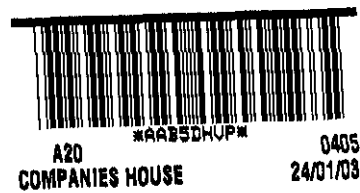


ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

FOR

JOHN REID & SONS (STRUCSTEEL) LIMITED



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**For The Year Ended 31 March 2002**

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

**COMPANY INFORMATION**

**For The Year Ended 31 March 2002**

**DIRECTORS:**

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

**SECRETARY:**

Mr M J Reid MBE

**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 2002**

The directors present their report with the financial statements of the company for the year ended 31 March 2002.

### **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 2002.

### **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 2002 in the issued share capital of the company were as follows:

	31.3.02	1.4.01
<b>Ordinary £1 shares</b>		
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

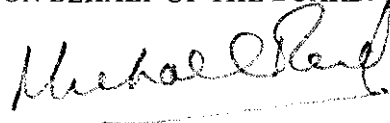
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

### **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 - SECRETARY

Dated: 20 Jan 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 four to fifteen, together with the full financial statements of the company for the year ended 31 March 2002 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 four 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

Dated: 20 January 2003

**JOHN REID & SONS (STRUCSTEEL) LIMITED****ABBREVIATED PROFIT AND LOSS ACCOUNT****For The Year Ended 31 March 2002**

		2002	2001
	Notes	£	£
<b>GROSS PROFIT</b>		1,916,521	2,790,467
Distribution costs		(103,903)	(123,696)
Administrative expenses		(2,568,585)	(2,844,148)
<b>OPERATING LOSS</b>	3	(755,967)	(177,377)
Interest receivable and similar income		19,564	59,198
		(736,403)	(118,179)
Interest payable and similar charges	4	(1,311)	(5,895)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(737,714)	(124,074)
Tax on loss on ordinary activities	5	22,786	19,049
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(714,928)	(105,025)
Retained profit brought forward		2,537,059	2,642,084
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£1,822,131</u>	<u>£2,537,059</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 losses for the current and previous years.


**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 2002**

		2002	2001
	Notes	£	£
<b>FIXED ASSETS:</b>			
Tangible assets	6	2,226,991	2,124,077
Investments	7	14,331	14,331
		<u>2,241,322</u>	<u>2,138,408</u>
<b>CURRENT ASSETS:</b>			
Stocks	8	1,502,288	1,249,581
Debtors	9	543,756	1,741,924
Cash at bank and in hand		137,517	353,867
		<u>2,183,561</u>	<u>3,345,372</u>
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(1,721,446)</u>	<u>(2,148,660)</u>
<b>NET CURRENT ASSETS:</b>		<u>462,115</u>	<u>1,196,712</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		<u>2,703,437</u>	<u>3,335,120</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	11	(117,500)	-
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	13	<u>(19,882)</u>	<u>(54,137)</u>
		<u>£2,566,055</u>	<u>£3,280,983</u>
<b>CAPITAL AND RESERVES:</b>			
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		1,822,131	2,537,059
<b>SHAREHOLDERS' FUNDS:</b>	20	<u>£2,566,055</u>	<u>£3,280,983</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 20 January 2003

**JOHN REID & SONS (STRUCSTEEL) LIMITED****CASH FLOW STATEMENT****For The Year Ended 31 March 2002**

		2002	2001
	Notes	£	£
Net cash outflow from operating activities	1	(90,478)	(307,409)
Returns on investments and servicing of finance	2	18,253	53,303
Taxation		(6,351)	(89,109)
Capital expenditure	2	(134,926)	(102,724)
		<b>(213,502)</b>	<b>(445,939)</b>
Financing	2	(2,848)	(119,593)
Decrease in cash in the period		<b>£(216,350)</b>	<b>£(565,532)</b>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		(216,350)	(565,532)
Cash outflow from decrease in debt and lease financing		2,848	119,593
Change in net funds resulting from cash flows		(213,502)	(445,939)
New finance leases		(150,000)	-
Movement in net funds in the period		<b>(363,502)</b>	<b>(445,939)</b>
Net funds at 1 April		351,811	797,750
Net (debt)/funds at 31 March		<b>£(11,691)</b>	<b>£351,811</b>

The notes form part of these financial statements



**JOHN REID & SONS (STRUCSTEEL) LIMITED****NOTES TO THE CASH FLOW STATEMENT****For The Year Ended 31 March 2002****1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2002 £	2001 £
Operating loss	(755,967)	(177,377)
Depreciation charges	184,547	175,885
Profit on sale of fixed assets	(2,535)	(351)
Provisions	(5,118)	14,515
(Increase)/Decrease in stocks	(252,707)	22,086
Decrease/(Increase) in debtors	1,198,168	(962,714)
(Decrease)/Increase in creditors	(456,866)	620,547
<b>Net cash outflow from operating activities</b>	<b>(90,478)</b>	<b>(307,409)</b>

