

COMPANY REGISTRATION NUMBER 1071506

ESDALE LIMITED
FINANCIAL STATEMENTS
FOR
30TH SEPTEMBER 2003



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

ESDALE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2003

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ESDALE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

F. Eastwood
D. Brown
H. Brown
D.R. Brown

Company secretary

D.R. Brown

Registered office

Thomas Street
Bradford Road
Batley
West Yorkshire

Auditors

Burlinson Stewart & Co.
Chartered Accountants
& Registered Auditors
21 Henrietta Street
Batley
WF17 5DN

ESDALE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH SEPTEMBER 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th September 2003.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

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

We have made a notable recovery from the problems the company was suffering during 2001-2 and the results for the year reflect this.

The major turnaround has been seen at the Glass and Foundry divisions. The significant investment made in 2001 has allowed costs to be dramatically reduced. The divisions have gradually returned to profit.

Workload at the Plastic Tooling division has been up and down during the year. Therefore the result achieved is below our capabilities. The gradual addition of new plant towards the end of the year has shown good results and the outlook is much brighter. The tool supply market has been badly hit and has seen the closure of many companies in 2001-2. We are now receiving some encouraging comments from customers and view the future with enthusiasm.

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 THE 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 2003	At 1 October 2002
F. Eastwood	2,500	2,500
D. Brown	4,000	4,000
H. Brown	—	—
D.R. Brown	4,875	4,875

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 12 to 13, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ESDALE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH SEPTEMBER 2003

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 23rd July 2004

ESDALE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ESDALE LIMITED

YEAR ENDED 30TH SEPTEMBER 2003

We have audited the financial statements on pages 6 to 21 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 12 to 13.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements 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 financial statements, 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 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.

ESDALE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ESDALE LIMITED *(continued)*

YEAR ENDED 30TH SEPTEMBER 2003

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 2003 and of its loss 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

23rd July 2004

ESDALE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH SEPTEMBER 2003

	Note	2003 £	2002 £
TURNOVER	2	4,497,812	3,715,295
Cost of sales		4,033,179	3,484,565
GROSS PROFIT		<u>464,633</u>	<u>230,730</u>
Distribution Costs		18,799	18,792
Administrative expenses		517,986	441,708
Other operating income		(52,002)	(51,602)
OPERATING LOSS	3	<u>(20,150)</u>	<u>(178,168)</u>
Interest payable	6	56,475	41,181
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(76,625)</u>	<u>(219,349)</u>
Tax on loss on ordinary activities		-	-
LOSS FOR THE FINANCIAL YEAR		<u><u>(76,625)</u></u>	<u><u>(219,349)</u></u>

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

The notes on pages 12 to 21 form part of these financial statements.

ESDALE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30TH SEPTEMBER 2003

	2003 £	2002 £
Loss for the financial year attributable to the shareholders	(76,625)	(219,349)
Unrealised profit on revaluation of tangible fixed assets:		
Freehold Investment Property	<u> -</u>	<u> 30,000</u>
Total gains and losses recognised since the last annual report	<u>(76,625)</u>	<u>(189,349)</u>

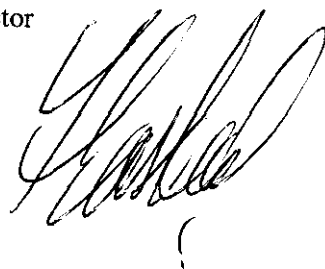
The notes on pages 12 to 21 form part of these financial statements.

ESDALE LIMITED
BALANCE SHEET
30TH SEPTEMBER 2003

	Note	2003		2002	
		£	£	£	£
FIXED ASSETS					
Tangible assets	7		2,397,625		2,658,064
CURRENT ASSETS					
Stocks	8	265,341		290,557	
Debtors	9	1,013,282		1,011,623	
Cash in hand		537		1,834	
			<u>1,279,160</u>		<u>1,304,014</u>
CREDITORS: Amounts falling due within one year	10		<u>1,478,465</u>		<u>2,059,237</u>
NET CURRENT LIABILITIES			(199,305)		(755,223)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,198,320</u>		<u>1,902,841</u>
CREDITORS: Amounts falling due after more than one year	11		<u>399,593</u>		<u>27,489</u>
			<u>1,798,727</u>		<u>1,875,352</u>
CAPITAL AND RESERVES					
Called-up equity share capital	16		23,750		23,750
Revaluation reserve			78,358		78,358
Other reserves	17		1,250		1,250
Profit and loss account	21		1,695,369		1,771,994
SHAREHOLDERS' FUNDS	18		<u>1,798,727</u>		<u>1,875,352</u>

These financial statements were approved by the directors on the 23rd July 2004 and are signed on their behalf by:

F. EASTWOOD
 Director



The notes on pages 12 to 21 form part of these financial statements.

