

ESDALE LIMITED
FINANCIAL STATEMENTS
FOR
30TH SEPTEMBER 2000

Company Registration Number 1071506



BURLINSON STEWART & CO.
Chartered Accountants & Registered Auditors
21 Henrietta Street
Batley
WF17 5DN

ESDALE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

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ESDALE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	F. Eastwood E. Brown D. Brown H. Brown D.R. Brown
Company secretary	D.R. Brown
Registered office	Thomas Street Bradford Road Batley
Auditors	Burlinson Stewart & Co. Chartered Accountants & Registered Auditors 21 Henrietta Street Batley WF17 5DN

ESDALE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH SEPTEMBER 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th September 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was as precision engineers and mould makers for the glass and plastic industries.

The last year has been another testing one for all parts of the business. The glass and foundry divisions have been reduced to meet the reduced demands of the market. This has been an expensive exercise but will give us a better cost base for future years' trading.

It is expected that by the end of 2001 we shall be able to meet the market demands and with the reduced costs, be in a much better trading position.

The changes we made to the plastic tooling operation last year were found to be less than required to meet the changes and reduction in demand for tools. We took the decision to close our Hi-Tech division at Scunthorpe in the spring of 2000. Most of the machine tools were brought into the Heckmondwike factory. This closure involved us in substantial costs but the exercise was necessary and has reduced overheads substantially. The market has still been depressed because of the instability in the automotive sector. We expect to be fighting this situation for the next couple of years and will continue to make whatever changes are necessary to keep us moving forward.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 September 2000	At 1 October 1999
F. Eastwood	2,500	2,500
E. Brown	6,250	6,250
D. Brown	4,000	4,000
H. Brown	-	-
D.R. Brown	4,875	4,875
M.H. Ellis	(Resigned 31 December 1999)	

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and

ESDALE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH SEPTEMBER 2000

estimates that are prudent and reasonable. The directors must also 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. The directors 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.

AUDITORS

A resolution to re-appoint Burlinson Stewart & Co. as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Thomas Street
Bradford Road
Batley

Signed by order of the directors



D.R.BROWN
Company Secretary

Approved by the directors on 17th July 2001

ESDALE LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 30TH SEPTEMBER 2000

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 2 to 3, the company's directors are responsible for the preparation of the 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 AUDIT 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 other irregularity or error. 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 30th September 2000 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Burlinson, Stewart & Co
21 Henrietta Street
Batley
WF17 5DN

BURLINSON STEWART & CO.
Chartered Accountants
& Registered Auditors

17th July 2001

ESDALE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH SEPTEMBER 2000

	Note	2000 £	1999 £
TURNOVER	2	4,269,923	5,745,859
Cost of sales		4,289,560	5,255,309
GROSS (LOSS)/PROFIT		(19,637)	490,550
Distribution Costs		19,696	31,612
Administrative expenses		616,765	806,146
Other operating income		(45,789)	(48,183)
OPERATING LOSS	3	(610,309)	(299,025)
Income from shares in group undertakings	6	425,887	-
Interest receivable		928	3,254
Interest payable and similar charges	7	(36,544)	(40,327)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(220,038)	(336,098)
Tax on loss on ordinary activities	8	100,000	35,327
LOSS FOR THE FINANCIAL YEAR		(120,038)	(300,771)
Balance brought forward		2,538,441	2,839,212
Balance carried forward		2,418,403	2,538,441

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 8 to 17 form part of these financial statements.

ESDALE LIMITED
BALANCE SHEET
30TH SEPTEMBER 2000

	Note	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		2,537,663		2,997,705
Investments	10		-		20,302
			<u>2,537,663</u>		<u>3,018,007</u>
CURRENT ASSETS					
Stocks	11	398,730		535,585	
Debtors	12	703,655		1,063,610	
Cash in hand		537		3,570	
		<u>1,102,922</u>		<u>1,602,765</u>	
CREDITORS: Amounts falling due within one year	13	<u>(1,141,315)</u>		<u>(1,359,209)</u>	
NET CURRENT (LIABILITIES)/ASSETS			(38,393)		243,556
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,499,270</u>		<u>3,261,563</u>
CREDITORS: Amounts falling due after more than one year	14		(55,867)		(598,122)
			<u>2,443,403</u>		<u>2,663,441</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	16		-		(100,000)
			<u>2,443,403</u>		<u>2,563,441</u>
CAPITAL AND RESERVES					
Called-up equity share capital	18		23,750		23,750
Other reserves	19		1,250		1,250
Profit and Loss Account			2,418,403		2,538,441
SHAREHOLDERS' FUNDS	20		<u>2,443,403</u>		<u>2,563,441</u>

These financial statements were approved by the directors on the 17th July 2001 and are signed on their behalf by:

F. EASTWOOD
 Director



The notes on pages 8 to 17 form part of these financial statements.

