

COMPANY No.  
SC 75748

MAJOR'S PLACE INDUSTRIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST JANUARY 2000



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## MAJOR'S PLACE INDUSTRIES LIMITED

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**MAJOR'S PLACE INDUSTRIES LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

J. Lambie  
D.C. Mathewson (resigned 5 July 2000)

**SECRETARY**

R. Dalgetty, A.C.M.A.

**REGISTERED NUMBER**

SC75748

**REGISTERED OFFICE**

Russell Road  
Edinburgh  
EH11 2LS

**AUDITORS**

Ashdens  
106-114 Borough High Street  
London SE1 1LB

**SOLICITORS**

Tods, Murray, W.S.  
66 Queen Street  
Edinburgh  
EH2 4NE

**BANKERS**

Royal Bank of Scotland plc  
  
36 St Andrews Square  
Edinburgh EH2 2YB  
  
1 Chesser Avenue  
Edinburgh EH14 1TB

## **MAJOR'S PLACE INDUSTRIES LIMITED**

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### **DIRECTORS' REPORT**

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The directors present their report with the financial statements of the company for the year ended 31st January 2000.

#### **PRINCIPAL ACTIVITY**

The company's principal activity was that of an investment holding company.

#### **REVIEW OF BUSINESS**

The results for the year are set out in the Profit and Loss Account on page 5.

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory.

The directors consider the state of the company's affairs to be satisfactory.

The directors do not consider that any one shareholder has ultimate control of the company.

#### **FIXED ASSETS**

Details of the movements in fixed assets are set out in note 10 to these financial statements.

#### **DIVIDEND**

A dividend of £100,000 was paid (1999 – £90,001) leaving £123,989 to be added to reserves.

#### **DIRECTORS**

The directors who held office at the year end and throughout the year, and their interest in the shares of the company were:-

|                                       | <b>2000</b> | <b>1999</b> |
|---------------------------------------|-------------|-------------|
| J. Lambie                             | 38,659      | 38,659      |
| D.C. Mathewson (resigned 5 July 2000) | -           | -           |

J Lambie's interest in through his shareholding in a family company.

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The group made no political or charitable contributions during the year.

**DIRECTORS' REPORT** (continued)

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**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 group, and of the profit of the group for that period. In preparing these 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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.

**AUDITORS**

The auditors, Ashdens, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Board of Directors



R DALGETTY - Secretary

Approved by the Board: 20 October 2000

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
MAJOR'S PLACE INDUSTRIES LIMITED**

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We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention modified by the revaluation of heritable property and on the basis of the accounting policies set out on page 10 and 11.

**Respective responsibilities of directors and auditors**

As described on page 3 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 judgements 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 mis-statement, 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 affairs of the company and of the group at 31st January 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ASHDENS  
Registered Auditor and  
Chartered Accountants

106-114 Borough High Street  
LONDON  
SE1 1LB

20 October 2000

**MAJOR'S PLACE INDUSTRIES LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST JANUARY 2000**

|  | <b>Note</b> | <b>2000<br/>£</b>     | <b>1999<br/>£</b>     |
|--|-------------|-----------------------|-----------------------|
| <b>TURNOVER</b>                          | <b>2</b>    |                       |                       |
| Continuing operations                    |             | 13,715,572            | 12,433,433            |
| Cost of sales                            |             | <u>12,477,733</u>     | <u>10,994,073</u>     |
| <b>GROSS PROFIT</b>                      |             | <b>1,237,839</b>      | <b>1,439,360</b>      |
| Other operating expenses                 | <b>3</b>    | <u>(934,838)</u>      | <u>(958,765)</u>      |
| <b>GROUP OPERATING PROFIT</b>            |             | <b>303,001</b>        | <b>480,595</b>        |
| Recovery of losses of dormant subsidiary |             | -                     | 77,596                |
| Interest                                 | <b>5</b>    | <u>16,994</u>         | <u>(16,454)</u>       |
| <b>TRADING PROFIT before taxation</b>    |             | <b>319,995</b>        | <b>541,737</b>        |
| <b>TAXATION</b>                          | <b>8</b>    | <u>(96,006)</u>       | <u>(155,409)</u>      |
| <b>TRADING PROFIT after taxation</b>     |             | <b>223,989</b>        | <b>386,328</b>        |
| Dividend                                 | <b>9</b>    | <u>(100,000)</u>      | <u>(90,001)</u>       |
| <b>RETAINED PROFIT for the year</b>      |             | <u><b>123,989</b></u> | <u><b>296,327</b></u> |

