

**HENRY BROOK & COMPANY LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR**  
**31 JULY 2001**



**FRED SHEARD & SONS**  
Chartered Accountants & Registered Auditors  
Vernon House  
40 New North Road  
Huddersfield  
HD1 5LS

# **HENRY BROOK & COMPANY LIMITED**

## **ABBREVIATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2001**

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<b>CONTENTS</b>	<b>PAGE</b>
Officers and professional advisers	<b>1</b>
The directors' report	<b>2</b>
Auditors' report to the company	<b>4</b>
Abbreviated profit and loss account	<b>5</b>
Abbreviated balance sheet	<b>6</b>
Cash flow statement	<b>7</b>
Notes to the abbreviated financial statements	<b>8</b>

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# **HENRY BROOK & COMPANY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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**The board of directors** Mr N A R Ranshaw  
Mr M Flockton

**Company secretary** Mr M Flockton

**Registered office** Leeds Road  
Huddersfield  
HD2 1XU

**Auditors** Fred Sheard & Sons  
Chartered Accountants  
& Registered Auditors  
Vernon House  
40 New North Road  
Huddersfield  
HD1 5LS

**Bankers** Barclays Bank Plc  
3rd Floor  
6 East Parade  
Leeds  
LS1 2UX

# HENRY BROOK & COMPANY LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31 JULY 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 July 2001.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of constructional engineering.

With the best sustained growth the company has delivered for many years and a three-year recovery programme firmly on track, turnover increased significantly to £6.7m and profit before tax of £84,390 was achieved.

AstraZeneca alliance work and work for other blue chip companies again represented a high proportion of turnover. Profitability was hit by a programme to revive the company's fortunes and continuing tough trading conditions, especially in the second half of the year.

Record high production figures have been recorded with additional production staff, efficiency drives and improved scheduling of work.

#### RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2001	2000
	£	£
Proposed dividends on ordinary shares	9,600	-
Proposed dividends on preference shares	168	168
	<u>9,768</u>	<u>168</u>

#### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Class of share	At 31 July 2001	At 1 August 2000
Mr N A R Ranshaw	Ordinary shares	1,138	1,138
Mr M Flockton	Ordinary shares	-	-

#### RETIREMENT OF DIRECTORS

In accordance with the Articles of Association, Mr M Flockton will retire from the board and, being eligible, will stand for re-appointment.

#### FIXED ASSETS

During the year, capital expenditure and disposals amounted to £13,820 and £17,533 respectively.

The property was revalued on 10 March 1998.

# HENRY BROOK & COMPANY LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JULY 2001

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### EMPLOYEES

Shop floor personnel increased during the year and morale improved. Employees have co-operated in being more flexible to customer demands with many increasing their workloads.

### PROSPECTS FOR 2001/2002

A sales budget of £6.3m was agreed with a greater mix of non-AstraZeneca work.

Actions need to be taken to further reduce costs, restructure the company and improve efficiency in order to achieve the target sales and profit margins.

There are hopes that the current economic situation will turn for the better.

### 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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

### AUDITORS

A resolution to re-appoint Fred Sheard & Sons as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Leeds Road  
Huddersfield  
HD2 1XU

Signed by order of the directors



MR M FLOCKTON  
Company Secretary

Approved by the directors on 29 November 2001

# **HENRY BROOK & COMPANY LIMITED**

## **AUDITORS' REPORT TO THE COMPANY**

### **PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts on pages 5 to 15, together with the financial statements of the company for the year ended 31 July 2001 prepared under Section 226 of the Companies Act 1985.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE 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 those provisions and 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 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**

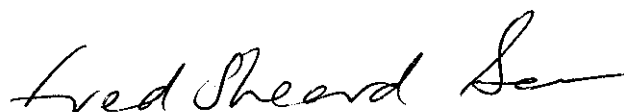
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with those provisions.

