

34

"STATUTORY"

SALISBURY FORGE (1986) LIMITED

ACCOUNTS

2004



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COMPANIES HOUSE

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22/02/05

DAVID H. JOHNSON. F.A.P.A., ~~A.S.C.A.~~

19 FULLERS CLOSE,

COLLIER ROW, ESSEX, RM5 3JS

SALISBURY FORGE (1986) LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30th APRIL 2004

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SALISBURY FORGE (1986) LIMITED

COMPANY INFORMATION

Directors	C.M. Cumbers (Chairman) G.R. Saunders
Secretary	C.M. Cumbers
Registered Office	173, Victoria Road, Romford, Essex, RM1 2NP.
Company Number	01982537
Accountant	David H. Johnson, FAPA., 19, Fullers Close, Collier Row, Essex, RM5 3JS.
Bankers	National Westminster Bank Plc., 10, South Street, Romford, Essex, RM1 1RD.

SALISBURY FORGE (1986) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and Accounts for the year ended 30th April 2004.

**Principal Activity**

The principal activity of the Company is that of Manufacture and Sale of Ornamental Iron Gates, Gas Fires and Dog Guards.

**Review of the Business**

Turnover has again decreased but overheads have been substantially reduced following the steps taken by the Directors during the period from December 2002 to July 2003. In the current year turnover is increasing and, at the date of these Accounts, indebtedness has been eliminated.

**Events Since the End of the Year**

There have been no events since the Balance Sheet date which materially affect the position of the Company.

**Results and Dividend**

The Results for the Year are set out in the accompanying financial statements.

The Directors do not recommend the payment of a dividend for the year.

**Directors**

The Directors of the Company during the Year and their interests in the shares of the Company were :

	<u>2004</u>		<u>2003</u>	
	<u>A SHARES</u>	<u>B SHARES</u>	<u>A SHARES</u>	<u>B SHARES</u>
G.R. Saunders	13	37	8	25
C.M. Cumbers	12	38	8	25
A.F. Clark (to 31.7.2003)			9	25

The Directors' Report is prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

**On Behalf of the Board**



C.M. Cumbers (Chairman)  
173, Victoria Road,  
Romford,  
Essex, RM1 2NP.

6th SEPTEMBER 2004

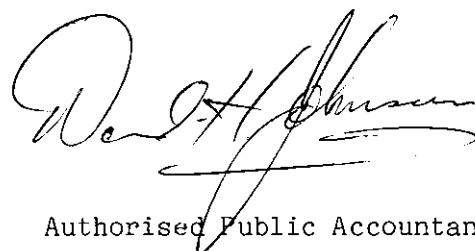
ACCOUNTANT'S REPORT  
ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF  
SALISBURY FORGE (1986) LIMITED

As described on the Balance Sheet you are responsible for the preparation of the Accounts for the year ended 30th April 2004 which consist of the Profit and Loss Account, Balance Sheet and Notes to the Accounts, and you consider that the Company is exempt from an audit and a report under Section 249A(2) of the Companies Act 1985.

In accordance with your instructions, I have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to me.

19, Fullers Close,  
Collier Row,  
Essex, RM5 3JS.

SEPTEMBER 17 2004

  
Authorised Public Accountant

SALISBURY FORGE (1986) LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30th APRIL 2004

		<u>2004</u>	<u>2003</u>
<u>TURNOVER</u>	(Note 2)	112,434	118,051
Cost of Sales		69,094	84,463
		-----	-----
<u>GROSS PROFIT</u>		43,340	33,588
<u>EXPENSES :</u>			
Administration and			
Establishment Costs	28,886	31,535	
Financial Costs	3,911	7,555	
	-----	-----	
		32,797	39,090
		-----	-----
<u>PROFIT (LOSS) ON ORDINARY ACTIVITIES</u>			
<u>BEFORE AND AFTER TAXATION</u>		10,543	( 5,502)
Accumulated Losses Brought Forward		( 13,240)	( 7,738)
		-----	-----
<u>ACCUMULATED LOSSES CARRIED FORWARD</u>		£( 2,697)	£( 13,240)
		=====	=====

**Note :** There are no recognised gains or losses other than the profit for the year; and

the difference between the reported profit and the profit on an historical cost basis is not considered to be material.

