

**BARLOW METAL FABRICATIONS LIMITED**

**ABBREVIATED ACCOUNTS**

**31 DECEMBER 1997**

**Company Number: 2419183**

<b>Contents</b>	<b>Page</b>
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6 - 11



# **BARLOW METAL FABRICATIONS LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 1997.

### **Principal activity and review of the business**

The principal activity of the company during the year was the manufacture of metal fabrications for retail and commercial interiors, catering outlets and railway environments. During the year under review, although turnover reduced, improvements in productivity resulted in a substantially increased gross profit percentage and it is anticipated this will be maintained in 1998.

### **Results and dividends**

The company's results are set out on page 4.

No interim dividends have been paid during the year, and the directors do not recommend the payment of a final dividend.

### **Directors and their interests**

The directors who served during the year and their beneficial interests, including family interests, in the company's issued share capital were:

	<b>£1 Ordinary Shares</b>	
	<b><u>At 31.12.97</u></b>	<b><u>At 31.12.96</u></b>
	<b>£</b>	<b>£</b>
W Barlow - Chairman (resigned 1.1.98)	-	-
D J Leah	-	-
K Hunter	5,000	5,000

Mr W Barlow holds one share in the company as nominee for George Barlow & Sons Limited, the parent company.

Mr Barlow and Mr Leah were also directors of the parent company and their interests in its issued share capital were:-

	<b>£1 Ordinary Shares</b>	
	<b><u>At 31.12.97</u></b>	<b><u>At 31.12.96</u></b>
	<b><u>Beneficial</u></b>	<b><u>Beneficial</u></b>
	<b>£</b>	<b>£</b>
W Barlow	30,325	30,325
D J Leah	-	-

Mr Barlow resigned as a director of George Barlow & Sons Limited on 1 January 1998.

### **Research and development**

The company's policy is to continuously monitor and improve its methods of production and the quality of its products.

**BARLOW METAL FABRICATIONS LIMITED****DIRECTORS' REPORT - continued****Statement of directors' responsibilities**

The directors are required by U.K. company law 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.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1997.

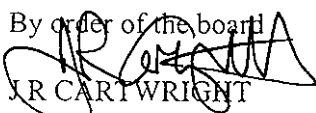
The directors also confirm that applicable accounting standards have been complied with subject to any material departures being disclosed and explained in the financial statements, and that the statements have been prepared on the going concern basis unless it is inappropriate to presume that the company 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

The auditors, Cobden, Board & Co merged their practice with Barber Harrison & Platt on 9 March 1998, and now practice under the name of Barber Harrison & Platt. Accordingly their audit report has been signed in the new name. A resolution to reappoint Barber Harrison & Platt as auditors and to authorise the directors to agree their remuneration will be submitted at the Annual General Meeting.

By order of the board

  
J.R. CARTWRIGHT  
Secretary

Sheffield  
16 June 1998

**AUDITORS' REPORT TO BARLOW METAL FABRICATIONS LIMITED**

(under section 247B of the Companies Act 1985)

We have examined the abbreviated accounts set out on pages 4 to 11 together with the financial statements of the company for the year ended 31 December 1997 prepared under section 226 of the Companies Act 1985.

**Respective Responsibilities of Directors and Auditors**

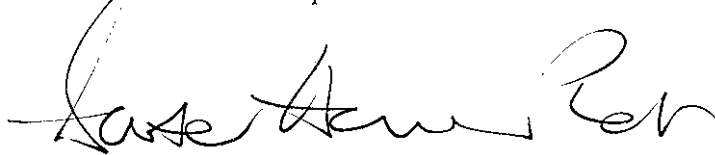
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of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

**Basis of Opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited 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 does not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 11 are properly prepared in accordance with that provision.



**BARBER HARRISON & PLATT**  
Chartered Accountants and  
Registered Auditors

Sheffield  
16 June 1998

**BARLOW METAL FABRICATIONS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1997**

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
<b>Gross profit</b>		1,336,989	1,349,393
Selling and distribution expenses		(88,405)	(82,423)
Administrative expenses		(813,998)	(832,288)
<b>Operating profit</b>	3	434,586	434,682
Loss on sale of tangible fixed assets		(893)	-
Bank interest receivable		24,157	4,081
<b>Profit on ordinary activities before taxation</b>		457,850	438,763
Taxation	5	(164,561)	(148,704)
<b>Retained profit for the year</b>		293,289	290,059

None of the company's operations was acquired or discontinued during the above two financial years.

