A. Dyson & Son (Patterns) Limited

FINANCIAL STATEMENTS

31 MARCH 2003

Company Registration Number 01366021





Spenser, Wilson & Co.
(incorporating Baker, Crosland & Helliwell)
Chartered Accountants

A DYSON & SON (PATTERNS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

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A DYSON & SON (PATTERNS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	T Hinchliffe S Hinchliffe M R Hinchliffe M J Hinchliffe
Company secretary	M. J. Hinchliffe
Registered office	Clough Works Bolton Brow Sowerby Bridge HX2 7AL
Auditors	Spenser, Wilson & Co. Chartered Accountants & Registered Auditors Carlton Villa Carlton Street Halifax West Yorkshire HX1 2AL
Bankers	Barclays Bank Plc Town Hall Street Sowerby Bridge West Yorkshire HX6 2DX

A DYSON & SON (PATTERNS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year has continued to be that of property managers and providers of managerial and administration services to its subsidiaries.

The principal activities of the subsidiaries was as follows:

Dyson Patterns Ltd.	Pattern makers
Hargreaves Foundry Ltd.	Iron founders
Hargreaves Foundry Drainage Ltd.	Importers & distributors of cast iron drainage and water products

The company and its subsidiaries have achieved a successful result for the year with increases in both sales and profitability. The company is optimistic that this trend will continue.

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 in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2002	At 1 April 2001
T Hinchliffe	–	–
S Hinchliffe	–	–
M R Hinchliffe	**20,000**	**20,000**
M J Hinchliffe	**20,000**	**20,000**

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 10 to 11, 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.

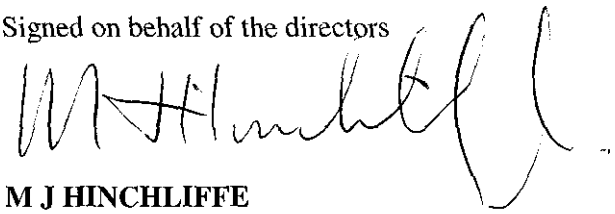
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding 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 Spenser, Wilson & 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:
Clough Works
Bolton Brow
Sowerby Bridge
HX2 7AL

Signed on behalf of the directors



M J HINCHLIFFE
Director

Approved by the directors on 19 November 2003

A DYSON & SON (PATTERNS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2003

We have audited the financial statements on pages 6 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 11.

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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

SPENSER, WILSON & CO.
Chartered Accountants
& Registered Auditors

Carlton Villa
Carlton Street
Halifax
West Yorkshire
HX1 2AL

19 November 2003

A DYSON & SON (PATTERNS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2003

	Note	2003 £	2002 £
TURNOVER	2	**160,000**	200,000
Administrative expenses		**152,665**	137,336
Other operating income	3	**(19,016)**	(16,222)
OPERATING PROFIT	4	**26,351**	78,886
Interest receivable		**64**	328
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**26,415**	79,214
Tax on profit on ordinary activities	7	**4,063**	15,549
RETAINED PROFIT FOR THE FINANCIAL YEAR		**22,352**	63,665
Balance brought forward		**557,657**	493,992
Balance carried forward		**580,009**	557,657

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

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 10 to 17 form part of these financial statements.

A DYSON & SON (PATTERNS) LIMITED

BALANCE SHEET

31 MARCH 2003

	Note	2003 £	2003 £	2002 £	2002 £
FIXED ASSETS					
Tangible assets	8		**518,795**		520,018
Investments	9		**300**		300
			519,095		520,318
CURRENT ASSETS					
Debtors	10	**944,471**		861,068	
Cash at bank		**22,591**		23,866	
		967,062		884,934	
CREDITORS: Amounts falling due within one year	11	**858,256**		798,619	
NET CURRENT ASSETS			**108,806**		86,315
TOTAL ASSETS LESS CURRENT LIABILITIES			**627,901**		606,633
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	12		**7,892**		8,976
			620,009		597,657
CAPITAL AND RESERVES					
Called-up equity share capital	14		**40,000**		40,000
Profit and loss account			**580,009**		557,657
SHAREHOLDERS' FUNDS	15		**620,009**		597,657

These financial statements were approved by the directors on the 19 November 2003 and are signed on their behalf by:

M J HINCHLIFFE

The notes on pages 10 to 17 form part of these financial statements.

