

WEST VALE ENGINEERING PRODUCTS LIMITED.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 2000.

Company No. 1473321 (England and Wales)



WEST VALE ENGINEERING PRODUCTS LIMITED.

COMPANY INFORMATION

DIRECTORS:

I.S. Booth  
G. Booth  
M.S. Booth

SECRETARY:

G. Booth

COMPANY NUMBER:

1473321

REGISTERED OFFICE:

Wakefield Road Industrial  
Estate,  
Wakefield Road,  
Brighouse.  
HD6 1QG.

AUDITORS:

Peel Walker,  
11 Victoria Road,  
Elland.  
HX5 OAE.

WEST VALE ENGINEERING PRODUCTS LIMITED.

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The following pages do not form part of the statutory accounts

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WEST VALE ENGINEERING PRODUCTS LIMITED.

DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE 2000.

The directors present their report and the financial statements for the year ended 30th June 2000.

**PRINCIPAL ACTIVITIES**

The company ceased to trade as general engineers on the 30th June 2000. It's principal activity is now the development and commercial letting of it's property interests.

**DIRECTORS**

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

|            | <u>Number of Shares</u> |             |
|------------|-------------------------|-------------|
|            | <u>2000</u>             | <u>1999</u> |
| I.S. Booth | 50                      | 50          |
| G. Booth   | -                       | -           |
| M.S. Booth | -                       | -           |

**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

**AUDITORS**

The auditors, Peel Walker, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, applicable to small companies, was approved by the board on the 5th March 2001 and signed on its behalf.

*Glenai Booth*

G. Booth  
SECRETARY

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
WEST VALE ENGINEERING PRODUCTS LIMITED.**

We have audited the accounts on pages 3 to 8 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 5 and 6.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to 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 accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts 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 accounts 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 accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Peel Walker', is written over a large, loopy circular flourish.

**PEEL WALKER,**  
**Registered Auditors and Chartered Accountants,**  
11, Victoria Road,  
Elland.  
HX5 OAE.

6th March 2001.

WEST VALE ENGINEERING PRODUCTS LIMITED.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2000.

|                                                                             | <u>Note</u> | <u>30.6.2000</u>   | <u>30.6.1999</u>   |
|-----------------------------------------------------------------------------|-------------|--------------------|--------------------|
| <b>TURNOVER</b>                                                             | 1           | 363,055            | 456,576            |
| Cost of Sales                                                               |             | (309,396)          | (394,241)          |
| <b>GROSS PROFIT</b>                                                         |             | <u>53,659</u>      | <u>62,335</u>      |
| <b>NET OPERATING EXPENSES</b>                                               |             |                    |                    |
| Distribution Costs                                                          |             | ( 10,595)          | ( 12,931)          |
| Administrative Expenses                                                     |             | (238,855)          | (217,326)          |
| <b>OPERATING LOSS</b>                                                       | 2           | (195,791)          | (167,922)          |
| Investment Income                                                           |             | 58,568             | 18,000             |
| Interest Payable                                                            | 3           | ( 26,207)          | ( 29,433)          |
| <b>LOSS ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b>                      |             | <u>(163,430)</u>   | <u>(179,355)</u>   |
| Taxation                                                                    | 4           | -                  | 132                |
| <b>LOSS ON ORDINARY ACTIVITIES<br/>AFTER TAXATION RETAINED FOR THE YEAR</b> |             | <u>£ (163,430)</u> | <u>£ (179,223)</u> |

Movements in reserves are shown in the notes to the financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30TH JUNE 2000.

|                                                                              |                    |                    |
|------------------------------------------------------------------------------|--------------------|--------------------|
| (Loss) for the financial year                                                | (163,430)          | (179,223)          |
| Unrealised Surplus on Revaluation of<br>Properties                           | 98,303             | -                  |
| <b>TOTAL GAINS AND LOSSES RECOGNISED SINCE<br/>LAST FINANCIAL STATEMENTS</b> | <u>£ ( 65,127)</u> | <u>£ (179,223)</u> |

WEST VALE ENGINEERING PRODUCTS LIMITED.

