Studley Engineering Limited
Abbreviated Financial Statements
for the year ended 31 October 1999

Company No: 1754001 (England and Wales)



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Studley Engineering Limited

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Studley Engineering Limited

Directors' Report

for the year ended 31 October 1999

The directors present their report and the abbreviated financial statements for the year ended 31 October 1999.

Principal Activities

The company's principal activity continues to be that of plant erection and pipework fabrication.

Review of the business

The directors consider the profit achieved before taxation to be satisfactory.

The results for the year are shown on page 4.

Company Secretary

The company secretary who served during the year was Mrs F Malone.

Directors

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

	Ordinary shares of £1 each	
	1999	1998
J Hyland	15000	15000
N Brierton	12500	12500

	Class B non-voting redeemable shares of 1p each	
	1999	1998
J Hyland	2030	2030
N Brierton	2042	2042

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 affairs of the company and of the profit or loss of that company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Responsibilities (continued)

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 that 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.

Year 2000

The directors have the responsibility of ensuring that the business will not be adversely affected by any failure of computer or other systems to cope with the Year 2000. The directors have the responsibility for:-

a) Analysing the impact of the Year 2000 issue on the business;
b) Developing plans to mitigate the effects identified by the analysis;
c) Assessing the appropriateness of adopting the going concern basis in preparing the financial statements (and of any disclosures needed to give a true and fair view); and
d) Considering any need for disclosures in the annual report as a result of the requirements of UITF Abstract 20, issued by the Accounting Standards Board.

Fixed Assets

Details of the movements in fixed assets during the year are set out in note 7 to the financial statements.

Dividends

The company paid dividends during the year in the sum of £67925 (1998: £67925).

Political and Charitable Donations

The company made no disclosable political contributions or donations to UK charities during the year.

Auditors

The auditors, BKR Haines Watts, are deemed to be reappointed in accordance with Section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 29 August 1997.

Signed on behalf of the board of directors on

..... Director
J Hyland 24-5-00

..... Director
N Brierton 24-5-00

17 Vulcan Street
Liverpool
L3 7BG

Studley Engineering Limited

Auditors' Report to Studley Engineering Limited

under Section 247B to the Companies Act 1985

We have examined the abbreviated financial statements on pages 4 to 13 together with the financial statements of Studley Engineering Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 October 1999.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A to the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with the Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the audited financial statements.

Opinion

In our opinion, the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 4 to 13 have been properly prepared in accordance with those provisions.

BKR Haines Watts

25th May 2000

BKR Haines Watts
Registered Auditors and
Chartered Accountants
Trident House
31/33 Dale Street
Liverpool
L2 2HF

Studley Engineering Limited

Abbreviated Profit and Loss Account

for the year ended 31 October 1999

	Notes	1999 £	1998 £
Gross Profit		751546	940534
Administrative expenses		(747000)	(871449)
Operating Profit	3	4546	69085
Interest receivable and other income		5198	26558
Interest payable		(12894)	(1478)
(Loss)/profit on ordinary activities before taxation		(3150)	94165
Tax on (loss)/profit on ordinary activities	4	(8273)	(24827)
(Loss)/profit for the financial year		(11433)	69338
Dividends	6	(67925)	(67925)
Retained (loss)/profit for the year	12	(79348)	1413

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than those included in the profit and loss account.

The (loss)/profit on ordinary activities before taxation and the retained (loss)/profit have been calculated on the historical cost basis.

The notes on pages 7 to 13 form part of these abbreviated financial statements.

Studley Engineering Limited

Abbreviated Balance Sheet

as at 31 October 1999

	Notes	1999		1998	
		£	£	£	£
Tangible fixed assets	7		37305		46105
Current assets					
Investments	8	52286		19501	
Stocks		12000		11420	
Debtors	9	572574		771273	
Cash at bank and in hand		153318		204636	
		790179		1006830	
Creditors: amounts falling due within one year	10	(558614)		(704718)	
Net current assets			231564		302112
			268869		348217
Capital and reserves					
Called up share capital	11		50170		50170
Profit and loss account	12		180791		260139
Capital redemption reserve			37908		37908
Equity shareholders' funds	13		268869		348217

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

Approved by the board of directors on and signed on its behalf by:-

..... Director
J Hyland 24-5-00

..... Director
N Brierton 24-5-00

The notes on pages 7 to 13 form part of these abbreviated financial statements.