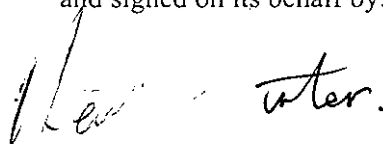
There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

**BARLOW METAL FABRICATIONS LIMITED****BALANCE SHEET****AT 31 DECEMBER 1997**

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		£	£
<b>Fixed assets</b>			
Tangible assets	6	140,994	165,766
<b>Current assets</b>			
Stock	7	286,891	291,398
Debtors	8	1,591,978	1,377,335
Cash at bank and in hand		424,429	142
		<u>2,303,298</u>	<u>1,668,875</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,167,506)</u>	<u>(851,144)</u>
<b>Net current assets</b>		<u>1,135,792</u>	<u>817,731</u>
<b>Net assets</b>		<u>1,276,786</u>	<u>983,497</u>
<b>Capital and reserves</b>			
Called up share capital	10	100,000	100,000
Profit and loss account	11	1,176,786	883,497
<b>Equity shareholders' funds</b>	12	<u>1,276,786</u>	<u>983,497</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium- sized companies.

The abbreviated accounts on pages 4 to 11 were approved by the Board of directors on 15 June 1998 and signed on its behalf by:



K HUNTER  
Director

**BARLOW METAL FABRICATIONS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 1997****1. Accounting policies****(a) Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemption as a 95% owned subsidiary.

**(b) Turnover**

Turnover represents the invoiced amount of goods sold and services provided, stated net of value added tax.

**(c) Depreciation**

Depreciation is provided on all tangible fixed assets at rates estimated to write off the cost of each asset over its useful life.

The annual rates used are:-

Plant and fixtures	- 15% per annum on cost
Computers	- 33 1/3% per annum on cost
Motor vehicles	- 33 1/3% per annum on reducing balance

A full year's depreciation is charged on all assets in use at the end of the accounting period, irrespective of the date of purchase.

**(d) Stock and work-in-progress**

Stock and work-in-progress are valued at the lower of cost and net realisable value. In the case of raw materials, cost is invoice cost on a first in, first out basis. Work-in-progress consists of the direct cost of raw materials and labour plus attributable production overhead. Net realisable value is estimated selling price less further costs expected to be incurred to completion and disposal.

**(e) Research and development**

Research and development expenditure is charged to profit and loss account as incurred.

**(f) Deferred taxation**

Deferred taxation is provided in respect of the tax effect of all timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

7

**BARLOW METAL FABRICATIONS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS - Continued**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

**1. Accounting policies - continued**

**(g) Pensions**

The company contributes to a defined contribution scheme for its salaried employees. The assets of the scheme are invested and managed independently of the finances of the company. Contributions are charged to profit and loss account as incurred.

**(h) Related parties**

As a 95% owned subsidiary, the company does not disclose details of transactions with group companies which are eliminated on consolidation. Balances at the year end are disclosed in debtors and creditors, as appropriate.

**2. Turnover**

By virtue of S246A of the Companies Act 1985, no particulars of turnover are given in these abbreviated accounts.

**3. Operating profit is stated after charging**

	<u>1997</u> £	<u>1996</u> £
Directors' remuneration including pension contributions	84,830	79,850
Auditors' remuneration	6,500	6,300
Depreciation	48,172	55,684
	<hr/>	<hr/>

There is one director to whom retirement benefits are accruing under the pension scheme. Contributions made on his behalf during the year were £4,750 (1996: £4,250).



**BARLOW METAL FABRICATIONS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - Continued****FOR THE YEAR ENDED 31 DECEMBER 1997**

4. Staff costs	<u>1997</u> £	<u>1996</u> £
Wages and salaries	1,241,629	1,166,438
Social security costs	104,479	99,986
Defined contribution pension costs	16,570	7,242
	<u>1,362,678</u>	<u>1,273,666</u>

The average number of employees including directors during the year was:

	<u>No.</u>	<u>No.</u>
Management	3	3
Administration	13	12
Production and sales	70	66
	<u>86</u>	<u>81</u>

5. Taxation		
Corporation tax at 31.5% (1996: 33%)	165,000	149,000
Taxation over-provided in previous year	(439)	(296)
	<u>164,561</u>	<u>148,704</u>

No deferred taxation provision is required since the net book value of the company's fixed assets is less than their tax written down value.