#### **OTHER INFORMATION**

On 30 November 2001 we reported as auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

Vernon House  
40 New North Road  
Huddersfield  
HD1 5LS

30 November 2001



FRED SHEARD & SONS  
Chartered Accountants  
& Registered Auditors

# HENRY BROOK & COMPANY LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 JULY 2001

	Note	2001 £	2000 £
<b>GROSS PROFIT</b>		2,225,462	1,599,581
<b>OPERATING COSTS:</b>			
Staff costs	2	(1,622,366)	(1,222,929)
Depreciation written off fixed assets		(51,842)	(46,001)
Other operating charges		(419,796)	(338,940)
<b>OPERATING PROFIT/(LOSS)</b>	3	131,458	(8,289)
Interest receivable		1,419	1,217
Interest payable	5	(48,487)	(41,832)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		84,390	(48,904)
Tax on profit/(loss) on ordinary activities	6	-	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		84,390	(48,904)
Dividends (including non-equity)	7	(9,768)	(168)
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		74,622	(49,072)
Balance brought forward		170,343	219,415
Balance carried forward		244,965	170,343

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 8 to 15 form part of these financial statements.

# HENRY BROOK & COMPANY LIMITED

## ABBREVIATED BALANCE SHEET

31 JULY 2001

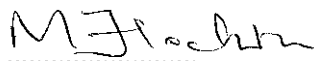
	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	8	832,292	870,382
<b>CURRENT ASSETS</b>			
Stocks	9	67,829	258,446
Debtors	10	1,471,473	1,022,045
Cash in hand		1,722	1,182
		<u>1,541,024</u>	<u>1,281,673</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>(1,512,181)</u>	<u>(1,355,192)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>28,843</u>	<u>(73,519)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>861,135</u>	<u>796,863</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	12	<u>(20,700)</u>	<u>(31,050)</u>
		<u>840,435</u>	<u>765,813</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	15	13,600	13,600
Revaluation reserve		581,870	581,870
Profit and Loss Account		244,965	170,343
<b>SHAREHOLDERS' FUNDS (including non-equity interests)</b>	16	<u>840,435</u>	<u>765,813</u>

These financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 29 November 2001, and are signed on their behalf by:



MR N A R RANSHAW



MR M FLOCKTON

The notes on pages 8 to 15 form part of these financial statements.



**HENRY BROOK & COMPANY LIMITED****CASH FLOW STATEMENT****YEAR ENDED 31 JULY 2001**

	Note	2001	2000
		£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	18	200,908	47,557
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Interest paid		(46,401)	(39,699)
Interest element of hire purchase		(2,401)	(1,676)
Non-equity dividends paid		(168)	(168)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(48,970)	(41,543)
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets		(13,820)	(55,769)
Receipts from sale of fixed assets		68	26,646
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>		(13,752)	(29,123)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		138,186	(23,109)
<b>FINANCING</b>			
Capital element of hire purchase		(10,350)	29,142
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>		(10,350)	29,142
<b>INCREASE IN CASH</b>	19	127,836	6,033

The notes on pages 8 to 15 form part of these financial statements.

# **HENRY BROOK & COMPANY LIMITED**

## **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**YEAR ENDED 31 JULY 2001**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 2% straight line
Plant & Machinery	- reduce to residual value after 3 to 20 years
Fixtures & Fittings	- written off over 3 to 10 years
Motor Vehicles	- reduce to residual value after 4 to 8 year

#### **Stocks**

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

#### **Long term contracts**

Turnover on long term contracts is ascertained in a manner appropriate to the stage of completion of the contracts. Where the outcome of the contracts can be assessed with reasonable certainty, attributable profit is calculated on a prudent basis. Where the outcome of contracts cannot be assessed with reasonable certainty, no profit is reflected in the profit and loss account. All potential future losses on contracts are recognised as foreseen.

#### **Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

# HENRY BROOK & COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

### 1. ACCOUNTING POLICIES *(continued)*

#### Pension costs

The company operates a defined benefit pension scheme covering the majority of its senior staff. Pension costs are charged to the profit and loss account over the expected service lives of employees in the scheme.

The net assets of the scheme are held in a separate trustee-administered fund, and the pension cost is assessed in accordance with advice from qualified actuaries.

The last actuarial valuation was at 1 June 1999 using the projected unit method with a 20 year control period. The main assumption was a real return on investments above general earnings inflation of 2% per annum.