ESDALE LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30TH SEPTEMBER 2000

	Note	2000		1999	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	21		43,492		329,921
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Income from group undertakings		425,887		-	
Interest received		928		3,254	
Interest paid		(13,184)		(10,438)	
Interest element of hire purchase		(23,360)		(29,889)	
		-----		-----	
NET CASH INFLOW/(OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			390,271		(37,073)
TAXATION			35,291		(39,329)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(7,061)		(278,014)	
Receipts from sale of fixed assets		10,012		3,403	
		-----		-----	
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE			2,951		(274,611)
ACQUISITIONS AND DISPOSALS					
Disposal of shares in group undertakings		20,302		-	
		-----		-----	
NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS			20,302		-
			-----		-----
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			492,307		(21,092)
FINANCING					
Repayment of bank loans		(43,758)		(47,226)	
Repayment of long-term amounts owed to group undertakings		(446,189)		-	
Capital element of hire purchase		(189,221)		(14,194)	
		-----		-----	
NET CASH OUTFLOW FROM FINANCING			(679,168)		(61,420)
DECREASE IN CASH	22		<u>(186,861)</u>		<u>(82,512)</u>

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Freehold buildings	2% on cost
Tools and equipment	10%/20% on cost
Fixtures & Fittings	10% on cost
Motor vehicles	25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2000	1999
	£	£
United Kingdom	3,764,069	5,304,414
Europe	505,854	441,445
	<u>4,269,923</u>	<u>5,745,859</u>

3. OPERATING LOSS

Operating loss is stated after charging:

	2000	1999
	£	£
Depreciation	450,897	483,538
Loss on disposal of fixed assets	6,197	11,240
Operating lease costs:		
Plant and equipment	<u>4,221</u>	<u>4,221</u>

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2000	1999
	No.	No.
Number of production staff	91	140
Number of distribution staff	4	5
Number of administrative staff	11	13
	<u>106</u>	<u>158</u>

The aggregate payroll costs of the above were:

	2000	1999
	£	£
Wages and salaries	2,535,963	3,179,908
Social security costs	241,294	294,885
Other pension costs	122,771	142,005
	<u>2,900,028</u>	<u>3,616,798</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2000	1999
	£	£
Emoluments receivable	197,583	288,553
Value of company pension contributions to money purchase schemes	17,462	18,076
	<u>215,045</u>	<u>306,629</u>

Emoluments of highest paid director:

	2000	1999
	£	£
Total emoluments (excluding pension contributions):	<u>64,039</u>	<u>84,780</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	2000	1999
	No.	No.
Money purchase schemes	<u>4</u>	<u>4</u>

No director had a material interest in any contract with the company.

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2000	1999
	£	£
Dividend received	442,189	-
Loss on investment	(16,302)	-
	<u>425,887</u>	<u>-</u>

7. INTEREST PAYABLE

	2000	1999
	£	£
Interest payable on bank borrowing	13,184	10,215
Finance charges	23,360	29,889
Other similar charges payable	-	223
	<u>36,544</u>	<u>40,327</u>

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2000	1999
	£	£
Corporation Tax based on the results for the year at -% (1999 - 21%)	-	(36,934)
Decrease in deferred tax provision on capital allowances	(100,000)	-
	<u>(100,000)</u>	<u>(36,934)</u>
Adjustment in respect of previous years:		
Corporation Tax	-	1,607
	<u>(100,000)</u>	<u>(35,327)</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2000

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Tools and equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST					
At 1 October 1999	962,188	6,123,419	172,847	412,684	7,671,138
Additions	-	7,061	-	-	7,061
Disposals	-	-	-	(70,560)	(70,560)
At 30 September 2000	<u>962,188</u>	<u>6,130,480</u>	<u>172,847</u>	<u>342,124</u>	<u>7,607,639</u>
DEPRECIATION					
At 1 October 1999	140,854	4,151,653	136,025	244,898	4,673,430
Charge for the year	12,968	391,958	7,349	38,622	450,897
On disposals	-	-	-	(54,351)	(54,351)
At 30 September 2000	<u>153,822</u>	<u>4,543,611</u>	<u>143,374</u>	<u>229,169</u>	<u>5,069,976</u>
NET BOOK VALUE					
At 30 September 2000	<u>808,366</u>	<u>1,586,869</u>	<u>29,473</u>	<u>112,955</u>	<u>2,537,663</u>
At 30 September 1999	<u>821,334</u>	<u>1,971,766</u>	<u>36,822</u>	<u>167,786</u>	<u>2,997,708</u>

Hire purchase agreements

Included within the net book value of £2,537,663 is £317,716 (1999 - £609,570) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £42,597 (1999 - £70,515).

10. INVESTMENTS

Esdale Foundry Limited

	£
COST	
At 1st October 1999	20,302
Disposals	(20,302)
At 30th September 2000	<u>-</u>
NET BOOK VALUE	
At 30th September 2000	<u>-</u>
At 30th September 1999	<u>20,302</u>

The above investment represents 100% of the ordinary share capital of Esdale Foundry Limited, an unlisted company registered in England, which has not traded since 30th September 1995 and which has no intention to trade in the future. The reserves of Esdale Foundry Limited have been distributed by means of a dividend during the year, and the balance of the investment has been written off against this dividend received. (See note 6)

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

11. STOCKS

	2000	1999
	£	£
Raw Materials	320,203	356,803
Work in progress	41,530	134,874
Loose tools and sundries	36,997	43,908
	<u>398,730</u>	<u>535,585</u>

The replacement value of stocks is not significantly different from cost.

