

**JOHN REID & SONS (STRUCSTEEL) LIMITED**  
**DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31ST MARCH 2000**

**Company No. 617773**



# **JOHN REID & SONS (STRUCSTEEL) LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

Mr Michael John Reid MBE  
Mr John Rollo Reid  
Mr Peter James Reid  
Mr Timothy John Reid  
Mr Simon Peter Boyd

### **Secretary**

Mr Michael John Reid MBE

### **Company number**

617773

### **Registered office**

3 Reid Street  
Christchurch  
Dorset

### **Auditors**

Reid York  
5a Southbourne Grove  
Southbourne  
Bournemouth  
Dorset  
BH6 3RF

### **Solicitors**

Truman - Moore  
7a Oaktree Parade  
Bransgore  
Dorset

### **Bankers**

Lloyds Bank plc  
Gracechurch House  
23/35 Castle Way  
Southampton  
Hampshire  
SO14 2BW

H S B C  
Christchurch  
15 High Street  
Christchurch  
Dorset  
BH6 3RF

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# **JOHN REID & SONS (STRUCSTEEL) LIMITED**

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# JOHN REID & SONS (STRUCSTEEL) LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2000

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The directors present their report and the audited accounts for the company for the year ended 31st March 2000.

### Principal Activities and Review of Business

The company's principal activity during the year was the design, manufacture and erection of steel buildings and accessories - world - wide.

The flow of legislation and regulation continues to be heaped upon business. It is already occupying much of the working day and it is difficult to escape the feeling that soon we will be experts at implementing regulations but will have forgotten how to make our products and market them, never mind originate new ones. So much of our time is spent dealing with bureaucracy that our work is suffering.

In spite of Rail chaos, we still have looming over us the transport consultation document "Breaking the Logjam". Amongst many controversial ideas is a scheme to exact a levy on employee car parking. If we do not pass this levy on to the workers we face paying a considerable extra annual tax. If we do pass it on, however, we face friction with our employees with whom we are ( up to now ) on excellent terms. Only a government department could work out a Catch 22 idea with such harmful consequences.

However, we are committed to keeping the company in a strong and healthy condition , in spite of all the many attacks upon us by legislators both here and in Brussels, who do not seem to have experience of running any competitive business. .

### Results and dividends

The results for the year are set out in the profit and loss account on page 4.

The directors do not recommend a dividend .

### Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st March 2000	At 1st April 1999
Mr Michael John Reid MBE	Ordinary shares	23,064	23,064
Mr John Rollo Reid	Ordinary shares	4,510	4,510
Mr Peter James Reid	Ordinary shares	6,510	6,510
Mr Timothy John Reid	Ordinary shares	6,510	6,510
Mr Simon Peter Boyd	Ordinary shares	0	0

Mr John Rollo Reid retires by rotation, and being eligible, offers himself for re-election

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2000

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### Year 2000

The company suffered no impact from the Year 2000 date change nor did any of its major customers, suppliers or trading partners.

The company reviewed its computer systems for the impact of the Year 2000 change, prepared an action plan to address the issue and carried out all necessary measures. All systems have continued to operate properly over the Year 2000 date change and through any roll-over procedures that occurred at a later date.

### Statement of 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 for that year. 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;

State whether applicable accounting standards have been followed, 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 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.

### Auditors

A resolution to re-appoint Reid York Chartered Accountants and Registered Auditors as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Mr Michael John Reid MBE, Secretary

Date: 13/12/2000

3 Reid Street  
Christchurch  
Dorset

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

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We have examined the abbreviated accounts set out on pages 4 to 15 together with the accounts of John Reid & Sons (Strucsteel) Limited for the year ended 31st March 2000 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

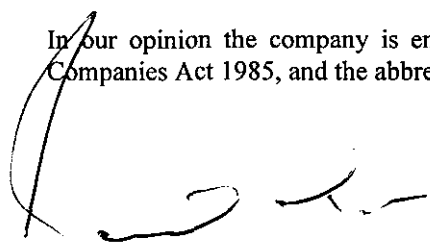
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts 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 procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been 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 accounts.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.



