

Registrar

786390

The Batley Valve Company Limited

Directors' Report and Abbreviated Financial Statements

Year ended 31 December 1993



**The Bailey Valve Company Limited**

**Company Information**

**Year ended 31 December 1993**

<b>Directors</b>	M. Stead J. Stead J. Ward
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<b>Secretary</b>	J. Ward
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<b>Company Number</b>	786390
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<b>Registered Office</b>	Longlands Industrial Estate Wakefield Road Ossett West Yorkshire
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<b>Auditors</b>	Forrest Burlinson Chartered Accountants West Park Chambers West Park Street Dewsbury
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**The Batley Valve Company Limited**

**Year ended 31 December 1993**

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# The Batley Valve Company Limited

## Directors' Report for the year ended 31 December 1993

The directors present their report and the financial statements for the year ended 31 December 1993.

### Principal Activities and Review of the Business

The principal activity of the company continued to relate to that of industrial valve manufacturers. The Company improved margins by offering less discounts and being more selective about accepting orders.

The net profit increased by 11% despite a 16% decrease in turnover. The company view the future with optimism.

### Results and Dividends

The results for the year are set out on page 4.

The directors have paid an interim dividend, amounting to £38,750, and they do not recommend payment of a final dividend.

It is proposed that the retained profit of £161,676 is transferred to reserves.

### Fixed Assets

Details of movements in fixed assets during the year are set out in note 8 to the financial statements.

### Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

	Class of share	Number of shares	
		1993	1992
M. Stead	Ordinary shares	5,709	10,209
J. Stead	Ordinary shares	2,001	1
J. Ward	Ordinary shares	-	-

### 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 then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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.

**The Batley Valve Company Limited**

**Directors' Report for the year ended 31 December 1993 (continued)**

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Forrest Burlinson be reappointed as auditors of the company will be put to the Annual General Meeting.

The report was approved by the Board on 23rd September 1994

A handwritten signature in dark ink, appearing to read 'J. Ward', is written over the printed name.

**J. Ward**  
**Secretary**

**The Batley Valve Company Limited**

**Auditors' Report to the Directors of The Batley Valve Company Limited  
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985**

We have examined the abbreviated accounts on pages 4 to 14 together with the full financial statements of The Batley Valve Company Limited for the year ended 31 December 1993. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 5 and that the abbreviated accounts have been properly prepared from the full financial statements.

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 31 December 1993, and the abbreviated accounts on pages 4 to 14 have been properly prepared in accordance with that Schedule.

On 23rd September 1994 we reported, as auditors of The Batley Valve Company Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1993, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 2 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.

**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 judgments 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 other irregularity or error. 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 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



**Forrest Burlinson**  
**Chartered Accountants and Registered Auditor**

**23rd September 1994**

Chartered Accountants  
West Park Chambers  
West Park Street  
Dewsbury

The Batley Valve Company Limited

Abbreviated Profit and Loss Account  
for the year ended 31 December 1993

	Notes	1993 £	1992 £
Gross profit		1,160,245	1,227,869
Distribution costs		(106,631)	(125,597)
Administrative expenses		(774,420)	(827,431)
Operating profit	2	279,194	274,841
Other interest receivable and similar income	3	2,325	3
Interest payable and similar charges	4	(10,169)	(26,560)
Profit on ordinary activities before taxation		271,350	248,284
Tax on profit on ordinary activities	5	(70,924)	(72,563)
Profit on ordinary activities after taxation		200,426	175,721
Dividends	6	(38,750)	-
Retained profit for the year	14	<u>£ 161,676</u>	<u>£ 175,721</u>

The Batley Valve Company Limited

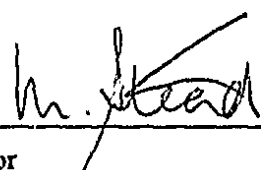
Abbreviated Balance Sheet  
as at 31 December 1993