The total market value of the scheme's assets at that date was £829,244. The total actuarial value of the assets represented 100% of the benefits that had accrued to members, after allowing for projected increases in salaries.

The actuary has recommended that employer contributions rates should be 26.1% of pensionable salary roll, with an additional 6% to be contributed by the members.

### 2. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2001	2000
	No.	No.
Production staff	54	48
Administrative staff	3	2
Management staff	6	5
	<u>63</u>	<u>55</u>

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	1,433,743	1,060,699
Social security costs	136,585	95,025
Other pension costs	52,038	67,205
	<u>1,622,366</u>	<u>1,222,929</u>

### 3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2001	2000
	£	£
Depreciation	51,284	55,475
Loss/(profit) on disposal of fixed assets	558	(9,474)
Auditors' remuneration		
- as auditors	6,980	6,255
Operating lease costs:		
Plant and equipment	2,841	1,837
Vehicles	<u>30,715</u>	<u>10,614</u>

# HENRY BROOK & COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

### 4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2001	2000
	£	£
Emoluments receivable	<u>122,231</u>	<u>126,037</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2001	2000
	No.	No.
Defined benefit schemes	<u>2</u>	<u>2</u>

### 5. INTEREST PAYABLE

	2001	2000
	£	£
Interest payable on bank borrowing	46,086	40,156
Finance charges	<u>2,401</u>	<u>1,676</u>
	<u>48,487</u>	<u>41,832</u>

### 6. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES

Due to the effect of tax losses brought forward, no tax is payable on the profit for the year.

### 7. DIVIDENDS

The following dividends have been proposed in respect of the year:

	2001	2000
	£	£
Proposed dividend on ordinary shares	9,600	-
Proposed dividend on preference shares	<u>168</u>	<u>168</u>
	<u>9,768</u>	<u>168</u>

# HENRY BROOK & COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

### 8. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>					
At 1 August 2000	620,000	463,875	232,622	99,588	1,416,085
Additions	-	4,497	9,323	-	13,820
Disposals	-	-	(5,011)	(12,522)	(17,533)
<b>At 31 July 2001</b>	<b>620,000</b>	<b>468,372</b>	<b>236,934</b>	<b>87,066</b>	<b>1,412,372</b>
<b>DEPRECIATION</b>					
At 1 August 2000	9,800	306,325	181,844	47,734	545,703
Charge for the year	4,900	18,196	15,126	13,062	51,284
On disposals	-	-	(5,011)	(11,896)	(16,907)
<b>At 31 July 2001</b>	<b>14,700</b>	<b>324,521</b>	<b>191,959</b>	<b>48,900</b>	<b>580,080</b>
<b>NET BOOK VALUE</b>					
<b>At 31 July 2001</b>	<b>605,300</b>	<b>143,851</b>	<b>44,975</b>	<b>38,166</b>	<b>832,292</b>
At 31 July 2000	610,200	157,550	50,778	51,854	870,382

#### Revaluation of fixed assets

Land and buildings were revalued on 10 March 1998.

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2001 £	2000 £
<b>NBV of revalued tangible fixed assets:</b>		
Net book value at end of year	605,300	610,200
<b>Historical cost</b>	<b>86,882</b>	<b>86,882</b>
<b>Depreciation:</b>		
At 1 August 2000	59,147	55,682
Charge for year	3,465	3,465
At 31 July 2001	62,612	59,147
<b>Net historical cost value:</b>		
At 31 July 2001	24,270	27,735
At 1 August 2000	27,735	31,200

#### Hire purchase agreements

Included within the net book value of £832,292 is £30,747 (2000 - £40,581) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £9,834 (2000 - £819).

# HENRY BROOK & COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

### 9. STOCKS

	2001 £	2000 £
Raw materials	27,711	66,629
Work in progress	40,118	191,817
	<u>67,829</u>	<u>258,446</u>

### 10. DEBTORS

	2001 £	2000 £
Trade debtors	1,337,128	927,236
Prepayments and accrued income	134,345	94,809
	<u>1,471,473</u>	<u>1,022,045</u>

### 11. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	370,050	497,346
Trade creditors	955,440	756,601
Corporation tax	2,484	2,484
Other taxation and social security	42,029	35,340
Dividends	9,768	168
Hire purchase	10,350	10,350
Accruals and deferred income	122,060	52,903
	<u>1,512,181</u>	<u>1,355,192</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2001 £	2000 £
Bank loans and overdrafts	<u>370,050</u>	<u>497,346</u>

Barclays Bank plc holds legal mortgages over the company's properties, and fixed and floating charges over the other assets.