All current year figures relate to continuing activities

**HISTORICAL COST PROFITS AND LOSSES**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Reported Profit on ordinary activities before taxation  | 319,995               | 541,737               |
| Difference between historical cost depreciation charge and the actual charge of the year        | <u>13,320</u>         | <u>13,320</u>         |
| Historical cost Profit on ordinary activities before taxation                                   | <u>333,315</u>        | <u>555,057</u>        |
| Historical cost Profit for the year retained after taxation, dividends and other appropriations | <u><u>137,309</u></u> | <u><u>309,647</u></u> |

**MAJOR'S PLACE INDUSTRIES LIMITED**

**BALANCE SHEET AT 31ST JANUARY 2000**

|   | Note | 2000             |                  | 1999             |                  |
|---|------|------------------|------------------|------------------|------------------|
|   |      | £                | £                | £                | £                |
| <b>FIXED ASSET</b>                                    |      |                  |                  |                  |                  |
| Investment in subsidiary companies                    | 11   |                  | 436,338          |                  | 436,338          |
| <b>CURRENT ASSETS</b>                                 |      |                  |                  |                  |                  |
| Debtors   | 13   | 33,372           |                  | 33,372           |                  |
| Cash at bank  |      | <u>3,227</u>     |                  | <u>3,227</u>     |                  |
|   |      | 36,599           |                  | 36,599           |                  |
| <b>CREDITORS:</b> amounts falling due within one year | 14   | <u>(534,915)</u> |                  | <u>(534,915)</u> |                  |
| <b>NET CURRENT LIABILITIES</b>                        |      |                  | (498,316)        |                  | (498,316)        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      |                  | <u>(61,978)</u>  |                  | <u>(61,978)</u>  |
| <b>CAPITAL AND RESERVES</b>                           |      |                  |                  |                  |                  |
| Paid up share capital                                 | 16   |                  | 85,910           |                  | 85,910           |
| Share premium account                                 | 17   |                  | 51,546           |                  | 51,546           |
| Retained profit                                       | 17   |                  | <u>(199,434)</u> |                  | <u>(199,434)</u> |
| <b>SHAREHOLDERS FUNDS</b>                             |      |                  | <u>(61,978)</u>  |                  | <u>(61,978)</u>  |

Signed on behalf of the  
Board of Directors



J LAMBIE  
Director

Approved by the Board 20 October 2000



**MAJOR'S PLACE INDUSTRIES LIMITED**

**CONSOLIDATED BALANCE SHEET AT 31ST JANUARY 2000**

|  | Note | 2000      |           | 1999      |           |
|--|------|-----------|-----------|-----------|-----------|
|  |      | £         | £         | £         | £         |
| <b>FIXED ASSETS</b>  |      |           |           |           |           |
| Tangible assets  | 10   | 1,342,111 |           | 1,361,237 |           |
| Investments  | 11   | -         |           | -         |           |
|  |      |           | 1,342,111 |           | 1,361,237 |
| <b>CURRENT ASSETS</b>  |      |           |           |           |           |
| Stocks   | 12   | 731,361   |           | 588,979   |           |
| Debtors  | 13   | 3,110,541 |           | 3,534,460 |           |
| Cash at bank and in hand                                       |      | 272,228   |           | 1,448,618 |           |
|  |      |           | 4,114,130 |           | 5,572,057 |
| <b>CREDITORS: Amounts falling due within one year</b>          | 14   | 2,243,534 |           | 3,831,935 |           |
| <b>NET CURRENT ASSETS</b>                                      |      |           | 1,870,596 |           | 1,740,122 |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      |           | 3,212,707 |           | 3,101,359 |
| <b>CREDITORS: amounts falling due after more than one year</b> | 14   |           | 45,075    |           | 53,716    |
|  |      |           | 3,167,632 |           | 3,047,643 |
| <b>PROVISION FOR LIABILITIES AND CHARGES</b>                   |      |           |           |           |           |
| Deferred taxation  | 15   |           | 53,000    |           | 57,000    |
|  |      |           | 3,114,632 |           | 2,990,643 |
| <b>CAPITAL AND RESERVES</b>                                    |      |           |           |           |           |
| Paid up share capital  | 16   | 85,910    |           | 85,910    |           |
| Share premium account  | 17   | 51,546    |           | 51,546    |           |
| Revaluation reserve  | 17   | 479,499   |           | 492,819   |           |
|  |      |           | 616,955   |           | 630,275   |
| Retained profit  | 17   |           | 2,497,677 |           | 2,360,368 |
| <b>SHAREHOLDERS FUNDS</b>                                      |      |           | 3,114,632 |           | 2,990,643 |

