

PAWLE & CO. LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st. MARCH 1999

Company No. 2740708 [England & Wales]

Ian J. Gillespie
Ridgeway
7 Dene Close
Rayleigh
Essex
SS6 9LQ



PAWLE & CO. LIMITED

COMPANY INFORMATION

DIRECTORS	G. J. Arnold
	C. P. Ashby
	P. J. Pyers
	R. J. Ashby
SECRETARY	C. P. Ashby
REGISTERED NUMBER	2740708
REGISTERED OFFICE	Unit 3b Horndon Industrial Park West Horndon Essex. CM13 3XL

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The following pages do not form part of the Statutory Accounts:-

Trading and Profit and Loss Account and Summaries Pages 9 & 10

PAWLE & CO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st. MARCH 1999

The directors present their Report and Financial Statements for the year ended 31st. March 1999.

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial accounts for each 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:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

Principal Activity

The company's principal activity continues to be that of steel fabrication work.

Directors

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

	<u>Ordinary Shares</u>	
	1999	1998
G. J. Arnold	50	50
C. P. Ashby	50	50
P. J. Pyers	0	-
R. J. Ashby	0	-

Auditors

In the directors' opinion, the company was entitled, under Section 249[1] of the Companies Act 1985, to exemption of the audit of its accounts for the year ended 31st. March 1999. No member of the company has requested an audit.

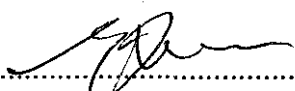
PAWLE & CO. LIMITED

REPORT OF THE DIRECTORS

(CONTINUATION)

In the preparation of the directors report, advantage has been taken of the special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985.

This report was approved by the Board on 13th. October 1999

..........Director

PAWLE & CO. LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st. MARCH 1999**

		1999		[1998]	
	[NOTE]	£	£	£	£
Turnover	[2]		227,786		165,023
Cost of Sales			<u>70,721</u>		<u>52,343</u>
Gross Profit			157,065		112,680
Production & Establishment Costs		86,237		63,838	
Administration Costs		<u>41,366</u>		<u>25,956</u>	
			<u>127,603</u>		<u>89,794</u>
Operating Profit	[3]		29,462		22,886
Interest Payable			<u>507</u>		<u>428</u>
Profit on ordinary activities before taxation			28,955		22,458
Taxation on Profit on ordinary activities	[4]		<u>5,431</u>		<u>3,874</u>
Profit on ordinary activities after taxation			23,524		18,584
Dividend	[5]		<u>8,000</u>		<u>9,600</u>
Retained Profit for the year			15,524		8,984
Retained Profit brought forward			<u>11,263</u>		<u>2,279</u>
Retained Profit carried forward			<u>26,787</u>		<u>11,263</u>

The notes on pages 6 to 8 form part of these financial statements.

PAWLE & CO. LIMITED

BALANCE SHEET AS AT 31st. MARCH 1999

		1999	[1998]
	[NOTE]	£	£
Fixed Assets			
Tangible Assets	[6]	18,254	11,735
Current Assets			
Stock	[1]	1,522	1,390
Trade Debtors	[7]	65,282	38,295
Cash in Hand and at Bank		0	6,091
		<u>66,804</u>	<u>45,776</u>
Creditors			
Amounts falling due within one year	[8]	<u>56,821</u>	<u>42,098</u>
Net Current Assets		<u>9,983</u>	<u>3,678</u>
Total Assets less Current Liabilities		28,237	15,413
Creditors			
Due after more than one year	[9]	<u>1,350</u>	<u>4,050</u>
Net Assets		<u>26,887</u>	<u>11,363</u>
Capital and Reserves			
Called Up Share Capital	[10]	100	100
Profit and Loss Account		<u>26,787</u>	<u>11,263</u>
Shareholders' Funds		<u>26,887</u>	<u>11,363</u>

The notes on pages 6 to 8 form part of these financial statements

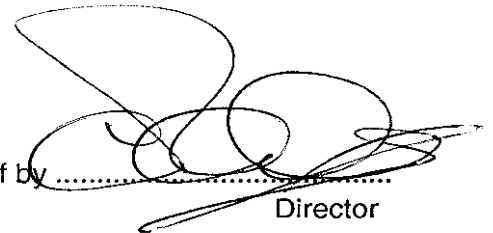
PAWLE & CO. LIMITED**BALANCE SHEET AS AT 31st. MARCH 1999
[CONTINUATION]**

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249[1] of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st. March 1999 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

Approved by the Board on 13th. October 1999

and signed on their behalf by

A large, stylized handwritten signature in black ink, consisting of several loops and flourishes, positioned over the signature line.

Director

PAWLE & CO. LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st. MARCH 1999****[1] ACCOUNTING POLICIES****1.1 Accounting Conventions**

The accounts have been prepared under the historical cost convention.

1.2 Tangible Fixed Assets and Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant & Machinery	20% straight line basis
Fixtures, Fittings & Equipment	20% straight line basis

1.3 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

[2] TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company - all of which arises in the United Kingdom.

[3] OPERATING PROFIT

The operating profit is stated after charging:-

	1999	[1998]
	£	£
Depreciation of tangible assets:-		
owned by the company	3,579	2,618
Accountants remuneration	900	840
Directors' emoluments	28,000	18,000

PAWLE & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st. MARCH 1999
[CONTINUATION]

	1999 £	[1998] £
[4] TAXATION		
U. K. Current Year Taxation		
U. K. Corporation Tax at 21% [1998-21%]	5,431	3,874
[5] DIVIDENDS		
A dividend of £100.00 per ordinary share	10,000	12,000
[1998 - £120.00 per share]		

[6] TANGIBLE FIXED ASSETS

	Plant & Machinery	Fixtures Fittings & Equipment	Total
Cost			
As at 31st. March 1998	27,410	2,403	29,813
Additions	2,730	7,368	10,098
As at 31st. March 1999	30,140	9,771	39,911
Depreciation			
As at 31st. March 1998	16,407	1,671	18,078
Charge for period	3,112	467	3,579
As at 31st. March 1999	19,519	2,138	21,657
Net Book Values			
As at 31st. March 1998	11,003	732	11,735
As at 31st. March 1999	10,621	7,633	18,254

Included above are plant and machinery held under a hire purchase contract amounting to £4,050 [1998 - £6,750].

PAWLE & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st. MARCH 1999
[CONTINUATION]

	1999	[1998]
	£	£
[7] DEBTORS		
Due within one year		
Trade debtors	<u>63,906</u>	<u>38,295</u>
 [8] CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank Overdraft	8,536	0
Hire Purchase	2,700	2,700
Trade Creditors	9,347	7,803
Other Creditors	30,807	23,410
Taxation and Social Security	<u>5,431</u>	<u>8,185</u>
	<u>56,821</u>	<u>42,098</u>
 [9] CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Hire Purchase	1350	4050
 [10] CALLED UP SHARE CAPITAL		
Authorised		
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Issued		
Fully Paid Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

[11] TRANSACTIONS WITH DIRECTORS

Three of the four directors are also directors of Engraving Techniques Ltd. from whom sales totalling £23,486 were obtained on normal terms. Mr. G. J. Arnold is also a director of Mulhouse Ltd. from whom sales of £7,821 were obtained, once again on normal terms.