

COMPANY NO. 2642479

S.L. PRECISION ENGINEERS LIMITED
11 MERLIN WAY, LEAVESDEN, WATFORD
HERTS. WD25 7GJ

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2002

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S.L. PRECISION ENGINEERS LIMITED

Director Spencer Lawrence Leaver

Secretary Graham Edgar Hay

Registered Office 11 Merlin Way
Leavesden
Watford
Herts. WD25 7GJ

Registered No. 2642479
(England and Wales)

Accountants Graham Hay & Co.
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'Whitedale'
Canfield Road
Takeley
Bishops Stortford
Herts. WD4 8RS

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S.L. PRECISION ENGINEERS LIMITED
COMPANY NO. 2642479

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31ST AUGUST 2002

The Director presents his Report and the Financial Statements for the year ended 31st August 2002.

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;
- follow applicable accounting standards, 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 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 in the year under review 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 in office in the year and his interest in the company's issued ordinary share capital was as follows:-

	Number of Shares	
	31 st August 2002	1 st September 2001
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.

The Euro

The impact of the euro has been considered generally by the company. Although the impact of the changeover to the euro is not currently anticipated to be significant, this issue is being closely monitored.

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

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

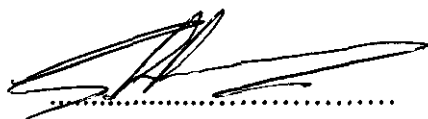
- (a) that for the year in question the company was entitled to the exemption conferred by section 249A(1) the total exemption conditions of the Companies Act 1985;
- (b) that no notice has been deposited at the registered office of the company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31st August 2002; 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 in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985, 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 24th October 2002.

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 2002

	NOTES	2002	2001
TURNOVER		195978	128882
COST OF SALES		(81795)	(50527)
GROSS PROFIT		114183	78355
DISTRIBUTION AND ADMINISTRATIVE COSTS	2	(22860)	(20690)
OPERATING PROFIT		91323	57665
INTEREST PAYABLE/RECEIVABLE	4	(572)	(1505)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	90751	56160
TAXATION	7	(18345)	(11189)
PROFIT/(LOSS) AFTER TAXATION		72406	44971
DIVIDEND PAID	14	(65756)	(44866)
RETAINED PROFIT/(LOSS) FOR THE YEAR		6650	105
BALANCE BROUGHT FORWARD		713	608
BALANCE CARRIED FORWARD		7363	713

All of the company's activities in the above two financial years derived from continuing operations.

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

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

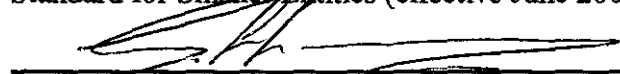
S.L. PRECISION ENGINEERS LIMITED**BALANCE SHEET AS AT 31ST AUGUST 2002**

	NOTES	2002	2001
FIXED ASSETS			
TANGIBLE ASSETS	9	<u>6416</u>	<u>8554</u>
CURRENT ASSETS			
STOCKS	10	8466	7938
DEBTORS	11	17147	35621
CASH AT BANK		<u>22112</u>	<u>10</u>
		47725	43569
CURRENT LIABILITIES			
CREDITORS DUE WITHIN ONE YEAR	12	(46678)	(51310)
NET CURRENT ASSETS/(LIABILITIES)		1047	(7741)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		7463	813
CREDITORS AMOUNTS DUE AFTER MORE ONE YEAR	12	<hr/>	<hr/>
NET ASSETS		7463	813
		<hr/>	<hr/>
REPRESENTED BY:-			
CAPITAL AND RESERVES			
Called Up Share Capital	13	100	100
Profit and Loss Account		<u>7363</u>	<u>713</u>
SHAREHOLDERS FUNDS		7463	813
		<hr/>	<hr/>

For the financial year ended 31st August 2002 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 June 2002).


S.L. LEAVER

DIRECTOR

APPROVED BY THE BOARD ON 24TH OCTOBER 2002

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 2002

1. ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) 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, after making due allowance for obsolete and slow-moving items.

