

ESDALE LIMITED
FINANCIAL STATEMENTS
FOR
30TH SEPTEMBER 2001

Company Registration Number 1071506



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

ESDALE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

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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

Auditors

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

ESDALE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH SEPTEMBER 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th September 2001.

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 year to 30 September 2001 has been a very difficult trading period at all three of our Divisions. We have continued in our cost cutting exercise to meet the lower demand for moulds of all types. The outlook, as far as results for 2001/2002, is not good. However, we believe that the year 2002/2003 will show much better results.

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 2001	At 1 October 2000
F. Eastwood	2,500	2,500
D. Brown	4,000	4,000
H. Brown	-	-
D.R. Brown	4,875	4,875
E. Brown (Resigned 21 September 2001)		
	<hr/>	<hr/>

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 9 to 10, and then apply them on a consistent basis, making judgements and 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.

ESDALE LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH SEPTEMBER 2001

DIRECTORS' RESPONSIBILITIES *(continued)*

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 18th July 2002

ESDALE LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 30TH SEPTEMBER 2001

We have audited the financial statements on pages 5 to **Error! Bookmark not defined.** 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 9 to 10.

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 2001 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

BURLINSON STEWART & CO.
Chartered Accountants
& Registered Auditors

WF17 5DN

18th July 2002

ESDALE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH SEPTEMBER 2001

	Note	2001 £	2000 £
TURNOVER	2	4,177,239	4,269,923
Cost of sales		4,072,007	4,289,560
GROSS PROFIT/(LOSS)		<u>105,232</u>	<u>(19,637)</u>
Distribution Costs		27,043	19,696
Administrative expenses		500,199	616,765
Other operating income		<u>(45,121)</u>	<u>(45,789)</u>
OPERATING LOSS	3	<u>(376,889)</u>	<u>(610,309)</u>
Income from shares in group undertakings	6	-	425,887
Interest receivable		-	928
Interest payable and similar charges	7	<u>(50,171)</u>	<u>(36,544)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(427,060)</u>	<u>(220,038)</u>
Tax on loss on ordinary activities	8	-	100,000
LOSS FOR THE FINANCIAL YEAR		<u><u>(427,060)</u></u>	<u><u>(120,038)</u></u>

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

The notes on pages 9 to 18 form part of these financial statements.

ESDALE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 30TH SEPTEMBER 2001

	2001 £	2000 £
Loss for the financial year attributable to the shareholders	(427,060)	(120,038)
Unrealised profit on revaluation of tangible fixed assets:		
Freehold Investment Property	48,358	-
Total gains and losses recognised since the last annual report	<u>(378,702)</u>	<u>(120,038)</u>

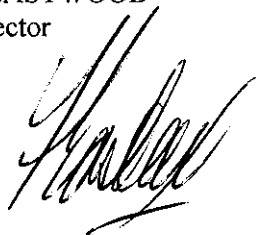
The notes on pages 9 to 18 form part of these financial statements.

ESDALE LIMITED
BALANCE SHEET
30TH SEPTEMBER 2001

	Note	2001		2000	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		2,292,311		2,537,663
CURRENT ASSETS					
Stocks	10	235,386		398,730	
Debtors	11	1,160,113		703,655	
Cash in hand		807		537	
			<u>1,396,306</u>		<u>1,102,922</u>
CREDITORS: Amounts falling due within one year	12	<u>(1,602,793)</u>		<u>(1,141,315)</u>	
NET CURRENT LIABILITIES			(206,487)		(38,393)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,085,824</u>		<u>2,499,270</u>
CREDITORS: Amounts falling due after more than one year	13		<u>(21,123)</u>		<u>(55,867)</u>
			<u>2,064,701</u>		<u>2,443,403</u>
CAPITAL AND RESERVES					
Called-up equity share capital	17		23,750		23,750
Investment Revaluation reserve	18		48,358		-
Other reserves	19		1,250		1,250
Profit and Loss Account	20		1,991,343		2,418,403
SHAREHOLDERS' FUNDS	21		<u>2,064,701</u>		<u>2,443,403</u>

These financial statements were approved by the directors on the 18th July 2002 and are signed on their behalf by:

F. EASTWOOD
 Director



The notes on pages 9 to 18 form part of these financial statements.