Signed on behalf of the  
Board of Directors

J LAMBIE  
Director

Approved by the Board: 20 October 2000

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST JANUARY 2000**

|  | Note | 2000<br>£        | 1999<br>£        |
|--|------|------------------|------------------|
| <b>Reconciliation of operating profit to net cash<br/>(outflow) from operating activities:</b> |      |                  |                  |
| Operating profit   |      | 303,001          | 480,595          |
| Depreciation of tangible fixed assets  |      | 161,859          | 150,939          |
| Loss/(profit) on disposal of fixed assets  |      | 373              | (4,859)          |
| (Increase)/decrease in stocks  |      | (142,382)        | 73,415           |
| Decrease/(increase) in debtors   |      | 411,928          | (379,087)        |
| (Decrease)/Increase in creditors   |      | (1,513,410)      | 1,461,384        |
| <b>Net cash (outflow)/inflow from operating activities</b>                                     |      | <u>(778,631)</u> | <u>1,782,387</u> |

**CASH FLOW STATEMENT**

|   |     |                    |                  |
|---|-----|--------------------|------------------|
| Net cash (outflow)/inflow from operating activities             |     | (778,631)          | 1,782,387        |
| Returns on investment and servicing of finance                  | (a) | 16,994             | (16,454)         |
| Taxation  |     | (78,000)           | (45,497)         |
| Capital expenditure and financial investment                    | (a) | (81,607)           | (47,183)         |
| Recovery of losses of dormant subsidiary                        |     | -                  | 77,596           |
| Equity dividend paid  |     | (190,001)          | -                |
| <b>Cash inflow before use of liquid resources and financing</b> |     | <u>(1,111,245)</u> | <u>1,750,849</u> |
| Financing   | (a) | (65,148)           | (46,719)         |
| <b>(Decrease)/increase in cash</b>                              |     | <u>(1,176,393)</u> | <u>1,704,130</u> |

**Reconciliation of net cash flow to movement in net debt**

(b)

|  |  |                    |                  |
|--|--|--------------------|------------------|
| (Decrease)/increase in cash                            |  | (1,176,393)        | 1,704,130        |
| Cash outflow from decrease in debt and lease financing |  | 65,148             | 46,719           |
| New hire purchase and finance leases                   |  | (61,499)           | (95,550)         |
| <b>Decrease in net debt</b>                            |  | <u>(1,172,744)</u> | <u>1,655,299</u> |
| Net debt at 1st February 1999                          |  | <u>1,338,277</u>   | <u>(317,022)</u> |
| Net debt at 31st January 2000                          |  | <u>165,533</u>     | <u>1,338,277</u> |

NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST JANUARY 2000

a. GROSS CASH FLOWS

|   | 2000<br>£       | 1999<br>£       |
|---|-----------------|-----------------|
| <b>Returns on investments and servicing of finance</b>                        |                 |                 |
| Interest received   | 32,817          | 14,600          |
| Interest paid   | –               | (22,644)        |
| Interest on hire purchase repayments  | (15,823)        | (8,410)         |
| Net cash inflow/(outflow) for returns on investments and servicing of finance | <u>16,994</u>   | <u>(16,454)</u> |
| <b>Capital expenditure and financial investment</b>                           |                 |                 |
| Payments to acquire tangible fixed assets                                     | (85,957)        | (61,883)        |
| Receipts from sale of tangible fixed assets                                   | 4,350           | 14,700          |
| Net cash outflow for investing activities                                     | <u>81,607</u>   | <u>47,183</u>   |
| <b>Financing</b>  |                 |                 |
| Capital element of hire purchase repayments                                   | (65,148)        | (46,719)        |
| Net cash outflow for financing  | <u>(65,148)</u> | <u>(46,719)</u> |

