

**Normanby Wefco Ltd (formerly  
Normanby Industries Ltd)**

Report and Accounts

31 March 2004

Registration number 3061527



**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Directors and Officers**

**DIRECTORS**

J.A. Jenkinson (Chairman)	resigned 9th February 2005
D.J. Fox	resigned 9th February 2005
L.K.B. Jenkinson	resigned 9th February 2005
J.M. Fox	resigned 9th February 2005
P.M. Barron	
J.P. Nock	
P.A. Cook	
R.V. Paine	

**SECRETARY**

P.M. Barron

**REGISTERED OFFICE**

Britannia Works  
Spring Gardens  
Gainsborough  
Lincolnshire  
DN21 2AZ

**AUDITORS**

Hemming Vincent  
Chartered Accountants  
31 Abbey Road  
Grimsby  
North East Lincolnshire  
DN32 0HQ

**BANKERS**

Barclays Bank Plc  
81 High Street  
Scunthorpe  
North Lincolnshire  
DN15 6LZ

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Directors' Report**

The directors present their report and accounts for the year ended 31 March 2004.

**Principal activities and review of the business**

The company's principal activity during the year continued to be that of manufacturers and contractors to the construction, petro - chem and energy related industries.

**Directors and directors' interests**

The directors at the balance sheet date and their interests in the share capital of the company were as follows:

	<b>£1 Ordinary shares</b>	
	<b>2004</b>	<b>2003</b>
J.A. Jenkinson	21,250	21,250
D.J. Fox	21,250	21,250
L.K.B. Jenkinson	21,250	21,250
J.M. Fox	21,250	21,250

**Auditors**

A resolution to reappoint Hemming Vincent as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 8 June 2005.



P.M. Barron  
Secretary

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Statement of Directors' Responsibilities**

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 accounts 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.*

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**

**Independent auditors' report**

**to the shareholders of Normanby Wefco Ltd (formerly Normanby Industries Ltd)**

We have audited the accounts of Normanby Wefco Limited for the year ended 31st March 2004 which comprise pages 5 to 16. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

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**

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

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

We report to you our opinion as to whether the accounts 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 accounts, 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.

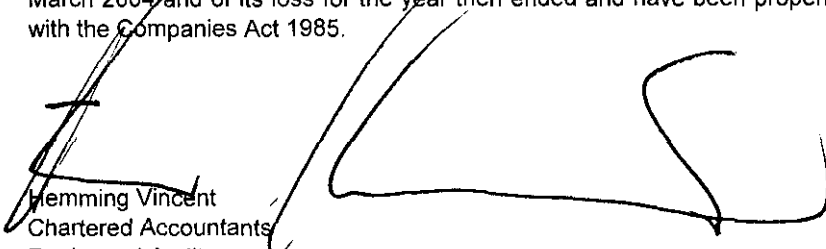
**Basis of audit opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hemming Vincent  
Chartered Accountants  
Registered Auditors  
31 Abbey Road  
Grimsby  
N E Lincolnshire  
DN32 0HQ

8th June 2005

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Profit and Loss Account**  
**for the year ended 31 March 2004**

	Notes	2004 £	2003 £
<b>Turnover</b>	2	4,072,402	3,511,936
Cost of sales		(3,497,939)	(2,754,572)
<b>Gross profit</b>		574,463	757,364
Administrative expenses		(880,517)	(686,995)
Other operating income		15,000	30,000
<b>Operating (loss)/profit</b>	3	(291,054)	100,369
Exceptional items:			
write off negative goodwill	4	273,437	29,982
losses on the disposal of fixed assets	4	(42,708)	(4,694)
exceptional contract costs	4	(91,864)	-
		138,865	25,288
		(152,189)	125,657
Interest payable	7	(50,698)	(47,489)
<b>(Loss)/profit on ordinary activities before taxation</b>		(202,887)	78,168
Taxation on ordinary activities	8	13,737	(13,737)
<b>(Loss)/profit on ordinary activities after taxation</b>		(189,150)	64,431
Dividends:			
ordinary dividend on equity shares	9	(24,000)	(56,000)
<b>Retained (loss)/profit for the year</b>	20	<u>(213,150)</u>	<u>8,431</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.