**BARLOW METAL FABRICATIONS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - Continued****FOR THE YEAR ENDED 31 DECEMBER 1997****6. Tangible fixed assets**

	<u>Plant &amp; machinery</u>	<u>Fixtures &amp; fittings</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
<b>Cost</b>				
1 January 1997	372,183	49,151	49,350	470,684
Additions	-	4,953	24,840	29,793
Disposals	-	-	(31,900)	(31,900)
31 December 1997	<u>372,183</u>	<u>54,104</u>	<u>42,290</u>	<u>468,577</u>
<b>Depreciation</b>				
1 January 1997	240,467	30,417	34,034	304,918
Charge for the year	29,868	7,051	11,253	48,172
Disposals	-	-	(25,507)	(25,507)
31 December 1997	<u>270,335</u>	<u>37,468</u>	<u>19,780</u>	<u>327,583</u>
<b>Net book value</b>				
31 December 1997	<u>101,848</u>	<u>16,636</u>	<u>22,510</u>	<u>140,994</u>
31 December 1996	<u>131,716</u>	<u>18,734</u>	<u>15,316</u>	<u>165,766</u>

**7. Stock**

	<u>1997</u>	<u>1996</u>
	£	£
Raw materials	164,807	200,052
Work in progress	122,084	91,346
	<u>286,891</u>	<u>291,398</u>

**8. Debtors**

Trade debtors	912,011	1,031,139
Trade debtors - fellow subsidiary companies	166,806	233,730
Amounts owed by parent company	487,235	95,000
Prepayments and accrued income	22,576	15,015
Other debtors	3,350	2,451
	<u>1,591,978</u>	<u>1,377,335</u>

**BARLOW METAL FABRICATIONS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - Continued****FOR THE YEAR ENDED 31 DECEMBER 1997****9. Creditors: amounts falling due within one year**

	<u>1997</u> £	<u>1996</u> £
Bank overdraft	-	17,352
Trade creditors	528,412	334,374
Amounts owed to fellow subsidiary companies	265	13,972
Amounts owed to parent company	121,996	96,533
Current corporation tax	165,000	149,000
Other taxes and social security costs	122,838	132,134
Accruals and deferred income	199,557	103,332
Other creditors	29,438	4,447
	<u>1,167,506</u>	<u>851,144</u>

The bank overdraft at 31 December 1996 was secured by an unlimited debenture dated 1 December 1993 over all the assets of the company.

**10. Share capital**

Authorised, issued and fully paid:  
100,000 Ordinary shares of £1 each

<u>100,000</u>	<u>100,000</u>
----------------	----------------

**11. Profit and loss account**

1 January 1997	883,497	593,438
Retained profit for the year	293,289	290,059
31 December 1997	<u>1,176,786</u>	<u>883,497</u>

**12. Reconciliation of movement in shareholders' funds**

	<u>1997</u> £	<u>1996</u> £
Profit for the year, being also the net addition to shareholders' funds	293,289	290,059
Opening shareholders funds	983,497	693,438
Closing shareholders' funds	<u>1,276,786</u>	<u>983,497</u>

**BARLOW METAL FABRICATIONS LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS - Continued****FOR THE YEAR ENDED 31 DECEMBER 1997****13. Capital commitments**

The company had capital commitments at the year end of **£36,252** (1996: £Nil).

**14. Ultimate parent company**

The ultimate parent company is George Barlow & Sons Limited, which owns 95% of the issued share capital of Barlow Metal Fabrications Limited.

**15. Control**

George Barlow & Sons Limited is controlled by Mr W Barlow who, as stated in the directors' report, was a director of both that company and Barlow Metal Fabrications Limited, until his resignation on 1 January 1998.

**16. Related parties**

The company had the following material transactions with related parties during the year:

Sales to Wiselow Commercial Interiors Limited	<b>£35,000</b>
---	----------------

These sales were made on an arms length basis. The companies are related by virtue of having some directors in common. There were no amounts owed to or by related parties at the year end.