

Registered number: 895927

**SALOP DESIGN & ENGINEERING LIMITED**

**ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED  
31 MARCH 2003**



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# **SALOP DESIGN & ENGINEERING LIMITED**

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## **COMPANY INFORMATION**

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<b>DIRECTORS</b>	Richard A. Homden Mrs Gillian M. Homden Fredrick J. Hankin (resigned 31/12/2002) Roger D. Emery John Seaward
<b>SECRETARY</b>	John Seaward
<b>COMPANY NUMBER</b>	895927
<b>REGISTERED OFFICE</b>	Brixton Way Harlescott Industrial Estate Shrewsbury Shropshire SY1 1TE
<b>AUDITORS</b>	Whittingham Riddell Chartered Accountants & Registered Auditors 15 Belmont Shrewsbury SY1 1TE
<b>SOLICITORS</b>	Turnbull Garrard 24 The Crescent Shrewsbury SY1 1TJ
<b>BANKERS</b>	Barclays Bank plc Castle Street Shrewsbury SY1 2BU

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# **SALOP DESIGN & ENGINEERING LIMITED**

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# **SALOP DESIGN & ENGINEERING LIMITED**

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## **DIRECTORS' REPORT** **For the year ended 31 March 2003**

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

### **STATEMENT OF 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.

### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The company's principal activity continues to be that of the manufacture of metal pressings and assemblies and the design and manufacture of press tools.

The results for the year are considered to be satisfactory and the directors consider the future prospects of the company are good.

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £160,673 (2002 - £202,470).

The directors recommend that a dividend of £150,000 (2002- £150,000) be declared for the year.

### **DIRECTORS**

The directors who served during the year were:

Richard A. Homden

Mrs Gillian M. Homden

Fredrick J. Hankin (retired 31/12/2002)

Roger D. Emery

John Seaward

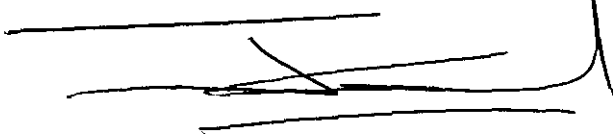
Mr R.A. Homden and Mrs G.M. Homden are directors of the ultimate holding company, R.A. Homden Limited, and their interests in that company are shown in the directors report of that company. They do not have any interests in the shares of this company. The other directors have no interests in the shares of this company or its ultimate holding company.

### **AUDITORS**

The auditors, Whittingham Riddell, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 29 August 2003 and signed on its behalf.

**John Seaward**  
Secretary



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# **SALOP DESIGN & ENGINEERING LIMITED**

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## **INDEPENDENT AUDITORS' REPORT TO**

### **SALOP DESIGN & ENGINEERING LIMITED Under section 247B of the Companies Act 1985**

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We have examined the abbreviated accounts of Salop Design & Engineering Limited for the year ended 31 March 2003 set out on pages 3 to 14, together with the financial statements of the company for the year ended 31 March 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 235 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**

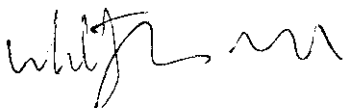
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of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

#### **BASIS OF AUDIT 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 sections 246 A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 14 are properly prepared in accordance with those provisions.



**Whittingham Riddell**

Chartered Accountants  
Registered Auditors  
Shrewsbury

2 September 2003

# SALOP DESIGN & ENGINEERING LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT For the year ended 31 March 2003

	Note	2003 £	2002 £
<b>GROSS PROFIT</b>		<b>2,063,855</b>	<b>1,827,479</b>
Selling and distribution costs		<b>(365,263)</b>	<b>(314,865)</b>
Administrative expenses		<b>(1,457,956)</b>	<b>(1,249,396)</b>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>240,636</b>	<b>263,218</b>
Interest receivable	5	<b>18,049</b>	<b>26,189</b>
Interest payable	6	<b>(45,605)</b>	<b>(36,175)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>213,080</b>	<b>253,232</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>7</b>	<b>(52,407)</b>	<b>(50,762)</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>160,673</b>	<b>202,470</b>
<b>DIVIDENDS</b> - On equity shares	<b>8</b>	<b>(150,000)</b>	<b>(150,000)</b>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>10,673</b>	<b>52,470</b>
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<b>2,370,822</b>	<b>2,318,352</b>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>2,381,495</b>	<b>2,370,822</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2003 or 2002 other than those included in the profit and loss account.

The notes on pages 6 to 14 form part of these financial statements.