b. ANALYSIS OF CHANGES IN NET DEBT

|                          | 1999<br>£        | Cash<br>Flow<br>£  | Non cash<br>Changes<br>£ | 2000<br>£      |
|--------------------------|------------------|--------------------|--------------------------|----------------|
| Cash at bank and in hand | 1,752,513        | (1,190,383)        | –                        | 562,130        |
| Bank overdraft           | (303,895)        | 13,990             | –                        | (289,905)      |
|                          | <u>1,448,618</u> | <u>(1,176,393)</u> | <u>–</u>                 | <u>272,225</u> |
| Hire purchase contracts  | (110,341)        | 65,148             | (61,499)                 | (106,692)      |
|                          | <u>1,338,277</u> | <u>(1,111,245)</u> | <u>(61,499)</u>          | <u>165,533</u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31st January 2000

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**1. ACCOUNTING POLICIES**

**Accounting Convention**

The financial statements are prepared in compliance with the Companies Act 1985 under the historical cost convention as modified by the revaluation of Heritable Property and in accordance with applicable accounting standards.

**Basis of Consolidation**

The group financial statements consolidate the results of the company and its subsidiaries. Goodwill arising on consolidation is included in Retained Profits.

**Depreciation**

Depreciation is provided on the tangible assets on a straight line basis at rates calculated to write off the cost or valuation less estimated residual value over the expected useful lives, at the following rates:-

|                         |   |              |
|-------------------------|---|--------------|
| Heritable property      | - | 2.5% and 10% |
| Plant and machinery     | - | 10%          |
| Motor vehicles          | - | 20%          |
| Furniture and Equipment | - | 20%          |

**Stock and Work in Progress**

Stock and work in progress is stated at the lower of cost and net realisable value.

Cost incurred in bringing each product to its present condition and location comprises:-

|                                     |  |
|-------------------------------------|--|
| Raw materials                       | - purchase cost on a first-in, first-out basis.  |
| Work in progress and finished goods | - cost of direct materials, labour and attributable overheads based on the normal level of activity. |

Net realisable value is based on estimated selling price, less any further costs expected to be incurred to completion and disposal.

**Deferred Taxation**

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

**Hire Purchase Contracts**

Assets held under hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing 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.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

## MAJOR'S PLACE INDUSTRIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st January 2000 (continued)

#### 1. ACCOUNTING POLICIES (continued)

##### Contribution to pension funds

Group companies operate defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### 2. TURNOVER

Analysis of turnover, which is stated net of VAT, and pre-tax profit has not been disclosed as, in the directors' opinion, such disclosure would prejudice the interests of the group.

#### 3. OTHER OPERATING EXPENSES

|                         | 2000<br>£      | 1999<br>£      |
|-------------------------|----------------|----------------|
| Continuing operations   |                |                |
| Distribution costs      | 181,912        | 134,371        |
| Administration expenses | 752,926        | 824,394        |
|                         | <u>934,838</u> | <u>958,765</u> |

#### 4. OPERATING PROFIT

This is arrived at after charging or crediting:

|   |         |         |
|---|---------|---------|
| Depreciation of owned assets                              | 128,973 | 133,159 |
| Depreciation of assets held under hire purchase contracts | 32,886  | 17,780  |
| Profit/(loss) on disposal of fixed assets                 | 373     | (4,859) |
| Operating lease rentals                                   | 52,106  | 58,320  |
| Auditors' remuneration                                    |         |         |
| Holding company - audit                                   | 3,000   | 3,000   |
| Holding company - other                                   | 500     | 500     |
| Subsidiary companies - audit                              | 12,000  | 11,000  |
| Subsidiary companies - other                              | 3,000   | 3,000   |