12. DEBTORS

	2000	1999
	£	£
Trade debtors	675,232	997,911
Corporation Tax repayable	-	35,291
Prepayments and accrued income	28,423	30,408
	<u>703,655</u>	<u>1,063,610</u>

13. CREDITORS: Amounts falling due within one year

	2000		1999	
	£	£	£	£
Bank loans and overdrafts		363,178		223,105
Trade creditors		433,834		590,322
Hire purchase agreements		96,068		189,223
Other creditors including taxation				
PAYE and social security	69,677		92,411	
VAT	85,603		133,718	
Other creditors	14,750		19,361	
		<u>170,030</u>		<u>245,490</u>
Accruals and deferred income		78,205		111,069
		<u>1,141,315</u>		<u>1,359,209</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2000	1999
	£	£
Bank loans and overdrafts	363,178	223,105
Hire purchase agreements	96,068	189,223
	<u>459,246</u>	<u>412,328</u>

The bank borrowings are secured by the freehold property and the hire purchase creditors are secured by the assets to which they relate.

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

14. CREDITORS: Amounts falling due after more than one year

	2000	1999
	£	£
Amounts owed to group undertakings	-	446,189
Hire purchase agreements	55,867	151,933
	<u>55,867</u>	<u>598,122</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2000	1999
	£	£
Hire purchase agreements	<u>55,867</u>	<u>151,933</u>

The hire purchase creditors are secured by the assets to which they relate.

15. CREDITORS - CAPITAL INSTRUMENTS

Creditors include finance capital, which is due for repayment as follows:

	2000	1999
	£	£
In one year or less, or on demand	459,246	412,328
Between one and two years	55,867	95,432
Between two and five years	-	56,501
	<u>515,113</u>	<u>564,261</u>

The above liabilities comprise the bank overdraft and hire purchase agreements.

16. DEFERRED TAXATION

	2000	1999
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	100,000	100,000
Decrease in provision	(100,000)	-
Provision carried forward	<u>-</u>	<u>100,000</u>

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

16. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2000		1999	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	-	207,817	100,000	133,362
Tax losses available	-	(127,152)	-	(25,609)
	<u>-</u>	<u>80,665</u>	<u>100,000</u>	<u>107,753</u>

17. COMMITMENTS UNDER OPERATING LEASES

At 30th September 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2000 £	1999 £
Operating leases which expire:		
Within 1 year	818	-
Within 2 to 5 years	3,403	4,221
	<u>4,221</u>	<u>4,221</u>

18. SHARE CAPITAL

Authorised share capital:

	2000 £	1999 £
25,000 Ordinary shares of £1.00 each	<u>25,000</u>	<u>25,000</u>

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital	<u>23,750</u>	<u>23,750</u>

19. OTHER RESERVES

	2000 £	1999 £
Capital redemption reserve	<u>1,250</u>	<u>1,250</u>

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the financial year	(120,038)	(300,771)
Opening shareholders' equity funds	<u>2,562,191</u>	<u>2,862,962</u>
Closing shareholders' equity funds	<u>2,442,153</u>	<u>2,562,191</u>

21. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating loss	(610,309)	(299,025)
Depreciation	450,897	483,538
Loss on disposal of fixed assets	6,197	11,240
Decrease/(Increase) in stocks	136,855	(10,118)
Decrease in debtors	324,664	227,134
Decrease in creditors	(264,812)	(82,848)
Net cash inflow from operating activities	<u>43,492</u>	<u>329,921</u>

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000		1999	
	£	£	£	£
Decrease in cash in the period	(186,861)		(82,512)	
Net cash outflow from bank loans	43,758		47,226	
Net cash outflow from long-term amounts owed to group undertakings	446,189		-	
Cash outflow in respect of hire purchase	<u>189,221</u>		<u>14,194</u>	
		492,307		(21,092)
Change in net debt		492,307		(21,092)
Net debt at 1st October 1999		<u>(1,006,880)</u>		<u>(985,788)</u>
Net debt at 30th September 2000		<u>(514,576)</u>		<u>(1,006,880)</u>

ESDALE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2000

23. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Oct 1999 £	Cash flows £	At 30 Sep 2000 £
Net cash:			
Cash in hand and at bank	3,570	(3,033)	537
Overdrafts	(179,347)	(183,831)	(363,178)
	<u>(175,777)</u>	<u>(186,864)</u>	<u>(362,641)</u>
Debt:			
Debt due within 1 year	(43,758)	43,758	-
Debt due after 1 year	(446,189)	446,189	-
Hire purchase agreements	(341,156)	189,221	(151,935)
	<u>(831,103)</u>	<u>679,168</u>	<u>(151,935)</u>
Net debt	<u>(1,006,880)</u>	<u>492,307</u>	<u>(514,576)</u>