Company Registration No. 1754001 (England and Wales)

STUDLEY ENGINEERING LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2003



STUDLEY ENGINEERING LIMITED

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STUDLEY ENGINEERING LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2003

The directors present their report and financial statements for the year ended 31 October 2003.

Principal activities and review of the business
The principal activity of the company continued to be that of plant erection and pipework fabrication.

Results and dividends
The results for the year are set out on page 4.

Interim ordinary dividends were paid amounting to £55,131. The directors recommend payment of a final dividend amounting to £157,333.

Directors
The following directors have held office since 1 November 2002:

J Hyland
N Brierton

Directors' interests
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 October 2003	**1 November 2002**
J Hyland	15,000	15,000
N Brierton	12,500	12,500

	Class B non-voting redeemable shares of 1p each	
	31 October 2003	**1 November 2002**
J Hyland	2,501	2,501
N Brierton	2,515	2,515

Charitable donations	**2003**	**2002**
	£	**£**
During the year the company made the following payments:		
Charitable donations	2,515	-

Auditors
The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Haines Watts, will be deemed to be reappointed for each succeeding financial year.

STUDLEY ENGINEERING LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2003

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 the 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.

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.

On behalf of the board

J Hyland
Director
8 July 2004

STUDLEY ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO STUDLEY ENGINEERING LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 14, together with the financial statements of the company for the year ended 31 October 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Basis of audit 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 accounts and that the abbreviated accounts to be delivered are 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 accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.

Haines Watts

Haines Watts

8 July 2004

Chartered Accountants
Registered Auditor

Trident House
31/33 Dale Street
Liverpool
L2 2HF

STUDLEY ENGINEERING LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003

	Notes	2003 £	2002 £
Gross profit		972,523	809,854
Administrative expenses		(682,597)	(700,282)
Operating profit	2	289,926	109,572
Investment income	3	417	415
Other interest receivable and similar income		701	1,397
Interest payable and similar charges	4	(314)	(8,641)
Profit on ordinary activities before taxation		290,730	102,743
Tax on profit on ordinary activities	5	(67,470)	(30,209)
Profit on ordinary activities after taxation		223,260	72,534
Dividends	6	(212,464)	(55,131)
Retained profit for the year	14	10,796	17,403

STUDLEY ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET
AS AT 31 OCTOBER 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	7		17,926		29,355
Current assets					
Stocks	8	12,000		12,000	
Debtors	9	834,294		702,826	
Investments	10	65,868		65,693	
Cash at bank and in hand		56,588		51,030	
		968,750		831,549	
Creditors: amounts falling due within one year	11	(638,948)		(523,972)	
Net current assets			329,802		307,577
Total assets less current liabilities			347,728		336,932
Capital and reserves					
Called up share capital	13		50,170		50,170
Other reserves	14		37,908		37,908
Profit and loss account	14		259,650		248,854
Shareholders' funds - equity interests	15		347,728		336,932

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 8 July 2004

J Hyland
Director

N Brierton
Director

STUDLEY ENGINEERING LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2003

	2003		2002	
	£	£	£	£
Net cash inflow/(outflow) from operating activities		140,973		(43,423)
Returns on investments and servicing of finance				
Interest received	1,118		1,812	
Interest paid	(314)		(8,641)	
Net cash inflow/(outflow) for returns on investments and servicing of finance		804		(6,829)
Taxation		(29,457)		(31,664)
Capital expenditure				
Payments to acquire tangible assets	(9,352)		(8,970)	
Receipts from sales of tangible assets	8,000		925	
Net cash outflow for capital expenditure		(1,352)		(8,045)
Equity dividends paid		(55,131)		(55,131)
Net cash inflow/(outflow) before management of liquid resources and financing		55,837		(145,092)
Management of liquid resources				
Current asset investments	(175)		(125)	
		(175)		(125)
Increase/(decrease) in cash in the year		55,662		(145,217)

STUDLEY ENGINEERING LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2003

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2003	2002
	£	£
Operating profit	289,926	109,572
Depreciation of tangible assets	13,979	19,255
Profit on disposal of tangible assets	(1,198)	-
Increase in debtors	(131,468)	(41,674)
Decrease in creditors within one year	(30,266)	(130,576)
Net cash inflow/(outflow) from operating activities	140,973	(43,423)

2 Analysis of net funds

	1 November 2002	Cash flow	Other non-cash changes	31 October 2003
	£	£	£	£
Net cash:				
Cash at bank and in hand	51,030	5,558	-	56,588
Bank overdrafts	(50,104)	50,104	-	-
	926	55,662	-	56,588
Liquid resources:				
Current asset investments	65,693	175	-	65,868
Net funds	66,619	55,837	-	122,456

3 Reconciliation of net cash flow to movement in net funds

	2003	2002
	£	£
Increase/(decrease) in cash in the year	55,662	(145,217)
Cash outflow from increase in liquid resources	175	125
Movement in net funds in the year	55,837	(145,092)
Opening net funds	66,619	211,711
Closing net funds	122,456	66,619

STUDLEY ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT 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 less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% on cost
Fixtures, fittings & equipment	25% on cost
Motor vehicles	25% on cost

1.4 Leasing

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

1.5 Investments

Current asset investments are stated at cost.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences 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 foreseeable future.

