

# **Sage Aluminium Products Limited**

**Annual report**  
**for the year ended 31 December 2000**

Registered no: 1910459 England



# **Sage Aluminium Products Limited**

**Annual report  
for the year ended 31 December 2000**

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# **Sage Aluminium Products Limited**

## **Directors' report for the year ended 31 December 2000**

The directors present their report and the audited financial statements for the year ended 31 December 2000.

### **Principal activity and business review**

The principal activity of the company is the manufacture of high pressure aluminium castings and this is continuing. The Company has incurred redundancy charges of £58,309 in the year and this cost is a one off expense and regarded as exceptional by the board.

Before charging this cost the company made a trading profit of £13,491.

### **Results and Dividends**

The results for the year are acceptable. The current position of the company is satisfactory. The directors do not recommend any dividend.

### **Share Capital**

The movements in share capital are set out in the financial statements.

### **Directors**

The directors who held office during the year were as follows:

C B Taylor  
T D Dudas (resigned 27 April 2000)  
M A Taylor (resigned 31 March 2000)  
B K Hamilton (resigned 31 March 2000)  
A D Dudas (resigned 31 March 2000)

### **Directors' interests**

Mr C B Taylor beneficially owns 100,000 (1999 50,000) Ordinary Shares of £1 each. His beneficial interest includes 25,000 Ordinary Shares which are owned by his wife.

# **Sage Aluminium Products Limited**

## **Directors' responsibility statement**

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:-

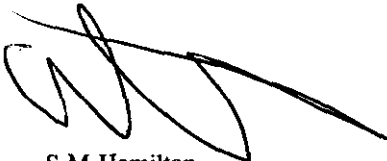
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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**

A resolution to reappoint BSN Associates Limited as auditors will be proposed at the annual general meeting.

## **By order of the board**



S M Hamilton  
Secretary

Heath Mill Road  
Wombourne

1 March 2001

## **Report of the auditors to the members of Sage Aluminium Products Limited**

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and the accounting policies set out on page 9.

### **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our findings 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 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 at 31 December 2000 and of its loss and cashflows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*BSN Associates Limited*

**BSN Associates Limited**  
Chartered Accountants and Registered Auditors  
2 Hagley Court South  
Waterfront East  
Level Street  
Brierley Hill  
West Midlands  
DY5 1XE



1 March 2001

# Sage Aluminium Products Limited

## Profit and loss account for the year ended 31 December 2000

|  | Notes | 2000<br>£ | 1999<br>£ |
|--|-------|-----------|-----------|
| Turnover – continuing operations                     | 1     | 2,544,154 | 3,555,318 |
| Net operating expenses                               | 2     | 2,569,620 | 3,533,804 |
| Operating (loss)profit                               |       | (25,466)  | 21,514    |
| Interest payable                                     | 5     | 19,352    | 19,165    |
| (Loss)/profit on ordinary activities before taxation |       | (44,818)  | 2,349     |
| Taxation   | 6     | 65        | -         |
| (Loss)/profit on ordinary activities after taxation  |       | (44,883)  | 2,349     |
| Dividends  |       | -         | -         |
| Retained (loss)/profit for the year                  |       | (44,883)  | 2,349     |

There were no gains or losses other than those included above and a secondary statement has not been presented.  
There is no material difference between the profit and loss for the year and its historical cost equivalent.

# Sage Aluminium Products Limited

## Balance sheet at 31 December 2000

|   | Notes | 2000<br>£        | 1999<br>£        |
|---|-------|------------------|------------------|
| <b>Fixed assets</b>                                     |       |                  |                  |
| Tangible assets   | 7     | 976,851          | 1,009,955        |
| <b>Current assets</b>                                   |       |                  |                  |
| Stocks  | 8     | 351,129          | 444,170          |
| Debtors   | 9     | 521,880          | 641,978          |
| Cash at bank and in hand                                |       | 1,356            | 14,237           |
|   |       | <u>874,365</u>   | <u>1,100,385</u> |
| <b>Creditors: amounts falling due within one year</b>   | 10    | <u>688,258</u>   | <u>836,191</u>   |
| <b>Net current assets</b>                               |       | <u>186,107</u>   | <u>264,194</u>   |
| Creditors: amounts falling due after more than one year | 10    | 66,307           | 132,615          |
| <b>Net assets</b>                                       |       | <u>1,096,651</u> | <u>1,141,534</u> |
| <b>Capital and reserves</b>                             |       |                  |                  |
| Called up share capital                                 | 13    | 100,000          | 100,000          |
| Profit and loss account                                 | 14    | 996,651          | 1,041,534        |
| <b>Equity shareholders' funds</b>                       | 15    | <u>1,096,651</u> | <u>1,141,534</u> |

These financial statements were approved by the directors on 1 March 2001 and were signed on its behalf by:



C B Taylor  
Director

# Sage Aluminium Products Limited

## Cash flow statement for the year ended 31 December 2000

|  | Notes | 2000<br>£       | 1999<br>£       |
|--|-------|-----------------|-----------------|
| Net cash inflow/(outflow) from operating activities              |       | 96,058          | (70,027)        |
| Returns on investments and servicing of finance                  | 2     | (18,835)        | (18,205)        |
| Taxation paid  |       | -               | (30)            |
| Net cash (outflow)/inflow from capital disposals and expenditure | 2     | (34,826)        | 52,501          |
|  |       | <u>42,397</u>   | <u>(35,761)</u> |
| Financing  | 2     | (82,641)        | (49,975)        |
| (Decrease) in cash   |       | <u>(40,244)</u> | <u>(85,736)</u> |

### Reconciliation of net cash flow to movement in net debt (note 3)

|  | 2000<br>£        | 1999<br>£        |
|--|------------------|------------------|
| (Decrease) in cash in period                               | (40,244)         | (85,736)         |
| Cash outflow from the decrease in debt and lease financing | 82,641           | 49,975           |
| Change in net debt resulting from cash flows               | <u>42,397</u>    | <u>(35,761)</u>  |
| Net cash at 1 January 2000                                 | (201,019)        | (165,258)        |
| Net (debt) at 31 December 2000                             | <u>(158,622)</u> | <u>(201,019)</u> |



# Sage Aluminium Products Limited

## Notes to the cashflow statement

### Note 1 Reconciliation of operating profit to operating cashflows

|   | 2000<br>£     | 1999<br>£       |
|---|---------------|-----------------|
| Operating (Loss)/profit                             | (25,466)      | 21,514          |
| Depreciation on tangible fixed assets               | 67,930        | 87,441          |
| (Profit) on sale of tangible fixed assets           | -             | (1,743)         |
| Decrease/(increase) in stocks                       | 93,041        | (77,704)        |
| Decrease/(increase) in trade debtors                | 120,033       | (334,787)       |
| (Decrease)/increase in creditors                    | (158,963)     | 236,212         |
| Interest receivable                                 | (517)         | (960)           |
| Net cash inflow/(outflow) from operating activities | <u>96,058</u> | <u>(70,027)</u> |

### Note 2 Gross cashflows

|  | 2000<br>£       | 1999<br>£       |
|--|-----------------|-----------------|
| <b>Returns on investments and servicing of finance</b> |                 |                 |
| Interest received                                      | 517             | 960             |
| Interest paid  | (19,352)        | (19,165)        |
|  | <u>(18,835)</u> | <u>(18,205)</u> |
| <b>Capital expenditure and financial investment</b>    |                 |                 |
| Payments to acquire tangible fixed assets              | (34,826)        | (9,242)         |
| Receipts from sale of tangible fixed assets            | -               | 61,743          |
|  | <u>(34,826)</u> | <u>52,501</u>   |
| <b>Financing</b>                                       |                 |                 |
| Capital element of hire purchase repayments            | (82,641)        | (49,975)        |
| Hire purchase contracts entered into                   | -               | -               |
|  | <u>(82,641)</u> | <u>(49,975)</u> |

# Sage Aluminium Products Limited

## Notes to the cashflow statement

### Note 3 Analysis of changes in net debt

|                        | At 1 January<br>2000<br>£ | Cash<br>flows<br>£ | At 31 December<br>2000<br>£ |
|------------------------|---------------------------|--------------------|-----------------------------|
| Cash                   | 14,237                    | (12,881)           | 1,356                       |
| Overdrafts             |                           | (27,363)           | (27,363)                    |
|                        |                           | <u>(40,244)</u>    |                             |
| Debt due after 1 year  | (132,615)                 | 66,308             | (66,307)                    |
| Debt due within 1 year | (82,641)                  | 16,333             | (66,308)                    |
|                        |                           | <u>82,641</u>      |                             |
| Change in net debt     | <u>(201,019)</u>          | <u>42,397</u>      | <u>(158,622)</u>            |

# Sage Aluminium Products Limited

## Notes to the financial statements for the year ended 31 December 2000

### 1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### Basis of accounting

The company prepares its annual financial statements on the historical cost basis of accounting, modified to include the freehold property at valuation.

#### Stock and work-in-progress

Stock and work-in-progress are valued at the lower of cost and net realisable value. The cost of products manufactured by the company consists of direct material and labour costs, together with relevant production overheads.

#### Depreciation

Depreciation is calculated to write off the cost or valuation of tangible fixed assets in equal annual instalments over their useful lives on the following bases:

|                     |                     |
|---------------------|---------------------|
| Freehold land       | Nil                 |
| Freehold buildings  | 2%                  |
| Plant and machinery | 6.67%               |
| Office equipment    | 10% - 20%           |
| Motor vehicles      | 25%                 |
| Leased assets       | period of the lease |

#### Deferred taxation

Full provision is made for deferred taxation arising from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes.