	Notes	1993 £	1992 £
<b>Fixed Assets</b>			
Tangible assets	7	271,525	289,352
<b>Current Assets</b>			
Stocks	8	264,891	211,332
Debtors	9	725,537	1,023,480
Cash at bank and in hand		553	224
		<u>990,981</u>	<u>1,235,036</u>
Creditors: amounts falling due within one year	10	<u>(584,541)</u>	<u>(1,008,263)</u>
<b>Net Current Assets</b>		<u>406,440</u>	<u>226,773</u>
<b>Total Assets Less Current Liabilities</b>		<u>677,965</u>	<u>516,125</u>
Creditors: amounts falling due after more than one year		(7,400)	(19,504)
<b>Provision for Liabilities and Charges</b>	11	<u>(48,572)</u>	<u>(36,304)</u>
		<u>£ 621,993</u>	<u>£ 460,317</u>
<b>Capital and Reserves</b>			
Called up share capital	13	10,210	10,210
Profit and loss account	14	611,783	450,107
<b>Shareholders' Funds</b>	15	<u>£ 621,993</u>	<u>£ 460,317</u>

In preparing these abbreviated financial statements:

- (a) Advantage has been taken of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a medium company.

The financial statements were approved by the Board on 23rd September 1994.

  
Director



**The Batley Valve Company Limited**

**Cash Flow Statement  
for the year ended 31 December 1993**

	1993	1992
	£	£
Net cash in/outflow from operating activities	415,963	(18,982)
Returns on investments and servicing of finance		
Interest received	2,325	3
Interest paid	(10,169)	(26,560)
Dividends paid	(38,750)	-
Net cash in/outflow from returns on investments and servicing of finance	(46,594)	(26,557)
Taxation		
Corporation tax paid (including advance corporation tax)	(60,478)	(33,214)
Tax paid	(60,478)	(33,214)
Investing activities		
Payments to acquire investments	(19,455)	(63,436)
Receipts from sales of tangible assets	2,900	7,450
Net cash in/outflow from investing activities	(16,555)	(55,986)
Net cash in/outflow before financing	292,336	134,739
Financing		
Capital element of hire purchase contracts	(35,273)	(5,899)
Net cash in/outflow from financing	(35,273)	(5,899)
In/Decrease in cash and cash equivalents	£ 257,063	£(140,638)

**The Batley Valve Company Limited**

**Notes to the Cash Flow Statement  
for the year ended 31 December 1993**

1	Reconciliation of operating profit to net cash in/outflow from operating activities	1993 £	1992 £	
	Operating profit	279,194	274,841	
	Depreciation of tangible assets	33,355	33,201	
	Loss on disposal of tangible assets	1,026	1,658	
	Increase in stocks	(53,559)	44,167	
	Decrease in debtors	309,193	(477,642)	
	Decrease in creditors due within one year	(153,246)	104,793	
	Net cash in/outflow from operating activities	£ 415,963	£ (18,982)	
2	Analysis of changes in cash and cash equivalents during the year	1993 £	1992 £	
	Balance at 1 January 1992	(455,681)	(315,045)	
	Net cash in/outflow	257,062	(140,636)	
	Balance at 31 December 1993	£(198,619)	£(455,681)	
3	Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1993 £	1992 £	Change in year £
	Cash at bank and in hand	553	224	329
	Bank overdrafts	(199,172)	(455,905)	256,733
		£(198,619)	£(455,681)	£ 257,062
4	Analysis of changes in financing during the year	Share capital £	Loans and finance lease obligations £	
	Balance at 1 January 1992	10,210	64,580	
	Cash in/outflow from financing	-	(35,276)	
	Balance at 31 December 1993	£ 10,210	£ 29,304	

## **The Batley Valve Company Limited**

### **Notes to the Abbreviated Financial Statements for the year ended 31 December 1993**

#### **1. Accounting Policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

##### **1.2 Turnover**

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

##### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	-	20% Straight line basis
Plant and machinery	-	10% Straight line basis
Fixtures, fittings and equipment	-	10% Straight line basis
Motor vehicles	-	25% Reducing line basis

##### **1.4 Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **1.5 Stock and work in progress**

Stock and work in progress are valued at the lower of cost and net realisable value.

