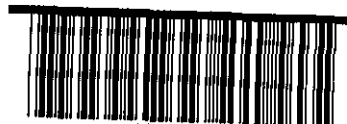


847721

SIMPSON (YORK) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2003



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SIMPSON (YORK) LIMITED

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SIMPSON (YORK) LIMITED

COMPANY INFORMATION

DIRECTORS:	R.C. Gatenby F.C.I.O.B. B. Gatenby R.C. Allerton B.Sc. (Hons) H.J. Barrick D.E. Graves I.R. Hildreth J. Pursehouse F.C.A. M.R. Wileman F.R.I.C.S.MCIOB	
SECRETARY:	J. Pursehouse F.C.A.	
REGISTERED OFFICE:	P O Box 289 Outgang Lane Osbaldwick YORK YO19 5YL	
COMPANY NUMBER:	847721	
AUDITORS:	Armstrong Watson Chartered Accountants & Registered Auditors Central House St. Paul's Street LEEDS LS1 2TE	
BANKERS:	HSBC PLC City Branch P O Box 105 33 Park Row LEEDS LS1 1LD	BANK OF SCOTLAND 116 Wellington St LEEDS LS1 4LT
SOLICITORS:	Denison Till Stamford House Piccadilly YORK YO1 9PP	

SIMPSON (YORK) LIMITED **REPORT OF THE DIRECTORS**

The Directors present their report with the accounts of the Company for the year ended 31 December 2003.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of Shopfitting, Construction and Development.

REVIEW OF BUSINESS

The results for the year, financial position of the Company, and recommended transfer to reserves are as shown in the annexed accounts

Both the level of business and the year end financial position were satisfactory and the Directors expect that the present level of activity will be sustained for the foreseeable future.

DIVIDENDS

Interim dividends were paid on the 8% Cumulative Redeemable Preference Shares during the year totalling £32,000 (2002:£32,000). A dividend of £295,000 was paid on the Ordinary Shares during the year (2002: £750,000).

DIRECTORS

The Directors in office during the period and their beneficial interests in the issued share capital of the holding company were as follows:-

	Ord.shares of 50p each 2003	Ord.shares of 50p each 2002
R C Gatenby	-	-
B Gatenby	-	-
H J Barrick	50,000	50,000
I R Hildreth	50,000	50,000
J Pursehouse	-	-
D E Graves	-	-
R C Allerton	-	-
M R Wileman	-	-

R.C. Gatenby and B. Gatenby are also directors of the holding company and their interest in the shares of that Company are as disclosed in those accounts. R C Allerton, H J Barrick and M R Wileman retire by rotation and being eligible offer themselves for re-election.

SIMPSON (YORK) LIMITED

REPORT OF THE DIRECTORS

CHARITABLE CONTRIBUTIONS

During the year donations totalling £1,530 were made to charitable organisations. (2002 - £1,360).

FIXED ASSETS

Details of movements in Fixed Assets during the year are set out in Note 11 to the Financial Statements.

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 of the Company for that period. In preparing those financial statements, the Directors are required to:

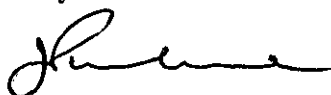
- a. select suitable accounting policies as described in pages 10 to 11 and apply them consistently.
- b. make judgements and estimates that are reasonable and prudent.
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue to operate.

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. 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. The Directors are also responsible for the preparation of the directors report.

AUDITORS

The Auditors, Armstrong Watson, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By Order of the Board



J. Purchasehouse F.C.A.
Secretary

Dated: 25 March 2004

THE FINANCIAL STATEMENT

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SIMPSON (YORK) LIMITED

We have audited the financial statements of Simpson (York) Limited for the year ended 31 December 2003 which comprise the Profit and Loss account, Balance Sheet, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and on the basis of the accounting policies set out therein.

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 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 mis-statements within it. Our responsibilities do not extend to any other information.