ESDALE LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30TH SEPTEMBER 2003

	2003		2002	
	£	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		(77,896)		813,092
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest paid	(29,909)		(32,834)	
Interest element of hire purchase	(26,566)		(8,347)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(56,475)		(41,181)
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	(151,404)		(736,171)	
Receipts from sale of fixed assets	3,825		31,618	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(147,579)		(704,553)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(281,950)		67,358
FINANCING				
Increase in bank loans	180,000		-	
Capital element of hire purchase	379,774		(40,366)	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING		559,774		(40,366)
INCREASE IN CASH		<u>277,824</u>		<u>26,992</u>

The notes on pages 12 to 21 form part of these financial statements.

ESDALE LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30TH SEPTEMBER 2003

RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2003	2002
	£	£
Operating loss	(20,150)	(178,168)
Depreciation	406,026	382,714
Loss/(Profit) on disposal of fixed assets	1,992	(13,914)
Decrease/(increase) in stocks	25,216	(55,171)
(Increase)/decrease in debtors	(1,659)	148,490
(Decrease)/increase in creditors	(489,321)	529,141
Net cash (outflow)/inflow from operating activities	(77,896)	813,092

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2003		2002	
	£	£	£	£
Increase in cash in the period	277,824		26,992	
Net cash (inflow) from bank loans	(180,000)		-	
Cash outflow in respect of hire purchase	(379,774)		40,366	
		(281,950)		67,358
Change in net debt		(281,950)		67,358
Net debt at 1 October 2002		(702,876)		(770,234)
Net debt at 30 September 2003		(984,826)		(702,876)

The notes on pages 12 to 21 form part of these financial statements.

ESDALE LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30TH SEPTEMBER 2003

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Oct 2002 £	Cash flows £	At 30 Sep 2003 £
Net cash:			
Cash in hand and at bank	1,834	(1,297)	537
Overdrafts	(656,110)	279,121	(376,989)
	<u>(654,276)</u>	<u>277,824</u>	<u>(376,452)</u>
Debt:			
Debt due within 1 year	-	(60,000)	(60,000)
Debt due after 1 year	-	(120,000)	(120,000)
Hire purchase agreements	(48,600)	(379,774)	(428,374)
	<u>(48,600)</u>	<u>(559,774)</u>	<u>(608,374)</u>
Net debt	<u>(702,876)</u>	<u>(281,950)</u>	<u>(984,826)</u>

The notes on pages 12 to 21 form part of these financial statements.

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

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 Property	2% on cost
Tools, equipment, fixtures and fittings	10 / 20% on cost
Motor Vehicles	25% on reducing balance

Investment properties

In accordance with SSAP 19:

- i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investments with over 20 years to run.

The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise be shown cannot be separately identified or quantified.

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.

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

1. ACCOUNTING POLICIES *(continued)*

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.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

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:

	2003	2002
	£	£
United Kingdom	4,440,046	3,263,027
Europe	57,766	452,268
	4,497,812	3,715,295

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation of owned fixed assets	332,582	375,165
Depreciation of assets held under hire purchase agreements	73,444	7,549
Loss/(Profit) on disposal of fixed assets	1,992	(13,914)
Operating lease costs:		
Plant and equipment	1,518	3,744
Auditors' remuneration	6,200	6,200
	6,200	6,200

4. PARTICULARS OF EMPLOYEES

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

	2003	2002
	No	No
Number of production staff	92	87
Number of distribution staff	3	3
Number of administrative staff	12	12
	107	102

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	2,288,087	2,052,780
Social security costs	221,108	191,709
Other pension costs	103,469	108,001
	2,612,664	2,352,490

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

5. DIRECTORS' EMOLUMENTS

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

	2003	2002
	£	£
Emoluments receivable	138,612	144,450
Value of company pension contributions to money purchase schemes	10,924	10,597
	<u>149,536</u>	<u>155,047</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>3</u>	<u>3</u>

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

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Interest payable on bank borrowing	29,909	32,834
Finance charges	26,566	8,347
	<u>56,475</u>	<u>41,181</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

