

Company Number: 2422319

MAIN MAN SUPPLIES LIMITED

ACCOUNTS  
31 December 2002



MAIN MAN SUPPLIES LIMITED

COMPANY INFORMATION

Directors: D A Williams  
P J Howles  
A W Cook  
M A Brooker  
M W West

Secretary: Mrs E C Williams

Registered Office: Unit 15, Charlton Drive  
Corngreaves Trading Estate  
Cradley Heath  
West Midlands  
B64 7BJ

Registered Number: 02422319 England & Wales

Auditor: Norman C.Sands BSc FCA  
Chartered Accountant and  
Registered Auditor  
333 Hagley Road  
Pedmore  
Stourbridge  
DY9 0RF

ANNUAL REPORT AND ACCOUNTS  
31 December 2002

	Page
Report of the Directors	1 & 2
Auditors Report	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Accounts	7 to 14

---

The following pages do not form part of the statutory accounts:-

Detailed Profit and Loss Account 15 & 16

REPORT OF THE DIRECTORS

The directors present their report together with the accounts of the company for the year ended 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the company is the sale of protective clothing and industrial consumables.

REVIEW OF THE BUSINESS

A summary of the results of the years trading is given on page 4 of the accounts. The results for the year are considered to be satisfactory.

DIVIDEND

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year and their interest in the issued ordinary share capital of the company were as follows:-

	31 December 2002	31 December 2001
D A Williams	9,800	9,800
P J Howles	100	100
A W Cook		
M A Brooker		
M W West		

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

REPORT OF THE DIRECTORS (continued)

FIXED ASSETS

Details of the movement in fixed assets is given in note 8 to the accounts.

AUDITOR

The auditor, Norman C.Sands, Chartered Accountant, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Board of Directors:

*E. Williams.....*  
MRS E C WILLIAMS  
Secretary

Approved by the Board: 3 April 2003

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
MAIN MAN SUPPLIES LIMITED

I have audited the accounts on pages 4 to 14 which have been prepared in accordance with the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1, the company's directors are responsible for the preparation of accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

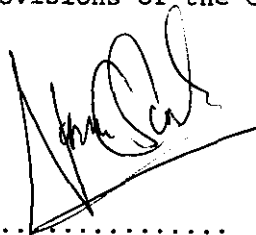
**BASIS OF OPINION**

I conducted my 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

**OPINION**

In my opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



.....  
Norman C. Sands FCA  
Chartered Accountant and  
Registered Auditor  
333 Hagley Road  
Pedmore  
Stourbridge  
DY9 0RF

3 April 2003

PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 2002

	Note	2002 £	2001 £
<u>TURNOVER</u>	2	14,845,256	12,946,313
Cost of sales		(11,607,123)	10,313,467)
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		3,238,133	2,632,846
Administrative expenses		(2,185,024)	(1,803,614)
Distribution costs		(196,845)	(187,063)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	3	856,264	642,169
Profit on disposal of assets		30,126	11,747
Interest payable	6	(128,640)	(148,744)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		757,750	505,172
Taxation	7	(212,108)	(131,042)
		<hr/>	<hr/>
<u>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION, RETAINED</u>	19	£545,642	£374,130
		<hr/>	<hr/>

TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses either in the current year or the preceding year other than those recorded in the profit and loss account.

The notes on pages 7 to 14 form part of these accounts.

BALANCE SHEET  
31 December 2002

	Note	£	2002 £	£	2001 £	£
<u>FIXED ASSETS</u>						
Tangible assets	8		408,426		429,788	
Intangible assets	9		101,614		113,614	
			<hr/>		<hr/>	
			510,040		543,402	
<u>CURRENT ASSETS</u>						
Stocks	10	1,784,045		2,263,106		
Debtors	11	3,847,769		3,326,778		
Cash at bank and in hand		403		3,232		
			<hr/>	<hr/>		
			5,632,217	5,593,116		
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	12	(4,090,912)		(4,586,754)		
			<hr/>	<hr/>		
<u>NET CURRENT ASSETS</u>			1,541,305		1,006,362	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>						
			<hr/>	<hr/>		
			2,051,345		1,549,764	
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	13		(92,646)		(136,707)	
			<hr/>	<hr/>		
<u>NET ASSETS</u>			£1,958,699		£1,413,057	
			<hr/>	<hr/>		
<u>CAPITAL AND RESERVES</u>						
CALLED UP SHARE CAPITAL	18		10,000		10,000	
PROFIT AND LOSS ACCOUNT	19		1,948,699		1,403,057	
			<hr/>	<hr/>		
<u>SHAREHOLDERS FUNDS</u>	20		£1,958,699		£1,413,057	
			<hr/>	<hr/>		

The accounts were approved by the board of directors on 3 April 2003 and were signed on its behalf by:

.....  
D A Williams  
Director

The notes on pages 7 to 14 form part of these accounts.