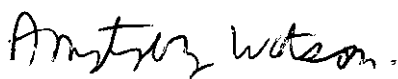
Basis of opinion

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 mis-statement, 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 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ARMSTRONG WATSON
Chartered Accountants & Registered Auditors
Central House
St Paul's Street
LEEDS
LS1 2TE

Dated: 25 March 2004

SIMPSON (YORK) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
TURNOVER	2.	40,300,040	32,120,520
Cost of Sales		<u>(37,218,804)</u>	<u>(29,464,029)</u>
GROSS PROFIT		3,081,236	2,656,491
Administrative Expenses		<u>(2,422,975)</u>	<u>(1,883,499)</u>
OPERATING PROFIT		658,261	772,992
Interest Receivable	7.	33,930	25,822
Interest Payable	8.	<u>(7,656)</u>	<u>(11,173)</u>
PROFIT on Ordinary Activities before Taxation		684,535	787,641
Tax on Ordinary Activities	9.	<u>(206,381)</u>	<u>(224,087)</u>
PROFIT on Ordinary Activities after Taxation		478,154	563,554
Equity Dividends	10.	(295,000)	(750,000)
Non-Equity Dividends	10.	<u>(32,000)</u>	<u>(32,000)</u>
RETAINED PROFIT/(LOSS) for the Financial Year	19.	<u>151,154</u>	<u>(218,446)</u>

There were no recognised gains or losses other than those included in the Profit and Loss Account for the current and previous year.

None of the Company's activities were acquired or discontinued during the current and previous year.

The notes on pages 10 to 18 form part of these Financial Statements.

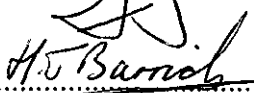
SIMPSON (YORK) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	£	2003 £	£	2002 £
FIXED ASSETS					
Tangible Assets	11.		894,742		728,503
CURRENT ASSETS					
Stock		41,410		41,410	
Debtors	12.	7,661,271		5,547,941	
Cash at Bank and in Hand		<u>4,356,332</u>		<u>1,726,129</u>	
		12,059,013		7,315,480	
CREDITORS: Amounts falling due within one year	13.	(12,056,906)		(7,268,897)	
			<u>2,107</u>		<u>46,583</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			896,849		775,086
CREDITORS: Amounts falling due after more than one year	14.		(13,433)		(26,585)
PROVISION FOR LIABILITIES AND CHARGES	15.		<u>10,291</u>		<u>(5,948)</u>
			<u>893,707</u>		<u>742,553</u>
CAPITAL AND RESERVES					
Called Up Share Capital	16.		500,000		500,000
Profit and Loss Account	18.		<u>393,707</u>		<u>242,553</u>
			<u>893,707</u>		<u>742,553</u>
ANALYSIS OF SHAREHOLDERS' FUNDS					
Equity Interests			493,707		342,553
Non-Equity Interests			<u>400,000</u>		<u>400,000</u>
			<u>893,707</u>		<u>742,553</u>

The financial statements were approved by the Board on 25 March 2004 and signed on its behalf by:

.....  R.C. Gatenby

.....  H.J. Barrick

The notes on pages 10 to 18 form part of these Financial Statements.

SIMPSON (YORK) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

	Notes	2003 £	2002 £
Net Cash Inflow from Operating Activities	1.	3,723,793	1,839,868
Returns on Investments and Servicing of Finance	2.	26,274	14,649
Taxation		(261,833)	(85,445)
Capital Expenditure	2.	(387,761)	(191,955)
Equity Dividends paid		<u>(327,000)</u>	<u>(782,000)</u>
		2,773,473	795,117
Financing	2.	<u>(143,270)</u>	<u>(165,355)</u>
Increase in cash in the period		<u>2,630,203</u>	<u>629,762</u>
Reconciliation of net cash flow to movement in net debt	3.		
Increase in cash in the period		2,630,203	629,762
Cash Outflow from decrease in debt and lease financing		<u>143,270</u>	<u>165,355</u>
Change in net debt resulting from cash flows		2,773,473	795,117
New finance leases		<u>(54,589)</u>	<u>(137,876)</u>
Movement in net debt in the period		2,718,884	657,241
Net funds at 1 January 2003		<u>1,578,059</u>	<u>920,818</u>
Net funds at 31 December 2003		<u>4,296,943</u>	<u>1,578,059</u>

The notes on pages 10 to 18 form part of these financial statements.

SIMPSON (YORK) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003**

**1. RECONCILIATION OF OPERATING PROFIT
TO NET CASH INFLOW FROM OPERATING
ACTIVITIES**

	2003	2002
Operating Profit	658,261	772,992
Depreciation charges	318,160	299,314
Profit on sale of fixed assets	(42,048)	(25,935)
(Increase) in Debtors	(2,113,330)	(192,415)
 Increase in creditors	<u>4,902,750</u>	<u>985,912</u>
 Net cash inflow from operating activities	<u>3,723,793</u>	<u>1,839,868</u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS
INCLUDED IN THE CASH FLOW STATEMENT**

