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**SALOP DESIGN & ENGINEERING LIMITED**

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**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED  
31 MARCH 2000**



**Whittingham Riddell  
Chartered Accountants  
15 Belmont, Shrewsbury**

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Contents

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	Page
Directors' Report	1 - 2
Auditors' Report	3
Abbreviated Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6 - 7
Notes to the Abbreviated Accounts	8 - 14

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

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The directors present their report and the financial statements for the year ended 31 March 2000.

**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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Results and dividends**

The profit for the year after taxation, amounted to £325,756 (1999 - £200,077) .

The directors recommend that a dividend of £120,000 (1999: £Nil) be declared for the year.

**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.

Turnover for the second half of the year has been strong with significant growth in automotive sales. However, the downturn in volume from spring 2000 indicates that turnover and profit for the current year will be depressed.

**Directors**

The directors who served during the year were Messrs. R.A. Homden, F.J. Hankin, R.D. Emery, R.P. Homden (resigned 8 December 1999), J. Seaward and Mrs G.M. Homden.

Mr R.A. Homden, Mrs G.M. Homden, and Mr R.P. 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.

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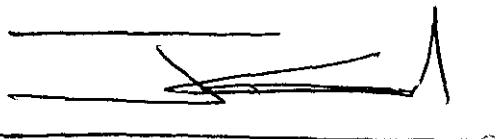
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

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**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 25 August 2000 and signed on its behalf.

A handwritten signature in black ink, appearing to be 'J. Seaward', is written over a horizontal line. The signature is stylized with a long horizontal stroke and a sharp upward flick at the end.

J. Seaward  
Secretary

**AUDITORS' REPORT TO SALOP DESIGN & ENGINEERING LIMITED**

**pursuant to section 247B of the Companies Act 1985**

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We have examined the abbreviated accounts set out on pages 4 to 15 together with the financial statements of Salop Design & Engineering Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 2000.

**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 sections 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 to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full 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 4 to 15 are properly prepared in accordance with that provision.

*Whittingham Riddell*

**Whittingham Riddell**

Chartered Accountants  
Registered Auditors

29 August 2000

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
For the year ended 31 March 2000

	Note	2000 £	1999 £
<b>GROSS PROFIT</b>		<b>1,788,238</b>	<b>1,571,485</b>
Selling and distribution costs		<b>(246,032)</b>	<b>(240,860)</b>
Administrative expenses		<b>(1,060,720)</b>	<b>(1,013,860)</b>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>481,486</b>	<b>316,765</b>
(Loss)/profit on disposal of tangible fixed assets		<b>(2,641)</b>	<b>22,396</b>
		<b>478,845</b>	<b>339,161</b>
Interest receivable	5	<b>29,727</b>	<b>36,440</b>
Interest payable	6	<b>(64,719)</b>	<b>(81,769)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>443,853</b>	<b>293,832</b>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>7</b>	<b>(118,097)</b>	<b>(93,755)</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>325,756</b>	<b>200,077</b>
<b>DIVIDENDS</b>	<b>8</b>	<b>(120,000)</b>	<b>-</b>
<b>RETAINED PROFIT FOR THE YEAR</b>		<b>205,756</b>	<b>200,077</b>
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<b>2,088,884</b>	<b>1,888,807</b>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>£ 2,294,640</b>	<b>£ 2,088,884</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2000 or 1999 other than those included in the profit and loss account.

The notes on pages 8 to 14 form part of these financial statements.

**BALANCE SHEET**  
**As at 31 March 2000**

	Note	£	2000 £	£	1999 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	9		2,626,363		2,795,606
<b>CURRENT ASSETS</b>					
Stocks	10	370,631		364,776	
Debtors	11	2,276,254		2,138,998	
Cash at bank and in hand		688,220		88,662	
			3,335,105	2,592,436	
<b>CREDITORS: amounts falling due within one year</b>	12	(2,469,528)		(1,652,758)	
<b>NET CURRENT ASSETS</b>			865,577		939,678
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,491,940		3,735,284
<b>CREDITORS: amounts falling due after more than one year</b>	13		(700,000)		(1,200,000)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14		(477,200)		(426,300)
<b>NET ASSETS</b>			<u>£ 2,314,740</u>		<u>£ 2,108,984</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		20,100		20,100
Profit and loss account			2,294,640		2,088,884
<b>SHAREHOLDERS' FUNDS - All equity</b>	16		<u>£ 2,314,740</u>		<u>£ 2,108,984</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The financial statements were approved by the board on 25 August 2000 and signed on its behalf



R A Homden

Director

The notes on pages 8 to 14 form part of these financial statements.

