

COMPANY NO. 2642479

S.L. PRECISION ENGINEERS LIMITED
89 CHESTER PLACE, CHELMSFORD, ESSEX CM1 4NQ

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2001

CONTENTS	PAGE
Report of the Director	1
Profit and Loss Account	2
Balance Sheet	3
Notes to the Financial Statements	4-8



S.L. PRECISION ENGINEERS LIMITED

Director	Spencer Lawrence Leaver
Secretary	Graham Edgar Hay
Registered Office	89 Chester Place Chelmsford Essex CM1 4NQ
Registered No.	2642479 (England and Wales)
Accountants	Graham Hay & Co. Chartered Certified Accountants 'Whitedale' Canfield Road Takeley Bishops Stortford Herts. WD4 8RS

S.L. PRECISION ENGINEERS LIMITED
COMPANY NO. 2642479

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31ST AUGUST 2001

The Director presents his Report and the Financial Statements for the year ended 31st August 2001.

Statement of Director's Responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 Business Review

The Principal activity of the company is that of Precision Engineering. There has been no significant change in the activity of the company during the year. The company also uses the trading name of S.L. Plastics.

The Director is of the opinion that the progress of the Company during the year and its financial position at the end of the year is satisfactory.

The results of the Company are set out in the Profit and Loss Account on page 2.

Dividends

Dividends paid are set out in Note 14 to the Financial Statements.

Director

The Director throughout the year and his beneficial interests in the Ordinary Shares of the Company were as follows:-

	Number of Shares	
	2001	2000
Mr. S.L. Leaver	100	100

The Director who retires by rotation is Mr. S.L. Leaver who, being eligible, offers himself for re-election.

/cont...

Fixed Assets

Movements on fixed assets are shown in note 9 to the financial statements.

Director's Statement Required by Section 249B(4)

In approving these financial statements as a director of the company I hereby confirm:

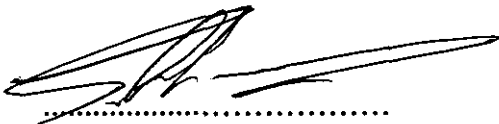
- (a) that for the year in question the company was entitled to the exemption conferred by section 249A(1) the total exemption conditions of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31st August 2001; and
- (c) that I acknowledge my responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit (or loss) for the year then ended and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the company.

Small Company's Exemption

The report of the director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. In the opinion of the director, the company qualifies as a small company and is therefore entitled to make use of these exemptions.

This report was approved by the Board on 25th October 2001.

Signed on behalf of the Board of Directors



MR. S.L. LEAVER
DIRECTOR

S.L. PRECISION ENGINEERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST AUGUST 2001

	NOTES	2001	2000
TURNOVER		128882	153390
COST OF SALES		(50527)	(64778)
GROSS PROFIT		78355	88612
DISTRIBUTION AND ADMINISTRATIVE COSTS	2	(20690)	(27542)
OPERATING PROFIT		57665	61070
INTEREST PAYABLE	4	(1505)	(1457)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	56160	59613
TAXATION	7	(11189)	(12790)
PROFIT/(LOSS) AFTER TAXATION		44971	46823
DIVIDEND PAID	14	(44866)	(46756)
RETAINED PROFIT/(LOSS) FOR THE YEAR		105	67
BALANCE BROUGHT FORWARD		608	541
BALANCE CARRIED FORWARD		713	608

The company made no recognised gains or losses in 2001 or 2000 other than the profit (loss) for the period.

The Notes on Pages 4 to 8 form part of these Financial Statements

S.L. PRECISION ENGINEERS LIMITED**BALANCE SHEET AS AT 31ST AUGUST 2001**

	NOTES	2001	2000
FIXED ASSETS			
TANGIBLE ASSETS	9	<u>8554</u>	<u>15892</u>
CURRENT ASSETS			
STOCKS	10	7938	9448
DEBTORS	11	35621	34053
CASH AT BANK		<u>10</u>	<u>-</u>
		43569	43501
CURRENT LIABILITIES			
CREDITORS DUE WITHIN ONE YEAR	12	(51310)	(57892)
NET CURRENT ASSETS/(LIABILITIES)		<u>(7741)</u>	<u>(14391)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		813	1501
CREDITORS AMOUNTS DUE AFTER MORE ONE YEAR	12	<u>-</u>	<u>(793)</u>
NET ASSETS		<u>813</u>	<u>708</u>
REPRESENTED BY:-			
CAPITAL AND RESERVES			
Called Up Share Capital	13	100	100
Profit and Loss Account		<u>713</u>	<u>608</u>
SHAREHOLDERS FUNDS		<u>813</u>	<u>708</u>

The director has:

- (a) confirmed that the company is entitled to exemption from audit under s249A(1) of the Companies Act 1985.
- (b) confirmed that no notice has been deposited under s249B(2) of the Companies Act 1985.
- (c) acknowledged his responsibilities for ensuring that the company keeps accounting records which comply with s221 of the Companies Act 1985.
- (d) acknowledged his responsibilities for preparing accounts which give a true and fair view of the company and of its profit/loss for the year then ended in accordance with the requirements of s226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.
- (e) taken advantage of the exemptions conferred by s246 of the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).


S.L. LEAVER

DIRECTOR

APPROVED BY THE BOARD ON 25TH OCTOBER 2001

The Notes on pages 4 to 8 form part of these Financial Statements

S.L. PRECISION ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2001

1. ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

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

(b) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated in the balance sheet at cost less depreciation.

