

Registered number
915764

T W MURPHY LIMITED

Report and Accounts

30 September 2002



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T W MURPHY LIMITED
Report and accounts
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T W MURPHY LIMITED
Company Information

Directors

T W Murphy
P G Harford
M E Murphy

Secretary

P G Harford

Auditors

Eastmond & Co
7 North Road
Maidenhead
Berks SL6 1PE

Registered office

Fairview Industrial Estate
Beech Road
Wycombe Marsh
Bucks

Registered number

915764

T W MURPHY LIMITED

Directors' Report

The directors present their report and financial statements for the year ended 30 September 2002.

Principal activities and review of the business

The company's principal activity during the year continued to be the manufacture of springs and pressings.

The results for the year and financial position of the company are as shown in the annexed financial statements. Manufacturing industry is currently very competitive and the company's results reflect that. However the company is in a good position to take advantage of future opportunities as they arise.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a moderate growth in sales.

Directors

The directors who served during the year and their interests in the share capital of the company were as follows:

| | £1 Ordinary shares | |
|-------------|--------------------|------|
| | 2002 | 2001 |
| T W Murphy | - | - |
| P G Harford | - | - |
| M E Murphy | - | - |

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

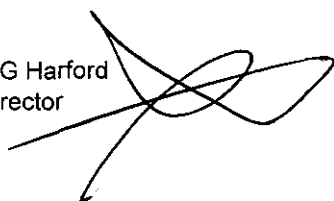
The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint Eastmond & Co as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 15 April 2003.

P G Harford
Director



T W MURPHY LIMITED

Independent auditors' report to the shareholders of T W MURPHY LIMITED

We have audited the financial statements and the related notes of T W Murphy Ltd for the year ended 30 September 2002 which comprise pages 4 to 12. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

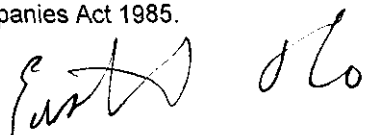
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 30 Sept 02 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Eastmond & Co
Registered auditors



7 North Road
Maidenhead
Berks SL6 1PE

15 April 2003

T W MURPHY LIMITED
Profit and Loss Account
for the year ended 30 September 2002

| | Notes | 2002 £ | 2001 £ |
|---|-------|-----------------|----------------|
| Turnover | 2 | 2,453,519 | 2,868,995 |
| Cost of sales | | (1,724,868) | (1,900,102) |
| Gross profit | | <u>728,651</u> | <u>968,893</u> |
| Administrative expenses | | (810,077) | (945,550) |
| Operating (loss)/profit | 3 | <u>(81,426)</u> | <u>23,343</u> |
| Interest receivable | | 42,289 | 56,304 |
| (Loss)/profit on ordinary activities before taxation | | <u>(39,137)</u> | <u>79,647</u> |
| Tax on (loss)/profit on ordinary activities | 5 | (2,815) | (30,113) |
| (Loss)/profit for the financial year | | <u>(41,952)</u> | <u>49,534</u> |
| Retained (loss)/profit for the financial year | 13 | <u>(41,952)</u> | <u>49,534</u> |

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the (loss)/profit for the above two financial years.

T W MURPHY LIMITED
Balance Sheet
as at 30 September 2002

| | Notes | 2002 £ | 2001 £ |
|---|-------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 492,465 | 631,968 |
| Current assets | | | |
| Stocks | 7 | 156,179 | 158,504 |
| Debtors | 8 | 402,234 | 515,755 |
| Investments held as current assets | 9 | 226,505 | 251,104 |
| Cash at bank and in hand | | 1,390,626 | 1,118,557 |
| | | <u>2,175,544</u> | <u>2,043,920</u> |
| Creditors: amounts falling due within one year | 10 | (503,594) | (461,209) |
| Net current assets | | <u>1,671,950</u> | <u>1,582,711</u> |
| Total assets less current liabilities | | <u>2,164,415</u> | <u>2,214,679</u> |
| Provisions for liabilities and charges | | | |
| Deferred taxation | 11 | (19,206) | (27,518) |
| Other provisions | | - | - |
| | | <u>2,145,209</u> | <u>2,187,161</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | 50,000 | 50,000 |
| Profit and loss account | 13 | 2,095,209 | 2,137,161 |
| Shareholders' funds: | | | |
| Equity | | <u>2,145,209</u> | <u>2,187,161</u> |
| | 14 | <u>2,145,209</u> | <u>2,187,161</u> |