Returns on investments and servicing of finance

Interest received	33,930	25,822
Interest paid	<u>(7,656)</u>	<u>(11,173)</u>

**Net cash inflow from returns on investments and
Servicing of finance**

<u>26,274</u>	<u>14,649</u>
---------------	---------------

Capital Expenditure

Purchase of tangible fixed assets	(439,290)	(224,139)
Sale of tangible fixed assets	<u>51,529</u>	<u>32,184</u>

Net cash outflow for capital expenditure

<u>(387,761)</u>	<u>(191,955)</u>
-------------------	------------------

Financing

Loan repayments in year	<u>(143,270)</u>	<u>(165,355)</u>
-------------------------	------------------	------------------

Net cash outflow from financing

<u>(143,270)</u>	<u>(165,355)</u>
------------------	------------------

The notes on pages 10 to 18 form part of these financial statements.

SIMPSON (YORK) LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2003

3. ANALYSIS OF CHANGES IN NET DEBT	At 1.1.03 £	Cash Flow £	Other non-cash changes £	At 31.12.03 £
Net cash:				
Cash at bank and in hand	1,726,129	2,630,203	-	4,356,332
Debt:				
Hire purchase or finance leases	<u>(148,070)</u>	<u>143,270</u>	<u>(54,589)</u>	<u>(59,389)</u>
Total	<u>1,578,059</u>	<u>2,773,473</u>	<u>(54,589)</u>	<u>4,296,943</u>

Analysed in Balance Sheet

Cash at bank and in hand	1,726,129	4,356,332
Hire purchase or finance leases		
within one year	(121,485)	(45,956)
after one year	<u>(26,585)</u>	<u>(13,433)</u>
	<u>1,578,059</u>	<u>4,296,943</u>

The notes on pages 10 to 18 form part of these financial statements.

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention.

(b) Turnover

Turnover is the amount derived from the provision of goods and services falling within the Company's ordinary activities after deduction of value added tax.

(c) Tangible Fixed Assets and Depreciation

Depreciation is provided in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Plant and Machinery	10% per annum
Fixtures and Fittings	15% - 35% per annum
Motor Vehicles	20% - 40% per annum

(d) Stock

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

(e) Leases

Leased assets and assets acquired under finance leases are included in the Balance Sheet at cost less depreciation. Future rentals net of finance charges are shown as a liability. The finance charge element of finance lease rentals is charged to the profit and loss account over the period of the lease.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

(f) 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:-

SIMPSON (YORK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable:-

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 substantially enacted at the balance sheet date.

(g) **Developments**

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

(h) **Long Term Contracts**

Profit on contracts is calculated on a prudent basis to reflect the proportion of the work carried out at the year end. No account is taken of unagreed claims. Full provision is made for losses on contracts in the year the loss is first foreseeable.

(i) **Pensions**

The Company contributes a defined sum to a private pension scheme for each applicable employee.

Contributions payable are charged to the profit and loss account so as to spread the cost of the pension over the employees working life with the Company.

2. TURNOVER

The total turnover of the Company for the year has been derived from its principal activities wholly undertaken in the U.K.

	2003	2002
	£	£
Shopfitting	29,673,554	19,787,286
Construction	<u>10,626,486</u>	<u>12,333,234</u>
	<u>40,300,040</u>	<u>32,120,520</u>

3. DIRECTORS INFORMATION

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

Emoluments receivable	927,078	803,757
Company pension contributions	<u>23,620</u>	<u>31,522</u>
	<u>950,698</u>	<u>835,279</u>
Emoluments of highest paid director		
Total emoluments (excluding pension contributions)	<u>294,099</u>	<u>237,225</u>

The number of directors to whom retirement benefits accrued: 6 6

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

4. EMPLOYEE INFORMATION	2003 Number	2002 Number
The average monthly number of employees (including Directors) during the year was:		
Administration	46	42
Production	109	118
	<u>155</u>	<u>160</u>
Employment Costs:		
Wages and Salaries	4,710,377	4,399,319
Social Security Costs	487,498	418,812
Pension Costs	<u>69,771</u>	<u>74,729</u>
	<u>5,267,646</u>	<u>4,892,860</u>
 5. OPERATING PROFIT		
The Operating Profit is stated after charging:-		
Depreciation of Tangible Assets	318,160	299,314
Hire of Plant and Machinery	486,073	547,414
Operating Lease Rentals - Land and Buildings	73,801	73,500
Auditors' Remuneration	<u>6,000</u>	<u>5,500</u>
 6. OTHER SERVICES		
The auditors charged a fee of £3,900 for taxation and other services (2002 - £2,000)		
 7. INTEREST RECEIVABLE		
Bank Interest	<u>33,930</u>	<u>25,822</u>
 8. INTEREST PAYABLE		
On Bank Loans and Overdrafts	359	126
Hire Purchase Loans	6,633	11,047
Other Interest	664	-
	<u>7,656</u>	<u>11,173</u>

