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OAKHIRST METALS LIMITED T/A OAKHIRST METALS
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999



Company No. 2776056

OAKHIRST METALS LIMITED T/A OAKHIRST METALS

COMPANY INFORMATION

Director	MR BRUCE MEEK
Secretary	MR COLIN MEEK
Company number	2776056
Registered office	UNIT 254C WESTCOTT VENTURE PARK WESTCOTT AYLESBURY BUCKS HP18 0XB
Auditors	J TONNA & CO OLDBROOK HOUSE BUSINESS CENTRE OLDBROOK MILTON KEYNES BUCKS. MK6 2PN
Bankers	BARCLAYS BANK

OAKHIRST METALS LIMITED T/A OAKHIRST METALS

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OAKHIRST METALS LIMITED T/A OAKHIRST METALS

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

The director presents his report and the audited financial statements for the company for the year ended 31st December 1999.

Principal activities

The company's principal activity during the year was the buying and selling of metal alloys of various forms.

Director and his interests

The director who held office during the year and his beneficial interest in the company's issued share capital are given below:

Name of director	Share type	At 31st December 1999	At 1st January 1999
MR BRUCE MEEK	Ordinary shares	2	2

Statement of director's responsibilities

Company law requires the director 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 year. In preparing those financial statements the director is 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 director is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board



MR COLIN MEEK, Secretary
7th July 2000

AUDITORS' REPORT TO THE

SHAREHOLDERS OF OAKHIRST METALS LIMITED T/A OAKHIRST METALS

We have audited the financial statements on pages 3 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of director and auditors

As described on page 1 the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and 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 judgements made by the director 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 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 the 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 31st December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



J TONNA & CO
Chartered Certified Accountants and Registered Auditors
OLDBROOK HOUSE BUSINESS CENTRE
OLDBROOK
MILTON KEYNES
BUCKS.
MK6 2PN
Date: 7th July 2000

OAKHIRST METALS LIMITED T/A OAKHIRST METALS**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 1999**

	Notes	1999 £	1998 £
Turnover	2	382,635	294,366
Cost of sales		(203,243)	(154,718)
Gross profit		179,392	139,648
Administrative expenses		(149,504)	(155,011)
Operating profit/loss	3	29,888	(15,363)
Profit/Loss on ordinary activities before taxation		29,888	(15,363)
Tax on profit/loss on ordinary activities		(2,016)	-
Profit/Loss for the financial year	14	27,872	(15,363)
Retained loss brought forward		(61,056)	(45,693)
Retained loss carried forward		(33,184)	(61,056)

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

OAKHIRST METALS LIMITED T/A OAKHIRST METALS

BALANCE SHEET

AS AT 31ST DECEMBER 1999

	Notes	£	1999 £	£	1998 £
Fixed assets					
Tangible assets			<u>14,420</u>		<u>19,243</u>
			14,420		19,243
Current assets					
Stocks	6	36,578		12,750	
Debtors	7	77,178		39,314	
Cash at bank and in hand		227		200	
		<u>113,983</u>		<u>52,264</u>	
Creditors: amounts falling due within one year	8	(101,436)		(68,532)	
Net current assets/liabilities			<u>12,547</u>		<u>(16,268)</u>
Total assets less current liabilities			<u>26,967</u>		<u>2,975</u>
Creditors: amounts falling due after more than one year	9		<u>(60,149)</u>		<u>(64,029)</u>
			<u>(33,182)</u>		<u>(61,054)</u>
Capital and reserves					
Share capital	13		2		2
Profit and loss account	14		<u>(33,184)</u>		<u>(61,056)</u>
Shareholders' funds	15		<u>(33,182)</u>		<u>(61,054)</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 1999).

These financial statements were approved by the board on 7th July 2000 and signed on its behalf by:

MR BRUCE MEEK
Director



OAKHIRST METALS LIMITED T/A OAKHIRST METALS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

1 Accounting policies

Basis of accounting

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

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, by the reducing balance method, with the exception of Plant and tools, which have been depreciated by equal annual instalments of 25% by the straight line method.:

Plant and tools	25%
Motor vehicles	25%
Office Equipment	25%
Leasehold Improvement	20%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to crystallise.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

OAKHIRST METALS LIMITED T/A OAKHIRST METALS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

3 Operating profit

The operating profit is stated after charging or crediting:

	1999 £	1998 £
Depreciation of tangible fixed assets:		
-owned assets	11,286	24,531
Auditors' remuneration	1,100	-
	<u>12,386</u>	<u>24,531</u>

4 Director and employees

Staff costs, including director's remuneration, were as follows:

	1999 £	1998 £
Wages and salaries	51,744	52,732
Other costs	1,019	-
	<u>52,763</u>	<u>52,732</u>

Director's emoluments

	1999 £	1998 £
Aggregate emoluments	21,760	21,676
	<u>21,760</u>	<u>21,676</u>

5 Tangible fixed assets

	Plant and machinery	Motor vehicles	Furniture and equipment	Leasehold Improvement	Total
Cost	£	£	£	£	£
At 1st January 1999	51,247	37,664	4,810	20,957	114,678
Additions	5,268	-	950	245	6,463
At 31st December 1999	56,515	37,664	5,760	21,202	121,141
Depreciation					
At 1st January 1999	50,078	34,513	2,462	8,382	95,435
Charge for the year	2,487	3,149	1,410	4,240	11,286
At 31st December 1999	52,565	37,662	3,872	12,622	106,721
Net book value					
At 31st December 1999	3,950	2	1,888	8,580	14,420
<i>At 31st December 1998</i>	<i>1,169</i>	<i>3,151</i>	<i>2,348</i>	<i>12,575</i>	<i>19,243</i>

OAKHIRST METALS LIMITED T/A OAKHIRST METALS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

Assets held under finance leases and hire purchase originally cost £5,076 (1998: £-) and have a net book value of £3,807 (1998: £-). Depreciation charged for the year was £1,269 (1998: £-).

6	Stocks	1999	1998
		£	£
	Raw materials	36,578	12,750
		36,578	12,750
7	Debtors	1999	1998
		£	£
	Trade debtors	75,190	37,830
	Other debtors	1,987	1,484
		77,178	39,314
8	Creditors: amounts falling due within one year	1999	1998
		£	£
	Bank loans and overdrafts (Note 10)	35,500	5,059
	Trade creditors	52,789	39,509
	Other creditors	4,989	5,122
	Obligations under hire purchase and finance lease	5,403	5,466
	Director's loan	2,755	13,376
		101,436	68,532

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

'Other creditors' include £3,889 (1998: £2,619) in respect of taxation and social security.

9	Creditors: amounts falling due after more than one year	1999	1998
		£	£
	Debenture loans (Note 10)	35,000	42,200
	Bank loans and overdrafts (Note 10)	-	1,686
	Obligations under hire purchase and finance lease	2,140	6,104
	Director's loan	23,009	14,039
		60,149	64,029

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

OAKHIRST METALS LIMITED T/A OAKHIRST METALS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

10	Loans and borrowings	1999 £	1998 £
	Analysis of loans		
	Debenture loans	35,000	42,200
	Bank loans and overdraft	35,500	6,745
	Director's loan	25,764	27,415
	Obligations under hire purchase and finance lease	7,543	11,570
		<u>103,807</u>	<u>87,930</u>
	Maturity of debt		
	In one year or less, or on demand	38,254	18,435
	In more than one year, but not more than two years	58,008	57,925
		<u>96,263</u>	<u>76,360</u>

The debentures are secured by means of a fixed and floating charge over the company's assets. They are repayable at par. Between the earlier and later dates redemptions can be made at the option of the company by purchase at par.

11	Obligations under hire purchase and finance leases	1999 £	1998 £
	Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
	In the next year	5,403	5,466
	In the second to fifth years inclusive	2,140	6,104
		<u>7,543</u>	<u>11,570</u>

12 Operating lease commitments

At 31st December 1999 the company had annual commitments under non-cancellable operating leases as set out below:

	1999 £	1998 £
Operating leases which expire:		
Between two and five years	23,737	-
	<u>23,737</u>	<u>-</u>

OAKHIRST METALS LIMITED T/A OAKHIRST METALS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1999

13	Share capital	1999	1998
		£	£
	Authorised		
	1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
		<u>1,000</u>	<u>1,000</u>
	Allotted		
	2 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>2</u>	<u>2</u>
		<u>2</u>	<u>2</u>
14	Reserves		Profit and loss account
			£
	At 1st January 1999		(61,056)
	Profit/Loss for the year		<u>27,872</u>
	At 31st December 1999		<u>(33,184)</u>
15	Reconciliation of movement in shareholders' funds	1999	1998
		£	£
	Profit/Loss for the financial year	<u>27,872</u>	<u>(15,363)</u>
	Increase in the shareholders' funds	<u>27,872</u>	<u>(15,363)</u>
	Opening shareholders' funds	<u>(61,054)</u>	<u>(45,691)</u>
	Closing shareholders' funds	<u>(33,181)</u>	<u>(61,054)</u>