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

	2002 £	2001 £
<b>Returns on investments and servicing of finance</b>		
Interest received	19,564	59,198
Interest paid	(434)	(492)
Interest element of finance lease rentals payments	(877)	(5,403)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>18,253</b>	<b>53,303</b>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(146,555)	(105,899)
Sale of tangible fixed assets	11,629	3,175
<b>Net cash outflow for capital expenditure</b>	<b>(134,926)</b>	<b>(102,724)</b>
<b>Financing</b>		
Capital element of finance lease rentals payments	(2,500)	(118,253)
Amount withdrawn by directors	(348)	(1,340)
<b>Net cash outflow from financing</b>	<b>(2,848)</b>	<b>(119,593)</b>

**JOHN REID & SONS (STRUCSTEEL) LIMITED****NOTES TO THE CASH FLOW STATEMENT  
For The Year Ended 31 March 2002****3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/4/01 £	Cash flow £	Other non-cash changes £	At 31/3/02 £
Net cash:				
Cash at bank and in hand	353,867	(216,350)		137,517
	<u>353,867</u>	<u>(216,350)</u>		<u>137,517</u>
Debt:				
Finance leases	-	2,500	(150,000)	(147,500)
Debts falling due within one year	(2,056)	348	-	(1,708)
	<u>(2,056)</u>	<u>2,848</u>	<u>(150,000)</u>	<u>(149,208)</u>
Total	<u>351,811</u>	<u>(213,502)</u>	<u>(150,000)</u>	<u>(11,691)</u>
<b>Analysed in Balance Sheet</b>				
Cash at bank and in hand	353,867			137,517
Finance leases				
within one year	-			(30,000)
after one year	-			(117,500)
Debts falling due within one year	(2,056)			(1,708)
	<u>351,811</u>			<u>(11,691)</u>

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**For The Year Ended 31 March 2002**

**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	- 2% on cost
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 taxation**

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**

	2002	2001
	£	£
Wages and salaries	2,974,413	3,003,824
Social security costs	296,991	309,388
Other pension costs	76,837	105,780
	<u>3,348,241</u>	<u>3,418,992</u>

**JOHN REID & SONS (STRUCSTEEL) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****For The Year Ended 31 March 2002****2. STAFF COSTS - continued**

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

	2002	2001
Office & Management	44	46
Production & Sales	66	63
	<u>110</u>	<u>109</u>

**3. OPERATING LOSS**

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

	2002	2001
	£	£
Hire of plant and machinery	547	1,212
Depreciation - owned assets	164,547	175,885
Depreciation - assets on finance leases	20,000	-
Profit on disposal of fixed assets	(2,535)	(351)
Auditors' remuneration	<u>18,075</u>	<u>16,733</u>
Directors' emoluments	329,570	397,162
Directors' pension contributions to money purchase schemes	<u>8,626</u>	<u>37,645</u>

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

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

Information regarding the highest paid director is as follows:

	2002	2001
	£	£
Emoluments etc	132,838	123,679
Pension contributions to money purchase schemes	<u>2,748</u>	<u>-</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	2002	2001
	£	£
Bank interest	434	492
Leasing	<u>877</u>	<u>5,403</u>
	<u>1,311</u>	<u>5,895</u>

**JOHN REID & SONS (STRUCSTEEL) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****For The Year Ended 31 March 2002****5. TAXATION****Analysis of the tax credit**

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

	2002 £	2001 £
Current tax:		
UK corporation tax	-	(15,506)
Adjustments re previous years	6,351	-
Total current tax	<u>6,351</u>	<u>(15,506)</u>
Deferred tax:		
Deferred taxation	(29,137)	(3,543)
Tax on loss on ordinary activities	<u>(22,786)</u>	<u>(19,049)</u>

**6. TANGIBLE FIXED ASSETS**

	Freehold properties	Plant and machinery	Furniture & equipment	Motor vehicles	Totals
	£	£	£	£	£
<b>COST OR VALUATION:</b>					
At 1 April 2001	1,602,564	1,711,915	874,470	193,536	4,382,485
Additions	38,673	221,525	20,639	15,718	296,555
Disposals	-	(6,900)	-	(34,978)	(41,878)
At 31 March 2002	<u>1,641,237</u>	<u>1,926,540</u>	<u>895,109</u>	<u>174,276</u>	<u>4,637,162</u>
<b>DEPRECIATION:</b>					
At 1 April 2001	56,043	1,346,089	738,568	117,708	2,258,408
Charge for year	12,825	94,560	44,693	32,469	184,547
Eliminated on disposals	-	(6,900)	-	(25,884)	(32,784)
At 31 March 2002	<u>68,868</u>	<u>1,433,749</u>	<u>783,261</u>	<u>124,293</u>	<u>2,410,171</u>
<b>NET BOOK VALUE:</b>					
At 31 March 2002	<u>1,572,369</u>	<u>492,791</u>	<u>111,848</u>	<u>49,983</u>	<u>2,226,991</u>
At 31 March 2001	<u>1,546,521</u>	<u>365,826</u>	<u>135,902</u>	<u>75,828</u>	<u>2,124,077</u>

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 £180,000 (2001 - £0) in respect of assets held under finance leases.