BALANCE SHEET AT 30TH JUNE 2000.

|                                                                | <u>Note</u> | <u>30.6.2000</u> | <u>30.6.1999</u> |
|----------------------------------------------------------------|-------------|------------------|------------------|
| <b>FIXED ASSETS</b>                                            |             |                  |                  |
| Tangible Assets                                                | 5           | 722,466          | 729,669          |
| <b>CURRENT ASSETS</b>                                          |             |                  |                  |
| Stocks                                                         |             | -                | 30,143           |
| Debtors                                                        | 6           | 190,552          | 152,145          |
|                                                                |             | <u>190,552</u>   | <u>182,288</u>   |
| <b>CREDITORS: Amounts falling due within one year</b>          | 7           | <u>(379,294)</u> | <u>(293,332)</u> |
| <b>NET CURRENT LIABILITIES</b>                                 |             | (188,742)        | (111,044)        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |             | <u>533,724</u>   | <u>618,625</u>   |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 8           | (102,092)        | (121,866)        |
|                                                                |             | <u>£ 431,632</u> | <u>£ 496,759</u> |
| <b>CAPITAL AND RESERVES</b>                                    |             |                  |                  |
| Called Up Share Capital                                        | 10          | 100              | 100              |
| Revaluation Reserve                                            |             | 437,104          | 338,801          |
| Profit & Loss Account                                          | 11          | ( 5,572)         | 157,858          |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>                               | 12          | <u>£ 431,632</u> | <u>£ 496,759</u> |

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board of Directors on the 5th March 2001 and signed on its behalf by:

Ian S. Booth.

I.S. Booth  
DIRECTOR

WEST VALE ENGINEERING PRODUCTS LIMITED.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2000.

**1 ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF ACCOUNTS**

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report. The company ceased to trade as general engineers on the 30th June 2000. Its' principal activity is now the development and commercial letting of its' property interests.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

**1.2 TURNOVER**

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

**1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                          |                                                                        |
|--------------------------|------------------------------------------------------------------------|
| Freehold Land & Building | - 1% straight line basis                                               |
| Office Equipment         | - Variable between 15% reducing balance basis and 20% of original cost |
| Plant & Equipment        | - Variable between 15% reducing balance basis and 20% of original cost |
| Motor Vehicles           | - 25% reducing balance basis.                                          |

**1.4 LEASING AND HIRE PURCHASE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**1.5 OPERATING LEASES**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

**1.6 STOCKS AND WORK IN PROGRESS**

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.7 RESEARCH AND DEVELOPMENT**

Expenditure on research and development is written off in the year that it is incurred.

**1.8 DEFERRED TAXATION**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

## 1.9 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

## 2 OPERATING PROFIT

The operating (loss) is stated after charging:

|                                                | <u>2000</u> | <u>1999</u> |
|------------------------------------------------|-------------|-------------|
| Depreciation of tangible fixed assets          |             |             |
| - owned by the company                         | 8,140       | 26,438      |
| - held under finance leases                    | 9,609       | 20,879      |
| Directors' remuneration                        | 65,245      | 66,999      |
| Auditors' remuneration                         | 4,518       | 4,197       |
| Pension costs                                  | 10,048      | 13,327      |
| Exceptional bad debts                          | -           | 11,529      |
| Operating leases - other                       | -           | 14,838      |
| Loss/(profit) on sale of tangible fixed assets | 61,158      | (35,585)    |

## 3 INTEREST PAYABLE

Included in interest payable is interest on finance leases and hire purchase contracts of £9,291 (1999 £13,679).

## 4 TAXATION

### UK Current year taxation

UK Corporation Tax at 17.5% (1999 20.75%)

- -

### Prior years

UK Corporation Tax

- £ 132

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £Nil (1999 £1,312) due to accelerated capital allowances.

## 5 TANGIBLE FIXED ASSETS

|                          | <u>Land &amp;<br/>Buildings</u> | <u>Plant &amp;<br/>Machinery etc.</u> | <u>Total</u> |
|--------------------------|---------------------------------|---------------------------------------|--------------|
| <b>Cost or Valuation</b> |                                 |                                       |              |
| 1st July 1999            | 643,792                         | 241,909                               | 885,701      |
| Additions                | 7,905                           | 44,399                                | 52,304       |
| Disposals                | -                               | (238,545)                             | (238,545)    |
| Surplus on Revaluation   | 98,303                          | -                                     | 98,303       |
| 30th June 2000           | £ 750,000                       | 47,763                                | 797,763      |
| <b>Depreciation</b>      |                                 |                                       |              |
| 1st July 1999            | 50,824                          | 105,208                               | 156,032      |
| Charge for year          | 7,500                           | 10,249                                | 17,749       |
| Disposals                | -                               | ( 98,484)                             | ( 98,484)    |
| 30th June 2000           | £ 58,324                        | 16,973                                | 75,297       |
| <b>Net Book Amount</b>   |                                 |                                       |              |
| 30th June 2000           | £ 691,676                       | 30,790                                | 722,466      |
| 1st July 1999            | £ 592,968                       | 136,701                               | 729,669      |

**5 TANGIBLE FIXED ASSETS (Continued)**

Land and Buildings were revalued on the 7th June 2000 by Eddisons Commercial on an open market basis. The cost or valuation of Freehold Land and Buildings upon which depreciation is charged, amounted to £750,000 (1999 £643,792).

