ACCOUNTING POLICIES** *(continued)*

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**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.

**2. OPERATING PROFIT/LOSS**

Operating profit/loss is stated after charging/(crediting):

	<b>2000</b>	1999
	£	£
Depreciation	100,371	80,454
Profit on disposal of fixed assets	(16,100)	(3,500)
Auditors' remuneration		
- as auditors	27,765	23,982
Operating lease costs:		
Plant and equipment	2,560	-
Net profit on foreign currency translation	(201)	-
	<u>          </u>	<u>          </u>

**3. PARTICULARS OF EMPLOYEES**

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

	<b>2000</b>	1999
	No.	No.
Number of production staff	86	100
Number of distribution staff	5	5
Number of administrative staff	17	17
	<u>      </u>	<u>      </u>
	108	122
	<u>      </u>	<u>      </u>

**WEBSTER & HORSFALL LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2000**

**3. PARTICULARS OF EMPLOYEES** *(continued)*

The aggregate payroll costs of the above were:

	2000	1999
	£	£
Wages and salaries	1,529,767	1,725,542
Social security costs	140,217	158,610
Staff pension contributions	95,047	102,927
Other pension costs	2,000	2,000
	<u>1,767,031</u>	<u>1,989,079</u>

**4. DIRECTORS' EMOLUMENTS**

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

	2000	1999
	£	£
Emoluments receivable	173,727	160,637
Value of company pension contributions to money purchase schemes	9,108	10,376
	<u>182,835</u>	<u>171,013</u>

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

	2000	1999
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

**5. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2000	1999
	£	£
Income from group undertakings	<u>4,417</u>	<u>4,168</u>

**6. INCOME FROM PARTICIPATING INTERESTS**

	2000	1999
	£	£
Income from participating interests	<u>16,467</u>	<u>16,467</u>

**WEBSTER & HORSFALL LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2000**

**7. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES**

	2000 £	1999 £
<b>In respect of the year:</b>		
Corporation tax based on the results for the year at 20% (1999 - 33.50%)	19,500	(37,123)
<b>Adjustment in respect of previous years:</b>		
Corporation tax	-	1,482
	<u>19,500</u>	<u>(35,641)</u>

**8. DIVIDENDS**

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

	2000 £	1999 £
Proposed dividends on equity shares	70,038	23,346
Dividends paid on equity shares	93,384	58,365
	<u>163,422</u>	<u>81,711</u>

**9. TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 January 2000	115,536	976,171	147,819	391,278	1,630,804
Additions	-	18,851	4,069	77,451	100,371
Disposals	-	-	-	(66,513)	(66,513)
<b>At 31 December 2000</b>	<u>115,536</u>	<u>995,022</u>	<u>151,888</u>	<u>402,216</u>	<u>1,664,662</u>
<b>DEPRECIATION</b>					
At 1 January 2000	94,529	976,171	147,819	391,278	1,609,797
Charge for the year	-	18,851	4,069	77,451	100,371
On disposals	-	-	-	(66,513)	(66,513)
<b>At 31 December 2000</b>	<u>94,529</u>	<u>995,022</u>	<u>151,888</u>	<u>402,216</u>	<u>1,643,655</u>
<b>NET BOOK VALUE</b>					
<b>At 31 December 2000</b>	<u>21,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,007</u>
At 31 December 1999	<u>21,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,007</u>

**WEBSTER & HORSFALL LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2000**

**9. TANGIBLE FIXED ASSETS** *(continued)*

The cost of depreciable assets included in land and buildings at the year end is £94,529.

**10. INVESTMENTS**

	Webster and Horsfall (Canada) Limited £	Latch and Batchelor Limited £	Total £
<b>COST</b>			
At 1 January 2000 and 31 December 2000	5,000	13,340	18,340
<b>NET BOOK VALUE</b>			
At 31 December 2000	5,000	13,340	18,340
At 31 December 1999	5,000	13,340	18,340

The company owns 100% of the issued share capital of Webster & Horsfall (Canada) Limited, a company incorporated in Canada. The company ceased trading on 28th January 1993.

The company owns 42.9% of the issued share capital of Latch & Batchelor Limited, a company incorporated in England and Wales. The company manufactures and factors steel wire rope.

	2000 £	1999 £
<b>Aggregate capital and reserves</b>		
Webster & Horsfall (Canada) Limited	43,889	44,458
Latch & Batchelor Limited	449,189	461,464
<b>Profit and (loss) for the year</b>		
Webster & Horsfall (Canada) Limited	-	-
Latch & Batchelor Limited	64,489	(158,450)

**11. STOCKS**

	2000 £	1999 £
Raw materials	285,807	273,080
Work in progress	269,404	329,467
Finished goods	322,452	281,152
	<u>877,663</u>	<u>883,699</u>



**WEBSTER & HORSFALL LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2000**

**12. DEBTORS**

	2000	1999
	£	£
Trade debtors	1,277,317	1,184,728
Amounts owed by undertakings in which the company has a participating interest	271,083	479,169
Corporation Tax repayable	-	41,062
Prepayments and accrued income	22,245	65,703
	<u>1,570,645</u>	<u>1,770,662</u>

**13. CREDITORS: Amounts falling due within one year**

	2000	1999
	£	£
Trade creditors	487,428	382,962
Corporation tax	19,500	-
Other taxation and social security	123,980	119,793
Other creditors	70,038	23,346
Accruals and deferred income	160,201	137,857
	<u>861,147</u>	<u>663,958</u>

**14. PENSIONS**

The company operates a defined contribution pension scheme. The funds of the scheme are administered by Trustees and are separate from the company. The company's contribution for the year was £95,047 (1999: £102,028).

**15. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2000	1999
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>2,560</u>	<u>-</u>

**WEBSTER & HORSFALL LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2000**

**16. SHARE CAPITAL****Authorised share capital:**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
97,982 Ordinary "A" shares of £1 each	97,982	97,982
135,479 Ordinary "B" shares of £1 each	135,479	135,479
161,539 11% non-cumulative preference shares of £1 each	161,539	161,539
	<u>395,000</u>	<u>395,000</u>

**Allotted and called up:**

	<b>2000</b>		<b>1999</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary "A" shares fully paid	97,982	97,982	97,982	97,982
Ordinary "B" shares fully paid	135,479	135,479	135,479	135,479
	<u>233,461</u>	<u>233,461</u>	<u>233,461</u>	<u>233,461</u>

**17. OTHER RESERVES**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Capital redemption reserve	161,539	161,539
Plant replacement reserve balance brought forward	31,000	31,000
Capital reserve balance brought forward	100,000	100,000
General reserve balance brought forward	44,349	44,349
	<u>336,888</u>	<u>336,888</u>

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