

WS Engineering Limited
Directors' report and financial statements
for the year ended 30 June 1998
Company number 3175988



Fearn's Marriott
Chartered Accountants
Ford House, Market Street
Leek, Staffordshire ST13 6JA

WS Engineering Limited

Directors' report and financial statements
for the year ended 30 June 1998

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WS Engineering Limited

Directors' report

for the year ended 30 June 1998

The directors present their annual report and the financial statements for the year ended 30 June 1998.

Principal activity

The company's principal activity is that of a holding company.

Subsidiary company

The company has a 100% holding in WS Industrial Designs Limited.

The subsidiary WS Industrial Designs Limited is engaged in the light engineering trade.

Directors

The directors who served during the year, and their beneficial interests in the company's issued ordinary share capital are set out below:-

| | Ordinary shares of £1 each | |
|---------|----------------------------|-----------------------|
| | At 30 June 1998 | At 30 June 1997 |
| A Swann | 475 | 475 |
| GK Owen | 50 | 50 |
| | <hr/> | <hr/> |

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 of the company 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;
- 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 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.

WS Engineering Limited

Directors' report

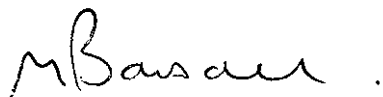
for the year ended 30 June 1998 (continued)

Auditors

The auditors, Fearn's Marriott, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the board on 8 March 1999, and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors



M Bonsall

Secretary

Park Works
Park Road
Leek
Staffordshire

WS Engineering Limited

Report of the auditors, Fearn's Marriott, to the members of WS Engineering Limited.

We have audited the financial statements on pages 4 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies on page 6.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 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.

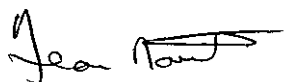
Basis of opinion

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 30 June 1998 and of its results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Chartered Accountants

Registered Auditors

9 March 1999

Ford House
Market Street
Leek
Staffordshire
ST13 6JA

WS Engineering Limited

Profit and loss account
for the year ended 30 June 1998

| | 1998 | 1997 |
|--|------|----------|
| | £ | £ |
| Income from fixed asset investment in group undertaking | - | 25,000 |
| Administrative expenses | - | - |
| Profit for the period | - | 25,000 |
| Dividends | - | (24,995) |
| Retained profit for the year | - | 5 |

The notes on pages 6 and 7 form part of these financial statements.

WS Engineering Limited

Balance sheet as at 30 June 1998

| | Notes | £ | 1998 £ | 1997 £ | £ |
|--|-------|----------|----------------|---------------|----------------|
| Investments | 2 | | 473,000 | | 473,000 |
| Current assets | | | | | |
| Cash at bank and in hand | | 5 | | - | |
| Debtors | 3 | - | | 25,000 | |
| | | <u>5</u> | | <u>25,000</u> | |
| Creditors: amounts falling due within one year | 4 | - | | (24,995) | |
| Net current assets | | | 5 | | 5 |
| Total assets | | | 473,005 | | 473,005 |
| Creditors: amounts falling due after more than one year | 5 | | (224,675) | | (224,675) |
| Net assets | | | 248,330 | | 248,330 |
| Capital and reserves | | | | | |
| Called up share capital | 6 | | 525 | | 525 |
| Share premium account | 7 | | 247,800 | | 247,800 |
| Profit and loss account | 7 | | 5 | | 5 |
| Shareholders' funds | | | 248,330 | | 248,330 |

Approved by the board of directors on 8 March 1999 and signed on its behalf. The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.



A Swann
Director

The notes on pages 6 and 7 form part of these financial statements.

WS Engineering Limited

Notes to the financial statements
for the year ended 30 June 1998

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.

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

1.2 Group accounts

The company and its subsidiary company comprise a small group. The company has taken advantage of the exemption conferred by Section 248 of the Companies Act 1985 from preparing group accounts.

1.3 Accounts

These financial statements present information about the company as an individual undertaking and not about its group.

2 Investments

| | 1998 | 1997 |
|--|---------|---------|
| | £ | £ |
| Shares in group undertaking at cost | | |
| WS Industrial Designs Limited (1,000 ordinary shares of £1 each) | 473,000 | 473,000 |

The investment is stated by way of the equity method of valuation.

WS Industrial Designs Limited is a company incorporated in the United Kingdom. The aggregate capital and reserves of that company at 30 June 1998 were £542,440 (1997 : £545,665) and its loss for the year then ended was £3,225 (1997 : profit of £84,801).

3 Debtors

| | 1998 | 1997 |
|----------------------|------|--------|
| | £ | £ |
| Due within one year: | | |
| Dividend receivable | - | 25,000 |

WS Engineering Limited

Notes to the financial statements
for the year ended 30 June 1998 (continued)

4 Creditors: amounts falling due within one year

| | 1998 | 1997 |
|------------------|-------------------|-------------------|
| | £ | £ |
| Dividend payable | - | 24,995 |
| | <u> </u> | <u> </u> |

5 Creditors: amounts falling due after more than one year

| | 1998 | 1997 |
|----------------------------------|-------------------|-------------------|
| | £ | £ |
| Amount owed to group undertaking | 224,675 | 224,675 |
| | <u> </u> | <u> </u> |

6 Called up share capital

| | 1998 | 1997 |
|--|-------------------|-------------------|
| | £ | £ |
| <i>Authorised:</i> | | |
| Ordinary shares of £1 each | 1,000 | 1,000 |
| | <u> </u> | <u> </u> |
| <i>Allotted, called up and fully paid:</i> | | |
| Ordinary shares of £1 each | 525 | 525 |
| | <u> </u> | <u> </u> |

7 Reserves

| | Share premium account | Profit and loss account |
|--|--------------------------|----------------------------|
| | £ | £ |
| Balance at 1 July 1997 and at 30 June 1998 | 247,800 | 5 |
| | <u> </u> | <u> </u> |

8 Contingent liability

The company has guaranteed security of the bank borrowings of the company's subsidiary company WS Industrial Designs Limited. That company had bank borrowings amounting to £139,432 at 30 June 1998 (1997 : £94,258).

9 Related parties

The company is under the control of Mr A Swann.