

BDO

Register  
362615

**W. R. R. Pedley & Co. Limited**

Report and Financial Statements

Year Ended

31 March 2001



**BDO**

**BDO Stoy Hayward**  
Chartered Accountants

**W. R. R. Pedley & Co. Limited**

**Annual report and financial statements for the year ended 31 March 2001**

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**Contents**

**Page:**

2	Report of the directors
4	Report of the auditors
5	Profit and loss account
6	Balance sheet
7	Cash flow statement
8	Notes forming part of the financial statements

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**Directors**

J Glennon  
C M Carver  
A J Sheppard  
D C Foster  
Mrs C M Stokes  
Mrs D S Carver  
B Rollason  
M J Plant

**Secretary and registered office**

D C Foster, Ann Street, Willenhall, West Midlands, WV13 1EW

**Company number**

362615

**Auditors**

BDO Stoy Hayward, Beneficial Building, 28 Paradise Circus Queensway, Birmingham, B1 2BJ

## W. R. R. Pedley & Co. Limited

### Report of the directors for the year ended 31 March 2001

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The directors present their report together with the audited financial statements for the year ended 31 March 2001.

#### Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors recommend the payment of a final preference dividend of 50p (2000 - 50p) per share and a dividend of 2p per ordinary share (2000 24p).

#### Principal activities, review of business and future developments

The principal activity of the company continues to be the manufacture of metal pressings, welding assemblies, cut length and manipulate tubing.

The directors are pleased to have maintained both turnover and net profit, but anticipate a period of consolidation and reinvestment for the continued future profitability of the company.

#### Freehold land and buildings

In the opinion of the Directors the market value of the freehold property at 31 March 2001 was in excess of the book value shown in the financial statements, but having regard to present economic conditions, are unable to quantify this excess.

#### Directors

The directors of the company during the year and their interests in the share capital of the company were:

		Redeemable Preference Shares of £1 each		Ordinary Shares of £1 each	
		31 March 2001	31 March 2000	31 March 2001	31 March 2000
J Glennon	Chairman	-	-	-	-
C M Carver	Managing Director	16,095	16,095	50,000	50,000
A J Sheppard		-	-	-	-
D C Foster		5,000	5,000	12,500	12,500
Mrs C M Stokes		10,000	10,000	-	-
Mrs D S Carver		3,905	3,905	-	-
B Rollason		-	-	-	-
M J Plant		-	-	-	-

Mrs C M Stokes and Mr D C Foster are trustees of £25,000 £1 ordinary shares held in trust.

Report of the directors for the year ended 31 March 2001 (*Continued*)

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**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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

**Auditors**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**By order of the board**



D C Foster

**Secretary**

17 May 2001

Report of the auditors

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To the shareholders of W. R. R. Pedley & Co. Limited

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies set out on page 8.

*Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

*Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**BDO STOY HAYWARD**  
*Chartered Accountants  
and Registered Auditors*  
Birmingham

17 May 2001

**W. R. R. Pedley & Co. Limited**

**Profit and loss account for the year ended 31 March 2001**

	Note	2001 £	2000 £
<b>Turnover</b>	2	2,679,071	2,624,088
Cost of sales		1,997,574	1,913,140
		<hr/>	<hr/>
<b>Gross profit</b>		681,497	710,948
Distribution costs		39,922	59,621
Administrative expenses		491,001	494,757
		<hr/>	<hr/>
		150,574	156,570
Other operating income		5,417	8,995
		<hr/>	<hr/>
<b>Operating profit</b>	3	155,991	165,565
Other interest receivable and similar income	6	16,556	13,958
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		172,547	179,523
Taxation on profit on ordinary activities	7	33,332	26,882
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation for the year</b>		139,215	152,641
Dividends (including non-equity)	8	22,000	32,000
		<hr/>	<hr/>
<b>Retained profit for the financial year</b>		117,215	120,641
Retained profit brought forward		1,708,249	1,587,608
		<hr/>	<hr/>
<b>Retained profit carried forward</b>		1,825,464	1,708,249
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

