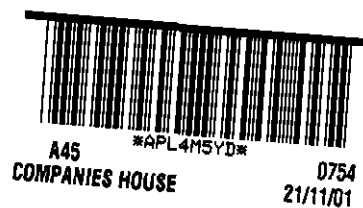

SALOP DESIGN & ENGINEERING LIMITED

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2001**

**WHITTINGHAM RIDDELL
CHARTERED ACCOUNTANTS
15 BELMONT, SHREWSBURY**



SALOP DESIGN & ENGINEERING LIMITED

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SALOP DESIGN & ENGINEERING LIMITED

DIRECTORS' REPORT For the year ended 31 March 2001

The directors present their report and the financial statements for the year ended 31 March 2001.

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:

- 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 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.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity continues to be that of the manufacture of sheet metal pressings and assemblies and the design and manufacture of press tools.

The results for the year are considered to be satisfactory and the directors consider that the future prospects of the company are good.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £173,712 (2000 - £325,756) .

The directors recommend that a dividend of £150,000 (2000 - £120,000) be declared for the year.

DIRECTORS

The directors who served during the year were:

R.A. Homden
Mrs G.M. Homden
F.J. Hankin
R.D. Emery
J. Seaward

Mr R.A. Homden and Mrs G.M. Homden are directors of the ultimate holding company, R.A. Homden Limited, and their interests in that company are shown in the directors report of that company. They do not have any interests in the shares of this company. The other directors have no interests in the shares of this company or its ultimate holding company.

AUDITORS

The auditors, Whittingham Riddell, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 14 September 2001 and signed on its behalf.


J. Seaward
Secretary

AUDITORS' REPORT TO SALOP DESIGN & ENGINEERING LIMITED
Under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 3 - 12, together with the financial statements of the company for the year ended 31 March 2001 prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

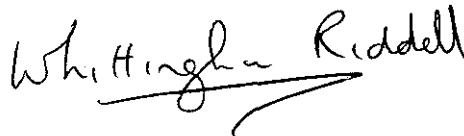
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with that provision and to 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 Companies Act 1985, and the abbreviated accounts on pages 3 - 12 are properly prepared in accordance with that provision.



Whittingham Riddell

Chartered Accountants
Registered Auditors
15 Belmont
Shrewsbury
Shropshire
SY1 1TE
14 September 2001

SALOP DESIGN & ENGINEERING LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2001

	Note	2001 £	2000 £
GROSS PROFIT		1,407,807	1,785,597
Selling and distribution costs		(210,604)	(246,032)
Administrative expenses		(945,294)	(1,060,720)
OPERATING PROFIT	2	251,909	478,845
Interest receivable	5	53,616	29,727
Interest payable	6	(48,482)	(64,719)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		257,043	443,853
TAX ON PROFIT ON ORDINARY ACTIVITIES	7	(83,331)	(118,097)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		173,712	325,756
DIVIDENDS	8	(150,000)	(120,000)
RETAINED PROFIT FOR THE YEAR		23,712	205,756
RETAINED PROFIT BROUGHT FORWARD		2,294,640	2,088,884
RETAINED PROFIT CARRIED FORWARD		£ 2,318,352	£ 2,294,640

All amounts relate to continuing operations.

There were no recognised gains and losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 6 to 12 form part of these financial statements.

SALOP DESIGN & ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET
As at 31 March 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible fixed assets	9		2,505,990		2,626,363
CURRENT ASSETS					
Stocks	10	530,870		370,631	
Debtors	11	1,317,540		2,276,254	
Cash at bank and in hand		917,866		688,220	
			<u>2,766,276</u>	<u>3,335,105</u>	
CREDITORS: amounts falling due within one year	12	(1,733,014)		(2,469,528)	
NET CURRENT ASSETS			<u>1,033,262</u>		<u>865,577</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,539,252</u>		<u>3,491,940</u>
CREDITORS: amounts falling due after more than one year	13		(700,000)		(700,000)
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	14		(500,800)		(477,200)
NET ASSETS			<u><u>£ 2,338,452</u></u>		<u><u>£ 2,314,740</u></u>
CAPITAL AND RESERVES					
Called up share capital	15		20,100		20,100
Profit and loss account			2,318,352		2,294,640
SHAREHOLDERS' FUNDS - All Equity	16		<u><u>£ 2,338,452</u></u>		<u><u>£ 2,314,740</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on 14 September 2001 and signed on its behalf.