# SALOP DESIGN & ENGINEERING LIMITED

## ABBREVIATED BALANCE SHEET As at 31 March 2003

		2003	2002
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	2,510,293	2,579,768
<b>CURRENT ASSETS</b>			
Stocks	10	1,144,512	901,159
Debtors	11	2,945,703	2,799,674
Cash at bank and in hand		199,875	405,084
		<u>4,290,090</u>	<u>4,105,917</u>
<b>CREDITORS:</b> amounts falling due within one year	12	<u>(2,694,888)</u>	<u>(2,800,263)</u>
<b>NET CURRENT ASSETS</b>		<u>1,595,202</u>	<u>1,305,654</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,105,495</u>	<u>3,885,422</u>
<b>CREDITORS:</b> amounts falling due after more than one year	13	(1,200,000)	(1,000,000)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	(503,900)	(494,500)
<b>NET ASSETS</b>		<u><u>2,401,595</u></u>	<u><u>2,390,922</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	20,100	20,100
Profit and loss account		2,381,495	2,370,822
<b>SHAREHOLDERS' FUNDS - All Equity</b>	16	<u><u>2,401,595</u></u>	<u><u>2,390,922</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on 29 August 2003 and signed on its behalf.



**Richard A. Homden**  
Director

The notes on pages 6 to 14 form part of these financial statements.

# SALOP DESIGN & ENGINEERING LIMITED

## ABBREVIATED CASH FLOW STATEMENT For the year ended 31 March 2003

	Note	2003 £	2002 £
Net cash flow from operating activities	17	282,204	11,246
Returns on investments and servicing of finance	18	(27,556)	(9,986)
Taxation		(59,007)	(60,062)
Capital expenditure and financial investment	18	(250,850)	(453,981)
Equity dividends paid		(150,000)	-
<b>DECREASE IN CASH IN THE YEAR</b>		<u>(205,209)</u>	<u>(512,783)</u>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 19) For the year ended 31 March 2003

	2003 £	2002 £
Decrease in cash in the year	(205,209)	(512,783)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<u>(205,209)</u>	<u>(512,783)</u>
Net funds at 1 April 2002	405,084	917,867
<b>NET FUNDS AT 31 MARCH 2003</b>	<u>199,875</u>	<u>405,084</u>

The notes on pages 6 to 14 form part of these financial statements.

# **SALOP DESIGN & ENGINEERING LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003**

### **1. ACCOUNTING POLICIES**

#### **1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and are prepared in accordance with applicable accounting standards.

#### **1.2 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	-	7.5 - 25% reducing balance
Motor vehicles	-	33.33% reducing balance

#### **1.3 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

#### **1.4 Stocks and work in progress**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Work in progress represents the value of work done but not invoice based, on the cost of materials and labour plus an appropriate proportion of fixed and variable overheads.

#### **1.5 Deferred taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

#### **1.6 Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### **1.7 Pensions**

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

# SALOP DESIGN & ENGINEERING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003

### 2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2003 £	2002 £
Depreciation of tangible fixed assets:		
- owned by the company	317,780	292,893
Audit remuneration	6,350	5,000
Difference on foreign exchange	(329)	(14,849)
	<u>323,801</u>	<u>283,044</u>

### 3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2003 £	2002 £
Wages and salaries	2,895,531	2,211,111
Social security costs	251,253	202,075
Other pension costs	69,850	84,113
	<u>3,216,634</u>	<u>2,497,299</u>

The average monthly number of employees, including directors, during the year was as follows:

	2003 No.	2002 No.
Production	143	103
Administration	29	23
	<u>172</u>	<u>126</u>

### 4. DIRECTORS' REMUNERATION

	2003 £	2002 £
Emoluments	271,046	239,720
Company pension contributions to money purchase pension schemes	61,325	77,750

During the year retirement benefits were accruing to 4 directors (2002 - 4) in respect of money purchase pension schemes.

The highest paid director received remuneration of £69,734 (2002 - £55,405).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £10,000 (2002 - £7,250).

# SALOP DESIGN & ENGINEERING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003

### 5. INTEREST RECEIVABLE

	2003 £	2002 £
Other interest receivable	18,049	26,189

### 6. INTEREST PAYABLE

	2003 £	2002 £
On loans from group undertakings	45,605	36,175

### 7. TAXATION

	2003 £	2002 £
<b>Analysis of tax charge in year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax on profits of the year	41,000	57,000
Adjustments in respect of prior periods	2,007	62
<b>Total current tax</b>	43,007	57,062
<b>Deferred tax</b>		
Origination and reversal of timing differences	9,400	(6,300)
<b>Total deferred tax</b> (see note 14)	9,400	(6,300)
<b>Tax on profit on ordinary activities</b>	52,407	50,762

# SALOP DESIGN & ENGINEERING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003

### 7. TAXATION (continued)

#### Factors affecting tax charge for year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>213,080</u>	<u>253,232</u>
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2002 - 30%)	63,924	75,970
Effects of:		
Adjustments to tax charge in respect of prior periods	2,007	62
Small companies marginal relief	(15,473)	(12,968)
Other adjustments	(7,451)	(6,002)
Current tax charge for year (see note above)	<u>43,007</u>	<u>57,062</u>

There were no factors that may affect future tax charges.