CASH FLOW STATEMENT  
for the year ended 31 December 2002

	Note	£	2002	£	£	2001	£
<u>NET CASH INFLOW FROM</u>							
<u>OPERATING ACTIVITIES</u>	22			919,790		111,295	
<u>RETURNS ON INVESTMENTS AND</u>							
<u>SERVICING OF FINANCE</u>							
Interest paid				(128,640)		(148,744)	
<u>TAXATION</u>							
Corporation tax paid				(131,042)		(65,170)	
<u>INVESTING ACTIVITIES</u>							
Payments to acquire tangible							
fixed assets			(262,600)			(233,318)	
Receipts from sales of tangible							
fixed assets			165,199			27,505	
<u>NET CASH OUTFLOW FROM INVESTING</u>							
<u>OPERATIONS</u>				(97,401)		(205,813)	
<u>NET CASH INFLOW/(OUTFLOW)</u>							
<u>BEFORE FINANCING</u>				562,707		(308,432)	
<u>FINANCING</u>							
Hire purchase			31,142			49,299	
<u>NET CASH INFLOW FROM</u>							
<u>FINANCING</u>				31,142		49,299	
<u>INCREASE/(DECREASE) IN CASH</u>							
<u>EQUIVALENTS</u>				£593,849		£(259,133)	
<u>CHANGES IN CASH AND CASH</u>							
<u>EQUIVALENTS DURING YEAR</u>							
Balance at 1 January 2002:							
Cash in hand				3,232		154	
Bank overdraft and discounting				(2,201,821)		(1,939,610)	
account							
<u>NET CASH INFLOW/(OUTFLOW)</u>				(2,198,589)		(1,939,456)	
				593,849		(259,133)	
Balance at 31 December 2002	23			£(1,604,740)		£(2,198,589)	

NOTES TO THE ACCOUNTS  
31 December 2002

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

(a) BASIS OF ACCOUNTING

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

(b) TURNOVER

Turnover represents the invoiced value of goods sold to third parties, excluding VAT

(c) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:-

No depreciation is provided on freehold property.

Leasehold improvements	- over the remaining period of the lease
Fixtures, fittings and equipment	- 20% on cost
Motor vehicles	- 25% on cost

(d) STOCKS

Stock is valued at the lower of weighted average cost and net realisable value, after making due allowance for obsolete and slow moving items.

(e) TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing difference between the treatment of certain items for taxation and accounting purposes. Full provision is made for deferred taxation.

(f) LEASED ASSETS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated in accordance with the company policy. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding liability in the balance sheet.

NOTES TO THE ACCOUNTS  
31 December 2002

2 TURNOVER

The turnover and profit on ordinary activities before taxation is attributable to the one principal activity of the company.

An analysis of turnover by geographical location is as follows:-

	2002 £	2001 £
United Kingdom	14,534,804	12,738,356
Other European Community Countries	310,452	207,957
	<hr/>	<hr/>
	£14,845,256	£12,946,313
	<hr/>	<hr/>

3 OPERATING PROFIT

The operating profit is arrived at after charging:-

	2002 £	2001 £
Depreciation - owned assets	60,367	40,547
Depreciation - assets held under hire purchase or finance leases	88,522	91,269
Staff costs (see note 4)	1,549,722	1,242,039
Operating lease rentals - property	131,964	96,355
- vehicles/equipment	13,525	13,092
Auditors remuneration	3,000	2,700
	<hr/>	<hr/>

4 STAFF COSTS

	2002 £	2001 £
Wages and salaries	1,404,886	1,121,612
Social security costs	135,956	106,492
Other pension costs	8,880	13,935
	<hr/>	<hr/>
	£1,549,722	£1,242,039
	<hr/>	<hr/>

The average weekly number of employees during the year was:-

	Number of employees	
Office and management	24	22
Warehouse and sales	65	52
	<hr/>	<hr/>
	89	74
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS31 December 20025 DIRECTORS REMUNERATION

	2002 £	2001 £
Fees as directors	274,186	229,706
Other emoluments including pension contributions	44,036	49,312
	<hr/>	<hr/>
	£318,222	£279,018
	<hr/>	<hr/>

The emoluments of the chairman, who was also the highest paid director, were £74,980 (2001 £65,482).

The emoluments, excluding pension contributions, of the other directors were within the following ranges:

	Number of directors	
£50,001 - £55,000	1	3
£55,001 - £60,000	2	
£60,001 - £65,000		1
£70,001 - £75,000	1	

6 INTEREST PAYABLE

	2002 £	2001 £
Bank overdraft and bank discounting account interest	111,616	132,496
Finance lease interest	14,841	12,304
Bank loan interest	2,183	3,944
	<hr/>	<hr/>
	£128,640	£148,744
	<hr/>	<hr/>

7 TAXATION

	2002 £	2001 £
Corporation tax at 27.33% (2001 25.3%) on the adjusted profit for the year	£212,108	£131,042
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS  
31 December 2002

8 TANGIBLE FIXED ASSETS

<u>COST</u>	Freehold property £	Leasehold improvements £	Vehicles and equipment £	Total £
At 1 January 2002	100,298	8,632	640,487	749,417
Additions	40,422	-	222,178	262,600
Disposals	(100,298)	-	(125,523)	(225,821)
At 31 December 2002	40,422	8,632	737,142	786,196
<u>DEPRECIATION</u>				
At 1 January 2002	-	8,632	310,997	319,629
Charge for year	-	-	148,889	148,889
On disposals	-	-	(90,748)	(90,748)
At 31 December 2002	-	8,632	369,138	377,770
<u>NET BOOK VALUE</u>				
At 31 December 2002	40,422	-	368,004	£408,426
At 31 December 2001	100,298	-	329,490	£429,788

The net book value of motor vehicles includes £276,973 (2001 £232,871) in respect of assets held under finance leases. The depreciation charge for the year in respect of these assets was £88,522 (2001 £91,269).

