

**AKD ENGINEERING LIMITED**

Registered number 542907

**REPORT AND FINANCIAL STATEMENTS**  
for the year ended 31 December 2000



# **AKD ENGINEERING LIMITED**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000**

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## **AKD ENGINEERING LIMITED**

### **REPORT OF THE DIRECTORS**

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

#### **ACTIVITIES**

The company continued to trade as general engineers.

#### **RESULTS**

The Loss for the year after taxation that has been transferred to reserves is £150,391 (1999: Loss £91,899).

#### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The profit and loss account is set out on page 5.

Although trading during the year was disappointing, the year end financial position was satisfactory. The directors expect the business to return to profitability during the coming year.

#### **DIRECTORS DURING THE YEAR**

D Bowley  
K N Thacker (resigned 30/04/01)  
J Rowland  
A Bellamy (appointed 01/01/00)

## **AKD ENGINEERING LIMITED**

### **REPORT OF THE DIRECTORS (cont'd)**

#### **DIRECTORS INTERESTS**

Mr D Bowley is a director of Linton Park Plc and his interests in the shares of group undertakings are disclosed in the accounts of that company. No other director had any notifiable interest in the shares of group undertakings.

#### **INSURANCE OF DIRECTORS**

The company maintains insurance for the directors in respect of their duties as directors of the company.

#### **DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year and of the profit or loss for the financial year. The directors are also required to maintain adequate accounting records.

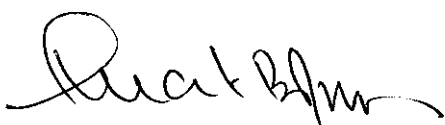
Suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts. Applicable accounting standards have been followed and the accounts have been prepared on a going concern basis.

The directors are also responsible to the company for taking reasonable steps to safeguard its assets and to prevent and detect fraud and other irregularities.

#### **AUDITORS**

A resolution proposing the reappointment of PricewaterhouseCoopers will be put to the Annual General Meeting.

#### **BY ORDER OF THE BOARD**



G S G BROWN  
Secretary

15 June 2001

## **AKD ENGINEERING LIMITED**

### **Auditors report to the members of AKD Engineering Limited**

We have audited the financial statements on pages 5 to 14.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 3 this includes responsibility for preparing the financial statements. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

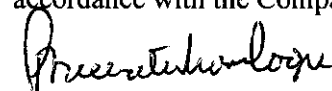
#### **Basis of audit opinion**

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 affairs of the company at 31 December 2000 and its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Norwich

25 June 2001

**AKD ENGINEERING LIMITED****PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2000**

	Note	2000 £	1999 £
TURNOVER - continuing operations	1	1,792,825	1,701,365
Cost of sales		<u>1,048,423</u>	<u>938,879</u>
GROSS PROFIT		744,402	762,486
Distribution costs		2,703	3,213
Administrative expenses		<u>900,424</u>	<u>863,508</u>
OPERATING LOSS - continuing operations		(158,725)	(104,235)
Net interest payable	2	<u>25,405</u>	<u>16,864</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	1	(184,130)	(121,099)
Taxation on loss on ordinary activities	3	<u>(48,346)</u>	<u>(29,200)</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(135,784)	(91,899)
Dividends	4	<u>14,607</u>	-
LOSS TRANSFERRED TO RESERVES	14	<u>(150,391)</u>	<u>(91,899)</u>

The company had no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

The notes on pages 7 to 14 form part of these financial statements.