**W. R. R. Pedley & Co. Limited**

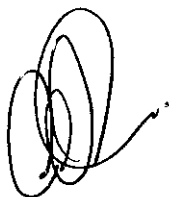
**Balance sheet at 31 March 2001**

	Note	2001 £	2001 £	2000 £	2000 £
<b>Fixed assets</b>					
Tangible assets	9		1,094,050		1,116,269
<b>Current assets</b>					
Stocks	10	257,844		291,618	
Debtors	11	442,580		871,209	
Cash at bank and in hand		631,165		135,769	
			<u>1,331,589</u>	<u>1,298,596</u>	
<b>Creditors: amounts falling due within one year</b>	12	345,225		454,666	
<b>Net current assets</b>			<u>986,364</u>	<u>843,930</u>	
<b>Total assets less current liabilities</b>			<u>2,080,414</u>	<u>1,960,199</u>	
<b>Provision for liabilities and charges</b>	13		93,000		90,000
			<u>1,987,414</u>	<u>1,870,199</u>	
<b>Capital and reserves</b>					
Called up share capital	14		140,000		140,000
Capital redemption reserve			21,950		21,950
Profit and loss account			1,825,464		1,708,249
<b>Shareholders' funds</b>	15		<u>1,987,414</u>	<u>1,870,199</u>	

Included within shareholders' funds is an amount of £40,000 (2000 - £40,000) in respect of non-equity interests.

The financial statements were approved by the Board on 17 May 2001.

C M Carver



**Director**

The notes on pages 8 to 16 form part of these financial statements.

**W. R. R. Pedley & Co. Limited**

**Cash flow statement for the year ended 31 March 2001**

	<b>Note</b>	<b>2001 £</b>	<b>2000 £</b>
<b>Net cash inflow from operating activities</b>	16	615,858	167,387
<b>Returns on investment and servicing of finance</b>	17	(3,444)	(6,042)
<b>Taxation</b>	17	(23,946)	(33,482)
<b>Capital expenditure and financial investment</b>	17	(81,072)	(177,973)
<b>Equity dividends paid</b>		(12,000)	(10,000)
		<hr/>	<hr/>
<b>Cash inflow/(outflow) before financing</b>		495,396	(60,110)
<b>Financing</b>		-	-
		<hr/>	<hr/>
<b>Increase/(decrease) in cash</b>	18	495,396	(60,110)
		<hr/>	<hr/>

The notes on pages 8 to 16 form part of these financial statements.



## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax.

### *Depreciation*

Depreciation is provided to write off the cost less estimated residual values, of all tangible fixed assets, except for freehold land, over their expected useful lives. It is calculated at the following rates:

Freehold buildings	- 2% per annum on cost
Plant & machinery	- 10% per annum on written down value
Motor vehicles	- 20% per annum on cost
Fixtures & fittings	- 10% per annum on written down value
Computer Equipment	- 20% per annum on cost

### *Stocks*

Stocks are valued at the lower of cost and net realisable value. In the case of work in progress and finished goods, cost includes direct labour.

### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

### *Pensions*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

## 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

**3 Operating profit**

This is arrived at after charging/(crediting):

	2001 £	2000 £
Depreciation of tangible fixed assets	99,284	98,137
Auditors remuneration	4,600	4,600
loss/(profit) on sale of fixed assets	4,007	(1,897)
Pension contributions	7,352	7,352
	<u>          </u>	<u>          </u>

**4 Employees**

Staff costs (including directors) consist of:

	2001 £	2000 £
Wages and salaries	1,028,879	1,025,140
Social security costs	86,140	89,802
Other pension costs	7,352	7,352
	<u>          </u>	<u>          </u>
	1,122,371	1,122,294
	<u>          </u>	<u>          </u>

The average number of employees (including directors) during the year was 79 (2000 - 80).

**5 Directors' remuneration**

	2001 £	2000 £
Directors' emoluments	156,121	146,926
Non-Executive Directors' emoluments	22,259	25,681
	<u>          </u>	<u>          </u>
	178,380	172,607
Company contributions to money purchase pension schemes	4,821	4,821
	<u>          </u>	<u>          </u>

There were 3 directors in the company's defined contribution pension scheme during the year (2000 - 3).

