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STUDLEY ENGINEERING LIMITED

1754001

DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 1991

Company registration number : 1754001

STUDLEY ENGINEERING LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts of the company for the year ended 31 October 1991.

PRINCIPAL ACTIVITY

The company is engaged in plant erection and pipework fabrication.

RESULTS AND DIVIDEND

The results of the company's trading for the year are shown in the annexed profit and loss account. The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company has achieved satisfactory profits which will be invested in the business to enable it to continue to expand its operations and increase its profitability.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their shareholdings in the company are as follows:

	Ordinary shares of £1 each	
	At 31 October 1991	At 31 October 1990
AJ Brierton	2,500	5,000
M Hyland	2,500	5,000
J Hyland	-	-

CLOSE COMPANY

The company is a close company as defined by Section 414 of the Income and Corporation Taxes Act 1988.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

Price Waterhouse have indicated their willingness to continue in office and a resolution relating to their reappointment will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



AJ Brierton
Secretary

14 April 1992

Silkhouse Court
Tithebarn Street
Liverpool L2 2LJ

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Price Waterhouse

AUDITORS' REPORT TO THE MEMBERS OF STUDLEY ENGINEERING LIMITED

We have audited the accounts on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 October 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditor

14 April 1992

Offices at Aberdeen, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Hull, Leeds, Leicester, Liverpool, London, Manchester, Peterborough Newcastle, Nottingham Reading St Albans, Southampton and Windsor

The partnership's principal place of business is at Southwark Towers, 32 London Bridge Street, London SE1 9SY where a list of the partners' names is available for inspection

The firm is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

STUDLEY ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1991

	Note	1991		1990	
TURNOVER	2		1,506,016		1,526,061
COST OF SALES			(1,127,399)		(1,059,779)
GROSS PROFIT			378,617		466,282
Administrative expenses		321,600		337,042	
Distribution costs		42,164		31,500	
			(363,764)		(368,542)
OPERATING PROFIT			14,853		97,740
Interest payable and similar charges	3	3,946		9,552	
Bank interest receivable		(6,191)		(8,160)	
			2,245		(1,392)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4		17,098		96,348
TAX ON PROFIT ON ORDINARY ACTIVITIES	5		(10,805)		(26,521)
PROFIT FOR THE FINANCIAL YEAR			6,293		69,827
RESERVES BROUGHT FORWARD			221,495		151,668
RESERVES CARRIED FORWARD			£227,788		£221,495

STUDLEY ENGINEERING LIMITED

BALANCE SHEET AS AT 31 OCTOBER 1991

	Note	1991		1990	
FIXED ASSETS					
Tangible assets	7		142,398		161,924
CURRENT ASSETS					
Stocks and work in progress	8	19,257		22,823	
Debtors	9	281,995		391,504	
Cash at bank and in hand		80,288		47,141	
		381,540		461,468	
CREDITORS (amounts falling due within one year	10	(199,954)		(304,164)	
NET CURRENT ASSETS			181,586		157,304
TOTAL ASSETS LESS CURRENT LIABILITIES			£323,984		£319,228
CREDITORS (amounts falling due after more than one year)	11		20,380		21,917
CAPITAL AND RESERVES					
Called up share capital	12	10,000		10,000	
Revaluation reserve		65,816		65,816	
Profit and loss account		227,788		221,495	
SHAREHOLDERS' FUNDS			303,604		297,311
			£323,984		£319,228

Approved by the directors on 14 April 1992

AJ Brierton) Directors

M Hyland)

STUDLEY ENGINEERING LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 OCTOBER 1991

		1991		1990
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION		17,098		96,348
Adjustment for item not involving movements of funds:				
Depreciation		22,942		18,469
TOTAL GENERATED FROM OPERATIONS		40,040		114,817
APPLICATION OF FUNDS				
Loan repayments	931		326	
Taxation paid	27,105		8,721	
Purchase of fixed assets	3,416		34,476	
		(31,452)		(43,523)
		£8,588		£71,294
INCREASE/(DECREASE) IN WORKING CAPITAL				
(Decrease)/increase in stocks	(3,566)		1,466	
(Decrease)/increase in debtors	(109,509)		176,278	
Decrease/(increase) in creditors	58,532		(123,737)	
		(54,543)		54,007
INCREASE IN CASH AND BANK BALANCES		63,131		17,287
		£8,588		£71,294

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1991

1 ACCOUNTING POLICIES

The significant accounting policies adopted by the company are set out below.

(1) Accounting policies

The accounts are prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with applicable accounting standards.

