

HENRY BROOK & COMPANY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31 JULY 2000



FRED SHEARD & SONS
Chartered Accountants & Registered Auditors
Vernon House
40 New North Road
Huddersfield
HD1 5LS

HENRY BROOK & COMPANY LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

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HENRY BROOK & COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr N A R Ranshaw
Mr M Flockton

Company secretary

Mr M Flockton

Registered office

Leeds Road
Huddersfield
HD2 1XU

Auditors

Fred Sheard & Sons
Chartered Accountants
& Registered Auditors
Vernon House
40 New North Road
Huddersfield
HD1 5LS

Bankers

Barclays Bank Plc
Minerva House
29 East Parade
Leeds
LS1 5TW

HENRY BROOK & COMPANY LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 15, together with the financial statements of the company for the year ended 31 July 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

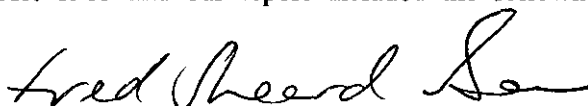
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 15 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 5/2/01 we reported as auditors to the members of the company on the financial statements prepared under Section 226 of the Companies Act 1985 and our report included the following paragraph:

Vernon House
40 New North Road
Huddersfield
HD1 5LS

5.2.01



FRED SHEARD & SONS
Chartered Accountants
& Registered Auditors

HENRY BROOK & COMPANY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 JULY 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 July 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of constructional engineering.

During the year the company went through a period of considerable change with the intention of making the business successful and profitable again.

Turnover is increased by approximately 15% to £3.5m with a resultant loss before taxation of £48,904. Bad debts and redundancy pay totalled £61,616. Work in progress costs were substantially higher than last year at £191,817.

Capital project work with AstraZeneca represented a high proportion of turnover with organisational changes necessary to meet the needs of these contracts. The strong pound played havoc with exports.

The company, with the assistance of PriceWaterhouseCoopers continued to review important issues on an ongoing basis, including sales and marketing activity, overhead cost reductions and production efficiencies.

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 recommended the following dividends:

	2000	1999
	£	£
Proposed dividends on preference shares	<u>168</u>	<u>168</u>

No dividend is proposed to be paid on ordinary shares.

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:

	Class of share	At 31 July 2000	At 1 August 1999
Mr N A R Ranshaw	Ordinary shares	1,138	-
	Preference shares	-	-
Mr M Flockton	Ordinary shares	-	-
	Preference shares	<u>-</u>	<u>-</u>

Mr K Leah was not re-appointed as a director at the Annual General Meeting on 20 December 1999.

RETIREMENT OF DIRECTORS

In accordance with the Articles of Association, Mr M Flockton will retire from the board and, being eligible, will stand for re-appointment.

FIXED ASSETS

During the year, capital expenditure and disposals amounted to £55,769 and £107,648 respectively

The property was revalued on 10 March 1998.

HENRY BROOK & COMPANY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JULY 2000

EMPLOYEES

All employees are working towards making the company successful again. Shop floor personnel have increased to match our output need and morale has improved.

PROSPECTS FOR 2000/2001

An original annual sales plan of £5m was agreed, resulting from a much improved and very active sales and marketing function - as outlined in the three year business plan. Our reputation with AstraZeneca is extremely good and this work will again feature well.

The company is in a very good position to achieve the sales target with current workload indicating full capacity during the first six months, including sub letting to outside fabricators.

With the management changes now in place, the company can now look forward with renewed confidence.

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 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 Fred Sheard & Sons 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:
Leeds Road
Huddersfield
HD2 1XU

Signed by order of the directors



MR M FLOCKTON
Company Secretary

Approved by the directors on 1st February 2001

HENRY BROOK & COMPANY LIMITED**ABBREVIATED PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 JULY 2000**

	Note	2000 £	1999 £
GROSS PROFIT		1,599,581	1,475,921
OPERATING COSTS:			
Staff costs	2	(1,222,929)	(1,164,541)
Depreciation written off fixed assets		(46,001)	(68,467)
Other operating charges		(338,940)	(301,371)
OPERATING LOSS	3	(8,289)	(58,458)
Interest receivable		1,217	2,373
Interest payable	5	(41,832)	(44,267)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(48,904)	(100,352)
Tax on loss on ordinary activities		-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(48,904)	(100,352)
Dividends (including non-equity)	6	(168)	(168)
LOSS FOR THE FINANCIAL YEAR		(49,072)	(100,520)
Balance brought forward		219,414	319,934
Balance carried forward		170,342	219,414

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

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

The notes on pages 8 to 15 form part of these financial statements.