A DYSON & SON (PATTERNS) LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2003

	2003		2002	
	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES		**39,860**		49,134
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	**64**		328	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		**64**		328
TAXATION		**(14,940)**		–
CAPITAL EXPENDITURE				
Payments to acquire tangible fixed assets	**(28,594)**		(32,298)	
Receipts from sale of fixed assets	**500**		500	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		**(28,094)**		(31,798)
(DECREASE)/INCREASE IN CASH		**(3,110)**		17,664

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003	2002
	£	£
Operating profit	**86,351**	78,886
Depreciation	**22,793**	27,557
Loss on disposal of fixed assets	**6,524**	3,457
Increase in debtors	**(83,403)**	(127,310)
Increase in creditors	**67,595**	66,544
Net cash inflow from operating activities	**39,860**	49,134

The notes on pages 10 to 17 form part of these financial statements.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £	2002 £
(Decrease)/Increase in cash in the period	**(3,110)**	17,664
Movement in net funds in the period	**(3,110)**	17,664
Net funds at 1 April 2002	**23,866**	6,202
Net funds at 31 March 2003	**20,756**	23,866

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2002 £	Cash flows £	At 31 Mar 2003 £
Net cash:			
Cash in hand and at bank	**23,866**	**(1,275)**	**22,591**
Overdrafts	**–**	**(1,835)**	**(1,835)**
	23,866	**(3,110)**	**20,756**
Net funds	**23,866**	**(3,110)**	**20,756**

1. ACCOUNTING POLICIES

Basis of accounting

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

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

Turnover comprises services provided by the company to its subsidiaries covering the managerial and administrative functions and excludes VAT.

Fixed assets

All fixed assets are initially recorded at cost.

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% on cost
Plant, machinery & office equipment	- 10% pa on w.d.v.
Motor vehicles	- 25% pa on w.d.v.

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.

1. ACCOUNTING POLICIES *(continued)*

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:

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.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company. An analysis of turnover is given below:

	2003	2002
	£	£
United Kingdom	**160,000**	200,000

3. OTHER OPERATING INCOME

	2003	2002
	£	£
Rent receivable	**19,016**	16,222

4. OPERATING PROFIT

Operating profit is stated after charging:

	2003	2002
	£	£
Directors' emoluments	**114,045**	103,094
Depreciation of owned fixed assets	**22,793**	27,557
Loss on disposal of fixed assets	**6,524**	3,457
Auditors' remuneration		
- as auditors	**1,800**	1,750
- for other services	**1,308**	1,517

5. PARTICULARS OF EMPLOYEES

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

	2003	2002
	No	No
Number of administrative staff	**4**	4

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	**106,802**	92,991
Social security costs	**–**	–
Other pension costs	**13,000**	10,000
	119,802	102,991

6. DIRECTORS' EMOLUMENTS

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

	2003	2002
	£	£
Aggregate emoluments	**114,045**	103,094
Value of company pension contributions to money purchase schemes	**13,000**	10,000
	127,045	113,094

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

	2003	2002
	No	No
Money purchase schemes	**2**	2

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2002 - 20%)	**5,147**	14,940
Total current tax	**5,147**	14,940
Deferred tax:		
(Decrease)/Increase in deferred tax provision (note 12)		
Capital allowances	**(1,084)**	609
Tax on profit on ordinary activities	**4,063**	15,549

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2002 - 20%).

	2003 £	2002 £
Profit on ordinary activities before taxation	**26,415**	79,214
Profit/(loss) on ordinary activities by rate of tax	**5,019**	15,843
First item to increase/(decrease) tax liability	**128**	(903)
Total current tax (note 7(a))	**5,147**	14,940

8. TANGIBLE FIXED ASSETS

	Freehold land & buildings	Plant & machinery	Motor vehicles	Total
	£	£	£	£
COST				
At 1 April 2002	**420,454**	**291,140**	**102,410**	**814,004**
Additions	**28,594**	**–**	**–**	**28,594**
Disposals	**–**	**–**	**(33,295)**	**(33,295)**
At 31 March 2003	**449,048**	**291,140**	**69,115**	**809,303**
DEPRECIATION				
At 1 April 2002	**7,921**	**214,357**	**71,708**	**293,986**
Charge for the year	**4,075**	**12,798**	**5,920**	**22,793**
On disposals	**–**	**–**	**(26,271)**	**(26,271)**
At 31 March 2003	**11,996**	**227,155**	**51,357**	**290,508**
NET BOOK VALUE				
At 31 March 2003	**437,052**	**63,985**	**17,758**	**518,795**
At 31 March 2002	412,533	76,783	30,702	520,018

