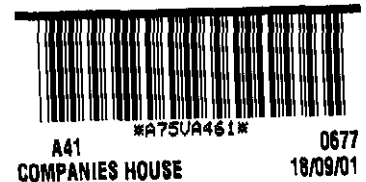


W & H EVES LIMITED
FINANCIAL STATEMENTS
FOR
31 OCTOBER 2000

Company Registration Number 00333021



HEATHCOTE & COLEMAN

Chartered Accountants
Heathcote House
136 Hagley Road
Edgbaston
Birmingham
B16 9PN

W & H EVES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

CONTENTS	PAGE
The directors' report	1
Profit and loss account	2
Statement of total recognised gains and losses	3
Balance sheet	4
Notes to the financial statements	6
The following pages do not form part of the financial statements	
Accountants' report to the	14
Detailed profit and loss account	15
Notes to the detailed profit and loss account	16

W & H EVES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 OCTOBER 2000

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31 October 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was toolmaking and engineering. There has been no significant change in this activity during the year.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

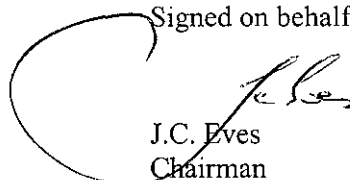
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At At 31 October 2000	1 November 1999
Mr J.C. Eves	5,850	5,850
Mr A.R. Thatcher	-	50
Mr T.M. Lambon	<u>2,000</u>	<u>2,000</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed on behalf of the directors



J.C. Eves
Chairman

Approved by the directors on 1 May 2001

W & H EVES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 OCTOBER 2000**

	Note	2000 £	1999 £
TURNOVER		817,450	1,033,112
Cost of sales		618,967	769,269
GROSS PROFIT		198,483	263,843
Distribution Costs		17,968	36,494
Administrative expenses		352,881	442,129
Other operating income		(519)	-
OPERATING LOSS	2	(171,847)	(214,780)
Interest receivable		15,940	26,364
Interest payable		(552)	(1,081)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(156,459)	(189,497)
Tax on loss on ordinary activities	4	24,634	41,289
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(131,825)	(148,208)
Dividends	5	300,000	-
LOSS FOR THE FINANCIAL YEAR		<u>(431,825)</u>	<u>(148,208)</u>

The notes on pages 6 to 12 form part of these financial statements.

W & H EVES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 OCTOBER 2000

	2000	1999
	£	£
Loss for the financial year attributable to the	(131,825)	(148,208)
Unrealised profit on revaluation of properties	207,934	-
Total gains and losses recognised since the last annual report	<u>76,109</u>	<u>(148,208)</u>

The notes on pages 6 to 12 form part of these financial statements.

W & H EVES LIMITED

BALANCE SHEET

31 OCTOBER 2000

	Note	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		429,520		236,379
CURRENT ASSETS					
Stocks	7	46,589		38,584	
Debtors	8	143,118		174,029	
Cash at bank and in hand		232,839		335,544	
		<u>422,546</u>		<u>548,157</u>	
CREDITORS: Amounts falling due within one year	9	<u>(457,759)</u>		<u>(139,552)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(35,213)</u>		<u>408,605</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			394,307		644,984
CREDITORS: Amounts falling due after more than one year	10		<u>(5,162)</u>		<u>(2,948)</u>
			389,145		642,036
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	11		-		<u>(26,000)</u>
			<u>389,145</u>		<u>616,036</u>

The balance sheet continues on the following page.

The notes on pages 6 to 12 form part of these financial statements.

W & H EVES LIMITED

BALANCE SHEET *(continued)*

31 OCTOBER 2000

	Note	2000 £	1999 £
CAPITAL AND RESERVES			
Called-up equity share capital	17	9,850	10,000
Revaluation reserve	18	207,934	-
Other reserves	19	150	-
Profit and Loss Account	20	171,211	606,036
SHAREHOLDERS' FUNDS		<u>389,145</u>	<u>616,036</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

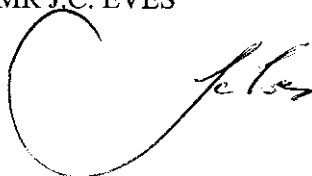
The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 1 May 2001 and are signed on their behalf by:

MR J.C. EVES



The notes on pages 6 to 12 form part of these financial statements.

W & H EVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

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 the Financial Reporting Standard for Smaller Entities (effective March 2000).

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, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% cost
Plant & Machinery	- 10% reducing balance
Fixtures & Fittings	- 10% reducing balance
Motor Vehicles	- 25% reducing balance

The computer equipment is depreciated by equal annual instalments over its estimated useful life of four years.

Stocks

Stocks are stated at the lower of first-in, first-out cost and net realisable value on an item-by-item basis.

Work in progress

Cost includes all direct costs incurred in bringing the stocks to their state and location at the year end, including an appropriate proportion of manufacturing overheads.

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.

W & H EVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

1. ACCOUNTING POLICIES *(continued)*

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.

Investments

Investments are stated at cost.

2. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation	30,945	41,439
Loss on disposal of fixed assets	-	479
Profit on disposal of fixed assets	(519)	-
Net profit on foreign currency translation	<u>(1,617)</u>	<u>(6,280)</u>

3. DIRECTORS' EMOLUMENTS

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

	2000	1999
	£	£
Aggregate emoluments	164,015	163,071
Value of company pension contributions to money purchase schemes	5,500	7,300
	<u>169,515</u>	<u>170,371</u>

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

	2000	1999
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

W & H EVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	2000		1999
	£	£	£
Corporation Tax Recoverable		-	(38,277)
Decrease in deferred tax provision			
Capital allowances	(2,000)		(2,750)
Losses	<u>(24,000)</u>		<u>-</u>
		(26,000)	(2,750)
		(26,000)	(41,027)
Adjustment in respect of previous years:			
Corporation Tax		1,366	(262)
		<u>(24,634)</u>	<u>(41,289)</u>

5. DIVIDENDS

The following dividends have been proposed in respect of the year:

	2000	1999
	£	£
Proposed dividend on ordinary shares	<u>300,000</u>	<u>-</u>

Dividends on ordinary shares at £Nil per share (1998 - £1.20 per share).

W & H EVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

6. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Plant & Machinery £	Fixtures, Fittings & Computer Equipment £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 November 1999	64,386	403,971	82,547	97,164	648,068
Additions	-	-	1,885	15,066	16,951
Disposals	-	-	(3,523)	(4,499)	(8,022)
Revaluation	207,934	-	-	-	207,934
At 31 October 2000	<u>272,320</u>	<u>403,971</u>	<u>80,909</u>	<u>107,731</u>	<u>864,931</u>
DEPRECIATION					
At 1 November 1999	23,820	272,592	62,821	52,456	411,689
Charge for the year	-	13,138	6,830	10,977	30,945
On disposals	-	-	(3,523)	(3,700)	(7,223)
At 31 October 2000	<u>23,820</u>	<u>285,730</u>	<u>66,128</u>	<u>59,733</u>	<u>435,411</u>
NET BOOK VALUE					
At 31 October 2000	<u>248,500</u>	<u>118,241</u>	<u>14,781</u>	<u>47,998</u>	<u>429,520</u>
At 31 October 1999	<u>40,566</u>	<u>131,379</u>	<u>19,726</u>	<u>44,708</u>	<u>236,379</u>

Freehold land and buildings comprised:

	2000 £	1999 £
Land	14,000	14,000
Buildings	50,386	50,386
Total	<u>64,386</u>	<u>64,386</u>

The freehold property of the company was revalued by Lawrence & Wightman, Chartered Surveyors, on an existing use basis on 12 October 2000 in the sum of £248,500.

Hire purchase agreements

Included within the net book value of £429,520 is £31,195 (1999 - £21,506) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £5,377 (1999 - £7,168).

W & H EVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

7. STOCKS

	2000	1999
	£	£
Raw Materials	31,589	33,584
Work in progress	15,000	5,000
	<u>46,589</u>	<u>38,584</u>

8. DEBTORS

	2000	1999
	£	£
Trade debtors	55,902	38,086
Corporation Tax Recoverable	-	38,277
Amounts recoverable on long term work in progress	80,543	90,921
Prepayments and accrued income	6,673	6,745
	<u>143,118</u>	<u>174,029</u>

9. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Payments received on account	969	2,392
Trade creditors	94,099	77,084
Hire purchase agreements	7,507	5,448
Other creditors	325,648	21,329
Accruals and deferred income	29,536	33,299
	<u>457,759</u>	<u>139,552</u>

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

	2000	1999
	£	£
Hire purchase agreements	<u>5,162</u>	<u>2,948</u>

11. DEFERRED TAXATION

	2000	1999
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	26,000	28,750
Decrease in provision	(26,000)	(2,750)
Provision carried forward	<u>-</u>	<u>26,000</u>

W & H EVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

11. DEFERRED TAXATION *(continued)*

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

	2000 £	1999 £
Excess of taxation allowances over depreciation on fixed assets	24,000	26,000
Tax losses available	(24,000)	-
	<u>-</u>	<u>26,000</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 October 2000 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2000 £	1999 £
Operating leases which expire:		
Within 2 to 5 years	-	3,266

13. CAPITAL COMMITMENTS

The Company had no capital commitments which had been authorised and contracted for as at 31 October 2000 (1999 - £Nil).

14. CONTINGENCIES

	2000 £	1999 £
There is a guarantee in favour of H.M.Customs & Excise for duty deferments:	6,000	6,000

15. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

16. CONTROL RELATIONSHIPS

The company was under the control of Mr J.C. Eves throughout the current and previous year. Mr J.C. Eves is the Chairman and majority shareholder.

W & H EVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2000

17. SHARE CAPITAL

Authorised share capital:

	2000 £	1999 £
10,000 Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	2000 £	1999 £
Ordinary share capital brought forward	10,000	10,000
Purchase of own equity shares	(150)	-
	<u>9,850</u>	<u>10,000</u>

During the year the company bought back 150 Ordinary £1 shares at £20 per share out of capital.

18. REVALUATION RESERVE

	2000 £	1999 £
Revaluation of fixed assets	207,934	-
Balance carried forward	<u>207,934</u>	<u>-</u>

19. OTHER RESERVES

	2000 £	1999 £
Purchase of own shares	<u>150</u>	<u>-</u>

20. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Balance brought forward	606,036	754,244
Retained loss for the financial year	(431,825)	(148,208)
Purchase of own shares	(3,000)	-
Balance carried forward	<u>171,211</u>	<u>606,036</u>