HENRY BROOK & COMPANY LIMITED

ABBREVIATED BALANCE SHEET

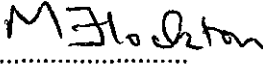
31 JULY 2000

	Note	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	7	870,382	887,260
CURRENT ASSETS			
Stocks	8	258,446	36,417
Debtors	9	1,022,045	1,063,823
Cash in hand		1,182	1,027
		<u>1,281,673</u>	<u>1,101,267</u>
CREDITORS: Amounts falling due within one year	10	<u>(1,355,193)</u>	<u>(1,173,643)</u>
NET CURRENT LIABILITIES		<u>(73,520)</u>	<u>(72,376)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>796,862</u>	<u>814,884</u>
CREDITORS: Amounts falling due after more than one year	11	<u>(31,050)</u>	<u>-</u>
		<u>765,812</u>	<u>814,884</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	12	<u>-</u>	<u>(27,178)</u>
		<u>765,812</u>	<u>787,706</u>
CAPITAL AND RESERVES			
Called-up share capital	16	13,600	13,600
Revaluation reserve	17	581,870	554,692
Profit and Loss Account		170,342	219,414
SHAREHOLDERS' FUNDS (including non-equity interests)	18	<u>765,812</u>	<u>787,706</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the, and are signed on their behalf by:


.....
MR N A R RANSHAW


.....
MR M FLOCKTON

The notes on pages 8 to 15 form part of these financial statements.

HENRY BROOK & COMPANY LIMITED**CASH FLOW STATEMENT****YEAR ENDED 31 JULY 2000**

	Note	2000		1999	
		£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	19		47,558		140,897
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(39,699)		(42,557)	
Interest element of hire purchase		(1,676)		(3,331)	
Non-equity dividends paid		(168)		(168)	
		<u> </u>		<u> </u>	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			(41,543)		(46,056)
TAXATION			-		395
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(55,769)		(14,798)	
Receipts from sale of fixed assets		26,646		1,290	
		<u> </u>		<u> </u>	
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE			(29,123)		(13,508)
			<u> </u>		<u> </u>
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(23,108)		81,728
FINANCING					
Capital element of hire purchase		29,142		(22,214)	
		<u> </u>		<u> </u>	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING			29,142		(22,214)
			<u> </u>		<u> </u>
INCREASE IN CASH	20		6,034		59,514
			<u> </u>		<u> </u>

The notes on pages 8 to 15 form part of these financial statements.

HENRY BROOK & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

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:

Leasehold Property	- 2% straight line
Plant & Machinery	- reduce to residual value after 3 to 20 years
Fixtures & Fittings	- written off over 3 to 10 years
Motor Vehicles	- reduce to residual value after 4 to 8 years

Stocks

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

Long term contracts

Turnover on long term contracts is ascertained in a manner appropriate to the stage of completion of the contracts. Where the outcome of the contracts can be assessed with reasonable certainty, attributable profit is calculated on a prudent basis. Where the outcome of contracts cannot be assessed with reasonable certainty, no profit is reflected in the profit and loss account. All potential future losses on contracts are recognised as foreseen.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

HENRY BROOK & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined benefit pension scheme covering the majority of its senior staff. Pension costs are charged to the profit and loss account over the expected service lives of employees in the scheme.

The net assets of the scheme are held in a separate trustee-administered fund, and the pension cost is assessed in accordance with advice from qualified actuaries.

The last actuarial valuation was at 1st June 1999 using the projected unit method with a 20 year control period. The main assumption was a real return on investments above general earnings inflation of 2% per annum.