##### **1.6 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

##### **1.7 Deferred taxation**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

The Batley Valve Company Limited

Notes to the Abbreviated Financial Statements  
for the year ended 31 December 1993

2.	Operating Profit	1993 £	1992 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	33,355	33,201
	Auditors' remuneration	5,600	5,600
		<u>          </u>	<u>          </u>
3.	Other Interest Receivable and Similar Income	1993 £	1992 £
	Bank interest received	2,325	3
		<u>          </u>	<u>          </u>
4.	Interest Payable	1993 £	1992 £
	On bank loans and overdrafts	4,725	15,783
	On other loans wholly repayable within 5 years	-	3,968
	Hire purchase interest	5,444	6,809
		<u>          </u>	<u>          </u>
		£ 10,169	£ 26,560
		<u>          </u>	<u>          </u>
5.	Taxation	1993 £	1992 £
	U.K. Current year taxation		
	U.K. Corporation tax at 33% (1992 - 33%)	69,906	60,478
	Transfer to deferred taxation	1,018	10,778
		<u>          </u>	<u>          </u>
		70,924	71,256
	Prior years		
	U.K. Corporation tax	-	1,307
		<u>          </u>	<u>          </u>
		£ 70,924	£ 72,563
		<u>          </u>	<u>          </u>
6.	Dividends	1993 £	1992 £
	Ordinary:		
	Final paid	38,750	-
		<u>          </u>	<u>          </u>

The Batley Valve Company Limited

Notes to the Abbreviated Financial Statements  
for the year ended 31 December 1993

7. Tangible Assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 1992	156,711	212,426	103,410	120,982	593,529
Additions	-	2,315	4,720	12,420	19,455
Disposals	-	(4,219)	(745)	(11,039)	(16,003)
At 31 December 1993	156,711	210,522	107,385	122,363	596,981
<b>Depreciation</b>					
At 1 January 1992	-	181,230	81,638	41,310	304,178
On disposals	-	(4,219)	(397)	(7,461)	(12,077)
Charge for year	-	7,785	5,490	20,080	33,355
At 31 December 1993	-	184,796	86,731	53,929	325,456
<b>Net book values</b>					
At 31 December 1993	£ 156,711	£ 25,726	£ 20,654	£ 68,434	£ 271,525
At 31 December 1992	£ 156,711	£ 31,197	£ 21,772	£ 79,672	£ 289,352

Included above are assets held under finance leases or hire purchase contracts as follows:

	Net book value £	Depreciation charge £
Plant and machinery	10,730	1,250
Motor vehicles	22,947	11,622
	£ 33,677	£ 12,872

8. Stocks and Work in Progress

	1993 £	1992 £
Raw materials and consumables	124,140	115,951
Work in progress	64,544	91,907
Finished goods and goods for resale	188,684 76,207	207,858 3,474
	£ 264,891	£ 211,332

The Batley Valve Company Limited

Notes to the Abbreviated Financial Statements  
for the year ended 31 December 1993

9. Debtors	1993 £	1992 £
Trade debtors	680,579	994,452
ACT recoverable	11,250	-
Other debtors	791	575
Prepayments and accrued income	32,917	28,453
	<u>£ 725,537</u>	<u>£ 1,023,480</u>
10. Creditors: amounts falling due within one year	1993 £	1992 £
Bank loans and overdrafts	199,172	455,905
Net obligations under finance lease and hire purchase contracts	21,905	45,076
Trade creditors	140,138	235,262
Corporation tax	69,906	60,478
Other taxes and social security costs	33,927	69,381
Directors' current accounts	40,096	8,946
Other creditors	42,343	35,736
Accruals and deferred income	37,054	97,479
	<u>£ 584,541</u>	<u>£ 1,008,263</u>