SIMPSON (YORK) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003

9. TAX ON PROFIT ON ORDINARY ACTIVITY

	2003 £	2002 £
a)		
Current tax		
In respect of the year at 29.8% (2002 - 30%)	207,914	247,126
Under/(Over) provision in prior year	14,706	(18,832)
Total current tax	222,620	228,294
Deferred tax:		
Reduction in deferred tax provision (Note 15)		
Capital Allowances	(16,239)	(4,207)
Tax on profit on ordinary activities	<u>206,381</u>	<u>224,087</u>
b)		
Factors affecting current tax charge:		
Profit on ordinary activities before taxation	<u>684,535</u>	<u>787,641</u>
Profit on ordinary activities by rate of tax	203,991	236,291
Expenses not deductible for tax purposes	(10,387)	(5,876)
Capital allowances for period in excess of depreciation	14,310	16,711
Adjustments to tax charge in respect of previous periods	<u>14,706</u>	<u>(18,832)</u>
	<u>222,620</u>	<u>228,294</u>

SIMPSON (YORK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003

10.	DIVIDEND		2003	2002	
	8% Cumulative Redeemable Preference Shares		£	£	
	Paid 31 December 2003		32,000	32,000	
	Ordinary Shares Paid		<u>295,000</u>	<u>750,000</u>	
			<u>327,000</u>	<u>782,000</u>	
11.	TANGIBLE ASSETS		Fixtures and Fittings	Motor Vehicles	Total
		Plant & Machinery			
		£	£	£	£
	Cost at 1 January 2003	204,462	268,824	1,125,571	1,598,857
	Additions	14,295	77,675	401,909	493,879
	Disposals	-	(29,577)	(239,930)	(269,507)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Cost at 31 December 2003	<u>218,757</u>	<u>316,922</u>	<u>1,287,550</u>	<u>1,823,229</u>
	Depreciation at 1 January 2003	90,500	172,771	607,083	870,354
	Charge for the year	21,729	47,720	248,711	318,160
	On Disposals	-	(28,495)	(231,532)	(260,027)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Depreciation at 31 December 2003	<u>112,229</u>	<u>191,996</u>	<u>624,262</u>	<u>928,487</u>
	Net Book Values				
	At 31 December 2003	<u>106,528</u>	<u>124,926</u>	<u>663,288</u>	<u>894,742</u>
At 31 December 2002	<u>113,962</u>	<u>96,053</u>	<u>518,488</u>	<u>728,503</u>	

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

11. TANGIBLE ASSETS (continued)

Fixed Assets included in the above which are held under hire purchase contract, or finance leases, are as follows:-

	Motor Vehicles £	Total £
Cost		
At 1 January 2003	456,905	456,905
Additions	106,650	106,650
Transferred to ownership	<u>(269,103)</u>	<u>(269,103)</u>
At 31 December 2003	<u>294,452</u>	<u>294,452</u>
Depreciation		
At 1 January 2003	156,406	156,406
Charge for year	143,209	143,209
Transferred to ownership	<u>(188,090)</u>	<u>(188,090)</u>
At 31 December 2003	<u>111,525</u>	<u>111,525</u>
Net Book Value		
At 31 December 2003	<u>182,927</u>	<u>182,927</u>
At 31 December 2002	<u>300,499</u>	<u>300,499</u>
12. DEBTORS	2003	2002
Amounts recoverable on Long Term Contracts	6,019,432	1,890,827
Trade Debtors	1,584,137	2,630,777
Other Debtors	5,695	4,427
Prepayments and Accrued Income	52,007	36,535
Amounts due from Group Companies	<u>-</u>	<u>985,375</u>
	<u>7,661,271</u>	<u>5,547,941</u>
13. CREDITORS: Amounts falling due within one year		
Net obligations under Hire Purchase Contracts	45,956	121,485
Amounts owed on Contracts	7,091,398	3,915,445
Trade Creditors	2,109,902	1,500,594
Corporation Tax	207,914	247,126
Other Taxes and Social Security Costs	1,048,182	1,110,008
Other Creditors	71,847	57,294
Accruals and Deferred Income	615,116	316,945
Amounts due to Group Companies	866,591	-
	<u>12,056,906</u>	<u>7,268,897</u>