T W Murphy
 Director
 Approved by the board on 15 April 2003

P G Halford
 Director

T W MURPHY LIMITED
Cash Flow Statement
for the year ended 30 September 2002

| | Notes | 2002 £ | 2001 £ |
|--|-------|----------------|----------------|
| Reconciliation of operating profit to net cash inflow from operating activities | | | |
| Operating (loss)/profit | | (81,426) | 23,343 |
| Depreciation charges | | 229,297 | 235,273 |
| Decrease in stocks | | 2,325 | 67,362 |
| Decrease in debtors | | 113,521 | 70,980 |
| Increase/(decrease) in creditors | | 71,031 | (143,515) |
| Net cash inflow from operating activities | | 334,748 | 253,443 |

CASH FLOW STATEMENT

| | | | |
|--|----|----------------|----------------|
| Net cash inflow from operating activities | | 334,748 | 253,443 |
| Returns on investments and servicing of finance | 15 | 42,289 | 56,304 |
| Taxation | | (43,027) | (145,091) |
| Capital expenditure | 15 | (86,540) | (31,052) |
| | | 247,470 | 133,604 |
| Management of liquid resources | 15 | 24,599 | (5,781) |
| Increase in cash | | 272,069 | 127,823 |

Reconciliation of net cash flow to movement in net debt

| | | | |
|---|----|------------------|------------------|
| Increase in cash in the period | | 272,069 | 127,823 |
| (Decrease)/increase in liquid resources | | (24,599) | 5,781 |
| Change in net debt | 16 | 247,470 | 133,604 |
| Net funds at 1 October | | 1,369,661 | 1,236,057 |
| Net funds at 30 September | | 1,617,131 | 1,369,661 |

T W MURPHY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|-----------------------|-----------------------|
| Plant and machinery | at 12.5% rate on cost |
| Fixtures and fittings | at 10.0% rate on cost |
| Motor vehicles | at 25.0% rate on cost |
| Computer equipment | at 25.0% rate on cost |

Stocks

Stock and work in progress is valued at the lower of cost and net realisable value, making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation.

Assets and liabilities are calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Investments

Current asset investments are shown in the accounts at their open market value at the balance sheet date.

Pensions

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

T W MURPHY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts. Turnover is attributable to the one continuing activity.

| Analysis by geographical market: | 2002 £ | 2001 £ |
|----------------------------------|------------------|------------------|
| UK | 2,180,243 | 2,518,978 |
| Overseas | 273,276 | 350,017 |
| | <u>2,453,519</u> | <u>2,868,995</u> |

3 Operating profit

| 2002 £ | 2001 £ |
|-----------|-----------|
|-----------|-----------|

This is stated after charging:

| | | |
|---|--------------|--------------|
| Depreciation of owned fixed assets | 229,297 | 235,273 |
| Unrealised loss on revaluation of investments | 24,817 | - |
| Operating lease rentals - land buildings | 120,000 | 119,373 |
| Directors remuneration | - | - |
| Auditors' remuneration | <u>4,880</u> | <u>3,065</u> |

4 Staff costs

| 2002 £ | 2001 £ |
|-----------|-----------|
|-----------|-----------|

| | | |
|---------------------|------------------|------------------|
| Wages and salaries | 970,982 | 1,024,970 |
| Other pension costs | 41,799 | 36,659 |
| | <u>1,012,781</u> | <u>1,061,629</u> |