# **AKD ENGINEERING LIMITED**

## **BALANCE SHEET AT 31 DECEMBER 2000**

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,054,658	1,134,796
Investments	7	<u>1,000</u>	<u>1,000</u>
		1,055,658	1,135,796
<b>CURRENT ASSETS</b>			
Stocks	8	339,716	197,413
Debtors	9	511,852	407,750
Cash at bank and in hand		<u>53</u>	<u>61</u>
		851,621	605,224
<b>CREDITORS: Amounts falling due within one year</b>			
	10	<u>861,551</u>	<u>479,805</u>
Net current (liabilities)/assets		<u>(9,930)</u>	<u>125,419</u>
Total assets less current liabilities		1,045,728	1,261,215
<b>CREDITORS: Amounts falling due after one year</b>			
	11	24,866	85,665
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
	12	<u>96,238</u>	<u>100,535</u>
Net assets		<u>924,624</u>	<u>1,075,015</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	650,200	650,200
Other reserves	14	25,265	25,265
Profit and loss account	14	<u>249,159</u>	<u>399,550</u>
Equity shareholders' funds	15	<u>924,624</u>	<u>£ 1,075,015</u>

Approved on 15 June 2001 by the board of directors and signed on their behalf by:



D BOWLEY  
Director

The notes on pages 7 to 14 form part of these financial statements.

## **AKD ENGINEERING LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards and the historical cost convention. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **TANGIBLE FIXED ASSETS**

Tangible fixed assets include all expenditure of a capital nature, and are brought into the financial statements at cost or valuation.

The basis of depreciation is to write off the cost or valuation of assets over their estimated useful economic lives on a straight-line basis at the following rates:

Freehold land	not depreciated
Freehold buildings	2½ per cent per annum
Plant and machinery	10 per cent per annum
Motor vehicles	25 per cent per annum
Furniture and fittings	10 - 20 per cent per annum
Leasehold land and buildings	unexpired term of the lease

#### **LEASING**

Assets held under finance leases are included as tangible fixed assets and the capital element of future lease payments is included in creditors. Such assets are depreciated in accordance with the company's accounting policy. The interest element of rental payments is charged to the profit and loss account over the life of the lease.

Rental payments on all other leases are charged to the profit and loss account as incurred.

#### **STOCKS**

Stocks are valued at the lower of cost and net realisable value. Cost comprises direct materials and labour and, where appropriate, includes a proportion of production and administrative overheads.

#### **DEFERRED TAXATION**

Deferred taxation is provided using the liability method on timing differences where, in the opinion of the directors, there is reasonable probability that such taxation will become payable in the foreseeable future.



## **AKD ENGINEERING LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES** *(cont'd)*

#### **TURNOVER**

Turnover is based on sales at invoiced values, excluding value added tax, less discounts allowed.

#### **PENSION COSTS**

The company participates in a group defined benefit scheme operated by Unochrome Industries Limited.

The cost of providing pensions is charged to the profit and loss account systematically over the periods benefiting from the employees' services. Pension arrangements are detailed in note 5(d).

#### **CASH FLOW STATEMENT**

The company is a wholly owned subsidiary of Linton Park Plc and the cash flows of the company are included in the consolidated group cash flow statement of that company. Consequently the company is exempt from the requirement to publish a cash flow statement under the provisions of Financial Reporting Standard No. 1 (revised).

#### **RELATED PARTY DISCLOSURES**

Intra-group transactions are not disclosed, in accordance with the exemption available under the provisions of Financial Reporting Standard No. 8, as the company is a wholly owned subsidiary of Linton Park Plc. There were no other material transactions with related parties.

# **AKD ENGINEERING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. ANALYSIS OF TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	2000 £	1999 £
(a) Turnover is in respect of the following geographical markets supplied		
United Kingdom	1,750,771	1,648,887
Europe	<u>42,054</u>	<u>52,478</u>
	<u>1,792,825</u>	<u>1,701,365</u>
(b) The loss on ordinary activities before taxation, is stated after charging/(crediting):		
	£	£
Depreciation	87,846	91,068
Operating lease charges - hire of plant & machinery	4,833	4,804
- other	22,737	22,178
Auditor's remuneration	6,234	6,200
(Profit) on disposal of fixed assets	<u>(634)</u>	<u>(2,495)</u>

