

ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003
FOR
JOHN REID & SONS (STRUCSTEEL) LIMITED



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JOHN REID & SONS (STRUCSTEEL) LIMITED

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For The Year Ended 31 March 2003

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JOHN REID & SONS (STRUCSTEEL) LIMITED

COMPANY INFORMATION

For The Year Ended 31 March 2003

DIRECTORS:

Mr M J Reid MBE
Mr J R Reid
Mr P J Reid
Mr T J Reid
Mr S P Boyd

SECRETARY:

Mr J M Sinkinson

REGISTERED OFFICE:

Strucsteel House
Reid Street
Christchurch
Dorset
BH23 2BT

REGISTERED NUMBER:

617773

AUDITORS:

Schofields Chartered Accountants
Registered Auditors
Sixth Floor
Dean Park House
Dean Park Crescent
Bournemouth
BH1 1HP

JOHN REID & SONS (STRUCSTEEL) LIMITED

REPORT OF THE DIRECTORS

For The Year Ended 31 March 2003

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design, manufacture and erection of steel buildings and accessories worldwide.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2003.

DIRECTORS

The directors during the year under review were:

Mr M J Reid MBE
Mr J R Reid
Mr P J Reid
Mr T J Reid
Mr S P Boyd

The beneficial interests of the directors holding office on 31 March 2003 in the issued share capital of the company were as follows:

	31.3.03	1.4.02
Ordinary £1 shares		
Mr M J Reid MBE	23,064	23,064
Mr J R Reid	4,510	4,510
Mr P J Reid	6,510	6,510
Mr T J Reid	6,510	6,510
Mr S P Boyd	-	-

STATEMENT OF 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 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 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.

JOHN REID & SONS (STRUCSTEEL) LIMITED

REPORT OF THE DIRECTORS
For The Year Ended 31 March 2003

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
Mr M J Reid MBE - Director

Date: 9 October 2003

JOHN REID & SONS (STRUCSTEEL) LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO
JOHN REID & SONS (STRUCSTEEL) LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to fifteen, together with the full financial statements of the company for the year ended 31 March 2003 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision 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 financial statements and that the abbreviated financial statements 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 financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to fifteen are properly prepared in accordance with that provision.

Schofields

Schofields Chartered Accountants
Registered Auditors
Sixth Floor
Dean Park House
Dean Park Crescent
Bournemouth
BH1 1HP

Date: 9 October 2003

JOHN REID & SONS (STRUCSTEEL) LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT
For The Year Ended 31 March 2003**

		2003	2002
	Notes	£	£
GROSS PROFIT		2,922,294	1,916,521
Distribution costs		(124,961)	(103,903)
Administrative expenses		(2,734,123)	(2,568,585)
OPERATING PROFIT/(LOSS)	3	63,210	(755,967)
Interest receivable and similar income		6,318	19,564
		69,528	(736,403)
Interest payable and similar charges	4	(7,705)	(1,311)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		61,823	(737,714)
Tax on profit/(loss) on ordinary activities	5	-	22,786
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		61,823	(714,928)
Retained profit brought forward		1,822,131	2,537,059
RETAINED PROFIT CARRIED FORWARD		<u>£1,883,954</u>	<u>£1,822,131</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

JOHN REID & SONS (STRUCSTEEL) LIMITED**ABBREVIATED BALANCE SHEET****31 March 2003**

		2003	2002
	Notes	£	£
FIXED ASSETS:			
Tangible assets	6	2,176,305	2,226,991
Investments	7	14,331	14,331
		<u>2,190,636</u>	<u>2,241,322</u>
CURRENT ASSETS:			
Stocks	8	1,456,486	1,502,288
Debtors	9	676,656	543,756
Cash at bank and in hand		720,044	137,517
		<u>2,853,186</u>	<u>2,183,561</u>
CREDITORS: Amounts falling due within one year	10	<u>(2,303,444)</u>	<u>(1,721,446)</u>
NET CURRENT ASSETS:		<u>549,742</u>	<u>462,115</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>2,740,378</u>	<u>2,703,437</u>
CREDITORS: Amounts falling due after more than one year	11	(87,500)	(117,500)
PROVISIONS FOR LIABILITIES AND CHARGES:	13	<u>(25,000)</u>	<u>(19,882)</u>
		<u><u>£2,627,878</u></u>	<u><u>£2,566,055</u></u>
CAPITAL AND RESERVES:			
Called up share capital	14	45,104	45,104
Share premium	15	20,427	20,427
Revaluation reserve	16	678,393	678,393
Profit and loss account		1,883,954	1,822,131
SHAREHOLDERS' FUNDS:	19	<u><u>£2,627,878</u></u>	<u><u>£2,566,055</u></u>

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

ON BEHALF OF THE BOARD:


.....
Mr M J Reid MBE - Director

Approved by the Board on 9 October 2003

JOHN REID & SONS (STRUCSTEEL) LIMITED**CASH FLOW STATEMENT**
For The Year Ended 31 March 2003

		2003	2002
	Notes	£	£
Net cash inflow/(outflow) from operating activities	1	708,040	(90,826)
Returns on investments and servicing of finance	2	(1,387)	18,253
Taxation		-	(6,351)
Capital expenditure	2	(94,126)	(134,926)
		<u>612,527</u>	<u>(213,850)</u>
Financing	2	(30,000)	(2,500)
Increase/(Decrease) in cash in the period		<u>£582,527</u>	<u>£(216,350)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Increase/(Decrease) in cash in the period		582,527	(216,350)
Cash outflow from decrease in debt and lease financing		<u>30,000</u>	<u>2,500</u>
Change in net debt resulting from cash flows		612,527	(213,850)
New finance leases		-	(150,000)
Movement in net debt in the period		<u>612,527</u>	<u>(363,850)</u>
Net (debt)/funds at 1 April		<u>(9,983)</u>	<u>353,867</u>
Net funds/(debt) at 31 March		<u>£602,544</u>	<u>£(9,983)</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
For The Year Ended 31 March 2003**1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2003 £	2002 £
Operating profit/(loss)	63,210	(755,967)
Depreciation charges	147,749	184,547
Profit on sale of fixed assets	(2,937)	(2,535)
Provisions	5,118	(5,118)
Decrease/(Increase) in stocks	45,802	(252,707)
(Increase)/Decrease in debtors	(132,900)	1,198,168
Increase/(Decrease) in creditors	581,998	(457,214)
Net cash inflow/(outflow) from operating activities	708,040	(90,826)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	6,318	19,564
Interest paid	(608)	(434)
Interest element of finance lease rentals payments	(7,097)	(877)
Net cash (outflow)/inflow for returns on investments and servicing of finance	(1,387)	18,253
Capital expenditure		
Purchase of tangible fixed assets	(97,063)	(146,555)
Sale of tangible fixed assets	2,937	11,629
Net cash outflow for capital expenditure	(94,126)	(134,926)
Financing		
Capital element of finance lease rentals payments	(30,000)	(2,500)
Net cash outflow from financing	(30,000)	(2,500)

JOHN REID & SONS (STRUCSTEEL) LIMITED**NOTES TO THE CASH FLOW STATEMENT**
For The Year Ended 31 March 2003**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1/4/02 £	Cash flow £	At 31/3/03 £
Net cash:			
Cash at bank and in hand	137,517	582,527	720,044
	<u>137,517</u>	<u>582,527</u>	<u>720,044</u>
Debt:			
Finance leases	(147,500)	30,000	(117,500)
	<u>(147,500)</u>	<u>30,000</u>	<u>(117,500)</u>
Total	<u>(9,983)</u>	<u>612,527</u>	<u>602,544</u>
Analysed in Balance Sheet			
Cash at bank and in hand	137,517		720,044
Finance leases			
within one year	(30,000)		(30,000)
after one year	(117,500)		(87,500)
	<u>(9,983)</u>		<u>602,544</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

For The Year Ended 31 March 2003

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold properties	- Straight line on buildings over 50 years
Plant and machinery	- 10% or 20% on cost
Furniture & equipment	- 10% or 20% on cost
Motor vehicles	- 20% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Long term contracts

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long term contracts are included in the work in progress to the extent that they cannot be matched with contract work accounted for as turnover. Long term contract balances included in work in progress are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

Investment properties

Investment properties are revalued annually as any surplus or deficit is transferred to the revaluation reserve.

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	3,001,818	2,974,413
Social security costs	302,162	296,991
Other pension costs	93,584	76,837
	<u>3,397,564</u>	<u>3,348,241</u>

JOHN REID & SONS (STRUCSTEEL) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****For The Year Ended 31 March 2003****2. STAFF COSTS - continued**

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

	2003	2002
Office & Management	44	44
Production & Sales	65	66
	<u>109</u>	<u>110</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (2002 - operating loss) is stated after charging/(crediting):

	2003	2002
	£	£
Hire of plant and machinery	2,189	547
Depreciation - owned assets	127,749	164,547
Depreciation - assets on finance leases	20,000	20,000
Profit on disposal of fixed assets	(2,937)	(2,535)
Auditors' remuneration	19,500	18,075
	<u>362,025</u>	<u>329,570</u>
Directors' emoluments	362,025	329,570
Directors' pension contributions to money purchase schemes	29,805	13,855
	<u>29,805</u>	<u>13,855</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	4
	<u>4</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	2003	2002
	£	£
Emoluments etc	82,522	132,838
Pension contributions to money purchase schemes	3,456	2,748
	<u>82,522</u>	<u>132,838</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Bank interest	608	434
Leasing	7,097	877
	<u>7,705</u>	<u>1,311</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
For The Year Ended 31 March 2003**5. TAXATION****Analysis of the tax credit**

