E.E.INGLETON ENGINEERING LIMITED

FINANCIAL STATEMENTS

31ST.DECEMBER 1999

Registered number: 1292113

DIMBLEBY & DALE

REGISTERED AUDITORS

Sheffield

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COMPANIES HOUSE 24/05/00

E.E.INGLETON ENGINEERING LIMITED

FINANCIAL STATEMENTS

for the year ended 31st.December 1999

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1

E.E.INGLETON ENGINEERING LIMITED

COMPANY INFORMATION

31st.December 1999

INCORPORATED	23rd.December 1976 in England
NUMBER	1292113
DIRECTORS	R.G.Ingleton A.Calderbank A.C.Hodges
SECRETARY	Mrs.S.Ingleton
REGISTERED OFFICE	Adelaide Works 55 Mowbray Street Sheffield S3 8EZ
BANKERS	Barclays Bank
AUDITORS	Dimbleby & Dale Registered Auditors 58 High Street Beighton Sheffield S20 1ED

E.E.INGLETON ENGINEERING LIMITED

DIRECTORS' REPORT

31st.December 1999

The directors present their report and the audited financial statements for the year ended 31st.December 1999.

Principal activity

The principal activity of the company is the manufacturing of engineering products.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31st.December 1999 Ordinary shares	1st.January 1999 Ordinary shares
R.G.Ingleton	-	-
A.Calderbank	-	-
A.C.Hodges appointed 4th.May 1999	-	-

Auditors

Dimbleby & Dale have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

R.G.Ingleton
Director

Adelaide Works
55 Mowbray Street
Sheffield
S3 8EZ

17th.May 2000

E.E.INGLETON ENGINEERING LIMITED

STATEMENT OF 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 of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 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.

On behalf of the board

R.G.Ingleton
Director

E.E.INGLETON ENGINEERING LIMITED

AUDITORS' REPORT

Auditors' report to the members of

E.E.Ingleton Engineering Limited

We have audited the financial statements on pages 5 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors
As described on page 3, 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 statements and to 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 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 error or other irregularity. 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 31st.December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Dimbleby & Dale

Sheffield
17th.May 2000

Dimbleby & Dale
Registered Auditors

E.E.INGLETON ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st.December 1999

	Note	1999 £	1998 £
Turnover	2	1,410,119	1,423,057
Cost of sales		(513,715)	(527,128)
Gross profit		896,404	895,929
Net operating expenses			
Distribution costs		(18,020)	(23,808)
Administrative expenses		(845,526)	(790,861)
Other operating income		15,797	16,860
Operating profit	3	48,655	98,120
Interest payable	5	(5,202)	(9,432)
Profit on ordinary activities before taxation		43,453	88,688
Taxation	6	(8,669)	(18,969)
Profit on ordinary activities after taxation		34,784	69,719
Dividends	7	(25,000)	(4,000)
Retained profit for the year	18	9,784	65,719

Movements in reserves are shown in note 18.

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

There were no recognised gains and losses in 1999 or 1998 other than the profit for the year.

E.E.INGLETON ENGINEERING LIMITED

BALANCE SHEET

at 31st.December 1999

	Note	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible assets	8		294,167		299,250
Current assets					
Stocks	9	236,015		235,747	
Debtors	10	348,125		389,926	
Investments	11	2,200		2,200	
Cash at bank and in hand		105,728		54,061	
		692,068		681,934	
Creditors: amounts falling due within one year	12	(240,113)		(213,174)	
Net current assets			451,955		468,760
Total assets less current liabilities			746,122		768,010
Creditors: amounts falling due after more than one year	13		-		(30,416)
Provision for liabilities and charges			(11,308)		(12,564)
			734,814		725,030
Capital and reserves					
Called up share capital	17		2,500		2,500
Profit and loss account	18		732,314		722,530
Total shareholders' funds	16		734,814		725,030

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 7 were approved by the board of directors on 17th.May 2000 and signed on its behalf by:

R.G.Ingleton
Director

A.Calderbank
Director

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 1999

1 Accounting policies

Basis of accounting
The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover
Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets
Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	10% on reducing balance
Motor vehicles	20% on reducing balance
Fixtures and fittings	10% on reducing balance

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks
Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation
Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions

Defined contribution scheme
Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 *Turnover*

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1998 nil).

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 1999

3 Operating profit

	1999 £	1998 £
Operating profit is stated after crediting:		
Net rental income	10,418	9,868
Interest receivable	5,379	6,992
and after charging:		
Auditors' remuneration	1,300	1,260
Operating leases:		
Rent	51,996	51,996
Loss on sale of assets	-	1,875
Depreciation of tangible fixed assets (note 9):		
Owned assets	39,956	39,191
Amortisation of intangible fixed assets	(1,256)	(1,396)
	38,700	37,795

4 Directors

	1999 £	1998 £
Directors' emoluments	135,768	111,183
Compensation for loss of office	-	22,000
	135,768	133,183

Defined contribution pension scheme
The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £35,469 (1998 £24,691) including contributions in respect of employees.

5 Interest payable

	1999 £	1998 £
Finance lease and hire purchase contracts	703	703
Other interest payable	4,499	8,729
	5,202	9,432

6 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities	8,669	18,969

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 1999

7 Dividends

	1999 £	1998 £
Equity - ordinary	25,000	4,000

8 Tangible fixed assets

	Plant and Machinery etc £
Cost	
1st.January 1999	499,691
Additions	34,873
31st.December 1999	534,564
Depreciation	
1st.January 1999	208,161
Charge for the year	39,956
31st.December 1999	248,117
Net book amount	
31st.December 1999	294,167
1st.January 1999	299,250

9 Stocks

	1999 £	1998 £
Stocks	236,015	235,747

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 1999

10 Debtors

	1999	1998
	£	£
Amounts falling due within one year		
Trade debtors	334,918	380,323
Other debtors	13,207	9,603
	348,125	389,926

11 Current asset investments

	1999	1998
	£	£
Shares in Norwich Union	2,200	2,200

12 Creditors: amounts falling due within one year

	1999	1998
	£	£
Trade creditors	141,210	123,818
Bank loan	24,250	24,250
Dividend	16,000	-
Corporation tax	7,994	15,862
Other taxation and social security	32,976	33,524
Other creditors	17,683	15,720
	240,113	213,174

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 1999

13 Creditors: amounts falling due after more than one year

	1999 £	1998 £
Other liabilities		
Bank loans	-	24,250
Obligations under finance leases and hire purchase contracts	-	6,166
	-	30,416
Maturity of debt included above		
In one year or less, or on demand	-	30 416
In more than five years	-	-
	-	30,416

14 Related parties

The company paid rent of £51,996 and dividends of £25,000 to G.& R.(Sheffield) Limited during the year.

15 Disclosure of control

The company has been ultimately controlled throughout the current and previous year by R.G.Ingleton and G.Calderbank who own the majority of shares in G.& R.(Sheffield) Limited.

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 1999

16 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	34,784	69,719
Dividends	(25,000)	(4,000)
Net addition to shareholders' funds	9,784	65,719
Opening shareholders' funds	725,030	659,311
Closing shareholders' funds	734,814	725,030

17 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised	2,500	2,500	2,500	2,500
Allotted, called up and fully paid				
Authorised share capital	*2,500*	*2,500*	*2,500*	*2,500*

18 Profit and loss account

	1999 £
1st.January 1999	722,530
Retained profit for the year	9,784
31st.December 1999	732,314