**6 Other interest receivable and similar income**

	2001 £	2000 £
Bank deposits	16,556	13,958
	<u>          </u>	<u>          </u>

**7 Taxation on profit on ordinary activities**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<i>UK Corporation tax</i>		
<i>Current year</i>		
Current tax on income for the year	<b>31,386</b>	25,000
Transfer to deferred taxation account	<b>3,000</b>	5,000
	<hr/>	<hr/>
	<b>34,386</b>	30,000
<i>Prior years</i>		
UK Corporation tax	<b>(1,054)</b>	(3,118)
	<hr/>	<hr/>
	<b>33,332</b>	26,882
	<hr/> <hr/>	<hr/> <hr/>

**8 Dividends**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<i>Equity shares</i>		
Ordinary shares		
Final proposed dividend per share 2p (2000 - 24p) per share	<b>2,000</b>	24,000
Less: waived dividends	<b>-</b>	(12,000)
	<hr/>	<hr/>
	<b>2,000</b>	12,000
	<hr/> <hr/>	<hr/> <hr/>
<i>Non equity shares</i>		
Proposed final dividend of 50p (2000 - 50p) per redeemable preference share		
Accrued	<b>20,000</b>	20,000
	<hr/> <hr/>	<hr/> <hr/>
	<b>22,000</b>	32,000
	<hr/> <hr/>	<hr/> <hr/>

**9 Tangible fixed assets**

	<b>Freehold land and buildings</b>	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i>Cost</i>					
At 1 April 2000	581,346	1,181,105	98,749	205,268	2,066,468
Additions	19,000	68,427	-	1,895	89,322
Disposals	-	(24,350)	-	-	(24,350)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	<b>600,346</b>	<b>1,225,182</b>	<b>98,749</b>	<b>207,163</b>	<b>2,131,440</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 April 2000	116,069	643,818	48,449	141,863	950,199
Provided for the year	11,407	60,885	17,722	9,270	99,284
Disposals	-	(12,093)	-	-	(12,093)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2001	<b>127,476</b>	<b>692,610</b>	<b>66,171</b>	<b>151,133</b>	<b>1,037,390</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 March 2001	<b>472,870</b>	<b>532,572</b>	<b>32,578</b>	<b>56,030</b>	<b>1,094,050</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	<b>465,277</b>	<b>537,287</b>	<b>50,300</b>	<b>63,405</b>	<b>1,116,269</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Included in Freehold land and buildings is land of £30,000 which is not depreciated.

**10 Stocks**

	<b>2001 £</b>	<b>2000 £</b>
Raw materials	<b>88,174</b>	129,010
Work in progress and finished goods	<b>143,084</b>	133,505
Bought out items	<b>20,903</b>	19,270
Consumables	<b>5,683</b>	9,833
	<hr/>	<hr/>
	<b>257,844</b>	<b>291,618</b>
	<hr/>	<hr/>

**W. R. R. Pedley & Co. Limited**

**Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)**

**11 Debtors**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>438,793</b>	856,319
Prepayments and accrued income	<b>3,787</b>	14,890
	<hr/>	<hr/>
	<b>442,580</b>	871,209
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

**12 Creditors: amounts falling due within one year**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>234,509</b>	326,790
Taxation and social security	<b>22,050</b>	21,515
Proposed dividend	<b>22,000</b>	32,000
Corporation tax	<b>31,386</b>	25,000
Other creditors	<b>713</b>	1,263
Accruals and deferred income	<b>34,567</b>	48,098
	<hr/>	<hr/>
	<b>345,225</b>	454,666
	<hr/>	<hr/>

**13 Provision for liabilities and charges**

	<b>Deferred taxation</b>
	<b>£</b>
At 31 March 2000	90,000
Charged to profit and loss account	3,000
	<hr/>
At 31 March 2001	<b>93,000</b>
	<hr/>

Deferred taxation represents accelerated capital allowances and there are no amounts unprovided.