SIMPSON (YORK) LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003**

14. CREDITORS: Amounts falling due after more than one year	2003	2002
Net Obligations under Hire Purchase Contracts	<u>13,433</u>	<u>26,585</u>
Net obligations under Hire Purchase Contracts:		
Repayable within one year	47,963	126,014
Repayable between one and two years	13,784	26,918
Repayable between two and five years	-	-
	<u>61,747</u>	<u>152,932</u>
Interest allocated to future accounting periods	<u>(2,358)</u>	<u>(4,862)</u>
	59,389	148,070
Included in Current Liabilities	<u>(45,956)</u>	<u>(121,485)</u>
	<u>13,433</u>	<u>26,585</u>
Repayable between one and two years	13,433	26,585
Repayable between two and five years	-	-
	<u>13,433</u>	<u>26,585</u>
15. PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred Taxation:		
Movement in year		
At 1 January 2003	5,948	10,155
Profit and Loss Account moving arising during the year	<u>(16,239)</u>	<u>(4,207)</u>
At 31st December 2003	<u>(10,291)</u>	<u>5,948</u>
The amount of deferred tax provided represents the excess of Depreciation over tax allowances on fixed assets.		
16. SHARE CAPITAL		
<u>Authorised</u>		
500,000 'A' Ordinary Shares of £1 each	500,000	500,000
500,000 'B' Ordinary Shares of £1 each	500,000	500,000
1,000,000 Cumulative Redeemable Preference Shares 1993/1999 of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
	<u>2,000,000</u>	<u>2,000,000</u>
<u>Issued</u>		
50,000 'A' Ordinary Shares of £1 each	50,000	50,000
50,000 'B' Ordinary Shares of £1 each	50,000	50,000
400,000 Cumulative Redeemable Preference Shares 1993/1999 of £1 each	<u>400,000</u>	<u>400,000</u>
	<u>500,000</u>	<u>500,000</u>

The preference shares are redeemable at the Company's option. No premium is payable on redemption.

SIMPSON (YORK) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003

17. DIRECTORS' INTERESTS IN TRANSACTIONS

Management charges of £816,000 (2002:£336,000) were paid in the year to Simpson (York) Holdings Limited in which company R.C. Gatenby and B. Gatenby are Directors. The amount due to Simpson (York) Holdings Limited at the balance sheet date was £911,591 (2002: £985,375).

18. PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
Retained Profits at 1st January 2003	242,553	460,999
Retained Losses for the financial year	151,154	(218,446)
Retained Profits at 31 December 2003	<u>393,707</u>	<u>242,553</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Profit for the financial year	478,154	563,554
Dividends	<u>(327,000)</u>	<u>(782,000)</u>
Net addition to shareholders' funds	151,154	(218,446)
Opening shareholders' funds	<u>742,553</u>	<u>960,999</u>
Closing Shareholders' Funds	<u>893,707</u>	<u>742,553</u>

20. CAPITAL COMMITMENTS

At the year end the Company had capital commitments not provided for in these accounts, as follows:-

	2003	2002
	£	£
Contracted for	<u>-</u>	<u>-</u>
Authorised but not contracted	<u>-</u>	<u>-</u>

SIMPSON (YORK) LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2003

21. CONTINGENT LIABILITIES

- (a) Unlimited cross guarantees between Simpson (York) Limited and Simpson (York) Holdings Limited in favour of HSBC plc.
- (b) Indemnities in support of performance bonds arranged through the bank and insurance companies.

2003	2002
£	£
<u>1,405,935</u>	<u>778,610</u>

- (c) Full provision has been made for potential losses on contracts, and such provisions are included in cost of sales.
- (d) HSBC plc hold a fixed and floating charge over the capital and assets of the Company.

22. PENSION FUND

Defined contributions have been made to individual private pensions for each applicable employee. These pensions are held by an independent organisation. The contributions paid by the Company amounted to £69,771 (2002:£74,729).

23. ULTIMATE HOLDING COMPANY

The Ultimate Holding Company is Simpson (York) Holdings Limited, a Company incorporated in England.

24. OTHER COMMITMENTS

At 31 December 2003 the Company had the following annual commitments under non-cancellable operating leases as follows:-

	Land and Buildings	
	2003	2002
	£	£
Expiry Date:		
Within one year	82,025	73,500
Between two and five years	328,100	294,000
After more than five years	<u>740,304</u>	<u>717,685</u>
	<u>1,150,429</u>	<u>1,085,185</u>