

JAMES HUGH GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2000

Company No. 679021



JAMES HUGH GROUP LIMITED

COMPANY INFORMATION

Directors

Mr B. J. Smith
Mrs A. C. Smith

Secretary

Mrs A. C. Smith

Company number

679021

Registered office

5 Hampstead West
224 Iverson Road
London NW6 2HG

Auditors

Mehta & Tengra
Chartered Accountants
24 Bedford Row
London WC1R 4EB

Bankers

National Westminster Bank Plc

Kleinwort Benson

Union Bank Suisse

JAMES HUGH GROUP LIMITED

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Management profit and loss account	11 to 12
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JAMES HUGH GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MAY 2000

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

Principal activities and review of business

The company's principal activity during the year was that of selling scientific and industrial measuring instruments.

Results and dividends

The results for the year are set out in the profit and loss account on page 3.

The directors consider the state of the company's affairs to be satisfactory.

The directors recommend dividends amounting to £13,000 (1999: £-).

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st May 2000	At 1st June 1999
Mr B. J. Smith	Ordinary Shares	500	500
Mrs A. C. Smith	Ordinary Shares	500	500

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 for that year. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

By order of the Board



Mrs A. C. Smith, Secretary
30th March 2001

AUDITORS' REPORT TO THE SHAREHOLDERS OF JAMES HUGH GROUP LIMITED

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 financial statements and 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 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 the 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 May 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mehta & Tengra

**Mehta & Tengra
Chartered Accountants
Registered Auditors
24 Bedford Row
London WC1R 4EB**

Date: 30th March 2001

JAMES HUGH GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MAY 2000

	Notes	2000 £	1999 £
Turnover	2	71,016	77,929
Cost of sales		(32,692)	(45,576)
Gross profit		38,324	32,353
Distribution costs		(31,355)	(25,981)
Administrative expenses		(170,278)	(133,231)
		(163,309)	(126,859)
Other operating income		228,500	125,000
Operating profit/loss	3	65,191	(1,859)
Interest receivable	4	1,580	2,187
Interest payable and similar charges	5	(44)	(568)
Profit/Loss on ordinary activities before taxation		66,727	(240)
Tax on profit/loss on ordinary activities	7	(13,732)	(849)
Profit/Loss for the financial year		52,995	(1,089)
Dividends		(13,000)	-
Retained profit/loss for the year		39,995	(1,089)
Retained profit brought forward		55,996	57,085
Retained profit carried forward		95,991	55,996

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

JAMES HUGH GROUP LIMITED

BALANCE SHEET

AS AT 31ST MAY 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	8	19,616	16,909
Investments	9	10,100	10,100
		<u>29,716</u>	<u>27,009</u>
Current assets			
Stocks	11	18,770	17,380
Debtors	12	68,280	69,030
Cash at bank and in hand		49,895	58,495
		<u>136,945</u>	<u>144,905</u>
Creditors: amounts falling due within one year	13	<u>(69,670)</u>	<u>(114,918)</u>
Net current assets		<u>67,275</u>	<u>29,987</u>
Total assets less current liabilities		<u>96,991</u>	<u>56,996</u>
Capital and reserves			
Share capital	14	1,000	1,000
Profit and loss account		95,991	55,996
		<u>96,991</u>	<u>56,996</u>
Shareholders' funds	15	<u>96,991</u>	<u>56,996</u>

These financial statements were approved by the board on 30th March 2001 and signed on its behalf by:



Mr B. J. Smith
Director

JAMES HUGH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 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

The financial statements contain information about James Hugh Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, over their expected useful lives:

Motor vehicles	20% Straight line
Furniture and equipment	25% Reducing Balance

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

JAMES HUGH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

3 Operating profit

The operating profit is stated after charging or crediting:

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	8,925	6,830
Auditors' remuneration	2,500	2,500

4 Interest receivable

	2000	1999
	£	£
Bank interest receivable	1,529	2,187
Other interest receivable	51	-
	1,580	2,187

5 Interest payable and similar charges

	2000	1999
	£	£
Interest payable on bank loans and overdrafts	44	568

6 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	60,320	45,810
Social security costs	4,913	3,005
	65,233	48,815

Directors' emoluments

Aggregate emoluments

Highest paid director

Aggregate emoluments

Contributions to a money purchase pension scheme

	2000	1999
	19,500	23,000
	-	-
	-	-
	-	-

Highest paid director other information.

Accrued pension

Other

	2000	1999
	-	-
	-	-

JAMES HUGH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

7 Taxation

	2000 £	1999 £
Based on the profit/loss for the year:		
UK corporation tax at 20% (1999: 21%)	13,807	849
	13,807	849
(Over)provision for prior years	(75)	-
	13,732	849

8 Tangible fixed assets

	Motor vehicles	Furniture and equipment	Total
Cost	£	£	£
At 1st June 1999	17,900	60,889	78,789
Additions	-	11,632	11,632
At 31st May 2000	17,900	72,521	90,421
Depreciation			
At 1st June 1999	10,740	51,140	61,880
Charge for the year	3,580	5,345	8,925
At 31st May 2000	14,320	56,485	70,805
Net book value			
At 31st May 2000	3,580	16,036	19,616
At 31st May 1999	7,160	9,749	16,909

JAMES HUGH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

9 Fixed asset investments

	Shares in group undertakings £	Total £
Cost		
At 1st June 1999	10,100	10,100
At 31st May 2000	10,100	10,100
Net book value		
At 31st May 2000	10,100	10,100
At 31st May 1999	10,100	10,100

10 Shares in group undertakings

Name of company	Country of incorporation	Details of investments	Proportion held by company	Proportion held by subsidiary	Nature of business
Quality Monitoring Instruments Limited	England	Ordinary shares	100%	0%	Industrial & marine safety equipment

The capital and reserves and profit or loss for the subsidiary as at its financial year ending with, or last before, the financial year of the holding company were as follows :

	Profit/(loss) for the year £	Capital and reserves £
Quality Monitoring Instruments Limited	36354	207893

11 Stocks

	2000 £	1999 £
Finished goods	18,770	17,380

JAMES HUGH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

12	Debtors	2000	1999
		£	£
	Trade debtors	11,744	8,178
	Amounts owed by subsidiary undertakings	37,709	50,245
	Corporation tax recoverable	228	3,582
	Other debtors	6,322	-
	Prepayments and accrued income	12,277	7,025
		<u>68,280</u>	<u>69,030</u>
13	Creditors: amounts falling due within one year	2000	1999
		£	£
	Bank loan	-	745
	Trade creditors	39,270	27,305
	Corporation tax	13,806	849
	Other taxes and social security	-	46,637
	Accruals and deferred income	7,062	6,659
	Directors' loans	9,532	32,723
		<u>69,670</u>	<u>114,918</u>
14	Share capital	2000	1999
		£	£
	Authorised		
	Equity shares		
	1,000 Ordinary shares of £1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
	Allotted		
	Equity shares		
	1,000 Allotted, called up and fully paid ordinary shares of £1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
15	Reconciliation of movement in shareholders' funds	2000	1999
		£	£
	Profit/Loss for the financial year	52,995	(1,089)
	Dividends	(13,000)	-
	Increase in the shareholders' funds	39,995	(1,089)
	Opening shareholders' funds	56,996	58,085
	Closing shareholders' funds	<u>96,991</u>	<u>56,996</u>

JAMES HUGH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MAY 2000

16 Related parties

The company rents its premises at an annual rental of £22,500. This property is jointly owned by the directors Mr & Mrs Smith and their son Mr J. Smith.