The historical cost of Freehold Land and Buildings included above at a valuation of £750,000 was £265,240 (1999 £257,335). The aggregate depreciation thereon would have been £19,732 (1999 £17,080). The potential tax liability which would arise if the Land and Buildings were sold at their valuation would be £47,500 (1999 £61,643)

Included in Plant and Machinery etc, above are assets held under finance leases and hire purchase contracts amounting to £25,224 (1999 £63,306).

| <b>6 DEBTORS</b>                                                           | <b>2000</b>      | <b>1999</b>      |
|----------------------------------------------------------------------------|------------------|------------------|
| Due within one year                                                        |                  |                  |
| Trade debtors                                                              | 167,913          | 139,475          |
| Prepayments and accrued income                                             | 22,639           | 12,670           |
|                                                                            | <u>£ 190,552</u> | <u>£ 152,145</u> |
| <b>7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>                    |                  |                  |
| Bank loans and overdrafts (secured)                                        | 250,694          | 135,103          |
| Net obligations under finance leases and hire purchase contracts (secured) | 22,000           | 35,002           |
| Trade creditors                                                            | 61,693           | 81,792           |
| Other taxation and social security                                         | 22,115           | 30,965           |
| Accruals and deferred income                                               | 22,792           | 10,470           |
|                                                                            | <u>£ 379,294</u> | <u>£ 293,332</u> |
| <b>8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>           |                  |                  |
| Net obligations under finance leases and hire purchase contracts (secured) | 19,412           | 38,423           |
| Associated Company                                                         | 82,680           | 83,443           |
|                                                                            | <u>£ 102,092</u> | <u>£ 121,866</u> |
| <b>9 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS</b>      |                  |                  |
| The maturity of these amounts is as follows:                               |                  |                  |
| Amounts Payable:                                                           |                  |                  |
| Within one year                                                            | 26,695           | 45,605           |
| Within two to five years                                                   | 19,412           | 38,423           |
|                                                                            | <u>46,107</u>    | <u>84,028</u>    |
| Less Finance Charges allocated to future periods                           | 4,695            | 10,603           |
|                                                                            | <u>£ 41,412</u>  | <u>£ 73,425</u>  |

**9 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**  
(Continued)

|                                                                        | <u>2000</u>     | <u>1999</u>     |
|------------------------------------------------------------------------|-----------------|-----------------|
| Finance leases and hire purchase contracts<br>are analysed as follows: |                 |                 |
| Current obligations                                                    | 22,000          | 35,002          |
| Non current obligations                                                | 19,412          | 38,423          |
|                                                                        | <u>£ 41,412</u> | <u>£ 73,425</u> |

**10 CALLED UP SHARE CAPITAL**

**Authorised**

10,000 Ordinary Shares of £1 each

£ 10,000      £ 10,000

**Allotted, Called Up and Fully Paid**

100 Ordinary Shares of £1 each

£ 100      £ 100

**11 PROFIT AND LOSS ACCOUNT**

Retained profit brought forward

157,858      337,081

Retained (loss) for year

(163,430)      (179,223)

Retained (Loss)/Profit carried forward

£ ( 5,572)      £ 157,858

**12 (LOSS) FOR YEAR**

Surplus on Revaluation

(163,430)      (179,223)

98,303      -

Decrease in Shareholders' Funds in Year

( 65,127)      (179,223)

Opening Shareholders' Funds

496,759      675,982

Closing Shareholders' Funds

£ 431,632      £ 496,759

**13 COMMITMENTS**

**A) Capital Commitments**

At 30th June 2000 the company had no capital expenditure commitments.

**B) Pension Commitments**

The company operates defined contribution pension schemes on behalf of its directors and certain employees. The assets of the scheme are held separately from those of the company, in a fully insured fund. The annual commitment under this scheme is for contributions of £10,048 (1999 £13,327).

**14 ASSOCIATED COMPANY**

50% of the company's Issued Capital is held by West Vale Engineering Limited, which is registered in England and Wales. This holding is held solely for investment purposes, with no control being effected over the company's operations.