The tax credit on the profit on ordinary activities for the year was as follows:

	2003 £	2002 £
Current tax:		
Adjustments re previous years	-	6,351
Deferred taxation	-	(29,137)
Tax on profit/(loss) on ordinary activities	-	(22,786)

6. TANGIBLE FIXED ASSETS

	Freehold properties	Plant and machinery	Furniture & equipment	Motor vehicles	Totals
	£	£	£	£	£
COST OR VALUATION:					
At 1 April 2002	1,641,237	1,926,540	895,108	174,276	4,637,161
Additions	18,911	40,029	22,091	16,032	97,063
Disposals	-	(392,708)	(179,022)	(27,736)	(599,466)
At 31 March 2003	1,660,148	1,573,861	738,177	162,572	4,134,758
DEPRECIATION:					
At 1 April 2002	68,868	1,433,749	783,260	124,293	2,410,170
Charge for year	13,203	91,006	39,091	4,449	147,749
Eliminated on disposals	-	(392,708)	(179,022)	(27,736)	(599,466)
At 31 March 2003	82,071	1,132,047	643,329	101,006	1,958,453
NET BOOK VALUE:					
At 31 March 2003	1,578,077	441,814	94,848	61,566	2,176,305
At 31 March 2002	1,572,369	492,791	111,848	49,983	2,226,991

Prior to 31 March 1999 it was the company's policy to revalue freehold properties. The transitional provisions of FRS15 are being followed and previous valuations have been retained and not updated. Properties were last valued in 1996.

The net book value of tangible fixed assets includes £160,000 (2002 - £180,000) in respect of assets held under finance leases.

7. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	2003 £	2002 £
Investment property	14,331	14,331

Investment properties are valued by directors on a open market current use basis annually. The directors are of the opinion that the historic cost is not materially different from the current value.

JOHN REID & SONS (STRUCSTEEL) LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**
For The Year Ended 31 March 2003**8. STOCKS**

	2003 £	2002 £
Raw materials	701,032	579,713
Work in progress	755,454	922,575
	<u>1,456,486</u>	<u>1,502,288</u>

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Trade debtors	612,496	327,323
Other debtors	21,906	61,015
Amounts recoverable on contracts	12,964	92,273
Prepayments	29,290	63,145
	<u>676,656</u>	<u>543,756</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Finance leases (see note 12)	30,000	30,000
Trade creditors	1,454,583	1,231,428
Payments received on account	536,784	263,888
Other creditors	54,926	31,023
Social security & other taxes	171,657	100,102
Accrued expenses	55,494	65,005
	<u>2,303,444</u>	<u>1,721,446</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2003 £	2002 £
Finance leases (see note 12)	<u>87,500</u>	<u>117,500</u>

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
For The Year Ended 31 March 2003****12. OBLIGATIONS UNDER LEASING AGREEMENTS**

	Finance leases	
	2003 £	2002 £
Gross obligations repayable:		
Within one year	34,700	36,300
Between one and five years	97,533	132,233
	<u>132,233</u>	<u>168,533</u>
Finance charges repayable:		
Within one year	4,700	6,300
Between one and five years	10,033	14,733
	<u>14,733</u>	<u>21,033</u>
Net obligations repayable:		
Within one year	30,000	30,000
Between one and five years	87,500	117,500
	<u>117,500</u>	<u>147,500</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Contract remedial costs	<u>25,000</u>	<u>19,882</u>

In the opinion of the directors' there is no tax liability arising if the property is sold at its revalued amount.

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2003 £	2002 £
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003 £	2002 £
45,104	Ordinary	£1	<u>45,104</u>	<u>45,104</u>

15. SHARE PREMIUM

	2003 £	2002 £
At 1 April 2002 and 31 March 2003	<u>20,427</u>	<u>20,427</u>

16. REVALUATION RESERVE

	2003 £	2002 £
At 1 April 2002 and 31 March 2003	<u>678,393</u>	<u>678,393</u>

JOHN REID & SONS (STRUCSTEEL) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
For The Year Ended 31 March 2003

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2003 and 31 March 2002.

18. CAPITAL COMMITMENTS

	2003 £	2002 £
Contracted but not provided for in the financial statements	-	-

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit/(Loss) for the financial year	61,823	(714,928)
Net addition/(reduction) to shareholders' funds	61,823	(714,928)
Opening shareholders' funds	2,566,055	3,280,983
Closing shareholders' funds	2,627,878	2,566,055
Equity interests	2,627,878	2,566,055

20. CONTROLLING PARTY

Mr M J Reid MBE has ultimate control of the company by having a direct interest in the majority of the issued share capital.

21. PENSION SCHEMES

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by the trustees in a fund independent from those of the company.

The contributions paid in the year amounted to £93,584 (2002 £76,837).