9. INVESTMENTS

Subsidiary undertakings

	£
COST	
At 1 April 2002 and 31 March 2003	**300**
NET BOOK VALUE	
At 31 March 2003	**300**
At 31 March 2002	300

9. INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the companies listed below.

	2003 £	2002 £
Aggregate capital and reserves		
Dyson Patterns Limited	**564,867**	517,399
Hargreaves Foundry Limited	**50,974**	59,623
Hargreaves Foundry Drainage Limited	**349,318**	295,674
Profit and (loss) for the year		
Dyson Patterns Limited	**58,603**	55,065
Hargreaves Foundry Limited.	**(8,649)**	(13,363)
Hargreaves Foundry Drainage Limited	**53,644**	67,723

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

Subsidiaries:	Issued share capital £	Cost £	Activities
Dyson Patterns Limited	100	100	Pattern makers.
Hargreaves Foundry Limited	100	100	Iron founders.
Hargreaves Foundry Drainage Limited	100	100	Importers & distributors of cast iron drainage & water products.

10. DEBTORS

	2003 £	2002 £
Trade debtors	**51**	51
Amounts owed by Hargreaves Foundry Drainage Ltd	**944,420**	861,017
	944,971	861,068

11. CREDITORS: Amounts falling due within one year

		2003		2002
		£		£
Bank loans and overdrafts		**1,835**		–
Trade creditors		**455**		–
Amounts owed to Dyson Patterns Ltd		**564,353**		502,043
Amounts owed to Hargreaves Foundry Limited		**47,701**		10,146
Other creditors including taxation:				
Corporation tax	**5,147**		14,940	
VAT	**23**		23	
Other creditors	**26,400**		26,400	
Directors loan accounts	**170,453**		242,017	
		215,084		283,380
Accruals and deferred income		**41,889**		3,050
		858,256		798,619

12. DEFERRED TAXATION

	2003	2002
	£	£
The movement in the deferred taxation provision during the year was:		
Provision brought forward	**8,976**	8,367
Profit and loss account movement arising during the year	**(1,084)**	609
Provision carried forward	**7,892**	8,976

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

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	**7,892**	8,976
	7,892	8,976

13. RELATED PARTY TRANSACTIONS

The company received management charges from its subsidiaries during the year as follows:-

	2003	2002
	£	£
Hargreaves Foundry Drainage Limited	**140,000**	200,000
Dyson Patterns Limited	**20,000**	-

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

14. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
50,000 Ordinary shares of £1 each	**50,000**	50,000

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	**40,000**	**40,000**	40,000	40,000

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	**22,352**	63,665
Opening shareholders' equity funds	**597,657**	533,992
Closing shareholders' equity funds	**620,009**	597,657

The following pages do not form part of the statutory financial statements which are the subject of the independent auditors' report on pages 4 to 5.

A DYSON & SON (PATTERNS) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2003

	2003 £	2002 £
TURNOVER	**160,000**	200,001
OVERHEADS		
Administrative expenses	**152,665**	137,336
	7,335	62,665
OTHER OPERATING INCOME		
Rent receivable	**19,016**	16,221
OPERATING PROFIT	**26,351**	78,886
Bank interest receivable	**64**	328
PROFIT ON ORDINARY ACTIVITIES	**26,415**	79,214

A DYSON & SON (PATTERNS) LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2003

	2003		2002	
	£	£	£	£
ADMINISTRATIVE EXPENSES				
Personnel costs				
Directors remuneration	**106,802**		92,991	
Directors pension contributions	**13,000**		10,000	
		119,802		102,991
Establishment expenses				
Repairs and maintenance		**473**		437
General expenses				
Sundry expenses	**(182)**		(438)	
Accountancy fees	**1,308**		1,518	
Auditors remuneration	**1,800**		1,750	
Depreciation	**22,793**		27,557	
Loss on disposal of fixed assets	**6,524**		3,457	
		32,243		33,844
Financial costs				
Bank charges		**147**		64
		152,665		137,336
INTEREST RECEIVABLE				
Bank interest receivable		**64**		328