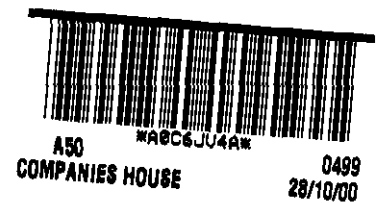


**FASTENERS (MIDLANDS) LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER, 1999**



**Company No. 2232137 (England and Wales)**

**FASTENERS (MIDLANDS) LIMITED**

**Company Information**

Directors	Mr. J. M. Phillips
Secretary	Mr. B. Matthews
Company Number	2232137 (England and Wales)
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, 1999**

The directors present their report and the accounts of the company for the year ended 31st December, 1999.

**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>1999</u>	<u>1998</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 19th October, 2000

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, 1999**

<u>NOTE</u>	<u>1999</u> £	<u>1998</u> £
Turnover	136,378	165,048
Cost of Sales	(76,739)	(101,660)
	<hr/>	<hr/>
<u>Gross Profit</u>	59,639	63,388
Distribution Costs	(4,822)	(6,214)
Administrative Expenses	(56,170)	(59,543)
	<hr/>	<hr/>
2 <u>Operating Loss</u>	(1,353)	(2,369)
3 Interest Payable	-	(315)
	<hr/>	<hr/>
<u>Loss on Ordinary Activities Before Taxation</u>	(1,353)	(2,684)
4 Taxation on Loss on Ordinary Activities	-	-
	<hr/>	<hr/>
<u>Loss on Ordinary Activities After Taxation</u>	(1,353)	(2,684)
<u>Retained Profit Brought Forward</u>	4,667	7,351
	<hr/>	<hr/>
<u>Retained Profit Carried Forward</u>	3,314	4,667
	<hr/>	<hr/>

There are no recognised gains or losses other than as disclosed above and there have been no discontinued activities or acquisitions in the current or preceding period.

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

**FASTENERS (MIDLANDS) LIMITED**

**BALANCE SHEET**

**AS AT 31ST DECEMBER, 1999**

<u>NOTE</u>	<u>Fixed Assets</u>	<u>1999</u>		<u>1998</u>	
		£	£	£	£
5	Tangible Assets		3,417		4,473
	<u>Current Assets</u>				
	Stocks	12,954		13,360	
6	Debtors	23,751		25,616	
	Cash at Bank and in Hand	12,670		7,392	
		<hr/>		<hr/>	
		49,375		46,368	
7	<u>Creditors: Amounts Falling Due Within One Year</u>	(39,478)		(36,174)	
		<hr/>		<hr/>	
	<u>Net Current Assets</u>		9,897		10,194
			<hr/>		<hr/>
	<u>Total Assets Less Current Liabilities</u>		13,314		14,667
			<hr/>		<hr/>
	<u>Capital and Reserves</u>				
9	Called Up Share Capital		10,000		10,000
	Profit and Loss Account		3,314		4,667
			<hr/>		<hr/>
10	Shareholders' Funds - All Equity		13,314		14,667
			<hr/>		<hr/>

**FASTENERS (MIDLANDS) LIMITED**

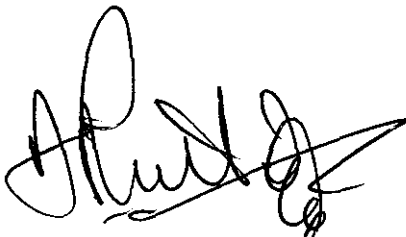
**BALANCE SHEET**

**AS AT 31ST DECEMBER, 1999 (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, 1999 and of its loss 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 19th October, 2000 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'J. M. Phillips', with a stylized flourish at the end.

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, 1999**

#### 1. Accounting Policies

##### a) Basis of Preparation of Accounts

The accounts have been prepared under the historical cost convention and incorporate the results of the principal activity which is described in the Directors' Report and which is continuing. The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

##### b) Turnover

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

##### c) 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)

##### d) Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### e) Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Profit and Loss Account as incurred.

##### f) Stocks

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



g) Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

2. <u>Operating Loss</u>	<u>1999</u>	<u>1998</u>
	£	£
The operating loss is stated after charging;		
Depreciation of Tangible Fixed Assets		
- Owned by the Company	1,056	315
Operating Lease Rentals		
- Hire of Plant and Machinery	715	835
- Other Operating Leases	8,400	8,400
Directors' Emoluments	17,397	16,520
	<u>          </u>	<u>          </u>

3. Interest Payable

Included in interest payable is interest on finance leases and hire purchase contracts of £NIL (1998 : £315).

4. Taxation

U.K. Current Year Taxation

U. K. Corporation Tax at 20% (1998 - 21%)	-	-
	<u>          </u>	<u>          </u>

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £NIL (1998 : £NIL) due to accelerated capital allowances.

5. <u>Tangible Fixed Assets</u>	<u>Plant and Machinery Etc</u>
	£
<u>Cost</u>	
At 1st January, 1999 and 31st December 1999	16,393
	<u>          </u>
<u>Depreciation</u>	
At 1st January, 1999	11,920
Provided for the Year	1,056
	<u>          </u>
At 31st December, 1999	12,976
	<u>          </u>

Net Book Values

At 31st December, 1999 3,417

At 31st December, 1998 4,473

6.	<u>Debtors</u>	<u>1999</u>	<u>1998</u>
		£	£
	<u>Due After More Than One Year</u>		
	Other Debtors	-	-
	<u>Due Within One Year</u>		
	Trade Debtors	22,245	24,232
	Prepayments and Accrued Income	1,506	1,384
		<u>23,751</u>	<u>25,616</u>
7.	<u>Creditors: Amounts Falling Due Within One Year</u>		
	Trade Creditors	31,729	27,845
	Other Creditors	847	859
	Taxation and Social Security	4,925	5,697
	Accruals and Deferred Income	1,977	1,773
		<u>39,478</u>	<u>36,174</u>
8.	<u>Deferred Taxation</u>		
	The potential liability for deferred taxation not provided was as follows:		
	Accelerated Capital Allowances	-	28
	<u>Less</u> Losses Available to be set-off		
	against future profits	(1,565)	(1,353)
9.	<u>Called Up Share Capital</u>		
	<u>Authorised</u>		
	Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>

	<u>1999</u>	<u>1998</u>
	£	£
<u>Issued</u>		
Ordinary Shares of £1 each	10,000	10,000
	<hr/>	<hr/>

10. Movement on Shareholders' Funds

Loss for the Year	(1,353)	(2,684)
Shareholders' Funds at 1st January, 1999	14,667	17,351
	<hr/>	<hr/>
Shareholders' funds at 31st December, 1999	13,314	14,667
	<hr/>	<hr/>

11. Other Commitments

At 31st December, 1999, the company had annual commitments under non-cancellable operating leases as follows:

	<u>Land and Buildings</u>		<u>Other</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£	£	£	£
Expiry date:				
Within One Year	-	-	-	-
Between Two and Five Years	8,400	8,400	-	-
In More Than Five Years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	8,400	8,400	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

12. Related Party Transactions

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