Studley Engineering Limited
Abbreviated Financial Statements
for the year ended 31 October 2001

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 2001

The directors present their report and the abbreviated financial statements for the year ended 31 October 2001.

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	
	2001	2000
J Hyland	15000	15000
N Brierton	12500	12500

	Class B non-voting redeemable shares of 1p each	
	2001	2000
J Hyland	2501	2030
N Brierton	2515	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.

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 £61528 (2000: £67925).

Political and Charitable Donations

The company made donations of £42 (2000: £1150) 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 08/07/02

..... Director
N Brierton 08/07/02

17 Vulcan Street
Liverpool
L3 7BG

Studley Engineering Limited

Auditors' Report

to Studley Engineering Limited

under section 274B of the Companies Act 1985

We have examined the abbreviated financial statements set out 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 2001.

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 Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated accounts 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 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 are properly prepared in accordance with that provision.

BKR Haines Watts

9th July 2002.

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 2001

	Notes	2001 £	2000 £
Gross Profit		929347	803339
Administrative expenses		(822958)	(668051)
Operating Profit	3	106389	135288
Interest receivable and other income		1091	4548
Interest payable		(1082)	(906)
Profit on ordinary activities before taxation		106398	138930
Tax on profit on ordinary activities	4	(30744)	(34471)
Profit for the financial year		75654	104459
Dividends	6	(61528)	(67925)
Retained profit for the year	12	14126	36534

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 profit/(loss) on ordinary activities before taxation and the retained profit/(loss) 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 2001

	Notes	2001		2000	
		£	£	£	£
Tangible fixed assets	7		40565		60286
Current assets					
Investments	8	65568		65456	
Stocks		12000		12000	
Debtors	9	661152		687267	
Cash at bank and in hand		146143		12366	
		884863		777089	
Creditors: amounts falling due within one year	10	(605899)		(531972)	
Net current assets			278964		245117
			319529		305403
Capital and reserves					
Called up share capital	11		50170		50170
Profit and loss account	12		231451		217325
Capital redemption reserve			37908		37908
Equity shareholders' funds	13		319529		305403

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 08/07/02

..... Director
N Brierton 08/07/02

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

Studley Engineering Limited
Abbreviated Cash Flow Statement
for the year ended 31 October 2001

Reconciliation of operating profit to net cash inflow from operating activities	2001 £	2000 £
Operating profit	106389	135288
Depreciation charges	19721	18984
Profit on sale of investments	-	(12961)
Profit on disposal of fixed assets	-	(3000)
Increase in stock	-	-
Decrease/(increase) in debtors	25898	(114693)
Increase in creditors	90252	50024
Net cash inflow/(outflow) from operating activities	242260	73642

Cash flow statement	Notes	2001 £	2000 £
Net cash outflow from operating activities		242260	73642
Returns on investments and servicing of finance	17	(897)	(8234)
Taxation		(33607)	(864)
Capital expenditure	17	-	(38965)
Equity dividends paid		(61528)	(67925)
Management of liquid resources	17	-	4542
Financing	17	-	(72504)
Increase in cash	18	146228	(110308)

Reconciliation of net cash flow to movement in net cash (note 18)	2001 £	2001 £	2000 £	2000 £
Increase in cash in the period	146228		(110308)	
Cash used to purchase investments	-		8419	
Loans paid off	-		72504	
		146228		(29385)
Net funds at 1 November 2000		65483		94868
Net funds at 31 October 2001		211711		65483

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.

The accounts have been prepared in accordance with applicable accounting standards.

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

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible fixed assets		
- owned by the company	19721	18984
Operating lease rentals		
- hire of motor vehicles	43446	36704
Hire of plant and machinery	226731	249254
Auditors' remuneration	4750	4750

4 Tax on profit/(loss) on ordinary activities

	2001	2000
	£	£
UK current year taxation		
UK corporation tax at 20% (2000 - 20%)	30744	34471

5 Directors and employees

	2001	2000
	£	£
Staff costs including directors' remuneration were as follows:		
Wages and salaries	2348501	1830117
Social security costs	247221	180499
Pension costs and other emoluments	28734	29664
	2624456	2040280

The average number of persons employed by the company during the year was 93 (2000 - 76).

Directors' remuneration

	2001	2000
	£	£
Emoluments for services as directors	191009	77898
Pension contributions paid to accrued money purchase benefit schemes	13150	12234
	204159	90132

Included in the above are emoluments of £102363 (2000 - £45335) and pension contributions of £6774 (2000 - £6300) paid to the highest paid director.

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

6 Dividends

	2001	2000
	£	£
Dividends - ordinary shares	61528	67925

7 Tangible fixed assets

	Plant & Machinery	Motor Vehicles	Fixtures, Fittings & Equipment	Total
	£	£	£	£
Cost				
At 1 November 2000	139937	16802	41723	198462
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 October 2001	139937	16802	41723	198462
Depreciation				
At 1 November 2000	108019	1600	28557	138176
Charge for the year	12287	4200	3234	19721
Released on disposals	-	-	-	-
At 31 October 2001	120306	5800	31791	157897
Net Book Amount				
At 31 October 2001	19631	11002	9932	40565
At 31 October 2000	31918	15202	13166	60286

8 Investments

	2001	2000
	£	£
Listed investments	65568	52286

The market value of listed investments at 31 October 2001 amounted to £50206 (2000 - £74386).

9 Debtors

	2001	2000
	£	£
Trade debtors	630904	669667
Other debtors	3000	217
Prepayments and accrued income	27248	17383
	661152	687267

Included in other debtors above are directors loan accounts of £3000 (2000: Nil).

10	Creditors: amounts falling due within one year	2001	2000
		£	£
	Bank loans and overdrafts (secured)	-	12339
	Trade creditors	124143	143093
	Corporation tax	30912	33992
	Other taxation and social security	176248	155662
	Other creditors	3701	3701
	Accruals and deferred income	270895	183185
		605899	531972

11	Called up share capital	2001	2000
		£	£
	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	2001	2000
		£	£
	Balance brought forward	217325	180791
	Retained profit for the year	14126	36534
	Balance carried forward	231451	217325

13 Reconciliation of movement in shareholders' funds	2001	2000
	£	£
Profit for the year	75654	104459
Dividends	(61528)	(67925)
Net additions during the year	14126	36534
Shareholders' funds at 1 November 2000	305403	268869
Shareholders' funds at 31 October 2001	319529	305403

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 Capital commitments

The company had no capital commitments at 31 October 2001 (2000 - none) either contracted for or authorised by the directors but not contracted for.

16 Other commitments

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

	Other	
	2001	2000
	£	£
Expiry date:		
Within one year	41482	21359
In the second to fifth years	66838	27564

17 Gross cash flows

	2001		2000	
	£	£	£	£
Returns on investments and servicing of finance				
Interest paid	(1988)		(12782)	
Interest received	598		4311	
Investment income	493		237	
		(897)		(8234)
Capital expenditure				
Payments to acquire tangible fixed assets	-		(41965)	
Receipts from sale of tangible fixed assets	-		3000	
		-		(38965)
Management of liquid resources				
Payments to acquire investments	-		(37847)	
Income reinvested	-		-	
Receipts from disposal of investments	-		42389	
		-		4542
Financing				
Loan repaid	-		72504	
		-		(72504)

18 Analysis of changes in net cash

	At 1.11.00	Cash Flows	At 31.10.01
	£	£	£
Cash at bank and in hand	12366	133777	146143
Bank overdraft	(12339)	12339	
		146116	
Investments	65456	112	65568
Total	65483	146228	211711