### **2. NET INTEREST PAYABLE**

	2000 £	1999 £
Interest payable:		
Bank overdraft	17,180	5,283
Finance leases	<u>8,225</u>	<u>11,581</u>
	<u>25,405</u>	<u>16,864</u>

### **3. TAXATION ON LOSS ON ORDINARY ACTIVITIES**

	2000 £	1999 £
UK Corporation tax at 30% (1999: 30.25%)		
- current	(44,049)	(32,049)
- deferred	<u>(4,297)</u>	<u>2,849</u>
	<u>(48,346)</u>	<u>(29,200)</u>

# AKD ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

4	DIVIDENDS	2000	1999
		£	£
	Interim paid – 2.24p (1999: Nil) per share	14,607	-
	Interim proposed - Nil (1999: Nil) per share	-	-
		<u>£ 14,607</u>	<u>£ -</u>

## 5. DIRECTORS AND EMPLOYEES

	2000	1999
(a) The aggregate emoluments of the directors were:	£ 184,955	£ 157,169

Retirement benefits are accruing to three directors (1999 - three) under the defined benefit scheme in respect of qualifying services.

### (b) The average number of employees was:

	<u>Number</u>	<u>Number</u>
Management and administration	14	15
Production and sales	<u>33</u>	<u>35</u>
	<u>47</u>	<u>50</u>

### (c) Employee costs

	2000	1999
	£	£
Wages and salaries	945,292	891,142
Social security costs	73,181	70,955
Other pension costs	<u>95,162</u>	<u>99,228</u>
	<u>£ 1,113,635</u>	<u>£ 1,061,325</u>

### (d) Pensions

The company participates in a defined benefit pension scheme operated by Unochrome Industries Limited. Contributions are based on pension costs across participating companies in the Unochrome Industries Limited group. Particulars of the actuarial valuation of the group scheme are contained in the financial statements of Unochrome Industries Limited.

# **AKD ENGINEERING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** (cont'd)

### **6. TANGIBLE FIXED ASSETS**

	<u>Freehold Land and Buildings</u> £	<u>Plant and Machinery</u> £	<u>Fixtures Fittings and Equipment</u> £	<u>Total</u> £
<b>COST</b>				
At 1 January 2000	863,549	1,555,656	92,254	2,511,459
Additions	1,330	-	6,379	7,709
Disposals	-	(15,036)	(1,864)	(16,900)
At 31 December 2000	<u>864,879</u>	<u>1,540,620</u>	<u>96,769</u>	<u>2,502,268</u>
<b>DEPRECIATION</b>				
At 1 January 2000	118,000	1,203,006	55,657	1,376,663
Charge for the year	18,000	56,343	13,503	87,846
Disposals	-	(15,035)	(1,864)	(16,899)
At 31 December 2000	<u>136,000</u>	<u>1,244,314</u>	<u>67,296</u>	<u>1,447,610</u>
<b>NET BOOK VALUE</b>				
At 31 December 2000	<u>728,879</u>	<u>296,306</u>	<u>29,473</u>	<u>1,054,658</u>
At 1 January 2000	<u>745,549</u>	<u>352,650</u>	<u>36,597</u>	<u>1,134,796</u>

Plant and machinery includes assets held under finance leases. The depreciation charge for the year in respect of those assets was £ 36,551 (1999: £36,551) and their net book value was £235,601 (1999: £272,152).

### **7. FIXED ASSET INVESTMENTS**

	2000 £	1999 £
At cost 1 January 2000 and 31 December 2000	£ <u>1,000</u>	£ <u>1,000</u>
Norfolk & Waveney Chamber of Commerce 5% loan stock repayable in the year 2000		

### **8. STOCKS**

	2000 £	1999 £
Raw materials	20,761	12,034
Work in progress	<u>318,955</u>	<u>185,379</u>
	£ <u>339,716</u>	£ <u>197,413</u>