Studley Engineering Limited
Cash Flow Statement
for the year ended 31 October 1999

Reconciliation of operating profit to net cash inflow from operating activities	1999 £	1998 £
Operating profit	4546	69085
Insurance proceeds received in respect of extensive repairs	-	13355
Depreciation charges	19033	16142
Profit on sale of investments	(1125)	(1835)
Increase in stock	(580)	(2920)
Decrease/(increase) in debtors	197807	(226275)
Decrease/(increase) in creditors	(169472)	76216
Net cash (outflow)/inflow from operating activities	50209	(56232)

Cash flow statement	Notes	1999 £	1998 £
Net cash inflow/(outflow) from operating activities		50209	(56232)
Returns on investments and servicing of finance	18	1797	11357
Taxation		(15952)	(31143)
Capital expenditure	18	(10233)	(21048)
Equity dividends paid		(67925)	(67925)
Management of liquid resources	18	(31660)	15110
Financing	18	95648	(25632)
(Decrease)/increase in cash	19	21884	(175513)

Reconciliation of net cash flow to movement in net debt (note 19)	£	1999 £	£	1998 £
Increase/(decrease) in cash in the period	21884		(175121)	
Cash (from sale) or used to purchase investment	32785		(13527)	
New loans (acquired)/repaid	(95280)		26000	
		(40611)		162648
Net funds at 1 November 1998		135479		298127
Net funds at 31 October 1999		94868		135479

1 Accounting Policies

1.1 Basis of preparation of accounts

The financial statements are 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.

1.2 Turnover

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

1.3 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:

Plant and machinery	4 years
Motor vehicles	4 years
Fixtures, fittings and equipment	4 years

1.4 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.

1.5 Operating leases

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to profit and loss account as incurred.

1 Accounting Policies (continued)

1.6 Grants

Grants received are treated as deferred credits and are transferred to the profit and loss account in accordance with the related expenditure.

1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowances for obsolete and slow moving stocks. Cost includes all direct costs.

1.8 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.

1.9 Pensions

The company operates defined contribution pension schemes and the pension charge represents the amounts payable by the company to the funds in respect of the year.

2 Turnover

During the year the company did not export any of its turnover to member countries of the European Community.

3 Operating profit

	1999	1998
	£	£
Operating profit is stated after charging:		
Depreciation of tangible fixed assets		
- owned by the company	19033	16142
Operating lease rentals		
- hire of motor vehicles	21365	21555
Hire of plant and machinery	269881	226675
Auditors' remuneration	4750	4500

4 Tax on (loss)/profit on ordinary activities

	1999	19978
	£	£
UK current year taxation		
UK corporation tax at 21% (1998 - 21%)	8273	24827

5 Directors and employees

	1999	1998
	£	£
Staff costs including directors' remuneration were as follows:		
Wages and salaries	1831880	2101038
Social security costs	178198	190748
Pension costs and other emoluments	247157	251825
	2257235	2543611

The average number of persons employed by the company during the year was 76 (1998 - 76).

Directors' remuneration

	1999	1998
	£	£
Emoluments for services as directors	89630	201060
Pension contributions paid to accrue money purchase benefits	58982	39591
	148612	240651

Included in the above are emoluments of £44754(1998 - £102248) and pension contributions of £30314 (1998 - £20733) paid to the highest paid director.

There are two directors to whom retirement benefits are accruing under money purchase retirement benefit schemes.

