

FASTENERS (MIDLANDS) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2001

Company No. 2232137



FASTENERS (MIDLANDS) LIMITED

Company Information

Directors	Mr. J. M. Phillips
Secretary	Mr. B. Matthews
Company Number	2232137
Registered Office	Unit 16 Longford Industrial Estate Bridgtown Cannock Staffordshire WS11 1QN
Accountants	Shelvoke, Pickering, Janney & Co. Chartered Accountants 57-61 Market Place Cannock Staffordshire WS11 1BP

FASTENERS (MIDLANDS) LIMITED

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FASTENERS (MIDLANDS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2001

The directors present their report and the accounts of the company for the year ended 31st December, 2001.

Principal Activity

The company's principal activity continues to be that of the distribution of industrial fasteners.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	<u>Number of Shares</u>	
	<u>2001</u>	<u>2000</u>
J. M. Phillips	7,500	7,500
Mrs. K. Phillips (Not a Director)	2,500	2,500

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and was approved by the board on 30th September, 2002.

Signed on behalf of the board of directors.


J. M. Phillips - Director

FASTENERS (MIDLANDS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 2001

<u>NOTE</u>	<u>2001</u>	<u>2000</u>
	£	£
Turnover	137,584	145,259
Cost of Sales	(77,653)	(79,864)
	<hr/>	<hr/>
<u>Gross Profit</u>	59,931	65,395
Distribution Costs	(4,976)	(4,489)
Administrative Expenses	(50,040)	(52,001)
	<hr/>	<hr/>
2 <u>Operating Profit</u>	4,915	8,905
3 Interest Payable	(444)	-
	<hr/>	<hr/>
<u>Profit on Ordinary Activities Before Taxation</u>	4,471	8,905
4 Taxation on Profit on Ordinary Activities	(502)	(100)
	<hr/>	<hr/>
<u>Profit on Ordinary Activities After Taxation</u>	3,969	8,805
<u>Dividends Paid and Proposed</u>	(1,000)	(2,000)
	<hr/>	<hr/>
<u>Retained Profit For The Year</u>	2,969	6,805
<u>Retained Profit Brought Forward</u>	10,119	3,314
	<hr/>	<hr/>
<u>Retained Profit Carried Forward</u>	13,088	10,119
	<hr/>	<hr/>

The notes on pages 5 to 8 form part of these accounts.

FASTENERS (MIDLANDS) LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER, 2001

<u>NOTE</u>	<u>Fixed Assets</u>	<u>2001</u>		<u>2000</u>	
		£	£	£	£
5	Tangible Assets		4,197		5,534
	<u>Current Assets</u>				
	Stocks	12,189		12,578	
6	Debtors	26,461		31,178	
	Cash at Bank and in Hand	16,784		16,773	
		55,434		60,529	
7	<u>Creditors: Amounts Falling Due Within One Year</u>	(35,269)		(43,200)	
	<u>Net Current Assets</u>		20,165		17,329
	<u>Total Assets Less Current Liabilities</u>		24,362		22,863
8	<u>Creditors: Amounts Falling Due After More Than One Year</u>		(1,274)		(2,744)
9	<u>Deferred Taxation</u>		-		-
			23,088		20,119
	<u>Capital and Reserves</u>				
10	Called Up Share Capital		10,000		10,000
	Profit and Loss Account		13,088		10,119
			23,088		20,119

FASTENERS (MIDLANDS) LIMITED

BALANCE SHEET

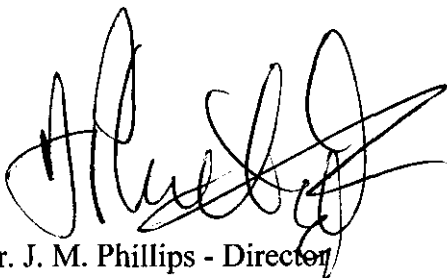
AS AT 31ST DECEMBER, 2001 (CONTINUED)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st December, 2001 and of its profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the 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.

The accounts were approved by the board on 30th September, 2002 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'J. M. Phillips', written over a horizontal line.

Mr. J. M. Phillips - Director

The notes on pages 5 to 8 form part of these accounts.