**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Profit and Loss Account**  
**for the year ended 31 March 2004**

	<b>Notes</b>	<b>2004</b> <b>£</b>	<b>2003</b> <b>£</b>
<b>Statement of total recognised gains and losses</b>			
Profit for the financial year		(213,150)	8,431
<i>Unrealised profit on write back of goodwill</i>		(273,437)	(29,982)
Total recognised gains and losses for the year		<u>(486,587)</u>	<u>(21,551)</u>

**Normanby Wefco Limited ( formerly Normanby Industries Ltd )**  
**Balance Sheet**  
**as at 31st March 2004**

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	10	700,198	924,844
<b>Current assets</b>			
Stocks	11	372,689	294,200
Debtors	12	1,520,324	1,094,510
Cash at bank and in hand		5,558	154
		1,898,571	1,388,864
<b>Creditors: amounts falling due within one year</b>	13	(2,194,009)	(1,390,656)
<b>Net current liabilities</b>		(295,438)	(1,792)
<b>Total assets less current liabilities</b>		404,760	923,052
<b>Creditors: amounts falling due after more than one year</b>	14	(38,272)	(69,977)
		<u>366,488</u>	<u>853,075</u>
<b>Capital and reserves</b>			
Called up share capital	18	85,000	85,000
Other reserves	19	32,125	305,562
Profit and loss account	20	249,363	462,513
	21	<u>366,488</u>	<u>853,075</u>

  
 J. P. Nock - Director

  
 P. A. Cook - Director

Approved by the board on 8 June 2005



**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Cash Flow Statement**  
**for the year ended 31 March 2004**

	Notes	2004 £	2003 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating (loss)/profit		(291,054)	100,369
Depreciation charges		108,963	112,399
(Increase)/decrease in stocks		(78,489)	72,320
(Increase)/decrease in debtors		(425,814)	893,836
Increase/(decrease) in creditors		1,019,029	(1,079,892)
<b>Net cash inflow from operating activities</b>		<b>332,635</b>	<b>99,032</b>

**CASH FLOW STATEMENT**

<b>Net cash inflow from operating activities</b>		332,635	99,032
<b>Returns on investments and servicing of finance</b>	22	(50,698)	(47,489)
<b>Taxation</b>		-	(11,108)
<b>Capital expenditure</b>	22	(1,889)	14,107
		280,048	54,542
<b>Equity dividends paid</b>		(24,000)	(56,000)
		256,048	(1,458)
<b>Financing</b>	22	(63,072)	(96,559)
<b>Increase/(decrease) in cash</b>		<b>192,976</b>	<b>(98,017)</b>

**Reconciliation of net cash flow to movement in net debt**

<b>Increase/(decrease) in cash in the year</b>		192,976	(98,017)
<b>Decrease in debt and lease financing</b>		63,072	96,559
<b>New finance leases</b>	24	(17,000)	(60,439)
<b>Change in net debt</b>	23	239,048	(61,897)
<b>Net debt at 1 April</b>		(663,214)	(601,317)
<b>Net debt at 31 March</b>		<b>(424,166)</b>	<b>(663,214)</b>

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Notes to the Accounts**  
**at 31 March 2004**

**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:

Freehold buildings	over 50 years
Plant and machinery	over 5 & 10 years
Tooling	over 5 years
Fixtures and fittings	over 5 years
Motor vehicles	over 5 years

**Stocks**

Stock is valued at the lower of cost and net realisable value. In respect of work in progress and finished goods, cost includes a relevant proportion of overheads according to the stage of manufacture/completion.

**Deferred taxation**

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

**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.

**Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Notes to the Accounts**  
**at 31 March 2004**

**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.

**Negative goodwill**

Negative goodwill is written off against the acquired assets over the periods in which they are depreciated or sold.