6 Dividends

	1999	1998
	£	£
Dividends - ordinary shares	67925	67925

7 Tangible fixed assets

	Plant & Machinery	Motor Vehicles	Fixtures, Fittings & Equipment	Total
	£	£	£	£
Cost				
At 1 November 1998	143432	49419	30440	223291
Additions	12818	-	2228	15046
Disposals	-	(7000)	-	(7000
At 31 October 1999	156250	42419	32668	231337
Depreciation				
At 1 November 1998	108795	42856	25535	177186
Charge for the year	15856	1750	1427	19033
Released on disposals	-	(2187)	-	(21897)
At 31 October 1999	124651	42419	26962	194032
Net Book Amount				
At 31 October 1999	31599	-	5706	37305
At 31 October 1998	34637	6563	4905	46105

8 Investments

	1999	1998
	£	£
Listed investments	52286	19501

The market value of listed investments at 31 October 1999 amounted to £56092 (1998 - £19786).

9 Debtors

	1999	1998
	£	£
Trade debtors	569081	707951
Other debtors	217	868
Prepayments and accrued income	16871	62454
	572574	771273

10	Creditors: amounts falling due within one year	1999	1998
		£	£
	Bank loans and overdrafts (secured)	11456	84658
	Trade creditors	118111	80368
	Corporation tax	385	7847
	Other taxation and social security	141498	171583
	Directors loan account	72504	-
	Other creditors	32462	30291
	Accruals and deferred income	182198	329971
		558614	704718

11	Called up share capital	1999	1998
		£	£
	Authorised		
	Ordinary shares of £1 each	100000	100000
	Class B non-voting redeemable shares of 1p each	170	170
	Allotted and fully paid		
	Ordinary shares of £1 each	50000	50000
	Class B non-voting redeemable shares of 1p each	170	170
		50170	50170

12	Profit and loss account	1999	1998
		£	£
	Balance brought forward	260139	258726
	Retained (loss)/profit for the year	(79348)	1413
	Balance carried forward	180791	260139

13 Reconciliation of movement in shareholders' funds

	1999	1998
	£	£
(Loss)/profit for the year	(11423)	69338
Dividends	(67925)	(67925)
Net additions during the year	(79348)	1413
Shareholders' funds at 1 November 1998	348217	346804
Shareholders' funds at 31 October 1999	268869	348217

14 Pension commitments

The company operates defined contribution pension schemes for its directors and senior employees. The assets of the schemes are held separately from those of the company in independently administered funds.

15 Contingent liabilities

The accounts for the year ended 31 October 1995 reflected that certain employees of the company were provided with benefits in kind which the company contend were not of a kind subject to the PAYE Regulations and tax was therefore not otherwise due under those Regulations. The Inland Revenue/Inland Revenue (NI Contributions) Office contend otherwise.

A test case is now the subject of an Appeal to the High Court and the estimated outflow from the company should the company's contentions not prove sustainable is £47500.

16 Capital commitments

The company had no capital commitments at 31 October 1999 (1998 - none) either contracted for or authorised by the directors but not contracted for.

17 Other commitments

At the year end the company had annual commitments under non-cancellable operating leases as follows:

	Other	
	1999	1998
	£	£
Expiry date:		
Within one year	18048	17468
In the second to fifth years	9225	14115

18 Gross cash flows

	1999		1998	
	£	£	£	£
Returns on investments and servicing of finance				
Interest paid	(4142)		(1478)	
Interest received	5785		12583	
Investment income	154		252	
		1797		11357
Capital expenditure				
Payments to acquire tangible fixed assets	(15046)		21048	
Receipts from sale of tangible fixed assets	4813		-	
		(10233)		(21048)
Management of liquid resources				
Payments to acquire investments	(130169)		(60000)	
Income reinvested	(262)		(252)	
Receipts from disposal of investments	98771		75362	
		(31660)		15110
Financing				
Loan received	(144280)		-	
Loan repaid	49000		26000	
Grant received	(368)		(368)	
		95648		(25632)

19 Analysis of changes in net debt

	At 1.11.98	Cash Flows	At 31.10.99
	£	£	£
Cash at bank and in hand	204636	(51318)	153318
Bank overdraft	(84658)	73202	(11456)
		21884	
Investments	19501	32785	52286
Debt due within one year	(4000)	(95280)	(99280)
Total	135479	(40611)	94868