

SALISBURY FORGE (1986) LIMITED

ACCOUNTS

2000



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 2000

CONTENTS

	<u>PAGE</u>
Company Information	2
Report of the Directors	3
Report of the Auditor	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Accounts	7
Trading and Profit and Loss Account	12

SALISBURY FORGE (1986) LIMITED

COMPANY INFORMATION

Directors	C.M. Cumbers (Chairman) G.R. Saunders A.F. Clark
Secretary	C.M. Cumbers
Registered Office	173, Victoria Road, Romford, Essex, RM1 2NP.
Company Number	01982537
Auditor	David H. Johnson, FAPA, ASCA., 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 2000.

**Principal Activity**

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

**Review of the Business**

Turnover and profitability has improved due to increased prices in 2000 and further improvement should occur in the current year.

**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>2000</u>		<u>1999</u>	
	<u>A SHARES</u>	<u>B SHARES</u>	<u>A SHARES</u>	<u>B SHARES</u>
G.R. Saunders	8	25	8	25
A.F. Clark	9	25	9	25
C.M. Cumbers	8	25	8	25

**Auditor**

David H. Johnson has expressed his willingness to continue in office and a Resolution to re-appoint him will be proposed at the Annual General Meeting.

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)

11th JANUARY 2001

173, Victoria Road,

Romford,

Essex, RM1 2NP.



AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
SALISBURY FORGE (1986) LIMITED

I have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 7 the Company's Directors are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

**Basis of Opinion**

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 judgments 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.

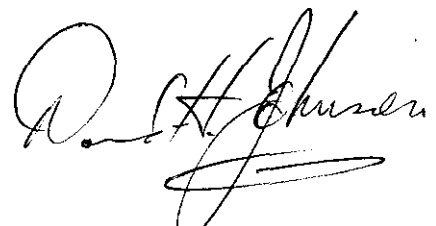
I planned and performed my audit so as to obtain all of the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In my opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30th April 2000 and of Its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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

JANUARY 17 2001



David H. Johnson, FAPA, ASCA.,  
Registered Auditor and  
Authorised Public Accountant

SALISBURY FORGE (1986) LIMITED  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30th APRIL 2000

		<u>2000</u>	<u>1999</u>
<u>TURNOVER</u>	(Note 2)	126,686	119,368
Cost of Sales		89,209	88,940
		-----	-----
<u>GROSS PROFIT</u>		37,477	30,428
<u>EXPENSES :</u>			
Administration and			
Establishment Costs	31,357	29,731	
Financial Costs	7,320	8,298	
	-----	38,677	-----
		-----	38,029
<u>OPERATING LOSS BEFORE TAXATION</u>		( 1,200)	( 7,601)
Bank Deposit Interest		11	61
		-----	-----
		( 1,189)	( 7,540)
Taxation	(Note 6)	( 14)	( 468)
		-----	-----
<u>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</u>		( 1,175)	( 7,072)
Accumulated Profits Brought Forward		1,420	8,492
		-----	-----
<u>ACCUMULATED PROFITS CARRIED FORWARD</u>		£ 245	£ 1,420
		=====	=====

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

the difference between the reported Loss and the Loss 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 2000

	<u>NOTES</u>	<u>2000</u>	<u>1999</u>
<u>FIXED ASSETS</u>			
Intangible Assets	7	-	1,000
Tangible Assets	8	10,858	7,985
		-----	-----
		10,858	8,985
<u>CURRENT ASSETS</u>			
Stocks	9	16,032	15,826
Trade Debtors		1,649	330
Corporation Tax Refund Due	6	-	468
Prepaid Expenses		2,264	2,538
Cash at Bank		1,662	1,788
Cash in Hand		58	56
		-----	-----
		£21,665	£21,006
		=====	=====
<u>CREDITORS : Amounts falling due</u> within one Year			
Trade Creditors		7,190	7,245
Taxation : P.A.Y.E.		1,064	1,069
Value Added Tax		3,659	2,965
Accrued Expenses		3,703	2,614
Customer Deposits		3,942	2,330
Directors' Current Accounts		6,722	7,005
Hire Purchase Accounts		3,073	4,071
		-----	-----
		£29,353	£27,299
		=====	=====
<u>NET CURRENT LIABILITIES</u>		7,688	6,293
		-----	-----
		3,171	2,692
<u>CREDITORS : Amounts falling due</u> after one Year			
Hire Purchase Accounts		2,826	1,172
		-----	-----
<u>TOTAL NET ASSETS</u>		£ 345	£1,520
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	10	100	100
Profit and Loss Account		245	1,420
		-----	-----
<u>SHAREHOLDERS' FUNDS</u>		£ 345	£1,520
		=====	=====

SALISBURY FORGE (1986) LIMITED  
BALANCE SHEET as at 30th APRIL 2000

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

The Accounts were approved by the Board on 11th January 2001.

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 2000

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 Vehicles	25%	reducing balance basis

SALISBURY FORGE (1986) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30th APRIL 2000

**2 Accounting Policies (continued)**

**(d) Goodwill**

Acquired Goodwill is written off in equal instalments over the estimated useful economic life. The rate of amortisation is 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.