ESDALE LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30TH SEPTEMBER 2001

	Note	2001		2000	
		£	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	22		(153,430)		43,492
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Income from group undertakings		-		425,887	
Interest received		-		928	
Interest paid		(39,627)		(13,184)	
Interest element of hire purchase		(12,036)		(23,360)	
		-----		-----	
NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(51,663)		390,271
TAXATION			-		35,291
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(86,013)		(7,061)	
Receipts from sale of fixed assets		35,448		10,012	
		-----		-----	
NET CASH (OUTFLOW)/INFLOW FROM CAPITAL EXPENDITURE			(50,565)		2,951
ACQUISITIONS AND DISPOSALS					
Disposal of shares in group undertakings		-		20,302	
		-----		-----	
NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS			-		20,302
			-----		-----
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(255,658)		492,307
FINANCING					
Repayment of bank loans		-		(43,758)	
Repayment of long-term amounts owed to group undertakings		-		(446,189)	
Capital element of hire purchase		(62,969)		(189,221)	
		-----		-----	
NET CASH OUTFLOW FROM FINANCING			(62,969)		(679,168)
DECREASE IN CASH	23		<u>(318,627)</u>		<u>(186,861)</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

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, and in accordance with applicable accounting standards.

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

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

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 2001

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

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:

	2001	2000
	£	£
United Kingdom	3,726,771	3,764,069
Europe	450,468	505,854
	<u>4,177,239</u>	<u>4,269,923</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

3. OPERATING LOSS

Operating loss is stated after charging:

	2001	2000
	£	£
Depreciation	336,667	450,897
Loss on disposal of fixed assets	7,608	6,197
Operating lease costs:		
Plant and equipment	<u>3,937</u>	<u>4,221</u>

4. PARTICULARS OF EMPLOYEES

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

	2001	2000
	No.	No.
Number of production staff	89	91
Number of distribution staff	3	4
Number of administrative staff	11	11
	<u>103</u>	<u>106</u>

The aggregate payroll costs of the above were:

	2001	2000
	£	£
Wages and salaries	2,260,617	2,535,963
Social security costs	217,645	241,294
Other pension costs	103,496	122,771
	<u>2,581,758</u>	<u>2,900,028</u>

5. DIRECTORS' EMOLUMENTS

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

	2001	2000
	£	£
Emoluments receivable	151,014	197,583
Value of company pension contributions to money purchase schemes	12,020	17,462
	<u>163,034</u>	<u>215,045</u>

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

	2001	2000
	No.	No.
Money purchase schemes	<u>3</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 2001

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2001	2000
	£	£
Dividend received	-	442,189
Loss on investment	-	(16,302)
	<u>-</u>	<u>425,887</u>

7. INTEREST PAYABLE

	2001	2000
	£	£
Interest payable on bank borrowing	38,105	13,184
Finance charges	12,036	23,360
Other similar charges payable	30	-
	<u>50,171</u>	<u>36,544</u>

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2001	2000
	£	£
Corporation Tax	-	-
Decrease in deferred tax provision:-		
Capital allowances	-	(100,000)
	<u>-</u>	<u>(100,000)</u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

9. TANGIBLE FIXED ASSETS

	Freehold Property £	Tools, equipment, fixtures and fittings £	Motor Vehicles £	Freehold Investment Property £	Total £
COST OR VALUATION					
At 1 October 2000	605,976	6,303,328	342,124	356,211	7,607,639
Additions	-	86,013	-	-	86,013
Disposals	-	(56,420)	(157,975)	-	(214,395)
Revaluation	-	-	-	(6,211)	(6,211)
At 30 September 2001	<u>605,976</u>	<u>6,332,921</u>	<u>184,149</u>	<u>350,000</u>	<u>7,473,046</u>
DEPRECIATION					
At 1 October 2000	99,253	4,686,985	229,169	54,569	5,069,976
Charge for the year	10,807	302,609	23,251	-	336,667
On disposals	-	(56,420)	(114,919)	-	(171,339)
Revaluation adjustment	-	-	-	(54,569)	(54,569)
At 30 September 2001	<u>110,060</u>	<u>4,933,174</u>	<u>137,501</u>	<u>-</u>	<u>5,180,735</u>
NET BOOK VALUE					
At 30 September 2001	<u>495,916</u>	<u>1,399,747</u>	<u>46,648</u>	<u>350,000</u>	<u>2,292,311</u>
At 30 September 2000	<u>506,723</u>	<u>1,616,343</u>	<u>112,955</u>	<u>301,642</u>	<u>2,537,663</u>

Revaluation of fixed assets

The property was revalued on 25th February 2002 on an open market value basis by PPH Commercial, Chartered Surveyors and Commercial Property Consultants.