**Reid York**  
**Chartered Accountants and Registered Auditors**  
**5a Southbourne Grove**  
**Southbourne**  
**Bournemouth**  
**Dorset**  
**BH6 3RF**

**Date:** 19/12/2000

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2000

	Notes	2000	1999
		-	-
<b>Gross profit</b>		<b>3,002,071</b>	<b>2,650,851</b>
Distribution costs		(326,680)	(333,771)
Administrative expenses		(2,213,816)	(2,186,879)
<b>Operating profit</b>	3	<b>461,575</b>	<b>130,201</b>
Interest receivable	4	14,009	24,758
Interest Payable	5	(233)	(2,063)
<b>Profit on ordinary activities before taxation</b>		<b>475,351</b>	<b>152,896</b>
Tax on profit on ordinary activities	7	(117,967)	(36,426)
<b>Profit for the financial year</b>		<b>357,384</b>	<b>116,470</b>
<b>Retained profit brought forward</b>		<b>2,284,700</b>	<b>2,168,230</b>
<b>Retained profit carried forward</b>		<b>2,642,084</b>	<b>2,284,700</b>

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 31ST MARCH 2000

	Notes	2000	1999
<b>Fixed assets</b>			
Tangible assets	8	2,196,887	1,986,666
Investment Property	9	14,331	14,331
		<u>2,211,218</u>	<u>2,000,997</u>
<b>Current assets</b>			
Stocks	10	1,271,667	660,863
Debtors	11	779,210	1,178,888
Cash at bank and in hand		939,939	349,042
		<u>2,990,816</u>	<u>2,188,793</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,772,861)</u>	<u>(1,130,754)</u>
<b>Net current assets</b>		<u>1,217,955</u>	<u>1,058,039</u>
<b>Total assets less current liabilities</b>		<u>3,429,173</u>	<u>3,059,036</u>
<b>Provisions for liabilities and charges</b>			
Deferred taxation	15	(32,680)	(19,315)
Remedial work	16	(10,485)	(11,097)
		<u>3,386,008</u>	<u>3,028,624</u>
<b>Capital and reserves</b>			
Share capital	17	45,104	45,104
Share premium account		20,427	20,427
Revaluation reserve		678,393	678,393
Profit and loss account		2,642,084	2,284,700
<b>Shareholders' funds</b>	18	<u>3,386,008</u>	<u>3,028,624</u>

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

These accounts were approved by the board on 18/12/2000 and signed on its behalf by:



**Mr John Rollo Reid**  
**Director**



# JOHN REID & SONS (STRUCSTEEL) LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH 2000

	Notes	2000	1999
		-	-
<b>Reconciliation of operating profit to net cash flow from operating activities</b>			
Operating profit		461,575	130,201
Depreciation		190,505	161,938
Profit/Loss on sale of fixed assets		(309)	9,310
Provisions		(612)	(241)
Increase/Decrease in stocks		(610,804)	79,801
Decrease in debtors		399,678	475,187
Increase/Decrease in creditors		432,281	(648,515)
<b>Net cash inflow from operating activities</b>		<b>872,314</b>	<b>207,681</b>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash inflow from operating activities</b>		<b>872,314</b>	<b>207,681</b>
<b>Returns on investments and servicing of finance</b>	23	<b>13,776</b>	<b>22,695</b>
<b>Taxation</b>		<b>(36,068)</b>	<b>(112,126)</b>
<b>Capital expenditure and financial investment</b>	23	<b>(400,417)</b>	<b>(165,868)</b>
<b>Cash inflow/outflow before use of liquid resources and financing</b>		<b>449,605</b>	<b>(47,618)</b>
<b>Financing</b>	23	<b>120,752</b>	<b>12,248</b>
<b>Increase/Decrease in cash</b>		<b>570,357</b>	<b>(35,370)</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Increase/Decrease in cash in the year</b>		<b>570,357</b>	<b>(35,370)</b>
Cash inflow from increase in net debt and lease financing	24	(120,752)	(12,248)
<b>Decrease in net debt</b>	24	<b>449,605</b>	<b>(47,618)</b>
<b>Net debt at 1st April 1999</b>		<b>348,145</b>	<b>395,763</b>
<b>Net funds at 31st March 2000</b>	24	<b>797,750</b>	<b>348,145</b>

# **JOHN REID & SONS (STRUCSTEEL) LIMITED**

## **ABBREVIATED NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 2000**

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### **1 Accounting policies**

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

#### **Turnover**

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

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

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

Freehold properties	- 2% per annum
Plant and machinery	- 10% per annum
Motor vehicles	- 20% per annum
Furniture and equipment	- 20% per annum
Works Vehicles	- 20% per annum
Hawk 20 Plug & Mould	- 25% Straight line

#### **Stocks**

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

#### **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. Unprovided deferred tax is disclosed as a contingent liability.