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**CASH FLOW STATEMENT**  
For the year ended 31 March 2000

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	Note	£	2000 £	£	1999 £
Net cash inflow from operating activities (Page 7)			911,461		701,950
Returns on investments and servicing of finance	17		(34,992)		(45,329)
Taxation			36,145		6,403
Capital expenditure and financial investment	17		(113,056)		(1,397,177)
Equity dividends paid			(200,000)		-
Increase/(decrease) in cash in the period			<u>£ 599,558</u>		<u>£ (734,153)</u>

The notes on pages 8 to 14 form part of these financial statements.



**CASH FLOW STATEMENT INFORMATION**  
For the year ended 31 March 2000

	Note	2000 £	1999 £
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>			
Operating profit		481,486	316,765
Depreciation of tangible fixed assets		279,658	148,770
Increase in debtors		(172,598)	(329,874)
Increase in stocks		(5,855)	(16,497)
Increase in creditors		328,770	582,786
<b>Net cash inflow from operating activities</b>		<b>£ 911,461</b>	<b>£ 701,950</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>			
	18		
<b>Increase/(decrease) in cash in the period</b>		<b>599,558</b>	<b>(734,153)</b>
Change in net funds resulting from cash flows		599,558	(734,153)
<b>Net funds at 1 April 1999</b>		<b>88,662</b>	<b>822,815</b>
<b>Net funds at 31 March 2000</b>		<b>£ 688,220</b>	<b>£ 88,662</b>

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 March 2000**

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**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 financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

**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 & 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 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 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 profit.

**1.7 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.

**1.8 Pensions**

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

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2000

**2. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2000 £	1999 £
Depreciation of tangible fixed assets		
- owned by the company	279,658	148,770
Audit fees	4,200	4,200
Operating lease rentals		
- hire of plant & machinery	42,998	49,040
- other	140,000	160,000
Foreign exchange differences	16,100	(9,895)
	<u>          </u>	<u>          </u>

**3. STAFF COSTS**

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

	2000 £	1999 £
Wages and salaries	1,784,054	1,694,821
Social security costs	159,442	159,834
Other pension costs	65,538	49,100
	<u>          </u>	<u>          </u>
	£ 2,009,034	£ 1,903,755
	<u>          </u>	<u>          </u>

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

	2000	1999
Production	79	76
Administration	20	20
	<u>          </u>	<u>          </u>
	99	96
	<u>          </u>	<u>          </u>

**4. DIRECTORS' REMUNERATION**

	2000 £	1999 £
Aggregate emoluments	326,431	330,593
Company pension contributions to money purchase schemes	62,838	46,400
Compensation for loss of office	30,000	-
	<u>          </u>	<u>          </u>
	£ 419,269	£ 376,993
	<u>          </u>	<u>          </u>

Included in the above are emoluments, excluding pension contributions, paid to:

Highest paid director	£ 67,552	£ 55,095
	<u>          </u>	<u>          </u>

During the year 5 directors (1999: 5 directors) were accruing benefits under defined contribution pension schemes.

The accrued retirement benefits to the highest paid director are	£ 27,900	£ -
	<u>          </u>	<u>          </u>

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2000

**5. INTEREST RECEIVABLE**

	2000 £	1999 £
Bank interest receivable	£ 29,727	£ 36,440

**6. INTEREST PAYABLE**

	2000 £	1999 £
On other loans	-	63,037
On loans from group undertakings	64,719	18,732
	£ 64,719	£ 81,769

**7. TAXATION**

	2000 £	1999 £
<b>Current year taxation</b>		
UK Corporation Tax at 30% (1999 - 31%)	68,000	(35,342)
Group relief receivable	-	(41,774)
Transfer to deferred taxation	50,900	255,500
	118,900	178,384
<b>Prior years</b>		
UK corporation tax	(803)	(84,629)
	£ 118,097	£ 93,755

**8. DIVIDENDS**

	2000 £	1999 £
Ordinary - proposed	120,000	-

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2000

**9. TANGIBLE FIXED ASSETS**

	Plant & Machinery £	Motor Vehicles £	Total £
<b>Cost or valuation</b>			
At 1 April 1999	4,165,066	142,268	4,307,334
Additions	92,106	33,000	125,106
Disposals	-	(43,816)	(43,816)
At 31 March 2000	<u>4,257,172</u>	<u>131,452</u>	<u>4,388,624</u>
<b>Depreciation</b>			
At 1 April 1999	1,410,135	101,593	1,511,728
Charge for year	266,582	13,076	279,658
On disposals	-	(29,125)	(29,125)
At 31 March 2000	<u>1,676,717</u>	<u>85,544</u>	<u>1,762,261</u>
<b>Net Book Value</b>			
At 31 March 2000	<u>£ 2,580,455</u>	<u>£ 45,908</u>	<u>£ 2,626,363</u>
At 31 March 1999	<u>£ 2,754,931</u>	<u>£ 40,675</u>	<u>£ 2,795,606</u>