**3 Operating Loss**

	<u>2000</u>	<u>1999</u>
Operating Loss is stated after charging :		
Depreciation of Fixed Assets	3,721	2,661
Amortisation of Goodwill	1,000	1,000
Auditor's Remuneration	1,995	2,259
Bank Charges and Interest	677	538
Hire Purchase Charges	920	1,422
	=====	=====
and after including :		
Bank Interest Received Gross	11	61
	=====	=====

SALISBURY FORGE (1986) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 2000

4 **Employees**

	<u>2000</u>	<u>1999</u>
Average number of people (including Directors) employed by the Company during the Year		
Production	5 =	5 =
Costs in respect of these employees :		
Wages and Salaries	48,464	47,716
Social Security Costs	4,601	3,993
Pension Costs, Etc.	2,845	3,008
Benefits	10,728	8,911
	----- £66,638 =====	----- £63,628 =====

5 **Directors' Remuneration**

(a) **Emoluments**

Production and Management Remuneration	£32,760 =====	£32,760 =====
--	------------------	------------------

(b) **Emoluments excluding Pension contributions**

Highest Paid Director (Chairman)	£10,920 =====	£10,920 =====
----------------------------------	------------------	------------------

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

£10,001 - £15,000	2 =	2 =
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6 **Taxation**

Taxation charge for the Year :

Repayments Interest	£( 14)	-
U.K. Corporation Tax Repayable	- =====	£( 468) =====

There is no liability for deferred taxation (1999 - Nil).

SALISBURY FORGE (1986) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 2000

**7 Intangible Fixed Assets**

	<u>2000</u>	<u>1999</u>
Goodwill		
Cost on Acquisition and 30th April 2000	10,000	10,000
Amortisation to 1st May 1999	9,000	8,000
Charge for the Year	1,000	1,000
	-----	-----
Amortisation to 30th April 2000	10,000	9,000
	-----	-----
Net Book Value at 30th April 2000	£ -	£ 1,000
	=====	=====

**8 Tangible Fixed Assets**

	<u>PLANT AND MACHINERY</u>	<u>OFFICE EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTALS</u>
Cost to 30th April 1999	2,349	1,076	15,195	18,620
Additions	-	100	6,495	6,595
	-----	-----	-----	-----
Cost to 30th April 2000	£2,349	£1,176	£21,690	£25,215
	=====	=====	=====	=====
Depreciation to 30th April 1999	2,349	1,076	7,210	10,635
Charge for the Year	-	100	3,621	3,721
	-----	-----	-----	-----
Depreciation to 30th April 2000	£2,349	£1,176	£10,831	£14,356
	=====	=====	=====	=====
Net Book Value at 30th April 2000	£ -	£ -	£10,859	£10,859
	=====	=====	=====	=====
Net Book Value at 30th April 1999	£ -	£ -	£ 7,985	£ 7,985
	=====	=====	=====	=====

The three motor cars are all subject to Hire Purchase Contracts on which a total of £5,899 is outstanding.

The Company owned a former leased vehicle which was wrecked during the year and insurance proceeds amounting to £1,450 were received.

**9 Stocks**

	<u>2000</u>	<u>1999</u>
Work in Progress	3,276	2,012
Raw Materials	1,400	1,500
Finished Goods	11,356	12,314
	-----	-----
	£16,032	£15,826
	=====	=====

SALISBURY FORGE (1986) LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 2000

**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.

**12 The Euro**

The Directors do not consider that the adoption of the Euro within much of the European Community will effect the Company.

SALISBURY FORGE (1986) LIMITED  
TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30th APRIL 2000

	<u>2000</u>	<u>1999</u>
<u>SALES</u>	126,686	119,368
<u>COST OF SALES</u>		
Purchases	34,634	36,773
Directors' Remuneration	32,760	32,760
Wages	15,704	14,956
Social Security	4,601	3,993
Plant Hire	15	104
Sub-Contract	1,495	354
	----- 89,209	----- 88,940
<u>GROSS PROFIT</u>	37,477	30,428
<u>ADMINISTRATION AND ESTABLISHMENT COSTS</u>		
Rent	11,000	11,000
Rates and Water	3,918	4,224
Insurances	2,206	1,646
Light, Heat and Power	1,454	1,412
Motor Expenses	5,215	4,482
Postage	120	135
Stationery	214	300
Telephone	529	554
Advertising	3,038	1,353
Laundry, Cleaning and Welfare	704	938
Pension Scheme, Etc.	2,845	3,008
Repairs and Renewals	-	243
Miscellaneous	114	436
	----- 31,357	----- 29,731
<u>TRADING PROFIT</u>	6,120	697
<u>FINANCIAL COSTS</u>		
Audit and Accountancy	1,995	2,259
Bank Charges	677	538
Credit Card Charges	457	418
Hire Purchase Charges	920	1,422
Amortisation of Goodwill	1,000	1,000
Depreciation of Fixed Assets	3,721	2,661
Disposal of Leased Asset	( 1,450)	-
	----- 7,320	----- 8,298
<u>NET LOSS FOR THE YEAR</u>	£( 1,200)	£( 7,601)
	=====	=====