

REGISTER

Charles Day (Steels) Limited
Abbreviated Financial Statements
31st October 2001
Company No: 1289020



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Charles Day (Steels) Limited

Company Information

Company No: 1289020

Directors

J C W Day
P C Wooffinden

Secretary

P C Wooffinden

Auditors

Shorts

Bankers

Royal Bank of Scotland plc

Registered Office

Downgate Drive
Sheffield
S4 8BT

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2	Abbreviated Auditors' Report
3	Abbreviated Profit and Loss Account
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Director's Report

for the year ended 31st October 2001

The directors submit their report together with the audited financial statements for the year ended 31st October 2001.

Directors' Statement

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 for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements 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 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.

Dividends

The directors do not recommend a dividend.

Principal Activity and Business Review

The principal activity of the company continued to be that of steel profile burning.

Traditional business remained difficult during the year, but new business continued to grow. No significant further investment is expected until the current climate improves.

Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	2001 No.	2000 No.
J C W Day	19,600	19,600
P C Wooffinden	-	-

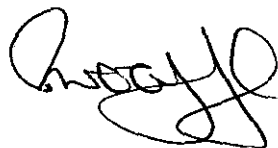
Auditors

Shorts have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be put to the members at the annual general meeting.

Approved by the Board on 8th May 2002.

P C Wooffinden

Secretary



Charles Day (Steels) Limited

Auditors' Report to Charles Day (Steels) Limited

under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 to 15, together with the financial statements of the company for the year ended 31st October 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

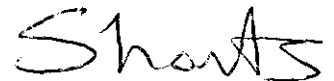
The director is responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver the abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 15 are properly prepared in accordance with that provision.



Shorts

6 Fairfield Road
Chesterfield
Derbyshire
S40 4TP

Registered auditors

8th May 2002

Charles Day (Steels) Limited

Abbreviated Profit and Loss Account

for the year ended 31st October 2001

	Notes	2001 £	2000 £
Gross profit		1,083,516	947,010
Administrative expenses		910,805	903,831
Other operating income	2	50,583	93,173
Operating profit	3	223,294	136,352
Exceptional item	4	-	66,000
Profit on ordinary activities before interest		223,294	70,352
Interest receivable		319	644
Interest payable	4	124,483	118,622
Profit/Loss for the financial year		99,130	(47,626)
Dividends		-	55,000
Retained profit/loss transferred to/from reserves	14	99,130	(102,626)

All amounts relate to continuing activities.

Statement of Total Recognised Gains and Losses

for the year ended 31st October 2001

	2001 £	2000 £
Statement of Total Recognised Gains and Losses		
Profit/(Loss) for the financial year	99,130	(47,626)
Unrealised surplus on revaluation of freehold and investment properties	3,846	83,466
Total recognised gains since the last financial statements	<u>102,976</u>	<u>35,840</u>

Note of Historical Cost Profits and Losses

Profit/(Loss) on ordinary activities before taxation	99,130	(47,626)
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	56	-
Historical cost profit/loss before taxation	<u>99,186</u>	<u>(47,626)</u>
Historical cost profit/loss transferred to/from reserves	<u>99,186</u>	<u>(102,626)</u>

Charles Day (Steels) Limited

Abbreviated Balance Sheet

at 31st October 2001

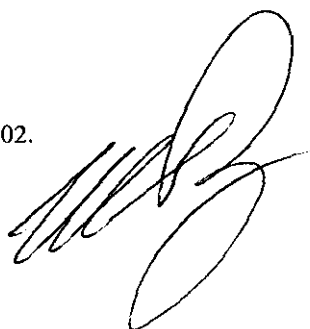
	Notes	2001 £	2000 £
Fixed Assets			
Tangible assets	6	1,675,434	1,429,614
Current Assets			
Stock	7	428,786	444,570
Debtors	8	1,181,292	1,220,860
Cash in hand and at bank		358	33,739
		<u>1,610,436</u>	<u>1,699,169</u>
Creditors:			
Amounts falling due within one year	9	<u>1,843,863</u>	<u>1,861,379</u>
Net Current Liabilities		<u>(233,427)</u>	<u>(162,210)</u>
Total Assets Less Current Liabilities		<u>1,442,007</u>	<u>1,267,404</u>
Creditors:			
Amounts falling due after more than one year	10	503,918	430,094
Deferred Income			
Government grants	12	<u>92,279</u>	<u>94,476</u>
		<u>845,810</u>	<u>742,834</u>
Capital and Reserves			
Share capital	13	21,000	21,000
Revaluation reserve	14	88,839	85,049
Profit and loss account	14	<u>735,971</u>	<u>636,785</u>
Equity Shareholders' Funds	15	<u>845,810</u>	<u>742,834</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

Approved by the board on 8th May 2002.

