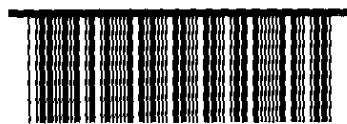


Abbreviated Financial Statements for the Year Ended 31 December 2001
for
Proven Engineering Products Limited

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Proven Engineering Products Limited

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for the Year Ended 31 December 2001**

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Proven Engineering Products Limited

**Company Information
for the Year Ended 31 December 2001**

DIRECTORS:

G Proven
S M M Proven

SECRETARY:

S M M Proven

REGISTERED OFFICE:

Moorfield Industrial Estate
Kilmarnock
Ayrshire
Scotland
KA2 0BA

REGISTERED NUMBER:

71400 (Scotland)

ACCOUNTANTS:

Tenon Scotland
Accountants & Business Advisers
41 St Vincent Place
Glasgow
G1 2ER

Proven Engineering Products Limited

**Abbreviated Balance Sheet
31 December 2001**

		2001		2000	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	2		8,833		11,737
Tangible assets	3		282,662		113,809
			<u>291,495</u>		<u>125,546</u>
CURRENT ASSETS:					
Stocks		131,051		97,139	
Debtors		165,117		140,257	
Cash at bank and in hand		1,332		5,828	
		<u>297,500</u>		<u>243,224</u>	
CREDITORS: Amounts falling due within one year	4	<u>326,088</u>		<u>227,227</u>	
NET CURRENT (LIABILITIES)/ASSETS:			<u>(28,588)</u>		<u>15,997</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			262,907		141,543
CREDITORS: Amounts falling due after more than one year	4		112,473		19,399
			<u>£150,434</u>		<u>£122,144</u>
CAPITAL AND RESERVES:					
Called up share capital	5		44,444		12,000
Revaluation reserve			52,940		63,024
Profit and loss account			53,050		47,120
SHAREHOLDERS' FUNDS:			<u>£150,434</u>		<u>£122,144</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2001.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2001 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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

ON BEHALF OF THE BOARD:


G Proven - DIRECTOR

Approved by the Board on 3 May 2002

The notes form part of these financial statements

Proven Engineering Products Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2001**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Intangible assets

It is the company's policy to amortise patents over their estimated useful economic life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land and buildings	- 4% on cost
Plant and machinery etc	- 25% & 10% on reducing balance and 50% straight line on computer equipment

No depreciation has been provided in respect of land and buildings additions during the year. The property had not been brought into use at the year end and additional expenditure is planned to further enhance the property.

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Government grants

Grants received are recognised in the profit and loss account to match the grant with the expenditure to which it relates.

Proven Engineering Products Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2001**

2. INTANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
At 1 January 2001	
and 31 December 2001	<u>29,046</u>
AMORTISATION:	
At 1 January 2001	17,309
Charge for year	<u>2,904</u>
At 31 December 2001	<u>20,213</u>
NET BOOK VALUE:	
At 31 December 2001	<u>8,833</u>
At 31 December 2000	<u>11,737</u>

3. TANGIBLE FIXED ASSETS

	<u>Total</u>
	£
COST:	
At 1 January 2001	193,814
Additions	<u>181,495</u>
At 31 December 2001	<u>375,309</u>
DEPRECIATION:	
At 1 January 2001	80,005
Charge for year	<u>12,642</u>
At 31 December 2001	<u>92,647</u>
NET BOOK VALUE:	
At 31 December 2001	<u>282,662</u>
At 31 December 2000	<u>113,809</u>

4. CREDITORS

The following secured debts are included within creditors:

	2001	2000
	£	£
Bank overdrafts	15,338	50,422
Bank loans	<u>67,917</u>	<u>12,737</u>
	<u>83,255</u>	<u>63,159</u>

Proven Engineering Products Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 December 2001**

5. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2001 £	2000 £
200,000	Ordinary	£1	200,000	200,000
4,444	Cumulative Participating Preferred Ordinary	£1	4,444	-
			<u>204,444</u>	<u>200,000</u>
Allotted, issued and fully paid: Number:	Class:	Nominal value:	2001 £	2000 £
40,000	Ordinary	£1	40,000	12,000
(2000 - 12,000)				
4,444	Cumulative Participating Preferred Ordinary	£1	4,444	-
			<u>44,444</u>	<u>12,000</u>

The following shares were allotted and fully paid for cash at par during the year:

28,000 Ordinary shares of £1 each

4,444 Cumulative Participating Preferred Ordinary shares of £1 each

The holders of the cumulative participating preferred ordinary shares carry the right to a 7% participating dividend in priority to ordinary shareholders; have priority over ordinary shareholders in the event of a liquidation and have one vote per share.