**10. STOCKS**

	2000 £	1999 £
Raw materials	125,006	163,536
Work in progress	245,625	201,240
	<u>£ 370,631</u>	<u>£ 364,776</u>

**11. DEBTORS**

	2000 £	1999 £
<b>Due within one year</b>		
Trade debtors	2,144,608	1,887,584
Amounts owed by group undertakings	-	41,774
Other debtors	65,498	140,942
Prepayments and accrued income	66,148	68,698
	<u>£ 2,276,254</u>	<u>£ 2,138,998</u>

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 March 2000**

**12. CREDITORS:****Amounts falling due within one year**

	2000 £	1999 £
Trade creditors	1,427,283	1,229,468
Amounts owed to group undertakings	517,459	18,732
Corporation tax	68,000	-
Social security and other taxes	231,600	121,957
Proposed dividend	120,000	200,000
Accruals and deferred income	105,186	82,601
	<u>£ 2,469,528</u>	<u>£ 1,652,758</u>

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

	2000 £	1999 £
Amounts owed to group undertakings	700,000	1,200,000
	<u>£ 700,000</u>	<u>£ 1,200,000</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.

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

	2000 £	1999 £
<i>Deferred Tax</i>		
At 1 April 1999	426,300	170,800
Charge for the year	50,900	255,500
	<u>£ 477,200</u>	<u>£ 426,300</u>
At 31 March 2000		

**15. CALLED UP SHARE CAPITAL**

	2000 £	1999 £
<b>Authorised</b>		
20,100 ordinary shares of £1 each	<u>£ 20,100</u>	<u>£ 20,100</u>
<b>Authorised, allotted, called up and fully paid</b>		
20,100 ordinary shares of £1 each	<u>£ 20,100</u>	<u>£ 20,100</u>

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 March 2000

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**16. SHAREHOLDERS' FUNDS****Reconciliation of movements on shareholders' funds**

	2000 £	1999 £
Profit for the year	325,756	200,077
Dividends	(120,000)	-
	<u>205,756</u>	<u>200,077</u>
Opening shareholders' funds	2,108,984	1,908,907
Closing shareholders' funds	<u>£ 2,314,740</u>	<u>£ 2,108,984</u>

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

	2000 £	1999 £
<b>Returns on investments and servicing of finance</b>		
Interest received	29,727	36,440
Interest paid	(64,719)	(81,769)
	<u>                    </u>	<u>                    </u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u>£ (34,992)</u>	<u>£ (45,329)</u>

**17. ANALYSIS OF CASH FLOWS FOR HEADINGS  
NETTED IN THE CASH FLOW STATEMENT (Continued)**

	£	£
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(125,106)	(1,421,677)
Sale of tangible fixed assets	12,050	24,500
	<u>                    </u>	<u>                    </u>
<b>Net cash outflow for capital expenditure</b>	<u>£ (113,056)</u>	<u>£ (1,397,177)</u>

**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 March 2000**

**18. ANALYSIS OF NET FUNDS**

	At 1 Apr 1999 £	Cash flow £	Other changes £	At 31 Mar 2000 £
<b>Net cash:</b>				
Cash at bank and in hand	88,662	599,558		688,220
<b>Debt:</b>				
	-	-	-	-
<b>Net funds</b>	<b>£ 88,662</b>	<b>£ 599,558</b>	<b>£ -</b>	<b>£ 688,220</b>

**19. OTHER COMMITMENTS**

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000 £	Other 1999 £
<b>Expiry date:</b>		
Within 1 year	1,950	5,262
Between 2 and 5 years	32,402	18,848

**20. 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 £65,538 (1999: £49,100).

**21. RELATED PARTIES**

During the year the company paid rent of £140,000 (1999: £160,000) and management charges of £140,000 (1999: £120,000) to its holding company, R.A. Homden Limited.

Mr R.A. Homden is a director of Salop Haulage Limited, which provided transport services of £233,582 (1999: £224,371) to the company on normal commercial terms. At the year end the balance due to Salop Haulage Limited was £49,991 (1999: £36,474).

**22. PARENT COMPANY**

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