J C W Day

Director



Charles Day (Steels) Limited**Cash Flow Statement****for the year ended 31st October 2001**

	Notes	2001 £	2000 £
Cash flow from operating activities	20	318,219	302,017
Returns on investments and servicing of finance	21	(124,104)	(118,171)
Capital expenditure	21	(69,282)	54,586
Equity dividends paid		-	(55,000)
Cash inflow before financing		124,833	183,432
Financing	21	(220,345)	(151,041)
(Decrease)/Increase in cash in the year	22	(95,512)	32,391
Reconciliation of net cash flow to movement in net debt			
(Decrease)/Increase in cash in the year		(95,512)	32,391
Cash outflow from decrease in debt and lease financing	22	220,345	151,041
Change in net debt resulting from cash flows		124,833	183,432
New hire purchase contracts	22	(365,622)	(14,150)
Movement in net debt in the period		(240,789)	169,282
Net debt at 1st November 2000		(529,986)	(699,268)
Net debt at 31st October 2001	22	(770,775)	(529,986)

The notes on pages 7 to 15 form part of the financial statements.

1 Principal Accounting Policies***Accounting Convention***

The Financial Statements have been prepared under the historical cost convention, modified to include the revaluation of freehold and investment properties.

Turnover

Turnover represents the invoiced amount of goods sold and services provided during the year, stated net of value added tax.

Depreciation

Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, other than freehold land and investment properties, over their expected useful lives. The rates generally applicable are:

Freehold buildings	2% straight line
Laser cutting machines	20% straight line
Other plant and equipment	10% straight line
Motor vehicles	20% reducing balance
Fixtures and fittings	10% straight line
Computer and office equipment	20% straight line

The part of the annual depreciation charge on revalued assets which relates to the surplus is transferred from the revaluation reserve to the profit and loss account reserve.

Investment Property

In accordance with Statement of Standard Accounting Practice No. 19, one of the company's properties which is held for long-term investment is included in the Balance Sheet at its open market value. The surplus or deficit on annual revaluation of this property is transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties.

This policy represents a departure from statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the Financial Statements may give a true and fair view because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Government Grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the Profit and Loss Account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants or assistance of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost of raw materials is based on actual purchase price. The cost of 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.

Notes to the Abbreviated Financial Statements

31st October 2001

Deferred Taxation

Provision is made for deferred taxation using the liability method on short term timing differences and all other material timing differences which are not expected to continue in the future. A deferred taxation asset is shown only to the extent that its recovery is reasonably certain within the following financial year.

No provision is made for the tax liability which might arise on the gain that would be realised if the revalued fixed assets were sold at the amounts shown in the balance sheet. In view of the company's policy of expansion and continued ownership of the assets, it is not probable that a liability will arise in the foreseeable future.

Contribution to Pension Funds

The company operates a number of defined contribution pension schemes. The cost of the contributions made by the company to the schemes are charged to the profit and loss account as incurred.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing and hire purchase payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease or hire purchase contract.

2	Other Operating Income	2001	2000
		£	£
	Rental income	583	12,449
	Profit on disposal of fixed assets	-	80,724
	Revenue grants receivable	50,000	-
		<u>50,583</u>	<u>93,173</u>
3	Operating Profit	2001	2000
		£	£
	<i>The operating profit is stated after charging or crediting:</i>		
	Loss on disposal of fixed assets	2,023	-
	Amounts payable to the auditors in respect of audit services	5,000	4,800
	Depreciation - owned assets	80,525	82,037
	Depreciation - assets held under hire purchase contracts	145,382	85,253
	Government grants transferred from deferred income	(2,197)	(2,197)
		<u>(2,197)</u>	<u>(2,197)</u>
4	Interest Payable	2001	2000
		£	£
	Bank loan and overdraft	30,272	31,008
	Hire purchase	40,970	25,884
	Other	53,241	61,730
		<u>124,483</u>	<u>118,622</u>

Notes to the Abbreviated Financial Statements

31st October 2001

5 Directors and Employees

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	1,007,468	1,097,000
Social security costs	86,567	99,712
Other pension costs	16,224	17,020
	<u>1,110,259</u>	<u>1,213,732</u>

The average monthly number of employees, including directors, during the year was as follows:

	2001 Number	2000 Number
Directors and management	5	5
Administration	8	8
Production	37	47
	<u>50</u>	<u>60</u>

Remuneration in respect of directors was as follows:

	2001 £	2000 £
Aggregate amount of emoluments paid in respect of qualifying services	144,625	141,313
Aggregate value of company contributions to money purchase pension schemes	15,124	15,820
	<u>159,749</u>	<u>157,133</u>

Other disclosures in respect of directors' qualifying services:

	2001 Number	2000 Number
The number of directors at the year end to whom retirement benefits are accruing under money purchase pension schemes	<u>2</u>	<u>2</u>