**2 Turnover**

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

**3 Operating profit**

**2004**

**2003**

£

£

This is stated after charging:

Depreciation of owned fixed assets

80,506

79,052

Depreciation of assets held under finance leases and hire  
purchase contracts

28,457

33,347

Auditors' remuneration

14,785

9,650

**4 Exceptional items**

**2004**

**2003**

£

£

Write off negative goodwill

273,437

29,982

Losses on the disposal of fixed assets

(42,708)

(4,694)

Exceptional contract costs

(91,864)

-

138,865

25,288

**5 Directors' emoluments**

**2004**

**2003**

£

£

Emoluments

64,938

20,000

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Notes to the Accounts**  
**at 31 March 2004**

<b>6 Staff costs</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Wages and salaries	327,670	298,196
Other pension costs	21,352	21,467
	<u>349,022</u>	<u>319,663</u>
 <b>Average number of employees during the year</b>		
Administration	13	13
Manufacturing and sales	32	28
	<u>45</u>	<u>41</u>
 <b>7 Interest payable</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	44,401	38,298
Finance charges payable under finance leases and hire purchase contracts	6,297	9,191
	<u>50,698</u>	<u>47,489</u>
 <b>8 Tax on profit on ordinary activities</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
UK corporation tax	<u>(13,737)</u>	<u>13,737</u>
 <b>9 Equity dividends</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Proposed dividend on ordinary shares	<u>24,000</u>	<u>56,000</u>

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Notes to the Accounts**  
**at 31 March 2004**

**10 Tangible fixed assets**

	<b>Freehold &amp; leasehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings and motor vehicles £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2003	369,699	558,186	489,678	1,417,563
Additions	210,151	25,530	69,950	305,631
Disposals	(369,699)	(21,427)	(102,600)	(493,726)
At 31 March 2004	<u>210,151</u>	<u>562,289</u>	<u>457,028</u>	<u>1,229,468</u>
<b>Depreciation</b>				
At 1 April 2003	37,637	176,554	278,528	492,719
Charge for the year	8,700	48,362	51,901	108,963
On disposals	(37,637)	(6,645)	(28,130)	(72,412)
At 31 March 2004	<u>8,700</u>	<u>218,271</u>	<u>302,299</u>	<u>529,270</u>
<b>Net book value</b>				
At 31 March 2004	<u>201,451</u>	<u>344,018</u>	<u>154,729</u>	<u>700,198</u>
At 31 March 2003	<u>332,062</u>	<u>381,632</u>	<u>211,150</u>	<u>924,844</u>

*Freehold land and buildings:*

	<b>2004 £</b>	<b>2003 £</b>
Historical cost	<u>210,151</u>	<u>369,699</u>
Cumulative depreciation based on historical cost	<u>8,700</u>	<u>37,637</u>

	<b>2004 £</b>	<b>2003 £</b>
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>98,758</u>	<u>154,019</u>

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Notes to the Accounts**  
**at 31 March 2004**

<b>11 Stocks</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	232,696	242,741
Work in progress	139,993	51,459
	<u>372,689</u>	<u>294,200</u>

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

<b>12 Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	959,509	747,425
Other debtors	13,737	-
Prepayments and accrued income	547,078	347,085
	<u>1,520,324</u>	<u>1,094,510</u>

<b>13 Creditors: amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	351,810	539,932
Obligations under finance lease and hire purchase contracts	39,642	53,459
Payments on account of long term contracts	75,174	59,238
Trade creditors	1,567,103	626,053
Corporation tax	-	13,737
Other taxes and social security costs	58,987	59,476
Other creditors	31,994	6,492
Accruals and deferred income	69,299	32,269
	<u>2,194,009</u>	<u>1,390,656</u>

<b>14 Creditors: amounts falling due after one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank loans	17,083	25,200
Obligations under finance lease and hire purchase contracts	21,189	44,777
	<u>38,272</u>	<u>69,977</u>

<b>15 Borrowings</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Analysis of maturity of debt:		
Within one year or on demand	391,452	593,391
Between one and two years	26,718	44,777
Between two and five years	11,554	25,200
	<u>429,724</u>	<u>663,368</u>

The bank loans are secured.