7. TANGIBLE FIXED ASSETS

	Freehold Property £	Tools, equipment, fixtures and fittings £	Motor Vehicles £	Freehold Investment Property £	Total £
COST OR VALUATION					
At 1 October 2002	605,976	7,035,437	125,170	380,000	8,146,583
Additions	–	120,354	31,050	–	151,404
Disposals	–	–	(24,498)	–	(24,498)
At 30 September 2003	<u>605,976</u>	<u>7,155,791</u>	<u>131,722</u>	<u>380,000</u>	<u>8,273,489</u>
DEPRECIATION					
At 1 October 2002	120,868	5,294,062	73,589	–	5,488,519
Charge for the year	10,808	380,572	14,646	–	406,026
On disposals	–	–	(18,681)	–	(18,681)
At 30 September 2003	<u>131,676</u>	<u>5,674,634</u>	<u>69,554</u>	<u>–</u>	<u>5,875,864</u>
NET BOOK VALUE					
At 30 September 2003	<u>474,300</u>	<u>1,481,157</u>	<u>62,168</u>	<u>380,000</u>	<u>2,397,625</u>
At 30 September 2002	<u>485,108</u>	<u>1,741,375</u>	<u>51,581</u>	<u>380,000</u>	<u>2,658,064</u>

The freehold investment property has been valued at the year end on an open market value basis by the directors, and in their opinion, there has been no change in the market value during the year.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2003 £	2002 £
Net book value at end of year	<u>380,000</u>	<u>380,000</u>
Historical cost	<u>356,211</u>	<u>356,211</u>
Depreciation:		
At 1 October 2002	54,569	54,569
At 30 September 2003	<u>54,569</u>	<u>54,569</u>
Net historical cost value:		
At 30 September 2003	<u>301,642</u>	<u>301,642</u>
At 1 October 2002	<u>301,642</u>	<u>301,642</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

7. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £2,397,625 is £605,956 (2002 - £88,423) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £73,444 (2002 - £7,549).

8. STOCKS

	2003 £	2002 £
Raw materials	169,752	192,169
Work in progress	56,245	57,843
Loose tools and sundries	39,344	40,545
	<u>265,341</u>	<u>290,557</u>

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

9. DEBTORS

	2003 £	2002 £
Trade debtors	975,270	977,306
Prepayments and accrued income	38,012	34,317
	<u>1,013,282</u>	<u>1,011,623</u>

10. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	436,989	656,110
Trade creditors	523,807	1,031,294
Other creditors including taxation and social security:		
PAYE and social security	132,859	116,323
VAT	122,385	136,652
Hire purchase agreements	148,781	21,111
Other creditors	10,383	10,654
	<u>414,408</u>	<u>284,740</u>
Accruals and deferred income	103,261	87,093
	<u>1,478,465</u>	<u>2,059,237</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

10. CREDITORS: Amounts falling due within one year *(continued)*

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

	2003	2002
	£	£
Bank loans and overdrafts	436,989	656,110
Hire purchase agreements	148,781	21,111
	<u>585,770</u>	<u>677,221</u>

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

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

	2003	2002
	£	£
Bank loans and overdrafts	120,000	-
Other creditors:		
Hire purchase agreements	279,593	27,489
	<u>399,593</u>	<u>27,489</u>

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

	2003	2002
	£	£
Bank loans and overdrafts	120,000	-
Hire purchase agreements	279,593	27,489
	<u>399,593</u>	<u>27,489</u>

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

12. CREDITORS - CAPITAL INSTRUMENTS

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

	2003	2002
	£	£
Amounts repayable:		
In one year or less or on demand	585,770	677,221
In more than one year but not more than two years	193,884	15,734
In more than two years but not more than five years	205,709	11,755
	<u>985,363</u>	<u>704,710</u>

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

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2003 £	2002 £
Hire purchase agreements are analysed as follows:		
Current obligations	148,781	21,111
Non-current obligations	279,593	27,489
	<u>428,374</u>	<u>48,600</u>

14. DEFERRED TAXATION

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	(147,846)	(156,859)
Tax losses available	205,749	197,112
	<u>57,903</u>	<u>40,253</u>

The potential deferred tax asset above has not been recognised in the accounts, as there is insufficient evidence that this will be recoverable. If the company returns to profitability in the future, then the deferred tax asset will be recoverable against future taxable profits.

15. COMMITMENTS UNDER OPERATING LEASES

At 30th September 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2003 £	2002 £
Operating leases which expire:		
Within 1 year	<u>—</u>	<u>851</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

16. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

Allotted and called up:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

17. OTHER RESERVES

	2003	2002
	£	£
Capital redemption reserve	<u>1,250</u>	<u>1,250</u>

21. PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
Balance brought forward	1,771,994	1,991,343
Accumulated loss for the financial year	(76,625)	(219,349)
Balance carried forward	<u>1,695,369</u>	<u>1,771,994</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2003

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Loss for the financial year	(76,625)	(219,349)
Other net recognised gains and losses	—	30,000
Net reduction to funds	(76,625)	(189,349)
Opening shareholders' equity funds	1,875,352	2,064,701
Closing shareholders' equity funds	<u>1,798,727</u>	<u>1,875,352</u>