The total market value of the scheme's assets at that date was £829,244. The total actuarial value of the assets represented 100% of the benefits that had accrued to members, after allowing for projected increases in salaries.

The actuary has recommended that employer contributions rates should be 26.1% of pensionable salary roll, with an additional 6% to be contributed by the members.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

2. PARTICULARS OF EMPLOYEES

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

	2000	1999
	No.	No.
Number of production staff	48	47
Number of administrative staff	2	2
Number of management staff	5	3
	<u>55</u>	<u>52</u>

The aggregate payroll costs of the above were:

	2000	1999
	£	£
Wages and salaries	1,060,699	1,007,607
Social security costs	95,025	90,851
Other pension costs	67,205	66,083
	<u>1,222,929</u>	<u>1,164,541</u>

HENRY BROOK & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation	55,475	69,757
Profit on disposal of fixed assets	(9,474)	(1,290)
Auditors' remuneration		
- as auditors	6,255	6,925
Operating lease costs:		
Plant and equipment	1,837	1,837
Vehicles	10,614	6,547

4. DIRECTORS' EMOLUMENTS

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

	2000	1999
	£	£
Emoluments receivable	126,037	148,692

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

	2000	1999
	No.	No.
Defined benefit schemes	2	3

5. INTEREST PAYABLE

	2000	1999
	£	£
Interest payable on bank borrowing	40,156	40,936
Finance charges	1,676	3,331
	41,832	44,267

6. DIVIDENDS

The following dividends have been proposed in respect of the year:

	2000	1999
	£	£
Proposed dividend on preference shares	168	168

HENRY BROOK & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

7. TANGIBLE FIXED ASSETS

	Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST OR VALUATION					
At 1 August 1999	620,000	457,202	237,576	153,186	1,467,964
Additions	-	7,855	4,714	43,200	55,769
Disposals	-	(1,182)	(9,668)	(96,798)	(107,648)
At 31 July 2000	620,000	463,875	232,622	99,588	1,416,085
DEPRECIATION					
At 1 August 1999	4,900	289,533	171,926	114,345	580,704
Charge for the year	4,900	17,744	19,586	13,245	55,475
On disposals	-	(952)	(9,668)	(79,856)	(90,476)
At 31 July 2000	9,800	306,325	181,844	47,734	545,703
NET BOOK VALUE					
At 31 July 2000	610,200	157,550	50,778	51,854	870,382
At 31 July 1999	615,100	167,669	65,650	38,841	887,260

Revaluation of fixed assets

Land and buildings were revalued on 10 March 1998.

In respect of assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2000 £	1999 £
NBV of revalued tangible fixed assets:		
Net book value at end of year	610,200	615,100
Historical cost	86,882	86,882
Depreciation:		
At 1 August 1999	55,682	52,217
Charge for year	3,465	3,465
At 31 July 2000	59,147	55,682
Net historical cost value:		
At 31 July 2000	27,735	31,200
At 1 August 1999	31,200	34,665

Hire purchase agreements

Included within the net book value of £870,382 is £40,581 (1999 - £19,249) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £819 (1999 - £9,286).

HENRY BROOK & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

8. STOCKS

	2000	1999
	£	£
Raw materials	66,629	25,908
Work in progress	191,817	10,509
	<u>258,446</u>	<u>36,417</u>

9. DEBTORS

	2000	1999
	£	£
Trade debtors	427,689	391,081
Amounts recoverable on contracts	499,547	592,786
Prepayments and accrued income	94,809	79,956
	<u>1,022,045</u>	<u>1,063,823</u>

10. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	497,346	503,225
Trade creditors	756,602	528,081
Corporation tax	2,484	2,484
Non-corporate tax and social security	35,340	79,070
Hire purchase agreements	10,350	12,258
Dividends payable	168	168
Accruals and deferred income	52,903	48,357
	<u>1,355,193</u>	<u>1,173,643</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2000	1999
	£	£
Bank loans and overdrafts	<u>497,346</u>	<u>503,225</u>

Barclays Bank plc holds legal mortgages over the company's properties, and fixed and floating charges over the other assets.