2 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	13,979	19,255
Operating lease rentals		
- Plant and machinery	327,926	258,663
- Other assets	45,574	41,034
Auditors' remuneration	4,750	4,750
and after crediting:		
Profit on disposal of tangible assets	(1,198)	-

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2003

3	**Investment income**	**2003**	**2002**
		£	**£**
	Income from fixed asset investments	417	415

4	**Interest payable**	**2003**	**2002**
		£	**£**
	On bank loans and overdrafts	15	201
	On other loans	299	8,440
		314	8,641

5	**Taxation**	**2003**	**2002**
		£	**£**
	Domestic current year tax		
	U.K. corporation tax	67,470	30,209
	Current tax charge	67,470	30,209
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	290,730	102,743
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.32% (2002: 19.40%)	59,076	19,932
	Effects of:		
	Non deductible expenses	7,726	9,122
	Depreciation add back	2,841	3,735
	Capital allowances	(2,186)	(3,272)
	Dividends and distributions received	13	(81)
	Other tax adjustments	-	773
		8,394	10,277
	Current tax charge	67,470	30,209

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2003

6 Dividends

	2003	2002
	£	£
Dividends - redeemable shares of 1p each	55,131	55,131
Ordinary final proposed	157,333	-
	212,464	55,131

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 2002	143,903	44,877	16,802	205,582
Additions	6,897	2,455	-	9,352
Disposals	-	-	(16,802)	(16,802)
At 31 October 2003	150,800	47,332	-	198,132
Depreciation				
At 1 November 2002	130,320	35,907	10,000	176,227
On disposals	-	-	(10,000)	(10,000)
Charge for the year	8,948	5,031	-	13,979
At 31 October 2003	139,268	40,938	-	180,206
Net book value				
At 31 October 2003	11,532	6,394	-	17,926
At 31 October 2002	13,583	8,970	6,802	29,355

8 Stocks

	2003	2002
	£	£
Raw materials and consumables	12,000	12,000

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2003

9 Debtors	2003 £	2002 £
Trade debtors	777,566	638,540
Prepayments and accrued income	56,728	64,286
	834,294	702,826

10 *Current asset investments*	*2003* £	*2002* £
Listed investments	65,868	65,693
Market valuation of listed investments	46,343	41,062

11 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loans and overdrafts	-	50,104
Trade creditors	143,050	96,313
Corporation tax	67,470	29,457
Other taxes and social security costs	210,400	156,108
Other creditors	-	3,701
Accruals and deferred income	60,695	188,289
Proposed dividend	157,333	-
	638,948	523,972

The bank overdraft is secured by a fixed and floating charge dated 3 May 1985.

12 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	21,550	21,537

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2003

13 Share capital	2003 £	2002 £
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
17,000 Class B non-voting redeemable shares of 1p each	170	170
	100,170	100,170
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
17,000 Class B non-voting redeemable shares of 1p each	170	170
	50,170	50,170

14 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 November 2002	37,908	248,854
Retained profit for the year	-	10,796
Balance at 31 October 2003	37,908	259,650

Other reserves
Capital redemption reserve

Balance at 1 November 2002 & at 31 October 2003	37,908

15 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the financial year	223,260	72,534
Dividends	(212,464)	(55,131)
Net addition to shareholders' funds	10,796	17,403
Opening shareholders' funds	336,932	319,529
Closing shareholders' funds	347,728	336,932

16 Financial commitments

At 31 October 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003	2002
	£	£
Expiry date:		
Within one year	41,820	31,961
Between two and five years	60,269	35,716
	102,089	67,677

17 Directors' emoluments

	2003	2002
	£	£
Emoluments for qualifying services	94,999	132,283
Company pension contributions to money purchase schemes	11,439	11,439
	106,438	143,722

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002- 2).

18 Transactions with directors

The company paid rent of £30,000 to a partnership run by the directors and members of their families.

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Office and administration	7	7
Workshop and on site	75	75
Directors	2	2
	84	84

Employment costs

	£	£
Wages and salaries	2,409,606	2,156,438
Other pension costs	21,550	21,537
	2,431,156	2,177,975