

LEPER ENGINEERING LIMITED

REGISTERED NUMBER : 251799

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER 1999**

Fox Evans
Chartered Accountants
Abbey House
Manor Road
Coventry



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COMPANIES HOUSE

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29/07/00

LEPER ENGINEERING LIMITED

DIRECTORS	I.E. Jones
SECRETARY	M.W.M. Gardner
REGISTERED OFFICE	3 Welton Road Wedgenock Industrial Estate Warwick CV34 5PZ
REGISTERED NUMBER	251799
REGISTERED AUDITORS	Fox Evans Chartered Accountants Abbey House Manor Road Coventry CV1 2FW
BANKERS	Midland Bank Plc 11 High Street Warwick CV34 4AS

CONTENTS

Page

Directors Report	2
Statement of Directors Responsibilities	3
Auditors Report	4
Profit & Loss Account	5
Balance Sheet	6
Notes to the Accounts	7 to 12

LEPER ENGINEERING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1999

The directors present their annual report together with the financial statements for the year ended 31st December 1999.

PRINCIPAL ACTIVITIES

The principal activities of the company are that of property company.

REVIEW OF BUSINESS

A summary of the results of the year's trading is given on page 5 of the accounts. The directors' consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend a dividend to be paid, which leaves a profit of £381 to be transferred to reserves.

FIXED ASSETS

The changes in the fixed assets of the company are as shown in note 5 to the accounts.

DIRECTORS AND THEIR SHAREHOLDINGS

The directors in office in the year and their beneficial interests in the shares of the company were as follows:

	<u>31st December 1999</u>	<u>31st December 1998</u>
I.E. Jones	-	-

The director's interests (including shares in his wife's name) in the holding company were as follows:

I.E. Jones	296,667	296,667
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POST BALANCE SHEET EVENTS

All events after the balance sheet date which have a material effect on the accounts are shown in note 13 to the accounts.

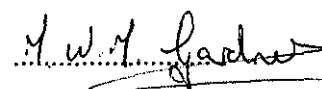
YEAR 2000 ISSUE

The company's actions in respect of this issue are shown in note 14.

AUDITORS

The auditors, Fox Evans will be proposed for re-appointment in accordance with S385 of the Companies Act 1985.

Signed on behalf of the
Board of Directors



M.W.M. Gardner

Secretary

LEPER ENGINEERING LIMITED

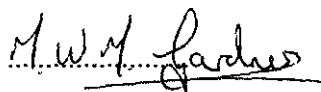
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires us as 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 of the company for that period. In preparing those financial statements we are required to

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We are 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.

Signed on behalf of the
Board of Directors



M.W.M. Gardner

Secretary

Approved by the Board: 15th March 2000

AUDITORS' REPORT**TO THE MEMBERS OF LEPER ENGINEERING LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 to you.

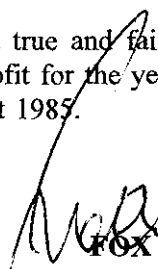
BASIS OF OPINION

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 31st December 1999, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FOX EVANS

Chartered Accountants
Registered Auditors

Abbey House
Manor Road
Coventry
CV1 2FW

31st March 2000

LEPER ENGINEERING LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	1999 £	1998 £
Rental Income		3,239	9,499
Administrative Expenses		2,750	(3,183)
OPERATING PROFIT	3	489	12,682
Interest Payable		3	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		486	12,682
Taxation	4	105	4,836
PROFIT FOR FINANCIAL YEAR		381	7,846
Realised Gain on Sale of Property		-	240,383
Retained Profits brought forward		-	46,119
Distribution to Shareholders		-	(294,348)
RETAINED PROFITS CARRIED FORWARD		381	-

The only recognised gain for the year is the profit for the year of £381 (1997 £7,846). There were no acquisitions and no discontinued operations in the year.

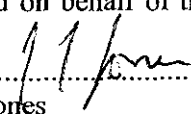
The annexed notes form part of these financial statements.

LEPER ENGINEERING LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible Assets	5	75,100	76,550
CURRENT ASSETS			
Debtors	6	25,892	29,832
		<u>25,892</u>	<u>29,832</u>
CREDITORS			
Amounts due within one year	7	105	5,876
		<u>105</u>	<u>5,876</u>
NET CURRENT ASSETS		<u>25,787</u>	<u>23,956</u>
NET ASSETS		<u><u>100,887</u></u>	<u><u>100,506</u></u>
CAPITAL AND RESERVES			
Called Up Share Capital	8	55,853	55,853
Other Reserves	9	44,653	44,653
Profit and Loss Account	10	381	-
SHAREHOLDERS' FUNDS		<u><u>100,887</u></u>	<u><u>100,506</u></u>

Signed on behalf of the Board of Directors



 I.E. Jorres

Director

Approved by the Board: 15th March 2000

The annexed notes form part of these financial statements.

