E.E.INGLETON ENGINEERING LIMITED

FINANCIAL STATEMENTS

31ST.DECEMBER 2000

Registered number: 1292113

DIMBLEBY & DALE

REGISTERED AUDITORS

Sheffield

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E.E.INGLETON ENGINEERING LIMITED

FINANCIAL STATEMENTS

for the year ended 31st.December 2000

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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 2000

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 2000

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

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 2000 Ordinary shares	1st.January 2000 Ordinary shares
R.G.Ingleton	-	-
A.Calderbank	-	-
A.C.Hodges	-	-

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

7th.May 2001

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 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Dimbleby & Dale

Sheffield
7th.May 2001

Dimbleby & Dale
Registered Auditors

E.E.INGLETON ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st.December 2000

	Note	2000 £	1999 £
Turnover	2	1,297,836	1,410,119
Cost of sales		(458,233)	(513,715)
Gross profit		839,603	896,404
Net operating expenses			
Distribution costs		(21,358)	(18,020)
Administrative expenses		(835,419)	(845,526)
Other operating income		14,861	15,797
Operating (loss)/profit	3	(2,313)	48,655
Interest payable	5	(4,624)	(5,202)
(Loss)/profit on ordinary activities before taxation		(6,937)	43,453
Taxation	6	2,197	(8,669)
(Loss)/profit on ordinary activities after taxation		(4,740)	34,784
Dividends	7	(133,600)	(25,000)
Retained (loss)/profit for the year	15	(138,340)	9,784

Movements in reserves are shown in note 15.

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

There were no recognised gains and losses in 2000 or 1999 other than the (loss)/profit for the year.

E.E.INGLETON ENGINEERING LIMITED

BALANCE SHEET

at 31st.December 2000

	Note	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	8		260,123		294,167
Current assets					
Stocks	9	220,272		236,015	
Debtors	10	303,412		348,125	
Investments	11	2,200		2,200	
Cash at bank and in hand		52		105,728	
		525,936		692,068	
Creditors: amounts falling due within one year	12	(179,408)		(213,174)	
Net current assets			346,528		451,955
Total assets less current liabilities			606,651		746,122
Provision for liabilities and charges	16		(10,177)		(11,308)
			596,474		734,814
Capital and reserves					
Called up share capital	14		2,500		2,500
Profit and loss account	15		593,974		732,314
Total shareholders' funds	13		596,474		734,814

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 7th.May 2001 and signed on its behalf by:

R.G.Ingleton
Director

A.Calderbank
Director

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 2000

1 Accounting policies

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

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 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 (1999 nil).

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 2000

3 Operating (loss)/profit

	2000	1999
	£	£
Operating (loss)/profit is stated after crediting:		
Net rental income	10,418	10,418
Interest receivable	4,443	5,379
and after charging:		
Auditors' remuneration	1,350	1,300
Operating leases:		
Rent	51,996	51,996
Depreciation of tangible fixed assets (note 9):		
Owned assets	34,719	39,956
Amortisation of intangible fixed assets	(1,131)	(1,256)
	33,588	38,700

4 Directors

	2000	1999
	£	£
Directors' emoluments	138,496	135,768

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 £33,431 (1999 £35,469) including contributions in respect of employees.

5 Interest payable

	2000	1999
	£	£
Finance lease and hire purchase contracts	703	703
Other interest payable	3,921	4,499
	4,624	5,202

6 Taxation

	2000		1999	
	£	£	£	£
UK Corporation tax:				
Current tax on income for the period		(2,197)		8,669

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 2000

7 Dividends

	2000 £	1999 £
Equity - ordinary/final	133,600	25,000

8 Tangible fixed assets

	Plant and Machinery etc £
Cost	
1st.January 2000	533,564
Additions	675
31st.December 2000	534,239
Depreciation	
1st.January 2000	240,397
Charge for the year	34,719
31st.December 2000	275,116
Net book amount	
31st.December 2000	260,123
1st.January 2000	294,167

9 Stocks

	2000 £	1999 £
Stocks	220,272	236,015

10 Debtors

	2000 £	1999 £
Amounts falling due within one year		
Trade debtors	283,846	334,918
Other debtors	19,566	13,207
	303,412	348,125

11 Current asset investments

	2000 £	1999 £
Other investments	2,200	2,200

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 2000

12 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank overdrafts	12,542	-
Trade creditors	128,238	141,210
Corporation tax	-	7,994
Other taxation and social security	20,238	32,976
Other creditors	15,183	27,516
	176,201	209,696

13 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
(Loss)/profit for the financial year	(4,740)	34,784
Dividends	(133,600)	(25,000)
Net (subtraction from)/addition to shareholders' funds	(138,340)	9,784
Opening shareholders' funds	734,814	725,030
Closing shareholders' funds	596,474	734,814

14 Called up share capital

	2000		1999	
	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

15 Profit and loss account

	2000 £
1st.January 2000	732,314
Retained loss for the year	(138,340)
31st.December 2000	593,974

E.E.INGLETON ENGINEERING LIMITED

NOTES ON FINANCIAL STATEMENTS

31st.December 2000

16 Provision for liabilities and charges

	£
1st.January 2000	11,308
Amounts used	(1,131)
31st.December 2000	10,177

17 Related parties

The company paid rent of £51,996 and dividends of £133,600 to G.& R.(Sheffield) Limited during the year.

18 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.