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31st January 2000 (continued)

| 5. INTEREST PAYABLE LESS RECEIVABLE | 2000<br>£     | 1999<br>£       |
|-------------------------------------|---------------|-----------------|
| Interest payable on:                |               |                 |
| Bank overdraft                      | –             | 22,644          |
| Hire purchase contracts             | 15,823        | 8,410           |
|                                     | <u>15,823</u> | <u>31,054</u>   |
| Interest receivable                 | 32,817        | 14,600          |
|                                     | <u>32,817</u> | <u>14,600</u>   |
| Net interest receivable/(payable)   | <u>16,994</u> | <u>(16,454)</u> |

**6. DIRECTORS AND EMPLOYEES**

Staff costs including directors remuneration, were as follows:

|   |                  |                  |
|---|------------------|------------------|
| Wages and salaries                                    | 1,923,560        | 1,793,999        |
| Social security                                       | 164,680          | 155,236          |
| Other pension costs under defined contribution scheme | 83,808           | 54,090           |
|   | <u>2,172,048</u> | <u>2,003,325</u> |

The average monthly number of employees in the group, including directors, during the year, all of whom were employed by subsidiary companies, was as follows:-

|                          |            |            |
|--------------------------|------------|------------|
| Production               | 110        | 103        |
| Sales and administration | 12         | 12         |
|                          | <u>122</u> | <u>115</u> |

Directors emoluments

No director was remunerated during the year as their services were provided by third parties at a cost to the group of £135,130 (1999: £99,663).

**7. PENSION SCHEME**

Group companies operate defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions are charged to the Profit and Loss Account as they become payable in accordance with the rules of the Scheme.

**8. TAXATION**

|  |               |                |
|--|---------------|----------------|
| Based on the profit for the year         |               |                |
| UK corporation tax at 27% (1999 – 31.3%) | 100,006       | 121,409        |
| Deferred taxation (credit)/charge        | (4,000)       | 34,000         |
|  | <u>96,006</u> | <u>155,409</u> |

# MAJOR'S PLACE INDUSTRIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st January 2000 (continued)

| 9. DIVIDENDS      | 2000<br>£      | 1999<br>£     |
|-------------------|----------------|---------------|
| Ordinary dividend | <u>100,000</u> | <u>90,001</u> |

## 10. TANGIBLE FIXED ASSETS

|                          | Heritable<br>Property<br>£ | Plant &<br>Machinery<br>£ | Motor<br>Vehicles<br>£ | Furniture &<br>Equipment<br>£ | TOTAL<br>£       |
|--------------------------|----------------------------|---------------------------|------------------------|-------------------------------|------------------|
| <b>COST OR VALUATION</b> |                            |                           |                        |                               |                  |
| At 1 February 1999       | 997,609                    | 870,607                   | 261,360                | 427,879                       | 2,557,455        |
| Additions                | 2,244                      | 24,021                    | 70,177                 | 51,014                        | 147,456          |
| Disposals                |                            | -                         | (33,147)               | -                             | (33,147)         |
| At 31 January 2000       | <u>999,853</u>             | <u>894,628</u>            | <u>298,390</u>         | <u>478,893</u>                | <u>2,671,764</u> |
| <b>DEPRECIATION</b>      |                            |                           |                        |                               |                  |
| At 1 February 1999       | 74,394                     | 699,332                   | 93,065                 | 329,427                       | 1,196,218        |
| Charge for year          | 24,925                     | 36,000                    | 53,608                 | 47,326                        | 161,859          |
| On disposals             | -                          | -                         | (28,424)               | -                             | (28,424)         |
| At 31 January 2000       | <u>99,319</u>              | <u>735,332</u>            | <u>118,249</u>         | <u>376,753</u>                | <u>1,329,653</u> |
| <b>NET BOOK VALUES</b>   |                            |                           |                        |                               |                  |
| At 31 January 2000       | <u>900,534</u>             | <u>159,296</u>            | <u>180,141</u>         | <u>102,140</u>                | <u>1,342,111</u> |
| At 1 February 1999       | <u>923,215</u>             | <u>171,275</u>            | <u>168,295</u>         | <u>98,452</u>                 | <u>1,361,237</u> |

On an historical cost basis, heritable property would have been included as follows:-

|                                       | 2000<br>£      | 1999<br>£      |
|---------------------------------------|----------------|----------------|
| Cost                                  | 698,553        | 696,309        |
| Cumulative depreciation based on cost | <u>231,990</u> | <u>220,416</u> |
| Net Book Value                        | <u>466,563</u> | <u>475,893</u> |

Assets held under hire purchase agreements originally cost £203,688 (1999 £161,890) and have a net book value of £157,052 (1999 £133,486).