(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

	2002	2001
DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES	22860	20690
	<hr/>	<hr/>

3. OTHER OPERATING INCOME

BANK INTEREST RECEIVED (NET)	20	10
	<hr/>	<hr/>

S.L. PRECISION ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2002 (CONTINUED)

	2002	2001
4. INTEREST PAYABLE		
On Hire Purchase Accounts		
- repayable within 5 years, by instalments	441	1035
On Bank Loan Accounts and Overdraft		
- repayable within 5 years	151	480
Interest Receivable - Bank Interest	<u>(20)</u>	<u>(10)</u>
	<u>572</u>	<u>1505</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is arrived at after charging the following:-

STAFF COSTS (See Note 6)	29083	19763
DEPRECIATION	2138	2851
(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	22502	18751
SOCIAL SECURITY COSTS	1681	1012
PENSION COSTS	<u>4900</u>	<u>-</u>
	<u>29083</u>	<u>19763</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>
	2	2
	<u>-</u>	<u>-</u>

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

For Services as Director	3744	3570
Pension	<u>4500</u>	<u>-</u>
	<u>8244</u>	<u>3570</u>

S.L. PRECISION ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 2002 (CONTINUED)

	2002	2001
The Director's remuneration disclosed above (excluding pensions) included amounts paid to the Chairman	3744	3570
	<hr/>	<hr/>

7. TAXATION

U.K. CORPORATION TAX BASED ON PROFIT/(LOSS) FOR THE YEAR	18400	11550
PRIOR YEARS ADJUSTMENT	(55)	(361)
	<hr/>	<hr/>
	18345	11189
	<hr/>	<hr/>

8. DEFERRED TAXATION

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. The director is of the opinion that no 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 2002 (CONTINUED)

9. TANGIBLE ASSETS

	PLANT & EQUIPMENT
AT COST OR VALUATION	
AT BEGINNING OF YEAR	33702
ADDITIONS	-
DISPOSALS	-
	<hr/>
AT END OF YEAR	33702
	<hr/>
DEPRECIATION	
AT BEGINNING OF YEAR	25148
CHARGE FOR YEAR	2138
ELIMINATED ON DISPOSALS	-
	<hr/>
AT END OF YEAR	27286
	<hr/>
NET BOOK VALUE	
AT 31 ST AUGUST 2002	6416
AT 31 ST AUGUST 2001	8554

10. STOCKS AND WORK IN PROGRESS

	2002	2001
Stock and Work in Progress have been valued by the Director of the Company at the lower of cost or net realisable value	8466	7938
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11. DEBTORS

DUE WITHIN ONE YEAR:		
TRADE DEBTORS	17147	35621
OTHER DEBTORS AND PREPAYMENTS	-	-
	<hr/>	<hr/>
	17147	35621
	<hr/>	<hr/>
DUE AFTER MORE THAN ONE YEAR	NIL	NIL
	<hr/>	<hr/>

S.L. PRECISION ENGINEERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST AUGUST 2002 (CONTINUED)**

	2002	2001
12. CREDITORS		
DUE WITHIN ONE YEAR:		
BANK OVERDRAFT	-	14276
TRADE CREDITORS	12646	10273
OTHER TAXATION AND SOCIAL SECURITY PAYABLE	9767	8553
OTHER CREDITORS AND ACCRUALS	3150	3150
HIRE PURCHASE ACCOUNTS	-	793
CORPORATION TAX	18400	11550
DIRECTOR'S LOAN ACCOUNT (SECURED)	2715	2715
	<hr/>	<hr/>
	46678	51310
	<hr/>	<hr/>
DUE AFTER MORE THAN ONE YEAR		
HIRE PURCHASE ACCOUNTS	-	-
LESS: CURRENT INSTALMENTS	-	-
	<hr/>	<hr/>
	-	-
	<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		
Mr. S.L. Leaver, the director, controls the company by virtue of a controlling interest of 100% of the issued ordinary share capital.		
14. DIVIDEND PAID		
Dividend Paid	65756	44866
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