The attached Notes form part of these Accounts

SALISBURY FORGE (1986) LIMITED  
BALANCE SHEET as at 30th APRIL 2004

	<u>NOTES</u>	<u>2004</u>	<u>2003</u>
<u>FIXED ASSETS</u>			
Intangible Assets	7	-	-
Tangible Assets	8	497	663
		-----	-----
		497	663
<u>CURRENT ASSETS</u>			
Stocks	9	12,000	15,000
Trade Debtors		1,397	2,499
Prepaid Expenses		2,552	2,404
Cash at Bank		2,343	-
Cash in Hand		585	447
		-----	-----
		£18,877	£20,350
		=====	=====
<u>CREDITORS</u> : Amounts falling due within one Year			
Trade Creditors		5,659	7,530
Taxation : P.A.Y.E.		471	403
Value Added Tax		4,489	4,014
Accrued Expenses		2,424	3,631
Customer Deposits		4,760	4,444
Directors' Current Accounts		4,168	4,969
Hire Purchase Accounts		-	966
Bank Overdraft		-	8,196
		-----	-----
		£21,971	£34,153
		=====	=====
<u>NET CURRENT LIABILITIES</u>		( 3,094)	(13,803)
		-----	-----
<u>TOTAL NET LIABILITIES</u>		£( 2,597)	£(13,140)
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	10	100	100
Profit and Loss Account		( 2,697)	(13,240)
		-----	-----
<u>DEFICIENCY</u>		£( 2,597)	£(13,140)
		=====	=====

SALISBURY FORGE (1986) LIMITED  
BALANCE SHEET as at 30th APRIL 2004

For the year ended 30th April 2004 the Company was entitled to exemption under subsection (1) of Section 249A of the Companies Act 1985.

No Notice has been deposited under Section 249B(2) of the Act in relation to accounts for the financial period.

The Directors acknowledge their responsibilities for :

- (1) ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985 ; and
- (2) preparing Accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Act, and which otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the Company.

The Accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 6th September 2004 and signed on their behalf by :



C.M. Cumbers (Chairman)

The attached Notes form part of these Accounts



SALISBURY FORGE (1986) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 2004

**1 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 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 judgments 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 financial statements;
- \* prepare the statements on a 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 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.

**2 Accounting Policies**

**(a) Basis of Accounting**

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

The principal accounting policies which the Directors have adopted within that convention are set out below.

**(b) Turnover**

Turnover consists of the invoiced value (excluding Value Added Tax) of goods supplied to third parties.

**(c) Depreciation**

Depreciation is provided so as to reduce fixed assets to their estimated residual value at the end of their anticipated useful lives at the following rates :

Plant and Equipment	25%	straight line basis
Motor Vehicle	25%	reducing balance basis

SALISBURY FORGE (1986) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 2004

2     **Accounting Policies (continued)**

- (d) Acquired Goodwill is written off in equal instalments over the estimated useful economic life. The rate of amortisation was 10% per annum on the straight line basis. The book value has now reduced to Nil.

(e) **Stocks**

Stock and Work in Progress are stated at the lower of cost and net realisable value.

Cost is determined on a first-in first-out basis. The cost of work in progress and finished goods comprises materials, direct labour and attributable production overheads.

Net realisable value is based on the estimated selling price after taking into account any further costs anticipated before disposal.

(f) **Taxation**

The charge for taxation is based on the Profit for the Year.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

(g) **Going Concern Basis**

These Accounts have been prepared on the going concern basis although the position is one of insolvency. At present the Directors are funding the deficit and consider that the Company is able to continue to trade.