Average number of employees during the year

| Number | Number |
|--------|--------|
|--------|--------|

| | | |
|----------------|-----------|-----------|
| Administration | 3 | 5 |
| Production | <u>47</u> | <u>47</u> |
| | <u>50</u> | <u>52</u> |

T W MURPHY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

| 5 Taxation | 2002 | 2001 |
|--|---------------|---------------|
| | £ | £ |
| Analysis of charge in period | | |
| Current tax: | | |
| UK corporation tax on profits of the period | 12,687 | 44,587 |
| Adjustments in respect of previous periods | (1,560) | - |
| | <u>11,127</u> | <u>44,587</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | (8,312) | (14,474) |
| | <u>2,815</u> | <u>30,113</u> |

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

| | 2002 | 2001 |
|--|-----------------|---------------|
| | £ | £ |
| (Loss)/profit on ordinary activities before tax | <u>(39,137)</u> | <u>79,647</u> |
| Standard rate of corporation tax in the UK | 30% | 30% |
| | £ | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | (11,741) | 23,894 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 24,428 | 20,693 |
| Adjustments to tax charge in respect of previous periods | (1,560) | - |
| Current tax charge for period | <u>11,127</u> | <u>44,587</u> |

Factors that may affect future tax charges

There are no factors materially affecting future tax charges.

T W MURPHY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

6 Tangible fixed assets

| | Fixtures and fittings £ | Motor vehicles £ | Plant and machinery £ | Total £ |
|-----------------------|--|---------------------------------|--------------------------------------|--------------------|
| Cost | | | | |
| At 1 October 2001 | 426,658 | 191,264 | 1,635,685 | 2,253,607 |
| Additions | 114 | 36,431 | 56,969 | 93,514 |
| Disposals | - | (68,461) | (13,000) | (81,461) |
| At 30 September 2002 | <u>426,772</u> | <u>159,234</u> | <u>1,679,654</u> | <u>2,265,660</u> |
| Depreciation | | | | |
| At 1 October 2001 | 267,413 | 120,713 | 1,233,513 | 1,621,639 |
| Charge for the year | 34,286 | 53,376 | 141,635 | 229,297 |
| On disposals | - | (64,741) | (13,000) | (77,741) |
| At 30 September 2002 | <u>301,699</u> | <u>109,348</u> | <u>1,362,148</u> | <u>1,773,195</u> |
| Net book value | | | | |
| At 30 September 2002 | <u>125,073</u> | <u>49,886</u> | <u>317,506</u> | <u>492,465</u> |
| At 30 September 2001 | <u>159,245</u> | <u>70,551</u> | <u>402,172</u> | <u>631,968</u> |

| 7 Stocks | 2002 £ | 2001 £ |
|-------------------------------------|-------------------|-------------------|
| Raw materials and consumables | 19,899 | 31,146 |
| Work in progress | 43,149 | 53,285 |
| Finished goods and goods for resale | 93,131 | 74,073 |
| | <u>156,179</u> | <u>158,504</u> |

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

| 8 Debtors | 2002 £ | 2001 £ |
|--------------------------------|-------------------|-------------------|
| Trade debtors | 368,734 | 496,962 |
| Other debtors | 10,289 | - |
| Prepayments and accrued income | 23,211 | 18,793 |
| | <u>402,234</u> | <u>515,755</u> |

| 9 Investments held as current assets | 2002 £ | 2001 £ |
|---|-------------------|-------------------|
| Unlisted investments at valuation (cost 2001) | <u>226,505</u> | <u>251,104</u> |
| Valuation: | | |
| Unlisted investments - market value | <u>226,505</u> | <u>237,684</u> |