R.A Homden
Director

The notes on pages 6 to 12 form part of these financial statements.

SALOP DESIGN & ENGINEERING LIMITED

ABBREVIATED CASH FLOW STATEMENT
For the year ended 31 March 2001

	Note	2001 £	2000 £
Net cash flow from operating activities	17	583,550	869,687
Returns on investments and servicing of finance	18	5,134	(34,992)
Taxation		(67,731)	77,919
Capital expenditure and financial investment	18	(171,307)	(113,056)
Equity dividends paid		(120,000)	(200,000)
INCREASE IN CASH IN THE PERIOD		£ 229,646	£ 599,558

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 19)
For the year ended 31 March 2001

	2001 £	2000 £
Increase in cash in the period	229,646	599,558
MOVEMENT IN NET DEBT IN THE PERIOD	229,646	599,558
Net funds at 1 April 2000	688,220	88,662
NET FUNDS AT 31 MARCH 2001	£ 917,866	£ 688,220

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 2001

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention.

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation 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:

Plant and equipment	-	7.5-15%	reducing balance
Motor vehicles	-	33.33%	reducing balance

1.4 Operating leases

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

1.5 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. Work in progress represents the value of work done but not invoiced based on the cost of materials and labour plus an appropriate proportion of fixed and variable overheads.

1.6 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.

1.7 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

1.8 Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets:		
- owned by the company	291,680	279,658
Audit remuneration	4,800	4,200
Difference on foreign exchange	-	16,100
	<hr/>	<hr/>

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 2001

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2001 £	2000 £
Wages and salaries	1,368,535	1,764,480
Social security costs	127,940	159,442
Other pension costs	73,050	65,538
	<u>£ 1,569,525</u>	<u>£ 1,989,460</u>

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
Production	62	79
Administration	19	20
	<u>81</u>	<u>99</u>

4. DIRECTORS' REMUNERATION

	2001 £	2000 £
Emoluments	<u>£ 239,303</u>	<u>£ 326,431</u>
Company pension contributions to money purchase pension schemes	<u>£ 68,750</u>	<u>£ 62,838</u>
Compensation for loss of office	<u>£ -</u>	<u>£ 30,000</u>

During the year retirement benefits were accruing to 4 directors (2000 - 5) in respect of money purchase pension schemes.

The highest paid director received remuneration of £55,405 (2000 - £67,552).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £7,250 (2000 - £27,900).

5. INTEREST RECEIVABLE

	2001 £	2000 £
Other interest receivable	<u>£ 53,616</u>	<u>£ 29,727</u>

6. INTEREST PAYABLE

	2001 £	2000 £
On loans from group undertakings	<u>£ 48,482</u>	<u>£ 64,719</u>

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 2001

7. TAXATION

	2001 £	2000 £
UK corporation tax		
Current year tax at 30% (2000 - 30%)	60,000	68,000
Transfer to deferred taxation in respect of current period	23,600	50,900
Adjustments in respect of prior periods - corporation tax	(269)	(803)
	<u>£ 83,331</u>	<u>£ 118,097</u>

8. DIVIDENDS

	2001 £	2000 £
On equity shares		
Total dividends proposed	<u>£ 150,000</u>	<u>£ 120,000</u>

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
Cost			
At 1 April 2000	4,257,172	131,452	4,388,624
Additions	171,307	-	171,307
At 31 March 2001	<u>4,428,479</u>	<u>131,452</u>	<u>4,559,931</u>
Depreciation			
At 1 April 2000	1,676,717	85,544	1,762,261
Charge for the year	276,379	15,301	291,680
At 31 March 2001	<u>1,953,096</u>	<u>100,845</u>	<u>2,053,941</u>
Net book value			
At 31 March 2001	<u>£ 2,475,383</u>	<u>£ 30,607</u>	<u>£ 2,505,990</u>
At 31 March 2000	<u>£ 2,580,455</u>	<u>£ 45,908</u>	<u>£ 2,626,363</u>

10. STOCKS

	2001 £	2000 £
Raw materials	244,790	125,006
Work in progress	286,080	245,625
	<u>£ 530,870</u>	<u>£ 370,631</u>

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 2001

The difference between purchase price or production cost of stocks and their replacement cost is not material.