Additional security is provided by the directors in the form of life policies.

### 12. CREDITORS: Amounts falling due after more than one year

	2001 £	2000 £
Other creditors:		
Hire purchase agreements	<u>20,700</u>	<u>31,050</u>

# HENRY BROOK & COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

### 13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2001	2000
	£	£
Amounts payable within 1 year	10,350	10,350
Amounts payable between 1 and 2 years	10,350	10,350
Amounts payable between 3 and 5 years	10,350	20,700
	<u>31,050</u>	<u>41,400</u>

### 14. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2001	2000
	£	£
Operating leases which expire:		
Within 1 year	8,466	-
Within 2 to 5 years	25,427	19,717
	<u>33,893</u>	<u>19,717</u>

### 15. RELATED PARTY TRANSACTIONS

The company was under the joint control of its directors, Mr N A R Ranshaw and Mr M Flockton.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

### 16. SHARE CAPITAL

#### Authorised share capital:

	2001	2000
	£	£
3,000 Ordinary shares of £5.00 each	15,000	15,000
1,000 4.2% Cumulative Preference shares of £5.00 each	5,000	5,000
	<u>20,000</u>	<u>20,000</u>

#### Allotted, called up and fully paid:

	2001		2000	
	No.	£	No.	£
Ordinary shares	1,920	9,600	1,920	9,600
4.2% Cumulative Preference shares	800	4,000	800	4,000
	<u>2,720</u>	<u>13,600</u>	<u>2,720</u>	<u>13,600</u>

# HENRY BROOK & COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

### 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

#### EQUITY SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit/(Loss) for the financial year	84,390	(48,904)
Dividends	(9,768)	(168)
	<u>74,622</u>	<u>(49,072)</u>
Other net recognised gains and losses	-	27,178
Net addition/(reduction) to funds	<u>74,622</u>	<u>(21,894)</u>
Opening shareholders' equity funds	761,813	783,707
Closing shareholders' equity funds	<u>836,435</u>	<u>761,813</u>

#### NON-EQUITY SHAREHOLDERS' FUNDS

Opening and closing shareholders' non-equity funds	<u>4,000</u>	<u>4,000</u>
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<b>TOTAL SHAREHOLDERS' FUNDS</b>	<u>840,435</u>	<u>765,813</u>
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### 18. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit/(loss)	131,458	(8,289)
Depreciation	51,284	55,475
Loss/(Profit) on disposal of fixed assets	558	(9,474)
Decrease/(Increase) in stocks	190,617	(222,029)
(Increase)/Decrease in debtors	(448,009)	42,995
Increase in creditors	275,000	188,879
	<u>200,908</u>	<u>47,557</u>
Net cash inflow from operating activities	<u>200,908</u>	<u>47,557</u>

### 19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £	2000 £
Increase in cash in the period	127,836	6,033
Cash outflow in respect of hire purchase	<u>10,350</u>	<u>(29,142)</u>
	<u>138,186</u>	<u>(23,109)</u>
Change in net debt	<u>138,186</u>	<u>(23,109)</u>
Net debt at 1 August 2000	(537,564)	(514,456)
Net debt at 31 July 2001	<u>(399,378)</u>	<u>(537,564)</u>



# HENRY BROOK & COMPANY LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

### 20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Aug 2000 £	Cash flows £	At 31 Jul 2001 £
Net cash:			
Cash in hand and at bank	1,182	540	1,722
Overdrafts	(497,346)	127,296	(370,050)
	<u>(496,164)</u>	<u>127,836</u>	<u>(368,328)</u>
Debt:			
Hire purchase agreements	(41,400)	10,350	(31,050)
	<u>(537,564)</u>	<u>138,186</u>	<u>(399,378)</u>