Depreciation is charged on a reducing balance basis, to write down the cost over the estimated useful lives of the assets at the following annual rates:-

Plant and Equipment	25%
Motor Vehicles	25%

(c) STOCK AND WORK IN PROGRESS

Stock and work in progress has been valued by the Director and is stated in the balance sheet at the lower of cost price or net realisable value.

(d) TURNOVER

Turnover represents the value of goods and services invoiced during the period to customers, excluding Value Added Tax.

(e) CASH FLOW STATEMENT

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from producing a cash flow statement on the grounds that it is a small company.

2. DISTRIBUTION AND ADMINISTRATIVE COSTS

	2001	2000
DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES	20690	27542
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3. OTHER OPERATING INCOME

BANK INTEREST RECEIVED (NET)	10	-
	<hr/>	<hr/>

S.L. PRECISION ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2001 (CONTINUED)

	2001	2000
4. INTEREST PAYABLE		
On Hire Purchase Accounts		
- repayable within 5 years, by instalments	1035	1035
On Bank Loan Accounts and Overdraft		
- repayable within 5 years	480	422
Interest Receivable - Bank Interest	<u>(10)</u>	<u>-</u>
	<u>1505</u>	<u>1457</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is arrived at after charging the following:-

STAFF COSTS (See Note 6)	19763	29545
DEPRECIATION	2851	5297
(PROFIT)/LOSS ON SALE OF FIXED ASSETS	(363)	-
LEASE OF MOTOR VEHICLE	-	-
LEASE OF PLANT AND MACHINERY	<u>-</u>	<u>-</u>

6. DIRECTORS AND EMPLOYEES

STAFF COSTS		
WAGES AND SALARIES	18751	19380
SOCIAL SECURITY COSTS	1012	6615
PENSION COSTS	<u>-</u>	<u>3550</u>
	<u>19763</u>	<u>29545</u>

The average weekly number of persons employed by the company during the period was:

Management	1	1
Production	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

STAFF Costs include the following remuneration in respect of the directors:

For Services as Director	3570	3420
Pension	<u>-</u>	<u>3150</u>
	<u>3570</u>	<u>6570</u>

S.L. PRECISION ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2001 (CONTINUED)

	2001	2000
The Director's remuneration disclosed above (excluding pensions) included amounts paid to the Chairman	3570	3420
	_____	_____

7. TAXATION

U.K. CORPORATION TAX BASED ON PROFIT/(LOSS) FOR THE YEAR	11550	12790
PRIOR YEARS ADJUSTMENT	(361)	-
	_____	_____
	11189	12790
	_____	_____

8. DEFERRED TAXATION

Deferred Taxation is provided on timing differences due to accelerated capital allowances and other timing differences in recognising revenue and expense items in different periods for taxation purposes, only if the director is of the opinion that the liability will crystallise in the foreseeable future. Accordingly, no Deferred Taxation is provided in these financial statements.

S.L. PRECISION ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2001 (CONTINUED)

9. TANGIBLE ASSETS

	PLANT & EQUIPMENT	MOTOR VEHICLES	TOTAL
AT COST OR VALUATION			
AT BEGINNING OF YEAR	33702	10635	44337
ADDITIONS	-	-	-
DISPOSALS	-	(10635)	(10635)
AT END OF YEAR	33702	-	33702
DEPRECIATION			
AT BEGINNING OF YEAR	22297	6148	28445
CHARGE FOR YEAR	2851	-	2851
ELIMINATED ON DISPOSALS	-	(6148)	(6148)
AT END OF YEAR	25148	-	25148
NET BOOK VALUE			
AT 31ST AUGUST 2001	8554	-	8554
AT 31ST AUGUST 2000	11405	4487	15892

10. STOCKS AND WORK IN PROGRESS

	2001	2000
Stock and Work in Progress have been valued by the Director of the Company at the lower of cost or net realisable value	7938	9448

11. DEBTORS

DUE WITHIN ONE YEAR:		
TRADE DEBTORS	35621	34053
OTHER DEBTORS AND PREPAYMENTS	-	-
ACT RECOVERABLE	-	-
CORPORATION TAX RECOVERABLE	-	-
	35621	34053
DUE AFTER MORE THAN ONE YEAR	NIL	NIL

S.L. PRECISION ENGINEERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2001 (CONTINUED)**

	2001	2000
12. CREDITORS		
DUE WITHIN ONE YEAR:		
BANK LOAN ACCOUNT	-	-
BANK OVERDRAFT	14276	17400
TRADE CREDITORS	10273	8146
OTHER TAXATION AND SOCIAL SECURITY PAYABLE	8553	8668
OTHER CREDITORS AND ACCRUALS	3150	3150
HIRE PURCHASE ACCOUNTS	793	4760
CORPORATION TAX	11550	12790
DIRECTOR'S LOAN ACCOUNT (SECURED)	2715	2978
	<hr/>	<hr/>
	51310	57892
	<hr/>	<hr/>
DUE AFTER MORE THAN ONE YEAR		
HIRE PURCHASE ACCOUNTS	-	5553
LESS: CURRENT INSTALMENTS	-	(4760)
	<hr/>	<hr/>
	-	793
	<hr/>	<hr/>
THE DIRECTOR'S LOAN ACCOUNT IS SECURED BY A FIXED AND FLOATING CHARGE.		
13. CALLED-UP SHARE CAPITAL		
Authorised 1000 Ordinary Share of £1 each	£1000	£1000
	<hr/>	<hr/>
Issued 100 Ordinary Shares of £1 each fully paid	£100	£100
	<hr/>	<hr/>
Controlling Party		
The company is under the control of Mr. S.L. Leaver.		
Related Parties		
HNM Services Ltd. is a related company.		
14. DIVIDEND PAID		
Dividend Paid	44866	46756
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