FASTENERS (MIDLANDS) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2001

1. Accounting Policies

a) Basis of Preparation of Accounts

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Change in Accounting Policies

Following the introduction of FRS19/ the Financial Reporting Standard for Smaller Entities (effective June 2002), the company has revised it's accounting policy for deferred tax. Standard accounting practice now requires the recognition of deferred tax arising from timing differences and the creation of a provision for deferred tax liabilities. Under previous practice no provision was required where deferred tax liabilities were not expected to crystallise.

c) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives on the following bases:

Motor Vehicles	-	25% p.a. (Reducing Balance)
Plant and Machinery	-	10 to 15% p.a. (Reducing Balance)

e) Leasing and Hire Purchase Commitments

Assets held under finance leases, which are those leases where substantially all the risks and rewards of ownership of assets have passed to the company, and hire purchase contracts are recorded in the Balance Sheet as fixed assets. Depreciation is provided on these assets over their estimated useful lives.

Future obligations under finance leases and hire purchase contracts are included in creditors, net of finance charges. Payments are apportioned between the finance element which is charged to the Profit and Loss Account as interest, and the capital element, which reduces the outstanding obligations.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

f) Stocks and Work In Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

g) Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date. Deferred tax is not recognised when assets are revalued unless, by the Balance Sheet date, the company has entered into a binding agreement to sell the assets and recognised the gains and losses expected to arise on sale or where assets have been sold and it is expected that the taxable gain will be rolled over into a replacement asset.

2.	<u>Profit On Ordinary Activities Before Taxation</u>	<u>2001</u>	<u>2000</u>
		£	£
	This is stated after charging;		
	Depreciation of Tangible Fixed Assets		
	- Owned by the Company	399	2,245
	- Held Under Finance Leases	938	-
	Directors' Emoluments and Company Contributions To		
	Money Purchase Schemes in Relation to Directors' Pensions	17,817	17,587
		=====	=====
3.	<u>Interest Payable</u>		
	Included in interest payable is interest on finance leases and hire purchase contracts of £444 (2000 : £NIL).		
4.	<u>Taxation</u>		
	<u>U.K. Current Year Taxation</u>		
	U. K. Corporation Tax	(500)	(100)
	<u>Prior Years</u>		
	U.K. Corporation Tax	(2)	-
		—	—
		(502)	(100)
		=====	=====
5.	<u>Tangible Fixed Assets</u>		
		<u>Plant and</u>	
		<u>Machinery Etc</u>	
		£	
	<u>Cost</u>		
	At 1st January, 2001 and 31st December 2001	15,164	
		=====	

Depreciation

At 1st January, 2001	9,630
Provided for the Year	1,337

At 31st December, 2001	10,967
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Net Book Values

At 31st December, 2001	4,197
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At 31st December, 2000	5,534
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Included above in plant and machinery etc. are assets held under finance leases or hire purchase contracts amounting to £2,812 (2000 : £3,750).

6.	<u>Debtors</u>	<u>2001</u>	<u>2000</u>
		£	£
	Trade Debtors	25,244	29,928
	Other Debtors	1,217	1,250
		<hr/>	<hr/>
		26,461	31,178
		<hr/>	<hr/>
7.	<u>Creditors: Amounts Falling Due Within One Year</u>		
	Trade Creditors	25,363	34,701
	Corporation Tax	500	100
	Other Taxation and Social Security	2,800	2,437
	Obligations Under Finance Leases and Hire Purchase Contracts (Secured)	1,274	1,131
	Other Creditors	5,332	4,831
		<hr/>	<hr/>
		35,269	43,200
		<hr/>	<hr/>
8.	<u>Creditors: Amounts Falling Due After More Than One Year</u>		
	Obligations Under Finance Leases and Hire Purchase Contracts (Secured)	1,274	2,744
		<hr/>	<hr/>

9. Deferred Taxation

No provision for deferred taxation was required in respect of this or the preceding period.

10. <u>Called Up Share Capital</u>	<u>2001</u> £	<u>2000</u> £
<u>Authorised</u>		
Ordinary Shares of £1 each	10,000	10,000
	=====	=====
<u>Called Up, Allotted and Fully Paid</u>		
Ordinary Shares of £1 each	10,000	10,000
	=====	=====

11. Related Party Transactions

The company was under the control of Mr. J. M. Phillips who owned 75% of the company's issued share capital during this and the preceding period.