#### Turnover

Turnover represents the amount receivable for goods and services during the year. It may be analysed by geographical segment as follows:

|                     | 2000<br>£       | 1999<br>£       |
|---------------------|-----------------|-----------------|
| United Kingdom      | 1,876,139       | 2,911,576       |
| Europe              | 668,015         | 624,741         |
| Australasia and USA | -               | 19,001          |
|                     | <hr/> 2,544,154 | <hr/> 3,555,318 |

# Sage Aluminium Products Limited

## Leases

Tangible fixed assets acquired under hire purchase and finance leases are capitalised at cost and the amount outstanding at the balance sheet date is included under creditors in the balance sheet. Interest thereon is charged in the profit and loss account proportionally over the period of the agreements. Rentals paid under operating leases are charged in the profit and loss account as incurred.

## Pension costs

The company operates a defined contribution pension scheme for the benefit of certain employees. Contributions are charged to profit and loss as they are incurred.

## 2 Net operating expenses

|   | 2000<br>£        | 1999<br>£        |
|---|------------------|------------------|
| Change in work in progress                    | 94,633           | (94,877)         |
| Other operating income                        | (14,558)         | (3,541)          |
| Raw materials and sub contract                | 1,065,522        | 1,513,929        |
| Staff costs                                   | 978,416          | 1,448,786        |
| Depreciation                                  |                  |                  |
| - owned assets                                | 42,730           | 62,241           |
| - assets held under lease purchase agreements | 25,200           | 25,200           |
| Other operating charges                       | 377,677          | 582,066          |
|   | <u>2,569,620</u> | <u>3,533,804</u> |

### Other operating charges include:

|  |                   |                   |
|--|-------------------|-------------------|
| Hire of plant under cancellable operating leases   | 11,846            | 15,762            |
| Staff costs include:                               |                   |                   |
| Exceptional costs relating to redundancy programme | 58,309            | -                 |
|  | <u>          </u> | <u>          </u> |

## 3 Directors' emoluments

|                          | 2000<br>£         | 1999<br>£         |
|--------------------------|-------------------|-------------------|
| Directors' remuneration: |                   |                   |
| Aggregate emoluments     | 77,220            | 116,737           |
|                          | <u>          </u> | <u>          </u> |

# Sage Aluminium Products Limited

## 4 Employee information

The average weekly number of persons employed during the year was:

|       | 2000<br>Number | 1999<br>Number |
|-------|----------------|----------------|
| Staff | 17             | 23             |
| Works | 44             | 59             |
|       | <u>61</u>      | <u>82</u>      |

Staff costs were:

|                       | 2000<br>£      | 1999<br>£        |
|-----------------------|----------------|------------------|
| Wages and Salaries    | 833,040        | 1,296,947        |
| Social security costs | 70,836         | 117,156          |
| Pension contributions | 16,231         | 34,683           |
| Redundancy payments   | 58,309         | -                |
|                       | <u>978,416</u> | <u>1,448,786</u> |

## 5 Interest payable and similar charges

|   | 2000<br>£     | 1999<br>£     |
|---|---------------|---------------|
| On bank loans and overdrafts                          |               |               |
| Repayable within 5 years                              | 2,972         | 2,784         |
| On lease purchase agreements repayable within 5 years | 16,380        | 16,381        |
|   | <u>19,352</u> | <u>19,165</u> |

## 6 Taxation

|  | 2000<br>£ | 1999<br>£ |
|--|-----------|-----------|
| Charge for the year at 20% (1999: 21%) | 65        | -         |

The company has trading losses for corporation tax purposes which are carried forward of £183,578.

# Sage Aluminium Products Limited

## 7 Tangible fixed assets

|                                    | Land and<br>buildings<br>£ | Plant,<br>machinery<br>& equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|------------------------------------|----------------------------|---|------------------------|------------------|
| <b>Cost</b>                        |                            |   |                        |                  |
| At 1 January 2000                  | 627,344                    | 2,204,838                               | 61,948                 | 2,894,130        |
| Additions                          | 976                        | 33,850                                  | -                      | 34,826           |
| Disposals                          | -                          | (26,333)                                | -                      | (26,333)         |
| <b>At 31 December 2000</b>         | <b>628,320</b>             | <b>2,212,355</b>                        | <b>61,948</b>          | <b>2,902,623</b> |
| <b>Depreciation</b>                |                            |   |                        |                  |
| At 1 January 2000                  | 139,401                    | 1,690,104                               | 54,670                 | 1,884,175        |
| Charge for the year                | 8,200                      | 53,905                                  | 5,825                  | 67,930           |
| Eliminated in respect of disposals | -                          | (26,333)                                | -                      | (26,333)         |
| <b>At 31 December 2000</b>         | <b>147,601</b>             | <b>1,717,676</b>                        | <b>60,495</b>          | <b>1,925,772</b> |
| <b>Net book value</b>              |                            |   |                        |                  |
| <b>At 31 December 2000</b>         | <b>480,719</b>             | <b>494,679</b>                          | <b>1,453</b>           | <b>976,851</b>   |
| At 31 December 1999                | 487,943                    | 514,734                                 | 7,278                  | 1,009,955        |

The company's bankers hold a legal mortgage on the property, together with a fixed and floating charge over other assets.