T W MURPHY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

| | | | | |
|---|-------------|-------------|------------------|------------------|
| 10 Creditors: amounts falling due within one year | | | 2002 | 2001 |
| | | | £ | £ |
| Trade creditors | | | 97,769 | 132,046 |
| Corporation tax | | | 12,687 | 44,587 |
| Holding Company | | | 286,893 | 151,998 |
| VAT | | | 41,648 | 62,369 |
| Other taxes and social security costs | | | 19,492 | 20,649 |
| Accruals and deferred income | | | 45,105 | 49,560 |
| | | | <u>503,594</u> | <u>461,209</u> |
| 11 Deferred taxation | | | 2002 | 2001 |
| | | | £ | £ |
| Accelerated capital allowances | | | 19,206 | 27,518 |
| Undiscounted provision for deferred tax | | | 19,206 | 27,518 |
| | | | 2002 | 2001 |
| | | | £ | £ |
| At 1 October | | | 27,518 | 41,992 |
| Deferred tax charge in profit and loss account | | | (8,312) | (14,474) |
| At 30 September | | | <u>19,206</u> | <u>27,518</u> |
| 12 Share capital | | | 2002 | 2001 |
| | | | £ | £ |
| Authorised: | | | | |
| Ordinary shares of £1 each | | | <u>50,000</u> | <u>50,000</u> |
| | 2002 | 2001 | 2002 | 2001 |
| | No | No | £ | £ |
| Allotted, called up and fully paid: | | | | |
| Ordinary shares of £1 each | 50,000 | 50,000 | <u>50,000</u> | <u>50,000</u> |
| 13 Profit and loss account | | | 2002 | 2001 |
| | | | £ | £ |
| At 1 October | | | 2,137,161 | 2,087,627 |
| Retained (loss)/profit | | | (41,952) | 49,534 |
| At 30 September | | | <u>2,095,209</u> | <u>2,137,161</u> |
| 14 Reconciliation of movement in shareholders' funds | | | 2002 | 2001 |
| | | | £ | £ |
| At 1 October | | | 2,187,161 | 2,137,627 |
| (Loss)/profit for the financial year | | | (41,952) | 49,534 |
| At 30 September | | | <u>2,145,209</u> | <u>2,187,161</u> |

T W MURPHY LIMITED
Notes to the Accounts
for the year ended 30 September 2002

| | | |
|--|-----------------|-----------------|
| 15 Gross cash flows | 2002 | 2001 |
| | £ | £ |
| Returns on investments and servicing of finance | | |
| Interest received | 42,289 | 56,304 |
| Capital expenditure | | |
| Payments to acquire tangible fixed assets | (90,260) | (38,512) |
| Receipts from sales of tangible fixed assets | 3,720 | 7,460 |
| | <u>(86,540)</u> | <u>(31,052)</u> |
| Management of liquid resources | | |
| Sale of current asset investments | 24,599 | (5,781) |

| | | | | |
|---|----------------------|-------------------|-------------------------|-----------------------|
| 16 Analysis of changes in net debt | At 1 Oct 2001 | Cash flows | Non-cash changes | At 30 Sep 2002 |
| | £ | £ | £ | £ |
| Cash at bank and in hand | 1,118,557 | 272,069 | | 1,390,626 |
| Current asset investments | 251,104 | (24,599) | | 226,505 |
| Total | <u>1,369,661</u> | <u>247,470</u> | <u>-</u> | <u>1,617,131</u> |

| | | |
|---|-------------|-------------|
| 17 Capital commitments | 2002 | 2001 |
| | £ | £ |
| Amounts contracted for but not provided in the accounts | 79,268 | - |

18 Other financial commitments

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

| | | | | |
|--|--------------------------------|--------------------------------|-------------------|-------------------|
| | Land and buildings 2002 | Land and buildings 2001 | Other 2002 | Other 2001 |
| | £ | £ | £ | £ |
| Operating leases which expire: in over five years | 120,000 | 120,000 | - | - |

19 Related parties

The company's holding company charged fees for management services it provided.
The company contributed to a fully insured defined contribution pension scheme for the benefit of certain employees

| | | |
|---------------------------------|-------------|-------------|
| | 2002 | 2001 |
| | £ | £ |
| Holding company management fees | 456,000 | 503,000 |
| Pension contributions | 41,799 | 36,659 |

20 Controlling party

The company is a wholly owned subsidiary of Bisham Engineers Ltd, a company registered in England.