**7. FIXED ASSET INVESTMENTS**

Investments (neither listed nor unlisted) were as follows:

	2002 £	2001 £
Investment property	<u>14,331</u>	<u>14,331</u>

**JOHN REID & SONS (STRUCSTEEL) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****For The Year Ended 31 March 2002****7. FIXED ASSET INVESTMENTS - continued**

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.

**8. STOCKS**

	2002 £	2001 £
Raw materials	579,713	649,443
Work in progress	922,575	600,138
	<u>1,502,288</u>	<u>1,249,581</u>

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

	2002 £	2001 £
Trade debtors	327,323	1,069,851
Other debtors	55,722	199,582
Amounts recoverable on contracts	92,273	218,323
Prepayments	63,145	246,546
Directors' loans	5,293	7,622
	<u>543,756</u>	<u>1,741,924</u>

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

	2002 £	2001 £
Finance leases (see note 12)	30,000	-
Trade creditors	1,231,428	1,580,158
Payments received on account	263,888	360,424
Other creditors	29,315	59,014
Directors' current accounts	1,708	2,056
Social security & other taxes	100,102	101,163
Accrued expenses	65,005	45,845
	<u>1,721,446</u>	<u>2,148,660</u>

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

	2002 £	2001 £
Finance leases (see note 12)	<u>117,500</u>	<u>-</u>

**JOHN REID & SONS (STRUCSTEEL) LIMITED****NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****For The Year Ended 31 March 2002****12. OBLIGATIONS UNDER LEASING AGREEMENTS**

	Finance leases	
	2002 £	2001 £
Gross obligations repayable:		
Within one year	36,300	-
Between one and five years	132,233	-
	<u>168,533</u>	<u>-</u>
Finance charges repayable:		
Within one year	6,300	-
Between one and five years	14,733	-
	<u>21,033</u>	<u>-</u>
Net obligations repayable:		
Within one year	30,000	-
Between one and five years	117,500	-
	<u>147,500</u>	<u>-</u>

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	2002 £	2001 £
Deferred taxation	-	29,137
Contract remedial costs	19,882	25,000
	<u>19,882</u>	<u>54,137</u>
	Deferred tax £	
Balance at 1 April 2001	29,137	
Capital allowance in advance of depreciation	(29,137)	
Balance at 31 March 2002	<u>-</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:			2002	2001
Number:	Class:	Nominal value:	£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2001 £
45,104	Ordinary	£1	<u>45,104</u>	<u>45,104</u>

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

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**For The Year Ended 31 March 2002**

**15. SHARE PREMIUM**

	2002	2001
	£	£
At 1 April 2001 and 31 March 2002	20,427	20,427

**16. REVALUATION RESERVE**

	2002	2001
	£	£
At 1 April 2001 and 31 March 2002	678,393	678,393

**17. CONTINGENT LIABILITIES**

Performance bonds and other bank guarantees held by the bank amounts to £NIL (2001 £36,000).

**18. CAPITAL COMMITMENTS**

The company had the following capital commitments:

	2002	2001
	£	£
Contracted but not provided in the accounts	-	113,393

**19. TRANSACTIONS WITH DIRECTORS**

The following loans to directors subsisted during the year ended 31 March 2002:

	£
<b>Mr J R Reid</b>	
Balance outstanding at start of year	174
Balance outstanding at end of year	293
Maximum balance outstanding during year	293
<b>Mr P J Reid</b>	
Balance outstanding at start of year	2,343
Balance outstanding at end of year	-
Maximum balance outstanding during year	2,343
<b>Mr T J Reid</b>	
Balance outstanding at start of year	105
Balance outstanding at end of year	-
Maximum balance outstanding during year	105
<b>Mr S P Boyd</b>	
Balance outstanding at start of year	5,000
Balance outstanding at end of year	5,000
Maximum balance outstanding during year	5,000

At the end of the year Mr M J Reid MBE was owed £1,708 (2001 £2,056) by the company.



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

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**For The Year Ended 31 March 2002**

**20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2002	2001
	£	£
Loss for the financial year	(714,928)	(105,025)
<b>Net reduction of shareholders' funds</b>	<b>(714,928)</b>	<b>(105,025)</b>
Opening shareholders' funds	3,280,983	3,386,008
<b>Closing shareholders' funds</b>	<b>2,566,055</b>	<b>3,280,983</b>
Equity interests	2,566,055	3,280,983

**21. 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.

**22. 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 £76,837 (2002 £105,780)