Land and freehold buildings were revalued in a former subsidiary of the company. A Group reorganisation followed whereby all of the assets, trade and liabilities in the subsidiary were transferred to the company. The revaluation reserves in the former subsidiary were therefore crystallised on reorganisation and are stated within the accumulated profit and loss account on page 14.

# Sage Aluminium Products Limited

## 8 Stocks

|                               | 2000<br>£      | 1999<br>£      |
|-------------------------------|----------------|----------------|
| Raw materials and consumables | 93,655         | 92,063         |
| Work in progress              | 257,474        | 352,107        |
|                               | <u>351,129</u> | <u>444,170</u> |

The replacement cost of stock and work in progress is not significantly different from the balance sheet value.

## 9 Debtors

|                                     | 2000<br>£      | 1999<br>£      |
|-------------------------------------|----------------|----------------|
| Amounts falling due within one year |                |                |
| Trade debtors                       | 483,464        | 593,507        |
| Prepayments and accrued income      | 28,766         | 38,756         |
| Advance Corporation Tax recoverable | 9,650          | 9,715          |
|                                     | <u>521,880</u> | <u>641,978</u> |

Advance corporation tax recoverable is receivable in more than one year.

## 10 Creditors: amounts falling due within one year

|  | 2000<br>£      | 1999<br>£      |
|--|----------------|----------------|
| Bank overdraft                             | 27,363         | -              |
| Trade creditors                            | 470,905        | 588,123        |
| Corporation tax                            | -              | -              |
| Amounts due under hire purchase agreements | 66,308         | 82,641         |
| Other taxation and social security payable | 25,828         | 99,119         |
| Other creditors and accruals               | 97,854         | 66,308         |
|  | <u>688,258</u> | <u>836,191</u> |
| Due after more than one year:              |                |                |
| Hire purchase obligations                  | 66,307         | 132,615        |

All of the creditors due after one year are repayable by regular instalments within a period of five years. They, and the amounts due within one year under hire purchase agreements, are secured by fixed legal charge over the assets to which they relate.

# Sage Aluminium Products Limited

## 11 Deferred taxation

|  | Amount provided   |                   | Total potential liability |                   |
|--|-------------------|-------------------|---------------------------|-------------------|
|  | 2000              | 1999              | 2000                      | 1999              |
|  | £                 | £                 | £                         | £                 |
| Excess of tax allowances over depreciation | 6,500             | 19,190            | 6,500                     | 19,190            |
| Available losses                           | (6,500)           | (19,190)          | (6,500)                   | (19,190)          |
|  | <u>          </u> | <u>          </u> | <u>          </u>         | <u>          </u> |
|  | -                 | -                 | -                         | -                 |
|  | <u>          </u> | <u>          </u> | <u>          </u>         | <u>          </u> |

## 12 Pension scheme

The company operates for the benefit of certain employees an occupational pension scheme. The contributions payable for each employee are determined as part of their total remuneration package in April of each year and are made on a monthly basis.

## 13 Called-up share capital

|   | 2000              | 1999              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Authorised</b>                         |                   |                   |
| 250,000 Ordinary shares of £1 each        | 250,000           | 250,000           |
|   | <u>          </u> | <u>          </u> |
| <b>Called-up, allotted and fully paid</b> |                   |                   |
| 100,000 Ordinary shares of £1 each        | 100,000           | 100,000           |
|   | <u>          </u> | <u>          </u> |

## 14 Profit and loss account

|                     | £                 |
|---------------------|-------------------|
| At 1 January 2000   | 1,041,534         |
| Loss for the year   | (44,883)          |
|                     | <u>          </u> |
| At 31 December 2000 | 996,651           |
|                     | <u>          </u> |



# Sage Aluminium Products Limited

## 15 Movement in shareholders funds

|                     | £                |
|---------------------|------------------|
| At 1 January 2000   | 1,141,534        |
| Loss for the year   | (44,883)         |
| At 31 December 2000 | <u>1,096,651</u> |

## 16 Contingent liabilities

There are no contingent liabilities which are of any significance to the financial statements.

## 17 Operating lease commitments

The company has annual commitments under cancellable operating leases of approximately £10,320 (1999 £21,500). These leases are cancellable on the giving of three months' notice.