#### **Contribution to pension funds**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

#### **Hire purchase and leased assets**

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

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

### 2 Turnover

Turnover relates to the following activities or business segments:

	2000	1999
Steel Construction	11,221,238	11,256,917
Marine Division	507,837	249,053
	<u>11,729,075</u>	<u>11,505,970</u>

The geographical analysis of turnover is as follows:

	2000	1999
Export	4,189,751	4,154,241
UK	7,539,324	7,351,729
	<u>11,729,075</u>	<u>11,505,970</u>

### 3 Operating profit

*The operating profit is stated after charging or crediting:*

	2000	1999
Depreciation of tangible fixed assets:		
-owned assets	176,025	161,938
-assets held under finance leases and hire purchase	14,480	-
Profit on disposal of fixed assets	(309)	9,310
Hire of equipment	8	100
Auditors' remuneration	10,165	10,040
	<u>10,165</u>	<u>10,040</u>

### 4 Interest receivable

	2000	1999
Bank interest receivable	14,009	24,758
	<u>14,009</u>	<u>24,758</u>

### 5 Interest Payable

	2000	1999
Interest on Corporation Tax	-	12
Interest payable on bank overdrafts	233	2,051
	<u>233</u>	<u>2,063</u>

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

### 6 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
Wages and salaries	1,968,058	1,887,658
Social security costs	254,619	269,150
Other pension costs	90,162	73,648
	<u>2,312,839</u>	<u>2,230,456</u>

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

	2000 Number	1999 Number
Office & Management	56	54
Production & Sales	60	58
	<u>116</u>	<u>112</u>

#### Directors' emoluments

	2000	1999
Aggregate emoluments	278,833	266,518
Directors' pension contributions under defined contribution schemes	46,189	30,391
	<u>325,022</u>	<u>296,909</u>

Retirement benefits were accruing to directors as follows:

	2000 Number	1999 Number
Defined contribution pension scheme	4	5

#### Highest paid director

	2000	1999
Aggregate emoluments	80,793	72,184
Contributions to a money purchase pension scheme	-	-
	<u>80,793</u>	<u>72,184</u>

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

### 7 Taxation

	2000	1999
Based on the profit for the year:		
UK corporation tax at 20%/32.5% (1999: 21%/33.5%)	104,602	35,382
Deferred tax charge	13,365	357
	<b>117,967</b>	<b>35,739</b>
Prior periods		
UK corporation tax	-	687
	<b>117,967</b>	<b>36,426</b>

### 8 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Works Vehicles	Hawk 20	Total
<b>Cost or valuation</b>							
At 1st April 1999	1,592,623	1,319,423	148,356	760,235	85,241	14,062	3,919,940
Additions	1,590	217,455	76,502	62,526	49,594	-	407,667
Disposals	-	-	(15,301)	-	(15,150)	-	(30,451)
<b>At 31st March 2000</b>	<b>1,594,213</b>	<b>1,536,878</b>	<b>209,557</b>	<b>822,761</b>	<b>119,685</b>	<b>14,062</b>	<b>4,297,156</b>
<b>Depreciation</b>							
At 1st April 1999	32,075	1,139,184	73,140	633,898	40,915	14,062	1,933,274
Charge for the year	11,917	67,073	38,234	51,064	22,217	-	190,505
Disposals	-	-	(12,240)	-	(11,270)	-	(23,510)
<b>At 31st March 2000</b>	<b>43,992</b>	<b>1,206,257</b>	<b>99,134</b>	<b>684,962</b>	<b>51,862</b>	<b>14,062</b>	<b>2,100,269</b>
<b>Net book value At 31st March 2000</b>	<b>1,550,221</b>	<b>330,621</b>	<b>110,423</b>	<b>137,799</b>	<b>67,823</b>	<b>-</b>	<b>2,196,887</b>
<b>At 31st March 1999</b>	<b>1,560,548</b>	<b>180,239</b>	<b>75,216</b>	<b>126,337</b>	<b>44,326</b>	<b>-</b>	<b>1,986,666</b>

Assets held under finance leases and hire purchase originally cost £144,800 (1999: £0) and have a net book value of £130,320 (1999: £0). Depreciation charged for the year was £14,480 (1999: £0).

Up to and including 31st March 1999 it was the company policy to revalue freehold properties. In the year to 31st March 2000 the company has adopted the transitional provision of FRS15 (Tangible Fixed Assets). Whilst previous valuations have been retained, they have not been updated.

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

### 9 Tangible Fixed Assets

Investment Property

	Land in France	Total
<b>Cost</b>		
At 1st April 1999	14,331	14,331
<b>At 31st March 2000</b>	<b>14,331</b>	<b>14,331</b>
<b>Net book value</b>		
<b>At 31st March 2000</b>	<b>14,331</b>	<b>14,331</b>
<i>At 31st March 1999</i>	<i>14,331</i>	<i>14,331</i>

### 10 Stocks

Raw materials

Work in progress

2000	1999
584,976	615,404
686,691	45,459
<b>1,271,667</b>	<b>660,863</b>

### 11 Debtors: Amounts Receivable Within One Year

Trade debtors

Amounts recoverable on contracts

Other debtors

Prepayments and accrued income

Directors' loan accounts

2000	1999
267,745	557,943
331,891	479,853
51,880	104,693
118,417	35,607
9,277	792
<b>779,210</b>	<b>1,178,888</b>