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

	2001 £	2000 £
NBV of revalued tangible fixed assets:		
Net book value at end of year	<u>350,000</u>	-
Historical cost	<u>356,211</u>	-
Depreciation:		
At 1 October 2000	<u>54,569</u>	-
At 30 September 2001	<u>54,569</u>	-
Net historical cost value:		
At 30 September 2001	<u>301,642</u>	-
At 1 October 2000	<u>301,642</u>	-

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

9. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase agreements

Included within the net book value of £2,292,311 is £254,668 (2000 - £317,716) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £42,348 (2000 - £42,597).

10. STOCKS

	2001	2000
	£	£
Raw Materials	165,886	320,203
Work in progress	30,017	41,530
Loose tools and sundries	39,483	36,997
	235,386	398,730

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

11. DEBTORS

	2001	2000
	£	£
Trade debtors	1,131,192	675,232
Prepayments and accrued income	28,921	28,423
	1,160,113	703,655

12. CREDITORS: Amounts falling due within one year

	2001		2000	
	£	£	£	£
Bank loans and overdrafts		682,075		363,178
Trade creditors		479,493		433,834
Other creditors including taxation and social security:				
PAYE and social security	131,478		69,677	
VAT	138,397		85,603	
Hire purchase agreements	67,843		96,068	
Other creditors	11,384		14,750	
		349,102		266,098
Accruals and deferred income		92,123		78,205
		1,602,793		1,141,315

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

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

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

	2001	2000
	£	£
Bank loans and overdrafts	682,075	363,178
Hire purchase agreements	75,246	96,068
	<u>757,321</u>	<u>459,246</u>

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

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

	2001	2000
	£	£
Other creditors including:		
Hire purchase agreements	<u>21,123</u>	<u>55,867</u>

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

	2001	2000
	£	£
Hire purchase agreements	<u>23,697</u>	<u>55,867</u>

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

14. CREDITORS - CAPITAL INSTRUMENTS

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

	2001	2000
	£	£
In one year or less, or on demand	757,321	459,246
Between one and two years	14,966	55,867
Between two and five years	8,731	-
	<u>781,018</u>	<u>515,113</u>

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

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

15. DEFERRED TAXATION

	2001 £	2000 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	-	100,000
Decrease in provision	-	(100,000)
	<u> </u>	<u> </u>
Provision carried forward	<u> </u>	<u> </u>

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

	2001 £	2000 £
Excess of taxation allowances over depreciation on fixed assets	203,446	207,817
Tax losses available	(206,861)	(127,152)
	<u> </u>	<u> </u>
	<u>(3,415)</u>	<u>80,665</u>

16. COMMITMENTS UNDER OPERATING LEASES

At 30th September 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2001 £	2000 £
Operating leases which expire:		
Within 1 year	-	818
Within 2 to 5 years	3,403	3,403
	<u> </u>	<u> </u>
	<u>3,403</u>	<u>4,221</u>

17. SHARE CAPITAL

Authorised share capital:

	2001 £	2000 £
25,000 Ordinary shares of £1.00 each	25,000	25,000
	<u> </u>	<u> </u>

Allotted, called up and fully paid:

	2001 £	2000 £
Ordinary share capital	23,750	23,750
	<u> </u>	<u> </u>

ESDALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH SEPTEMBER 2001

18. INVESTMENT REVALUATION RESERVE

	2001	2000
	£	£
Revaluation of fixed assets	48,358	-
Balance carried forward	<u>48,358</u>	<u>-</u>

19. OTHER RESERVES

	2001	2000
	£	£
Capital redemption reserve	<u>1,250</u>	<u>1,250</u>

20. PROFIT AND LOSS ACCOUNT

	2001	2000
	£	£
Balance brought forward	2,418,403	2,538,441
Retained loss for the financial year	(427,060)	(120,038)
Balance carried forward	<u>1,991,343</u>	<u>2,418,403</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Loss for the financial year	(427,060)	(120,038)
Other net recognised gains and losses	48,358	-
Net reduction to funds	<u>(378,702)</u>	<u>(120,038)</u>
Opening shareholders' equity funds	2,443,403	2,563,441
Closing shareholders' equity funds	<u>2,064,701</u>	<u>2,443,403</u>

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

	2001	2000
	£	£
Operating loss	(376,889)	(610,309)
Interest payable	1,492	-
Depreciation	336,667	450,897
Loss on disposal of fixed assets	7,608	6,197
Decrease in stocks	163,344	136,855
(Increase)/Decrease in debtors	(456,458)	324,664
Increase/(Decrease) in creditors	170,806	(264,812)
Net cash (outflow)/inflow from operating activities	<u>(153,430)</u>	<u>43,492</u>