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Notes to the Accounts**  
**at 31 March 2004**

<b>16 Obligations under finance leases and hire purchase contracts</b>	<b>2004 £</b>	<b>2003 £</b>
Amounts payable:		
Within one year	39,642	53,459
Between one and five years	21,189	44,777
	<u>60,831</u>	<u>98,236</u>

<b>17 Provisions for liabilities and charges</b>	<b>2004 £</b>	<b>2003 £</b>
Deferred taxation:		
At 31 March	<u>-</u>	<u>-</u>

Deferred tax has not been provided in full as the directors are of the opinion that no future liability will crystallise. The potential amounts are as follows:

	<b>Provided 2004 £</b>	<b>Potential 2004 £</b>	<b>Provided 2003 £</b>	<b>Potential 2003 £</b>
Capital allowances in advance of depreciation	<u>-</u>	<u>52,348</u>	<u>-</u>	<u>50,216</u>

18 Share capital		2004 £	2003 £		
Authorised:					
Ordinary shares of £1 each		<u>100,000</u>	<u>100,000</u>		
	2004 No	2003 No	2004 £	2003 £	
Allotted, called up and fully paid:					
Ordinary shares of £1 each		85,000	85,000	85,000	85,000

<b>19 Other reserves</b>	<b>2004 £</b>	<b>2003 £</b>
At 1 April	305,562	335,544
Amortisation of negative goodwill	(273,437)	(29,982)
At 31 March	<u>32,125</u>	<u>305,562</u>

**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Notes to the Accounts**  
**at 31 March 2004**

<b>20 Profit and loss account</b>	<b>2004 £</b>	<b>2003 £</b>
At 1 April	462,513	454,082
Retained (loss)/profit	(213,150)	8,431
At 31 March	<u>249,363</u>	<u>462,513</u>
 <b>21 Reconciliation of movements in shareholders' funds</b>	 <b>2004 £</b>	 <b>2003 £</b>
At 1 April	853,075	874,626
(Loss)/profit for the financial year	(189,150)	64,431
Dividends	(24,000)	(56,000)
Amortisation of negative goodwill in the year	(273,437)	(29,982)
At 31 March	<u>366,488</u>	<u>853,075</u>
 <b>22 Gross cash flows</b>	 <b>2004 £</b>	 <b>2003 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest paid	(44,401)	(38,298)
Interest element of finance lease rental payments	(6,297)	(9,191)
	<u>(50,698)</u>	<u>(47,489)</u>
 <b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	(288,631)	(11,515)
Receipts from sales of tangible fixed assets	378,606	25,622
Receipts from sales of investments	(91,864)	-
	<u>(1,889)</u>	<u>14,107</u>
 <b>Financing</b>		
Loan repayments	(8,667)	(10,800)
Capital element of finance lease rental payments	(54,405)	(85,759)
	<u>(63,072)</u>	<u>(96,559)</u>



**Normanby Wefco Ltd (formerly Normanby Industries Ltd)**  
**Notes to the Accounts**  
**at 31 March 2004**

**23 Analysis of changes in net debt**

	At 1 Apr 2003 £	Cash flows £	Non-cash changes £	At 31 Mar 2004 £
Cash at bank and in hand	154	5,404		5,558
Overdrafts	(529,132)	187,572 192,976		(341,560)
Debt due within 1 year	(10,800)	550		(10,250)
Debt due after 1 year	(25,200)	8,117		(17,083)
Finance leases	(98,236)	37,405 46,072		(60,831)
Total	<u>(663,214)</u>	<u>239,048</u>	<u>-</u>	<u>(424,166)</u>

**24 Major non-cash transactions**

	2004 £	2003 £
Capital value of new finance lease arrangements	<u>17,000</u>	<u>60,439</u>

**25 Related parties**

The company is controlled by the directors.

During the year the company traded with Wefco (Gainsborough) Limited, a company of which Mr J A Jenkinson and Mr D J Fox are directors and shareholders.

The level of sales to and purchases from Wefco (Gainsborough) Limited were £179,024 and £109,398 respectively.