The heritable properties were revalued during 1995 but no provision has been made for any corporation tax liability which may arise if the properties were to be sold at their valuations.

All the tangible fixed assets were held by subsidiary companies.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31st January 2000 (continued)

**11. SUBSIDIARY COMPANIES**

Details of the subsidiary undertakings at the Balance Sheet date are as follows:-

| Name of Undertaking and Business  | Class of Shares                             | Holding      |
|---|---|--------------|
| Charles Henshaw & Sons Limited.   | Ordinary                                    | 100%         |
| Architectural metal workers and<br>non ferrous founders                                   | Preferred Ordinary<br>Cumulative Preference | 100%<br>100% |
| Capital Aluminium Systems (UK) Limited<br>Manufacturers of glazing systems - Dormant      | Ordinary                                    | 100%         |
| Foster & Bird Limited<br>Architectural metal workers - Dormant - dissolved 30th July 1999 | Ordinary                                    | 100%         |

All these companies are incorporated in Great Britain, registered in Scotland, operate within the United Kingdom and have a January 31st year end. The shares in these companies are directly held. In accordance with Companies Act 1985 s230 the holding company has not produced an individual Profit and Loss Account for inclusion in these consolidated accounts. The holding company did not trade during the year

Movements on investment are as follows:-

|  | 2000       |              | 1999       |              |
|--|------------|--------------|------------|--------------|
|  | Group<br>£ | Company<br>£ | Group<br>£ | Company<br>£ |
| At 1st February 1999 and 31st January 2000 | -          | 436,338      | -          | 436,338      |

**12. STOCKS**

|                               |                |          |                |          |
|-------------------------------|----------------|----------|----------------|----------|
| Raw materials and consumables | 199,838        | -        | 193,448        | -        |
| Work in progress              | 531,523        | -        | 395,531        | -        |
|                               | <u>731,361</u> | <u>-</u> | <u>588,979</u> | <u>-</u> |

**13. DEBTORS**

|  |                  |               |                  |               |
|--|------------------|---------------|------------------|---------------|
| Trade debtors                                    | 3,016,566        | -             | 3,312,185        | -             |
| Amount due from undertaking under common control | 21,343           | 33,372        | -                | -             |
| Other debtors and prepayments                    | 72,632           | -             | 222,275          | 33,372        |
|  | <u>3,110,541</u> | <u>33,372</u> | <u>3,534,460</u> | <u>33,372</u> |



**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31st January 2000 (continued)

**14. CREDITORS**

|  | <b>2000</b>      |                | <b>1999</b>      |                |
|--|------------------|----------------|------------------|----------------|
|  | Group<br>£       | Company<br>£   | Group<br>£       | Company<br>£   |
| Amounts falling due within one year                        |                  |                |                  |                |
| Obligations under hire purchase contracts                  | 61,617           | -              | 56,625           | -              |
| Trade creditors  | 1,906,933        | -              | 3,074,118        | -              |
| Amounts due to subsidiary undertakings                     | -                | 534,915        | -                | 444,914        |
| Amounts due to undertaking under common control            | -                | -              | 30,990           | -              |
| Corporation tax  | 108,222          | -              | 86,216           | -              |
| Other taxes and social security                            | 111,250          | -              | 67,671           | -              |
| Proposed dividend  | -                | -              | 90,001           | 90,001         |
| Accruals   | 55,512           | -              | 426,314          | -              |
|  | <u>2,243,534</u> | <u>534,915</u> | <u>3,831,935</u> | <u>534,915</u> |
| Amounts falling due after one year                         |                  |                |                  |                |
| Obligations under hire purchase contracts                  | 45,075           | -              | 53,716           | -              |
|  | <u>45,075</u>    | <u>-</u>       | <u>53,716</u>    | <u>-</u>       |
| Obligations under hire purchase contracts are as follows:- |                  |                |                  |                |
| Within one year  | 61,617           | -              | 56,625           | -              |
| After one and within two years                             | 45,075           | -              | 53,716           | -              |
|  | <u>106,692</u>   | <u>-</u>       | <u>110,341</u>   | <u>-</u>       |

Bank facilities are secured by a bond and floating charge over the group assets. Outstanding hire purchase liabilities are secured on the individual assets concerned.