LEPER ENGINEERING LIMITED**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999**

1. ACCOUNTING POLICIES**a. Basis of Accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings.

b. Turnover

The turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities exclusive of value added tax.

c. Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, over their anticipated useful life in equal annual instalments at the following rates :

Freehold Buildings	2%
Motor Vehicles	20%
Other Assets	10%

d. Stocks

Stocks and work-in-progress are valued on a first-in, first-out basis at the lower of cost or net realisable value. In respect of finished goods and work-in-progress, cost includes direct materials and labour with addition of appropriate overheads. Net realisable value is based on an estimated selling price less further costs expected to be incurred to completion and disposal.

e. Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallize in the foreseeable future.

f. Leased Assets

Rentals paid under operating leases are charged to the profit and loss account in the period in which they are incurred. Assets held under finance leases are capitalised and depreciated over their expected useful life. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

LEPER ENGINEERING LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

2. OTHER OPERATING INCOME

	1999	1998
	£	£
Rents Received	3,239	9,499

3. OPERATING PROFIT

1999	1998
£	£

This is stated after charging:

Depreciation of Tangible Fixed Assets	1,450	1,450
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The remuneration paid to Directors was :-

Emoluments	-	-
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4. TAXATION

1999	1998
£	£

Tax on profit on ordinary activities at 20%, (1997 21%).

Corporation Tax	105	4,836
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LEPER ENGINEERING LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

5. TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	Land & Buildings	Total
	£	£	£	£	£
COST OR VALUATION					
At 1st January 1999	-	-	-	92,500	92,500
Disposals	-	-	-	-	-
At 31st December 1999	-	-	-	92,500	92,500
DEPRECIATION					
At 1st January 1999	-	-	-	15,950	15,950
Charge for the Year	-	-	-	1,450	1,450
At 31st December 1999	-	-	-	17,400	17,400
NET BOOK VALUE					
At 31st December 1999	-	-	-	75,100	75,100
At 31st December 1998	-	-	-	76,550	76,550

The net book value of land & buildings at 31st December 1999 comprised :

	1999 £	1998 £
Freehold	75,100	76,550

If land and buildings had not been revalued they would have been included at the following amounts :

	1999 £	1998 £
COST	47,847	47,847
AGGREGATE DEPRECIATION	9,000	8,250

LEPER ENGINEERING LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

6. DEBTORS	1999 £	1998 £
Amounts due within one year:-		
Amounts Owed by Group Companies	<u>25,892</u>	<u>324,180</u>
7. CREDITORS	1999 £	1998 £
Amounts due within one year:-		
Bank	-	1,040
Corporation Tax	<u>105</u>	<u>4,836</u>
	<u>105</u>	<u>5,876</u>

The bank borrowings are secured by a floating charge over the assets of the company, together with a first charge over the freehold property.

8. SHARE CAPITAL	1999 £	1998 £
Authorised		
Ordinary Shares of £1 each	50,000	50,000
10% Preference Shares of £1 each	<u>15,000</u>	<u>15,000</u>
	<u>65,000</u>	<u>65,000</u>
Allotted, Called Up and Fully Paid		
Ordinary Shares of £1 each	50,000	50,000
10% Preference Shares of £1 each	<u>5,853</u>	<u>5,853</u>
	<u>55,853</u>	<u>55,853</u>

LEPER ENGINEERING LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999

9. RESERVES

	Share Premium Account	Revaluation Reserve	Other Reserves
	£	£	£
At 1st January 1999	-	44,653	-
Transfers to/from Profit & Loss	-	-	-
	<u>-</u>	<u>44,653</u>	<u>-</u>

No provision has been made for the additional U.K. taxation that would accrue if the Land and Buildings were disposed of at their revalued amounts.

The transfer from the Revaluation Reserve to the Profit and Loss Account represents the realisation of a revaluation surplus on the disposal of Freehold Land and Buildings and also the difference between the depreciation charge for the Year based on the revalued amounts and the depreciation charge for the Year based on cost.

10. SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the Year	381	7,846
Dividends	-	-
Other recognised gains and losses	-	-
Net addition to shareholders' funds	<u>381</u>	<u>7,846</u>
Opening Shareholders' Funds	100,506	92,660
Closing Shareholders' Funds	<u>100,887</u>	<u>100,506</u>

LEPER ENGINEERING LIMITED**NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1999**

11. COMMITMENTS**Other Financial Commitments**

There were no capital commitments at the balance sheet date.

12. CONTINGENT LIABILITIES

There were no pending legal actions, guarantees, materialised damages, or any other contingent liabilities at the balance sheet

13. POST BALANCE SHEET EVENTS

There have been no events since the balance sheet date which will have a material effect on the financial statements of the company to that date.

14. YEAR 2000 ISSUES

The company is aware of the Millennium Problem and has taken steps to ensure that its computer system and equipment will not be adversely affected by the problem.

15. ULTIMATE HOLDING COMPANY

The ultimate holding company is regarded as Coventry Turned Parts Limited a company incorporated in England.