**The Batley Valve Company Limited**

**Notes to the Abbreviated Financial Statements  
for the year ended 31 December 1993**

**11. Provisions for Liabilities and Charges**

Deferred tax is provided at 33% (1992 - 33%) analysed over the following timing differences:

	Fully Provided	
	1993	1992
	£	£
Accelerated capital allowances	36,304	36,304
Tax losses available	1,018	-
ACT available for offset	11,250	-
	<u>£ 48,572</u>	<u>£ 36,304</u>

Movements on the provision for deferred taxation are:

	£
At 1 January 1992	37,322
Advance corporation tax	11,250
At 31 December 1993	<u>£ 48,572</u>

Full provision is made in respect of all material timing differences.

**12. Pension Costs**

The company operates a defined contribution pension scheme, the assets of which 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.

Contributions paid	1993 £68,946	1992 £49,544
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The company also operates a defined benefit final salary scheme, the assets of which are held separately from those of the company, being invested with insurance companies. The contributions are determined by a qualified actuary on the basis of triennial valuation discounting future income and expenditure at the valuation rate of interest. The most recent valuation was as at July 1991. The main long term actuarial assumptions were that investment returns would be 10% per annum and that salary increases would average 10% per annum.

Contributions paid	1993 £ 2,060	1992 £ 2,040
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The ongoing value of the fund at 31st December 1990 was £814284.

# The Bailey Valve Company Limited

## Notes to the Abbreviated Financial Statements for the year ended 31 December 1993

13.	Share Capital	1993 £	1992 £
	Authorised 40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
	Allotted, called up and fully paid 10,210 Ordinary shares of £1 each	<u>10,210</u>	<u>10,210</u>
14.	Profit And Loss Account	1993 £	1992 £
	Retained profits at 1 January 1992	450,107	274,386
	Retained profit for the year	<u>161,676</u>	<u>175,721</u>
	Retained profits at 31 December 1993	<u>£ 611,783</u>	<u>£ 450,107</u>
15.	Reconciliation of Movements in Shareholders' Funds	1993 £	1992 £
	Profit for the financial year	200,426	175,721
	Dividends	<u>(38,750)</u>	<u>-</u>
	Net addition to shareholders' funds	161,676	175,721
	Opening shareholders' funds	<u>460,317</u>	<u>284,596</u>
	Closing shareholders' funds	<u>£ 621,993</u>	<u>£ 460,317</u>

## 16. Contingent Liabilities

At the year end the bank held : Outstanding forward contracts totalling £6130 (1992 £62474) and Performance bonds and contract guarantees totalling £85872 (1992 96414). No provision has been made as it is unlikely that the contracts will be called upon.



**The Batley Valve Company Limited**

**Notes to the Abbreviated Financial Statements  
for the year ended 31 December 1993**

**17. Directors' Emoluments**

	1993 £	1992 £
Remuneration	<u>133,238</u>	<u>124,945</u>
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	<u>£ 69,423</u>	<u>£ 65,192</u>
The highest-paid director	<u>£ 69,423</u>	<u>£ 65,192</u>
Other directors' emoluments (excluding pension contributions) were in the following ranges:	Number	Number
£25,001 - £30,000	1	1
£30,001 - £35,000	<u>1</u>	<u>1</u>

**18. Employees**

**Number of employees**

The average weekly number of employees (including  
directors) during the year was:

	1993 Number	1992 Number
Production	25	25
Administration	<u>24</u>	<u>24</u>
	<u>49</u>	<u>49</u>

**Employment costs**

	£	£
Wages and salaries	872,766	894,006
Social security costs	81,534	75,770
Other pension costs	<u>71,006</u>	<u>51,584</u>
	<u>£ 1,025,306</u>	<u>£ 1,021,360</u>