### **9. DEBTORS**

	2000 £	1999 £
Due within one year:		
Trade debtors	424,947	347,652
Amount due from fellow subsidiaries	612	-
Prepayments and accrued income	38,487	28,049
Corporation tax recoverable	<u>47,806</u>	<u>32,049</u>
	£ <u>511,852</u>	£ <u>407,750</u>

## **AKD ENGINEERING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** (cont'd)

#### 10. CREDITORS: Amounts falling due within one year:

	2000	1999
	£	£
Bank overdraft (see below)	406,361	181,780
Trade creditors	240,785	110,131
Finance leases	60,799	60,799
Amounts owed to group undertakings	3,543	15,031
Taxation and social security	54,896	42,148
Accruals and deferred income	<u>95,167</u>	<u>69,916</u>
	<u>£ 861,551</u>	<u>£ 479,805</u>

The bank overdraft is guaranteed by other companies within the Unochrome Industries Limited group. Unochrome Industries Limited is an intermediate holding company owned by Linton Park Plc.

#### 11. CREDITORS: Amounts falling due after one year:

	2000	1999
	£	£
Finance leases	<u>£ 24,866</u>	<u>£ 85,665</u>

#### Obligations under finance leases fall due:

	2000	1999
	£	£
Within 1 year	60,799	60,799
Between 1 and 2 years	24,866	60,799
Between 2 and 5 years	-	24,866
After 5 years	-	-
	<u>£ 85,665</u>	<u>£ 146,464</u>

#### 12. PROVISIONS FOR LIABILITIES AND CHARGES

The amount provided and the potential liability in respect of deferred tax comprises:

	Amount provided		Potential liability	
	2000	1999	2000	1999
	£	£	£	£
Accelerated capital allowances	<u>96,238</u>	<u>100,535</u>	<u>96,238</u>	<u>100,535</u>
At 1 January	100,535	97,686		
Profit and loss account	<u>(4,297)</u>	<u>2,849</u>		
At 31 December	<u>£ 96,238</u>	<u>£ 100,535</u>		

#### 13. SHARE CAPITAL

	2000	1999
	£	£
Authorised: 651,000 ordinary shares of £1 each	<u>£ 651,000</u>	<u>£ 651,000</u>
Allotted, called up and fully paid : 650,200 ordinary shares of £1 each	<u>£ 650,200</u>	<u>£ 650,200</u>

## **AKD ENGINEERING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (cont'd)**

#### **14. RESERVES**

	Other reserves	Profit and loss account
	£	£
At 1 January 2000	25,265	399,550
Loss retained for the year	-	(150,391)
At 31 December 2000	<u>£ 25,265</u>	<u>£ 249,159</u>

#### **15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2000	1999
	£	£
Loss for the year	(135,784)	(91,899)
Dividends	<u>(14,607)</u>	-
Retained loss	(150,391)	(91,899)
Opening shareholders' funds	<u>1,075,015</u>	<u>1,166,914</u>
Closing shareholders' funds	<u>£ 924,624</u>	<u>£ 1,075,015</u>

#### **16. CAPITAL COMMITMENTS**

	2000	1999
	£	£
Contracted but not provided for	<u>£ 7,800</u>	-

#### **17. CONTINGENT LIABILITIES**

The company has guaranteed overdrafts of companies within the Unochrome Industries Ltd group, which at 31 December 2000 amounted to £ 1,167,496 (1999 - £1,099,000).

#### **18. LEASING COMMITMENTS**

The company has annual commitments in respect of non-cancellable operating leases which expire as follows:

	2000	1999
	£	£
Within 1 year	10,699	19,422
Between 1 and 5 years	7,305	2,065
After 5 years	-	-
	<u>18,004</u>	<u>21,487</u>

There are no operating leases for land and buildings.

## **AKD ENGINEERING LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** *(cont'd)*

#### **19. PARENT COMPANIES**

The parent company is Linton Park Plc which is registered in England. The ultimate parent company and ultimate controlling party is Camellia Plc which is registered in England. Accounts are filed with the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.