9 INTANGIBLE ASSET - GOODWILL

	£
<u>COST</u>	
At 1 January 2002 and 31 December 2002	113,614
<u>AMORTISATION</u>	
Charge for the year	12,000
At 31 December 2002	12,000
<u>NET BOOK VALUE</u>	
At 31 December 2002	£101,614
At 31 December 2001	£113,614

NOTES TO THE ACCOUNTS  
31 December 2002

10 STOCKS

	2002 £	2001 £
Goods for resale	£1,784,045	£2,263,106

The replacement cost of the above stocks would not be significantly different from the value stated.

11 DEBTORS

	2002 £	2001 £
Trade debtors	3,829,497	3,311,280
Prepayments	18,272	15,498
	<hr/>	<hr/>
	£3,847,769	£3,326,778

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	1,871,997	1,945,760
Social security and other taxes	174,439	190,229
Obligations under finance leases (note 15)	103,725	76,700
Other creditors	1,000	1,000
Accruals	122,500	88,380
	<hr/>	<hr/>
Bank overdraft and discounting account	2,273,661	2,302,069
Corporation tax	1,605,143	2,144,132
Bank loan (note 16)	212,108	131,042
	-	9,511
	<hr/>	<hr/>
	£4,090,912	£4,586,754

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Obligations under finance leases (note 15)	92,646	88,529
Bank loan (note 16)	-	48,178
	<hr/>	<hr/>
	£92,646	£136,707

NOTES TO THE ACCOUNTS31 December 200214 PROVISION FOR LIABILITIES AND CHARGES - deferred taxation

There is no liability for deferred taxation (2001 £nil).

15 OBLIGATIONS UNDER HIRE PURCHASE AND FINANCE LEASES

	2002 £	2001 £
Gross obligations repayable:		
- within one year	116,175	86,944
- between one and five years	102,755	100,138
	<hr/>	<hr/>
	£218,930	£187,082
	<hr/>	<hr/>
Finance charges repayable:		
- within one year	12,450	10,244
- between one and five years	10,109	11,609
	<hr/>	<hr/>
	£22,559	£21,853
	<hr/>	<hr/>
Net obligations repayable:		
- within one year	103,725	76,700
- between one and five years	92,646	88,529
	<hr/>	<hr/>
	£196,371	£165,229
	<hr/>	<hr/>

16 BANK LOAN

	2002 £	2001 £
Amount falling due within one year	-	9,511
Amount falling due between two and five years	-	38,045
Amounts falling due after five years	-	10,133
	<hr/>	<hr/>
	£-	£57,689
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS  
31 December 2002

17 SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdraft and discounting account	1,605,143	2,144,132
Obligations under hire purchase and finance leases	196,371	165,229
Bank loan	-	57,689
	<hr/>	<hr/>
	£1,801,514	£2,367,050
	<hr/>	<hr/>

18 CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised:		
20,000 Ordinary shares of £1 each	20,000	20,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
10,000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>

19 PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Balance at 1 January 2002	1,403,057	1,028,927
Retained profit for the year	545,642	374,130
	<hr/>	<hr/>
Balance at 31 December 2002	£1,948,699	£1,403,057
	<hr/>	<hr/>

20 RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS

	2002 £	2001 £
Profit for the year after taxation	545,642	374,130
Opening shareholders funds at 1 January 2002	1,413,057	1,038,927
	<hr/>	<hr/>
Closing shareholders funds at 31 December 2002	£1,958,699	£1,413,057
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS  
31 December 2002

21 COMMITMENTS - OPERATING LEASES

	2002 £	2001 £
Annual commitments at 31 December 2002 for land and buildings are as follows:-		
Expiring between two and five years	163,036	147,036
Annual commitments at 31 December 2002 for vehicles and equipment are as follows:-		
Expiring between two and five years	9,688	11,577

22 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	886,390	653,916
Depreciation charges	160,889	131,816
Profit on sale of tangible fixed assets	(30,126)	(11,747)
Decrease/(increase) in stocks	479,061	(699,930)
Increase in debtors	(520,991)	(314,004)
(Decrease)/increase in creditors	(55,433)	351,244
<u>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</u>	<u>£919,790</u>	<u>£111,295</u>

23 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	2002 £	2001 £
Cash in hand	403	3,232
Bank overdraft and discounting account	(1,605,143)	(2,144,132)
Bank loan	-	(57,689)
Balance at 31 December 2002	<u>£(1,604,740)</u>	<u>£(2,198,589)</u>

24 DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution 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 £8,880 (2001 £13,935).