### 8. DIVIDENDS

	2003 £	2002 £
On equity shares		
Total dividends proposed	<u>150,000</u>	<u>150,000</u>

# SALOP DESIGN & ENGINEERING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003

### 9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 April 2002	4,737,504	141,800	4,879,304
Additions	220,900	35,640	256,540
Disposals	-	(62,088)	(62,088)
At 31 March 2003	<u>4,958,404</u>	<u>115,352</u>	<u>5,073,756</u>
<b>Depreciation</b>			
At 1 April 2002	2,186,477	113,059	2,299,536
Charge for the year	302,950	14,830	317,780
On disposals	-	(53,853)	(53,853)
At 31 March 2003	<u>2,489,427</u>	<u>74,036</u>	<u>2,563,463</u>
<b>Net book value</b>			
At 31 March 2003	<u>2,468,977</u>	<u>41,316</u>	<u>2,510,293</u>
At 31 March 2002	<u>2,551,027</u>	<u>28,741</u>	<u>2,579,768</u>

### 10. STOCKS

	2003 £	2002 £
Raw materials	430,102	564,464
Work in progress	263,421	161,735
Finished goods and goods for resale	450,989	174,960
	<u>1,144,512</u>	<u>901,159</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

# SALOP DESIGN & ENGINEERING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003

### 11. DEBTORS

	2003 £	2002 £
<b>Due within one year</b>		
Trade debtors	2,914,327	2,780,311
Prepayments and accrued income	31,376	19,363
	<u>2,945,703</u>	<u>2,799,674</u>

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

	2003 £	2002 £
Trade creditors	1,920,205	2,096,236
Amounts owed to group undertakings	11,545	8,647
Corporation tax	41,000	57,000
Social security and other taxes	266,775	249,340
Proposed dividend	300,000	300,000
Accruals and deferred income	155,363	89,040
	<u>2,694,888</u>	<u>2,800,263</u>

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

	2003 £	2002 £
Amounts owed to group undertakings	<u>1,200,000</u>	<u>1,000,000</u>

### 14. DEFERRED TAXATION

	2003 £	2002 £
At 1 April 2002 and 31 March 2003	<u>503,900</u>	<u>494,500</u>
The deferred tax provision is made up as follows:		
	2003 £	2002 £
Accelerated capital allowances	503,900	494,500
	<u>503,900</u>	<u>494,500</u>

# SALOP DESIGN & ENGINEERING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003

### 15. SHARE CAPITAL

	2003 £	2002 £
<b>Authorised, allotted, called up and fully paid</b>		
20,100 Ordinary shares of £1 each	<u>20,100</u>	<u>20,100</u>

### 16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the year	160,673	202,470
Dividends	(150,000)	(150,000)
	<u>10,673</u>	<u>52,470</u>
Opening shareholders' funds	2,390,922	2,338,452
Closing shareholders' funds	<u>2,401,595</u>	<u>2,390,922</u>

### 17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	240,636	263,218
Depreciation of tangible fixed assets	317,780	292,893
Loss on disposal of tangible fixed assets	2,545	87,310
Increase in stocks	(243,353)	(370,289)
Increase in debtors	(146,030)	(1,482,133)
(Decrease)/increase in creditors	(92,272)	921,707
Increase in amounts owed to group undertakings	202,898	298,540
<b>NET CASH INFLOW FROM OPERATIONS</b>	<u>282,204</u>	<u>11,246</u>

### 18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003 £	2002 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	18,049	26,189
Interest paid	(45,605)	(36,175)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u>(27,556)</u>	<u>(9,986)</u>

# SALOP DESIGN & ENGINEERING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003

### 18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT (continued)

	2003 £	2002 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(256,540)	(476,481)
Sale of tangible fixed assets	5,690	22,500
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<u>(250,850)</u>	<u>(453,981)</u>

### 19. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2002 £	Cash flow £	Other non-cash changes £	31 March 2003 £
Cash at bank and in hand	405,084	(205,209)	-	199,875
<b>NET FUNDS</b>	<u>405,084</u>	<u>(205,209)</u>	<u>-</u>	<u>199,875</u>

### 20. CAPITAL COMMITMENTS

At 31 March 2003 the company had capital commitments as follows:

	2003 £	2002 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>61,092</u>

### 21. PENSION COMMITMENTS

The company operates a defined contributions pension scheme for the benefit of directors and senior employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £69,850 (2002: £84,113).

# SALOP DESIGN & ENGINEERING LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 March 2003

### 22. OPERATING LEASE COMMITMENTS

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

	2003 £	2002 £
<b>Expiry date:</b>		
Within 1 year	-	8,933
Between 2 and 5 years	<u>25,274</u>	<u>24,495</u>

### 23. RELATED PARTY TRANSACTIONS

During the year the company paid rent of £150,417 (2002: £140,000), management charges of £140,000 (2002: £140,000) and loan interest of £45,605 (2002: £36,175) to its holding company, R.A. Homden Limited. At 31st March 2003 the company owed £1,361,545 to R.A. Homden Limited (2002: £1,158,647), including dividend payable and loan interest due.

Mr R.A. Homden is a director of Salop Haulage Limited, which provides transport services of £259,769 (2002: £236,222) to the company on normal commercial terms. At the year end the balance due to Salop Haulage Limited was £55,341 (2002: £50,628).

### 24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate holding company is R.A. Homden Limited, which is a company registered in the UK.