11. CREDITORS: Amounts falling due after more than one year

	2000	1999
	£	£
Hire purchase agreements	<u>31,050</u>	<u>-</u>

HENRY BROOK & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

12. DEFERRED TAXATION

	2000 £	1999 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	27,178	29,810
Increase in provision	(27,178)	(2,632)
Provision carried forward	-	27,178

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

	2000 £	1999 £
Provision for deferred tax on revaluation surplus	-	27,178

13. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2000 £	1999 £
Amounts payable within 1 year	10,350	12,258
Amounts payable between 2 to 5 years	31,050	-
	41,400	12,258

14. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2000 £	1999 £
Operating leases which expire:		
Within 1 year	-	1,225
Within 2 to 5 years	19,717	1,597
	19,717	2,822

15. CONTINGENCIES

There is a dispute regarding the termination of employment of Mr K Leah, a former director. At present, the potential outcome of this dispute is uncertain, and therefore cannot be quantified.

HENRY BROOK & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

16. SHARE CAPITAL

Authorised share capital:

	2000	1999
	£	£
3,000 Ordinary shares of £5.00 each	15,000	15,000
1,000 4.2% Cumulative Preference shares of £5.00 each	5,000	5,000
	<u>20,000</u>	<u>20,000</u>

Allotted, called up and fully paid:

	2000		1999	
	No.	£	No.	£
Ordinary shares	1,920	9,600	1,920	9,600
4.2% Cumulative Preference shares	800	4,000	800	4,000
	<u>2,720</u>	<u>13,600</u>	<u>2,720</u>	<u>13,600</u>

17. REVALUATION RESERVE

	2000	1999
	£	£
Balance brought forward	554,692	552,060
Transfer deferred taxation	27,178	2,632
Balance carried forward	<u>581,870</u>	<u>554,692</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

EQUITY SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Loss for the financial year	(48,904)	(100,352)
Dividends	(168)	(168)
	<u>(49,072)</u>	<u>(100,520)</u>
Other net recognised gains and losses	27,178	2,632
	<u>(21,894)</u>	<u>(97,888)</u>
Net reduction to funds	(21,894)	(97,888)
Opening shareholders' equity funds	783,706	881,594
Closing shareholders' equity funds	<u>761,812</u>	<u>783,706</u>

NON-EQUITY SHAREHOLDERS' FUNDS

Opening and closing shareholders' non-equity funds	<u>4,000</u>	<u>4,000</u>
TOTAL SHAREHOLDERS' FUNDS	<u>765,812</u>	<u>787,706</u>

HENRY BROOK & COMPANY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

19. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000	1999
	£	£
Operating loss	(8,289)	(58,458)
Depreciation	55,475	69,757
Profit on disposal of fixed assets	(9,474)	(1,290)
(Increase)/Decrease in stocks	(222,029)	10,767
Decrease/(Increase) in debtors	42,995	(165,689)
Increase in creditors	188,880	285,810
Net cash inflow from operating activities	<u>47,558</u>	<u>140,897</u>

20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000	1999
	£	£
Increase in cash in the period	6,034	59,514
Net cash (inflow)/outflow in respect of hire purchase	<u>(29,142)</u>	<u>22,214</u>
	(23,108)	81,728
Change in net debt	(23,108)	81,728
Net debt at 1 August 1999	<u>(514,456)</u>	<u>(596,184)</u>
Net debt at 31 July 2000	<u>(537,564)</u>	<u>(514,456)</u>

21. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Aug 1999	Cash flows	At 31 Jul 2000
	£	£	£
Net cash:			
Cash in hand and at bank	1,027	155	1,182
Overdrafts	(503,225)	5,879	(497,346)
	<u>(502,198)</u>	<u>6,034</u>	<u>(496,164)</u>
Hire purchase agreements	<u>(12,258)</u>	<u>(29,142)</u>	<u>(41,400)</u>
Net debt	<u>(514,456)</u>	<u>(23,108)</u>	<u>(537,564)</u>