3     **Operating Profit (Loss)**

	<u>2004</u>	<u>2003</u>
Operating Profit (Loss) is stated after charging :		
Depreciation of Fixed Assets	166	3,156
Accountancy	2,145	2,146
Bank Charges and Interest	925	1,657
Hire Purchase Charges	63	283
	=====	=====

SALISBURY FORGE (1986) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 2004

4 **Employees**

	<u>2004</u>	<u>2003</u>
Average number of people (including Directors) employed by the Company during the year :		
Production	4 =	5 =
Costs in respect of these employees :		
Wages and Salaries	36,528	45,556
Social Security Costs	2,091	3,980
Pension Costs, Etc.	1,612	2,262
Benefits	-	11,241
	----- £40,231 =====	----- £63,039 =====

5 **Directors' Remuneration**

(a) **Emoluments**

Production and Management Remuneration	£18,000 =====	£28,260 =====
--	------------------	------------------

(b) **Emoluments excluding Pension Contributions**

Highest Paid Director (Chairman)	£ 7,950 =====	£ 9,420 =====
----------------------------------	------------------	------------------

Number of Other Directors whose emoluments  
fell within the bands stated :

£1 - £5,000	1	-
£5,001 - £10,000	1 =	2 =

6 **Taxation**

Taxation charge for the year :	£ Nil =====	£ Nil =====
--------------------------------	----------------	----------------

There is no liability for deferred taxation (2003 - Nil).

7 **Intangible Fixed Assets**

Goodwill

Cost on Acquisition and 30th April 2004	10,000	10,000
Amortisation to 30th April 2004	10,000 -----	10,000 -----
Net Book Value at 30th April 2004	£ Nil =====	£ Nil =====

SALISBURY FORGE (1986) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 2004

**8 Tangible Fixed Assets**

	PLANT AND MACHINERY	OFFICE EQUIPMENT	MOTOR VEHICLES	TOTAL
Cost to 30th April 2003	2,577	1,176	4,000	7,753
	-----	-----	-----	-----
Cost to 30th April 2004	£2,577	£1,176	£4,000	£7,753
	=====	=====	=====	=====
Depreciation to 30th April 2003	2,449	1,176	3,465	7,090
Charge for the Year	32	-	134	166
	-----	-----	-----	-----
Depreciation to 30th April 2004	£2,481	£1,176	£3,599	£7,256
	=====	=====	=====	=====
Net Book Value at 30th April 2004	£ 96	£ -	£ 401	£ 497
	=====	=====	=====	=====
Net Book Value at 30th April 2003	£ 128	£ -	£ 535	£ 663
	=====	=====	=====	=====

The Directors consider that the value of Fixed Assets is consistent with the above Net Book Values.

**9 Stocks**

	<u>2004</u>	<u>2003</u>
Work in Progress	4,000	5,000
Raw Materials	1,000	1,300
Finished Goods	7,000	8,700
	-----	-----
	£12,000	£15,000
	=====	=====

**10 Called up Share Capital**

Authorised	-	100 Ordinary Shares of £1 each.
Issued and Fully Paid	-	100 Ordinary Shares of £1 each.

**11 Related Party Transactions**

There have been no transactions involving related parties during the year.

SALISBURY FORGE (1986) LIMITED  
TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30th APRIL 2004

	<u>2004</u>	<u>2003</u>
<u>SALES</u>	112,434	118,051
<u>COST OF SALES</u>		
Purchases	30,172	34,632
Directors' Remuneration	18,000	28,260
Wages	18,528	17,296
Social Security	2,091	3,980
Plant Hire	-	30
Sub-Contract	303	265
	-----	-----
	69,094	84,463
<u>GROSS PROFIT</u>	-----	-----
	43,340	33,588
<u>ADMINISTRATION AND ESTABLISHMENT COSTS</u>		
Rent	13,300	12,767
Rates and Water	5,219	5,104
Insurances	1,467	2,315
Light, Heat and Power	1,814	1,459
Motor Expenses	2,980	5,825
Postage and Stationery	536	62
Telephone	560	526
Advertising	637	946
Laundry, Cleaning and Welfare	450	242
Pension Scheme, Etc.	1,612	2,262
Repairs and Renewals	126	-
Miscellaneous	185	27
	-----	-----
	28,886	31,535
<u>TRADING PROFIT</u>	-----	-----
	14,454	2,053
<u>FINANCIAL COSTS</u>		
Accountancy	2,145	2,146
Bank Charges	925	1,657
Credit Card Charges	249	313
Hire Purchase Charges	63	283
Bad Debts	363	-
Depreciation of Fixed Assets	166	3,156
	-----	-----
	3,911	7,555
<u>NET PROFIT (LOSS) FOR THE YEAR</u>	-----	-----
	£ 10,543	£( 5,502)
	=====	=====