### 12 Creditors: amounts falling due within one year

Bank overdraft

Obligations under hire purchase and finance lease (Note 14)

Payments received on account

Trade creditors

Corporation tax

Other taxes and social security

Other creditors

Accruals and deferred income

Directors loan

2000	1999
20,540	-
118,253	-
408,594	221,118
858,375	712,932
104,615	36,081
183,532	74,587
33,538	50,328
42,018	34,811
3,396	897
<b>1,772,861</b>	<b>1,130,754</b>

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

<b>13</b>	<b>Loans and borrowings</b>	<b>2000</b>	<b>1999</b>
	<b>Analysis of loans</b>		
	Bank loans and overdraft	20,540	-
	Directors loan	3,396	897
	Obligations under hire purchase and finance lease	118,253	-
		<u>142,189</u>	<u>897</u>

### **Maturity of debt**

In one year or less, or on demand

23,936	897
<u>23,936</u>	<u>897</u>

<b>14</b>	<b>Obligations under hire purchase and finance leases</b>	<b>2000</b>	<b>1999</b>
	Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
	In the next year	118,253	-
		<u>118,253</u>	<u>-</u>

### **15 Deferred taxation**

The movements in deferred taxation during the current and previous years are as follows:

	<b>2000</b>	<b>1999</b>
At 1st April 1999	19,315	18,958
Movement in the year	13,365	357
At 31st March 2000	<u>32,680</u>	<u>19,315</u>

Deferred taxation provided and unprovided for in the accounts is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 30% (1999 31%).

	<b>Amount provided</b>		<b>Amount unprovided</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
Accelerated capital allowances	32,680	19,315	70,091	67,445
Other timing differences	-	-	7,568	7,568
	<u>32,680</u>	<u>19,315</u>	<u>77,659</u>	<u>75,013</u>
Revaluation Surpluses	-	-	55,939	55,939
	<u>32,680</u>	<u>19,315</u>	<u>133,598</u>	<u>130,952</u>

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

### 16 Other provisions

	Remedial Work
At 1st April 1999	11,097
Movements in year	(612)
At 31st March 2000	<u>10,485</u>

### 17 Share capital

#### Authorised

#### Equity shares

50,000 Ordinary shares of £1 each

**2000**      *1999*

**50,000**      *50,000*

**50,000**      *50,000*

#### Allotted

#### Equity shares

45,104 Allotted, called up and fully paid ordinary shares of £1 each

**45,104**      *45,104*

**45,104**      *45,104*

### 18 Reconciliation of movement in shareholders' funds

Profit for the financial year

**2000**      *1999*

**357,384**      *116,470*

Increase in the shareholders' funds

**357,384**      *116,470*

Opening shareholders' funds

**3,028,624**      *2,912,154*

Closing shareholders' funds

**3,386,008**      *3,028,624*

### 19 Capital commitments

The company had the following capital commitments:

**2000**      *1999*

Contracted for but not provided in the financial statements

**-**      *144,800*

### 20 Contingent assets/liabilities

Contingent liabilities in the normal course of trade in respect of performance bonds held by the bank and other bank guarantees amount to £46,916 ( 1999 £46,916 ).



# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

### 21 Pension scheme

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

The total contributions paid in the year amounted to £90,162 (1999 £73,648)

### 22 Transactions with directors

Directors' loans/quasi-loans outstanding were as follows:

	2000 £	1999 £	Maximum during year £
Mr J.R. Reid -	500	500	500
Mr P.J Reid -	3,751	191	6,720
Mr T.J.Reid -	26	0	26
Mr S.P.Boyd -	5,000	0	5,000

Amounts are repaid from time to time.

### 23 Gross cash flows

#### Returns on investments and servicing of finance

Interest received	14,009	24,758
Interest paid	(233)	(2,063)
	<u>13,776</u>	<u>22,695</u>

#### Capital expenditure and financial investment

Payments to acquire tangible fixed assets	(407,667)	(185,431)
Proceeds from the sale of tangible fixed assets	7,250	19,563
	<u>(400,417)</u>	<u>(165,868)</u>

#### Financing

Increase in loan received from director	2,499	12,248
Capital element of finance lease rentals payments	118,253	-
	<u>120,752</u>	<u>12,248</u>

# JOHN REID & SONS (STRUCSTEEL) LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

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### 24 Analysis of changes in net debt

	1999	Cash flows	2000
Cash at bank and in hand	349,042	590,897	939,939
Overdrafts	-	(20,540)	(20,540)
	349,042	570,357	919,399
Debt due within one year	(897)	(2,499)	(3,396)
Finance leases	-	(118,253)	(118,253)
	(897)	(120,752)	(121,649)
	348,145	449,605	797,750

### 25 Related parties

In the directors' opinion the company is controlled ultimately by Mr M.J.Reid MBE who owns 51.1% of the issued share capital.