

Stiell Hamilton Limited

Directors' report and financial statements

28 February 1999

Registered number 102036

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Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 28 February 1999.

Business review

The company did not trade during the year.

Directors and directors' interests

The directors during the year were as follows:

Name

DJ McCallum (retired 20/6/98)

JD Barrett

J Donald

WM Allan

BR Dixon (Non Executive)

J Cooper (Non Executive)

No director had an interest in the company's shares.

The directors are also directors of the ultimate parent undertaking, EJ Stiell Group Limited, and their interests in the shares of that company are disclosed in its financial statements.

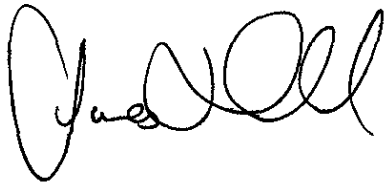
The director retiring by rotation is WM Allan who, being eligible, offers himself for re-election.

Directors' report *(continued)*

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'J Donald', written in a cursive style.

J Donald
Secretary

Bothwell Road
Hamilton
ML3 0DL
2 June 1999

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Glasgow
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Report of the auditors to the members of Stiell Hamilton Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 February 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG
*Chartered Accountants
Registered Auditors*

4 June 1999

Profit and loss account
for the year ended 28 February 1999

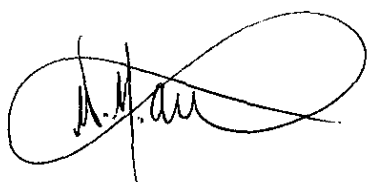
	<i>Note</i>	1999 £000	1998 £000
Administrative expenses		-	(119)
Operating loss		-	(119)
Income from investments	4	1,072	500
Profit on ordinary activities before taxation	2	1,072	381
Tax on profit on ordinary activities		-	-
Profit on ordinary activities after taxation		1,072	381
Dividends on equity shares	5	1,072	520
Retained loss for the year		-	(139)

The company had no recognised gains or losses in either year other than those stated above.

Balance sheet
at 28 February 1999

	<i>Note</i>	1999		1998
		£000	£000	£000
Fixed assets				
Investments	6	1,554		1,554
Current assets				
Debtors	7	1,208	136	
Creditors: amounts falling due within one year	8	2,389	1,317	
Net current liabilities		<u>1,181</u>		<u>1,181</u>
Total assets less current liabilities		<u>373</u>		<u>373</u>
Capital and reserves				
Called up share capital	9	52		52
Share premium	10	28		28
Capital redemption reserve	11	58		58
Profit and loss account		235		235
Shareholders' funds		<u>373</u>		<u>373</u>

These financial statements were approved by the board of directors on 2 June 1999 and were signed on its behalf by:



WM Allan
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared under the historical cost convention and comply with applicable accounting standards.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	1999 £000	1998 £000
Auditors' remuneration	-	1
	<u> </u>	<u> </u>

3 Directors remuneration

	1999 £000	1998 £000
Directors emoluments	-	47
Company contributions to money purchase pension schemes	-	9
	<u> </u>	<u> </u>
	-	56
	<u> </u>	<u> </u>

4 Income from investments

	1999 £000	1998 £000
Dividend received	1,072	500
	<u> </u>	<u> </u>

Notes (continued)

5 Dividends on equity shares

	1999 £000	1998 £000
Paid	-	520
Proposed	1,072	-
	<u>1,072</u>	<u>520</u>

6 Fixed asset investments

	1999 £000	1998 £000
Unlisted investments	1,554	1,554
	<u>1,554</u>	<u>1,554</u>

The company's investments in the ordinary share capital of unlisted companies comprises the following:

Company	Holding	Country of incorporation
EJ Stiell and Company (Holdings) Limited	100%	Scotland
Stiell Limited	100%	Scotland
Stiell Dunfermline Limited	100%	Scotland
Stiell Glasgow Limited	100%	Scotland
Franklin Controls Limited	100%	Scotland
Stiell Process Engineering	100%	Scotland

7 Debtors: amounts falling due within one year

	1999 £000	1998 £000
Amounts owed by fellow subsidiary undertakings	1,208	136
	<u>1,208</u>	<u>136</u>

Notes (continued)

8 Creditors: amounts falling due within one year

	1999 £000	1998 £000
Other creditors including taxation and social security	12	12
Amounts owed to fellow subsidiary undertakings	2,377	1,305
	<u>2,389</u>	<u>1,317</u>

9 Called up share capital

Authorised

	1999 £000	1998 £000
250,000 Ordinary shares of £1 each	250	250

Allotted, called up and fully paid

	1999 £000	1998 £000
52,100 Ordinary shares of £1 each	52	52

10 Share premium account

	1999 £000	1998 £000
At beginning of year	28	11
Premium on shares issued during the year	-	17
At end of year	<u>28</u>	<u>28</u>

11 Capital redemption reserve

	1999 £000	1998 £000
At beginning of year	58	52
Nominal value of own shares purchased	-	6
At end of year	<u>58</u>	<u>58</u>

Notes *(continued)*

12 Ultimate holding company

The ultimate holding company is EJ Stiell Group Limited, which is incorporated in Scotland. The consolidated financial statements of EJ Stiell Group Limited are available from EJ Stiell Group Limited, Bothwell Road, Hamilton, ML3 0DL.