Notes to the Abbreviated Financial Statements

31st October 2001

6 Tangible Fixed Assets

	Freehold land and buildings	Investment property	Plant and equipment	Motor vehicles	Fixtures and fittings	Computer and office equipment	Total
Cost or valuation	£	£	£	£	£	£	£
At 1st November 2000	850,000	1,983	1,101,572	178,655	30,933	184,834	2,347,977
Additions	4,971	-	433,513	41,383	2,226	7,011	489,104
Disposals	-	-	-	(67,075)	-	-	(67,075)
Surplus on revaluation	-	3,846	-	-	-	-	3,846
At 31st October 2001	854,971	5,829	1,535,085	152,963	33,159	191,845	2,773,852
Depreciation							
At 1st November 2000	-	-	640,438	101,464	21,741	154,720	918,363
Charge for the year	14,073	-	180,493	15,748	1,890	13,703	225,907
Disposals	-	-	-	(45,852)	-	-	(45,852)
At 31st October 2001	14,073	-	820,931	71,360	23,631	168,423	1,098,418
Net Book Value							
Owned assets	840,898	5,829	190,840	81,603	9,528	23,422	1,152,120
Assets held under hire purchase contracts	-	-	523,314	-	-	-	523,314
At 31st October 2001	840,898	5,829	714,154	81,603	9,528	23,422	1,675,434
Owned assets	850,000	1,983	142,437	52,795	9,192	30,114	1,086,521
Assets held under hire purchase contracts	-	-	318,697	24,396	-	-	343,093
At 31st October 2000	850,000	1,983	461,134	77,191	9,192	30,114	1,429,614

Analysis of freehold land and buildings

	Land £	Buildings £	Total £
Valuation	150,000	704,971	854,971

Revaluation of freehold property

2001	2000
£	£

The freehold land and buildings were valued at £850,000 on 19th September 2000 by Brownill Vickers, who are a member of RICS, on an open market existing use basis. The directors are of the opinion that the value has not changed significantly since that time. Had these assets not been revalued, they would have been included at the following historical cost amounts:

Cost	849,347	844,376
Accumulated depreciation	(92,501)	(78,484)
Net book value	756,846	765,892

Investment property

The freehold interest in the investment property, which had an original cost of £161,296, is held subject to a 99 year lease granted in 1996 and yielding a rental of £50 per annum. It was valued by the directors on an open market existing use basis at the amount shown above.

Notes to the Abbreviated Financial Statements

31st October 2001

7	Stocks	2001 £	2000 £
	Raw materials	278,679	290,908
	Finished goods	150,107	153,662
		<u>428,786</u>	<u>444,570</u>

8	Debtors	2001 £	2000 £
	Trade debtors	1,087,212	1,131,769
	Corporation tax recoverable	4,723	4,723
	Other debtors	12,177	59,885
	Prepayments	77,180	24,483
		<u>1,181,292</u>	<u>1,220,860</u>

Included in trade debtors are factored debts totalling £660,620 (2000: £1,125,350).

9	Creditors: Amounts falling due within one year	2001 £	2000 £
	Bank loan (see Note 11)	98,848	34,039
	Obligations under hire purchase contracts	168,367	99,592
	Trade creditors	744,605	897,123
	Other taxes and social security costs	103,166	86,048
	Other creditors	656,763	673,406
	Accruals and deferred income	72,114	71,171
		<u>1,843,863</u>	<u>1,861,379</u>

The company meets its day to day working capital requirements through a bank overdraft facility which is repayable on demand. The company expects to operate within the facility currently agreed and within that expected to be agreed on 30th September 2002, when the company's bankers are due to consider its renewal for a further year. These views are based on the company's plans and on the successful outcome of discussions with the company's bankers.

10	Creditors: Amounts falling due after more than one year	2001 £	2000 £
	Bank loan	178,794	215,828
	Obligations under hire purchase contracts	325,124	214,266
		<u>503,918</u>	<u>430,094</u>

The bank loan and overdraft are secured by a fixed and floating charge over all of the company's assets. The loan, which bears interest fixed at 7.53% per annum, is repayable by monthly instalments projected to terminate in November 2006. The bank loan and overdraft are repayable as follows:

Within one year	98,848	34,039
Between one and two years	39,579	36,691
Between two and five years	138,230	128,147
After more than five years	985	50,990
Total borrowings	<u>277,642</u>	<u>249,867</u>