11. DEBTORS

	2001 £	2000 £
Due within one year		
Trade debtors	1,248,208	2,144,608
Other debtors	-	65,498
Prepayments and accrued income	69,332	66,148
	<u>£ 1,317,540</u>	<u>£ 2,276,254</u>

12. CREDITORS:
Amounts falling due within one year

	2001 £	2000 £
Trade creditors	1,172,735	1,427,283
Amounts owed to group undertakings	10,107	517,459
Corporation tax	60,000	68,000
Social security and other taxes	139,707	231,600
Proposed dividend	150,000	120,000
Accruals and deferred income	200,465	105,186
	<u>£ 1,733,014</u>	<u>£ 2,469,528</u>

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

	2001 £	2000 £
Amounts owed to group undertakings	<u>£ 700,000</u>	<u>£ 700,000</u>

The above represents a loan from R.A. Homden Limited, the holding company, and is secured by a debenture dated 9 March 1999 which includes a floating charge over all of the assets of the company.

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 2001

14. DEFERRED TAXATION

	2001 £	2000 £
At 1 April 2000	477,200	426,300
Charge for the year	23,600	50,900
At 31 March 2001	<u>£ 500,800</u>	<u>£ 477,200</u>

The provision for deferred taxation and the amounts not provided are as follows:

	Amounts provided 2001 £	Amounts not provided 2001 £	Amounts provided 2000 £	Amounts not provided 2000 £
Accelerated capital allowances	503,800	-	477,200	-
Short term timing differences	(3,000)	-	-	-
	<u>£ 500,800</u>	<u>£ -</u>	<u>£ 477,200</u>	<u>£ -</u>

15. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised, allotted, called up and fully paid		
20,100 Ordinary shares of £1.00 each	<u>£ 20,100</u>	<u>£ 20,100</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year	173,712	325,756
Dividends	(150,000)	(120,000)
	<u>23,712</u>	<u>205,756</u>
Opening shareholders' funds	2,314,740	2,108,984
Closing shareholders' funds	<u>£ 2,338,452</u>	<u>£ 2,314,740</u>

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 March 2001

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2001 £	2000 £
Operating profit	251,909	481,486
Depreciation of tangible fixed assets	291,680	279,658
Increase in stocks	(160,239)	(5,855)
Decrease/(increase) in debtors	958,714	(214,372)
(Decrease)/increase in creditors	(758,514)	328,770
NET CASH INFLOW FROM OPERATIONS	£ 583,550	£ 869,687

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2001 £	2000 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	53,616	29,727
Interest paid	(48,482)	(64,719)
NET CASH INFLOW/(OUTFLOW) FOR RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	£ 5,134	£ (34,992)

	2001 £	2000 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(171,307)	(125,106)
Sale of tangible fixed assets	-	12,050
NET CASH OUTFLOW FOR CAPITAL EXPENDITURE	£ (171,307)	£ (113,056)

19. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2000 £	Cash flow £	Other non-cash changes £	31 March 2001 £
Cash at bank and in hand:	688,220	229,646	-	917,866
NET FUNDS	£ 688,220	£ 229,646	£ -	£ 917,866

SALOP DESIGN & ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS **For the year ended 31 March 2001**

20. CAPITAL COMMITMENTS

At 31 March 2001 the company had capital commitments as follows:

	2001	2000
	£	£
Contracted for but not provided in these financial statements	£ 11,950	£ -

21. PENSION COMMITMENTS

The company operates defined contribution pension schemes for the benefit of directors and senior employees. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds, and amounted to £73,050 (2000: £65,538).

22. OPERATING LEASE COMMITMENTS

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001	Other	2000
	£		£
Expiry date:			
Within 1 year	-		1,950
Between 2 and 5 years	32,402		32,402

The above ongoing commitments were renegotiated after the year end. The renegotiated figures do not materially affect the above disclosures.

23. RELATED PARTY TRANSACTIONS

During the year the company paid rent of £140,000 (2000: £140,000), management charges of £140,000 (2000: £140,000) and loan interest of £48,483 (2000: £64,719) to its holding company, R.A. Homden Limited. At 31st March 2001, the company owed £860,107 to Salop Design & Engineering Ltd (2000: £1,337,459), including dividend payable and loan interest due.

Mr R A Homden is a director of Salop Haulage Limited, which provided transport services of £196,746 (2000: £233,582) to the company on normal commercial terms. At the year end the balance due to Salop Haulage Limited was £41,445 (2000: £49,991).

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate holding company is R.A. Homden Limited, which is a company registered in the UK.