(2) Tangible fixed assets and depreciation

Land and buildings are stated at valuation, other fixed assets are stated at cost. All fixed assets are depreciated on a straight line basis so as to reduce their costs to estimated realisable values by the end of their anticipated useful lives, which are as follows:

Buildings	40 years
Plant, machinery and office equipment	4-5 years
Motor vehicles	4 years

(3) Deferred taxation

Provision is made for deferred taxation in respect of timing differences, including capital allowances, but only where in the opinion of the directors it is reasonable to assume that the timing differences will reverse and give rise to a taxation liability in the foreseeable future.

(4) Stocks and work in progress

Stocks and work in progress are valued at the lower of cost, including applicable overheads, and estimated net realisable value.

(5) Pensions

The pension commitments relate to a defined contribution scheme, and the charges in the accounts represent the contributions paid during the accounting period under review.

2 TURNOVER

Turnover, which represents invoiced sales for the year, exclusive of VAT, is wholly earned in the UK, from the principal activity.

3 INTEREST PAYABLE AND SIMILAR CHARGES

	1991	1990
Bank overdraft interest	763	5,484
Interest on loans partly repayable after more than five years (Note 11)	3,183	4,068
	£3,946	£9,552

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1991 (CONTINUED)

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The following amounts have been charged in arriving at the profit on ordinary activities before taxation:-

	1991	1990
	£	£
Wages and salaries	775,120	857,447
Social security costs	78,738	83,748
Other pension costs	30,301	25,705
Depreciation	22,942	18,469
Directors' emoluments (including pension contributions)	106,641	156,461
Auditors' remuneration	3,250	3,000
Plant hire	58,529	61,008

The average number of employees during the year was 44 (1990-46).

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

UK corporation tax is provided on the profits of the year at 25% (1990-25%). The charge in the profit and loss account comprises:

	1991	1990
Corporation tax - current year	9,700	26,000
- previous year	1,105	521
	£10,805	£26,521

6 DIRECTORS' REMUNERATION

	1991	1990
Chairman (and highest paid director) excluding pension contributions	£29,139	£51,870

The number of other directors whose emoluments, excluding pension contributions, fell within the following bands was as follows:

	1991	1990
£0-5,000	-	2
£25,001 - 30,000	1	-
£30,001 - 35,000	1	-
£35,001 - 40,000	-	1
£45,001 - 50,000	-	1

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1991 (CONTINUED)

7 TANGIBLE FIXED ASSETS

Cost or valuation	Land and buildings	Office equipment	Plant and machinery	Motor vehicles	Total
At 31 October 1990	115,000	7,700	43,166	63,203	229,069
Additions in the year	-	633	2,783	-	3,416
At 31 October 1991	115,000	8,333	45,949	63,203	232,485
Depreciation					
At 31 October 1990	-	5,032	30,863	31,250	67,145
Charge for the year	2,880	1,518	8,329	10,215	22,942
At 31 October 1991	2,880	6,550	39,192	41,465	90,087
Net book amount					
At 31 October 1991	£112,120	£1,783	£6,757	£21,738	£142,398
At 31 October 1990	£115,000	£2,668	£12,303	£31,953	£161,924

Land and buildings were valued on the basis of open market value by Hepper Robinson & Co as at 5 September 1990 in the amount of £115,000.

Capital commitments	1991	1990
Contracts placed	-	-
Authorised but contracts not placed	-	-
	£-	£-

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1991 (CONTINUED)

8 STOCKS AND WORK IN PROGRESS	1991	1990
Raw materials and consumables	11,818	12,459
Work in progress	7,439	10,364
	£19,257	£22,823

The replacement cost of stocks and work in progress does not differ significantly from these amounts.

9 DEBTORS	1991	1990
Trade debtors	270,659	357,044
Prepayments and accrued income	11,336	34,460
	£281,995	£391,504

10 CREDITORS (amounts falling due within one year)	1991	1990
Bank loan and overdraft (Notes 11 and 13)	16,160	45,538
Trade creditors	93,552	33,663
Corporation tax	9,700	26,000
Other taxation and social security	47,633	103,983
Directors' current accounts	191	191
Accruals and deferred income	32,718	94,789
	£199,954	£304,164

11 CREDITORS (amounts falling due after more than one year)	1991	1990
Bank loan (Note 13)	£20,380	£21,917

The bank loan is repayable by fixed monthly instalments over more than five years at variable rates of interest.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1991 (CONTINUED)

12 CALLED UP SHARE CAPITAL

	1991	1990
Ordinary shares of £1 each:		
Authorised	£10,000	£10,000
Allotted and fully paid	£10,000	£10,000

13 CONTINGENT LIABILITIES

The bank loan is secured on freehold land and buildings at 17, Vulcan Street, Liverpool. The bank overdraft is secured by a fixed charge over book debts and a floating charge over the remaining assets of the company.

14 DEFERRED TAXATION

There is no charge for deferred tax, in accordance with the company's accounting policy. The potential for deferred tax at 31 October 1991 amounted to £nil (1990 - £nil).