Notes to the Abbreviated Financial Statements

31st October 2001

11	Obligations Under Hire Purchase Contracts	2001	2000
		£	£
	Obligations under hire purchase contracts are due as follows:		
	Within one year	168,367	99,592
	Between one and two years	131,224	74,115
	Between two and five years	193,899	140,151
		<u>493,490</u>	<u>313,858</u>
	Obligations under hire purchase contracts are secured on the assets concerned.		
12	Government Grants	2001	2000
		£	£
	At 1st November 2000	94,476	96,673
	Transferred to profit & loss account during the year	(2,197)	(2,197)
	At 31st October 2001	<u>92,279</u>	<u>94,476</u>
13	Share Capital		
	Authorised	2001	2000
		£	£
	1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
	Allotted, issued, and fully paid	2001	2000
		£	£
	21,000 Ordinary shares of £1 each	<u>21,000</u>	<u>21,000</u>
14	Reserves	Revaluation Reserve	Profit and Loss Account
		£	£
	At 1st November 2000	85,049	636,785
	Profit for the year	-	99,130
	Transfer of excess depreciation on revalued assets	(56)	56
	Surplus on revaluation of investment property	3,846	-
	At 31st October 2001	<u>88,839</u>	<u>735,971</u>

Notes to the Abbreviated Financial Statements

31st October 2001

15 Reconciliation of Movements in Shareholders' Funds

	2001 £	2000 £
Profit/(Loss) for the financial year	99,130	(47,626)
Dividends	-	(55,000)
	99,130	(102,626)
Other recognised gains	3,846	83,466
Increase/(Decrease) in shareholders' funds	102,976	(19,160)
Opening shareholders' funds	742,834	761,994
Closing shareholders' funds	845,810	742,834

16 Related Party Transactions

Included in other creditors (debtors) are interest-free quasi-loans from (to) the directors on which the transactions during the year were as follows:

J C W Day

	2001 £	2000 £
Balance at 1st November 2000	(865)	(55,897)
Dividend	-	55,000
Personal expenses paid by the company	-	(9,968)
Cash (withdrawn)/introduced	-	10,000
Balance at 31st October 2001	(865)	(865)

P C Wooffinden

	2001 £	2000 £
Balance at 1st November 2000	1,096	1,096
Balance at 31st October 2001	1,096	1,096

During the year a vehicle was sold to J C W Day for £7,500, being the open market value at that time.

During the year ended 31st October 1997 the company granted a 99 year lease on one of its freehold properties to the CDS Retirement Fund for a consideration of £310,000. Rent of £50 per annum is payable under this lease.

The company is controlled by J C W Day.

19 Pensions - Defined Contribution Scheme

The company operates a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension costs charge of £16,224 (2000: £17,020) represents contributions payable by the company to the funds. An amount of £3,430 (2000: £4,543) was owing to the funds at 31st October 2001.

Notes to the Abbreviated Financial Statements

31st October 2001

20 Reconciliation of Operating Profit to Operating Cash Flows

	2001 £	2000 £
Operating profit	223,294	136,352
Depreciation charges	225,907	167,290
Government grants transferred from deferred income	(2,197)	(2,197)
Loss/(Profit) on disposal of fixed assets	2,023	(80,724)
Decrease in stocks	15,784	125,745
Decrease in debtors	4,568	123,501
Decrease in creditors	(151,160)	(101,950)
Exceptional items	-	(66,000)
Net Cash Inflow from Operating Activities	<u>318,219</u>	<u>302,017</u>

21 Analysis of Cash Flows for headings netted in the Cash Flow Statement

Returns on investments and servicing of finance

	2001 £	2000 £
Interest received	319	644
Interest paid	(83,453)	(92,931)
Interest element of hire purchase payments	(40,970)	(25,884)
Net cash outflow for returns on investments and servicing of finance	<u>(124,104)</u>	<u>(118,171)</u>

Capital expenditure

	2001 £	2000 £
Payments to acquire tangible fixed assets	(123,482)	(24,638)
Proceeds from the sale of tangible fixed assets	54,200	79,224
Net cash outflow/inflow for capital expenditure	<u>(69,282)</u>	<u>54,586</u>

Financing

	2001 £	2000 £
Debt due within a year: repayments made	(34,356)	(30,833)
Hire purchase repayments	(185,989)	(120,208)
Net cash outflow from financing	<u>(220,345)</u>	<u>(151,041)</u>

Notes to the Abbreviated Financial Statements

31st October 2001

22 Analysis of changes in Net Debt

	At 1st November 2000 £	Cashflows £	Other changes £	At 31st October 2001 £
Cash at bank and in hand	33,739	(33,381)	-	358
Bank overdraft	-	(62,131)	-	(62,131)
	<u>33,739</u>	<u>(95,512)</u>	<u>-</u>	<u>(61,773)</u>
Debt due within one year	(34,039)	34,356	(37,034)	(36,717)
Debt due after one year	(215,828)	-	37,034	(178,794)
Hire purchase contracts	(313,858)	185,989	(365,622)	(493,491)
	<u>(563,725)</u>	<u>220,345</u>	<u>(365,622)</u>	<u>(709,002)</u>
Total	<u>(529,986)</u>	<u>124,833</u>	<u>(365,622)</u>	<u>(770,775)</u>