**15. DEFERRED TAXATION**

|                                |               |          |               |          |
|--------------------------------|---------------|----------|---------------|----------|
| Accelerated capital allowances |               |          |               |          |
| At 31st January 1999           | 57,000        | -        | 23,000        | -        |
| For year                       | (4,000)       | -        | 34,000        | -        |
| At 31st January 2000           | <u>53,000</u> | <u>-</u> | <u>57,000</u> | <u>-</u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
For the-year ended 31st January 2000 (continued)

|     |  |                               |                             |                          |              |
|-----|--|-------------------------------|-----------------------------|--------------------------|--------------|
| 16. | SHARE CAPITAL  |                               | 2000<br>£                   | 1999<br>£                |              |
|     | Authorised, issued and<br>fully paid shares of £1 each |                               | 85,910                      | 85,910                   |              |
| 17. | RESERVES – GROUP                                       |                               |                             |                          |              |
|     |  | Share Premium<br>Account<br>£ | Revaluation<br>Reserve<br>£ | Retained<br>Profits<br>£ |              |
|     | At 1st February 1999                                   | 51,546                        | 492,819                     | 2,360,368                |              |
|     | Realisation of revaluation reserve                     | –                             | (13,320)                    | 13,320                   |              |
|     | Profit for year  | –                             | –                           | 223,989                  |              |
|     | Dividend   | –                             | –                           | (100,000)                |              |
|     | At 31st January 2000                                   | 51,546                        | 479,499                     | 2,497,677                |              |
|     | RESERVES – COMPANY                                     |                               |                             |                          |              |
|     | At 1st February 1999                                   | 51,546                        | –                           | (199,434)                |              |
|     | Dividend from subsidiary                               | –                             | –                           | 100,000                  |              |
|     | Proposed dividend                                      | –                             | –                           | (100,000)                |              |
|     | At 31st January 2000                                   | 51,546                        | –                           | (199,434)                |              |
| 18. | RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS      |                               |                             |                          |              |
|     |  | 2000                          | 1999                        |                          |              |
|     |  | Group<br>£                    | Company<br>£                | Group<br>£               | Company<br>£ |
|     | Profit for the financial year                          | 223,989                       | –                           | 386,328                  | –            |
|     | Dividend from subsidiary                               | –                             | 100,000                     | –                        | 428,000      |
|     | Provision for loss on investment<br>in subsidiary      | –                             | –                           | –                        | (335,676)    |
|     | Dividend paid  | 100,000                       | (100,000)                   | (90,001)                 | (90,001)     |
|     |  | 123,989                       | –                           | 296,327                  | 2,323        |
|     | Shareholders funds:–                                   |                               |                             |                          |              |
|     | At 1st February 1999                                   | 2,990,643                     | (61,978)                    | 2,694,316                | (64,301)     |
|     | At 31st January 2000                                   | 3,114,632                     | (61,978)                    | 2,990,643                | (61,978)     |

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31st January 2000 (continued)**

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| 19. COMMITMENTS         |                                       | 2000   | 1999   |
|-------------------------|---------------------------------------|--------|--------|
| Capital expenditure     | - Authorised and contracted for       | -      | -      |
|                         | - Authorised but not contracted for   | -      | -      |
| Operating leases        | - Expiring within year                | 6,318  | 18,325 |
|                         | - Expiring between two and five years | 54,266 | 42,849 |
| Pension scheme premiums | - Directors                           | -      | -      |
|                         | - Others                              | 83,808 | 54,090 |

**20. CONTINGENT LIABILITIES**

There are contingent liabilities in respect of Performance Bonds entered into by the Group under contractual agreements in the normal course of business.

**21. RELATED PARTY TRANSACTIONS**

Apart from the services of directors which are provided through third party companies there were no related party transactions during the year (1999 £30,000)

**22. ULTIMATE CONTROL**

No one shareholder has ultimate control of the company.