#### 14 Share capital

	2001 £	Authorised 2000 £	Allotted, called up and fully 2001 £	paid 2000 £
<i>Equity share capital</i>				
Ordinary shares shares of £1 each	100,000	100,000	100,000	100,000
<i>Non-equity share capital</i>				
Redeemable preference shares of £1 each	40,000	40,000	40,000	40,000
	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>

#### Dividends

The profits of the company available for distribution shall be applied as follows:

- (a) First, in paying a fixed cumulative preferential dividend of 50p per share to the holders of the redeemable preference shares.
- (b) No dividend shall be paid to the holders of the ordinary shares until the redeemable preference share dividend has been paid in full, thereafter the balance of any profits which are to be distributed will be paid to the holders of the ordinary shares.

#### Priority in winding up

On a return of assets on liquidation or capital reduction or otherwise, the assets of the company remaining after the payments of its liabilities shall be applied as follows:

- (a) First, in paying the holders of the redeemable preference shares £1 per share, together with any sum equal to any arrears or accruals of the redeemable preference share dividend calculated down to the date of return of capital.
- (b) The balance of such assets shall be distributed amongst the holders of the ordinary shares.

#### Redemption

The redeemable preference shares are redeemable by the company at £1 per share, together with any arrears or accruals of the redeemable preference share dividend, on or before 1 August 2017.

#### Voting Rights

The holders of the redeemable preference shares shall be entitled to receive notice of all general meetings but shall not by reason of such holding be entitled to vote thereat. All ordinary shareholders have one vote for every £1 nominal value of ordinary shares held.

**15 Reconciliation of movements in shareholders' funds**

	2001 £	2000 £
Profit for the year	139,215	152,641
Dividends	(22,000)	(32,000)
	<u>117,215</u>	<u>120,641</u>
Opening shareholders' funds	<u>1,870,199</u>	<u>1,749,558</u>
Closing shareholders' funds	<u><u>1,987,414</u></u>	<u><u>1,870,199</u></u>

**16 Reconciliation of operating profit before exceptional items to net cash inflow from operating activities**

	2001 £	2000 £
Operating profit	155,991	165,565
Depreciation of tangible fixed assets	99,284	98,137
Loss/(profit) on sale of tangible fixed assets	4,007	(1,897)
Decrease/(increase) in stocks	33,774	(69,938)
Decrease/(increase) in debtors	428,629	(75,404)
(Decrease)/increase in creditors	(105,827)	50,924
	<u>615,858</u>	<u>167,387</u>
Net cash inflow from operating activities	<u><u>615,858</u></u>	<u><u>167,387</u></u>

17 Analysis of cash flows for headings netted in the cash flow statement

	2001 £	2000 £
<b>Returns on investment and servicing of finance</b>		
Interest received	16,556	13,958
Dividend paid: non equity	(20,000)	(20,000)
	<u>(3,444)</u>	<u>(6,042)</u>
<b>Taxation</b>		
Corporation tax paid	(23,946)	(33,482)
	<u></u>	<u></u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(89,322)	(180,375)
Receipts from sale of tangible fixed assets	8,250	2,402
	<u>(81,072)</u>	<u>(177,973)</u>

18 Reconciliation of net cash flow to movement in net funds

	2001 £	2000 £
Increase/(decrease) in cash	495,396	(60,110)
	<u></u>	<u></u>
Movement in net funds	495,396	(60,110)
Opening net funds	135,769	195,879
	<u></u>	<u></u>
Closing net funds	631,165	135,769
	<u></u>	<u></u>



**W. R. R. Pedley & Co. Limited**

**Notes forming part of the financial statements for the year ended 31 March 2001 (*Continued*)**

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**19 Analysis of net funds**

	<b>At 31 March 2000 £</b>	<b>Cash flow £</b>	<b>At 31 March 2001 £</b>
Cash at bank and in hand	135,769	495,396	631,165
	<u>          </u>	<u>          </u>	<u>          </u>