

**FLETCHER JONES (ASSOCIATES) LIMITED
(FORMERLY HART (UK) LIMITED)**

**REPORT AND FINANCIAL STATEMENTS
for the year ended
30 JUNE 2000**

**“Registrar of Companies Copy”
Company No. 2112818**



FLETCHER JONES (ASSOCIATES) LIMITED
(FORMERLY HART (UK) LIMITED)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

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FLETCHER JONES (ASSOCIATES) LIMITED
(FORMERLY HART (UK) LIMITED)

COMPANY INFORMATION
AT 30 JUNE 2000

DIRECTORS

G Fletcher
Mrs R Fletcher

SECRETARY

Mrs R Fletcher

BUSINESS ADDRESS

Midland House
202 Linthorpe Road
Middlesbrough
TS1 3QW

AUDITORS

Andersons
Chartered Accountants
Midland House
202 Linthorpe Road
Middlesbrough

PRINCIPAL BANKERS

Barclays Bank Plc
9 Church Square
Hartlepool

FLETCHER JONES (ASSOCIATES) LIMITED
(FORMERLY HART (UK) LIMITED)

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 30 June 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was the manufacture of equipment for the power distribution transformer industry.

CHANGE OF NAME

On 31 March 2000, the name of the company was changed from Hart (UK) Limited to Fletcher Jones (Associates) Limited.

SALE OF THE BUSINESS

On 31 March 2000, the trading assets of Hart (UK) Limited were sold.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	1999
G Fletcher	Ordinary shares	24,333	25,333
Mrs R Fletcher	Ordinary shares	1,000	-

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 as at the end of the financial year 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 maintaining 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.

CLOSE COMPANY

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

FLETCHER JONES (ASSOCIATES) LIMITED
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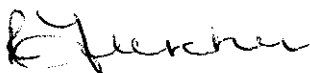
DIRECTORS' REPORT

AUDITORS

The auditors, Andersons, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board:



Mrs R Fletcher
Secretary

Date: 29 March 2001

(FORMERLY HART (UK) LIMITED)

AUDITORS' REPORT TO THE SHAREHOLDERS OF FLETCHER JONES (ASSOCIATES) LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and on the basis of accounting policies set out on pages 7 and 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, 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 as to whether 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 as at 30 June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Andersons
Chartered Accountants
Registered Auditors

Midland House
202 Linthorpe Road
Middlesbrough

29 March 2001

FLETCHER JONES (ASSOCIATES) LIMITED
(FORMERLY HART (UK) LIMITED)

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2000

	Notes	2000 £	1999 £
TURNOVER		797,944	1,009,400
Cost of sales		(618,026)	(808,798)
GROSS PROFIT		179,918	200,602
Distribution costs		(6,306)	(22,107)
Administrative expenses		(296,079)	(211,640)
Other operating income		19,168	15,410
OPERATING LOSS	2	(103,299)	(17,735)
Investment income and interest receivable		12,216	10,713
Interest payable and similar charges		-	(385)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(91,083)	(7,407)
Tax on loss on ordinary activities	5	19,401	2,931
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(71,682)	(4,476)

The notes on pages 7 to 11 form part of these financial statements.

FLETCHER JONES (ASSOCIATES) LIMITED
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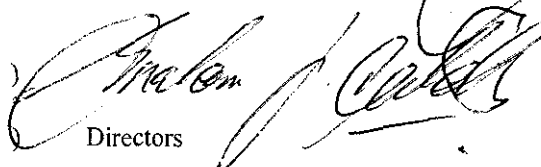
BALANCE SHEET
AT 30 JUNE 2000

	Notes	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		-		279,220
CURRENT ASSETS					
Stocks	7		-	97,073	
Debtors	8	66,545		216,852	
Cash at bank and in hand		366,547		230,388	
		433,092		544,313	
CREDITORS: amounts falling due within one year					
	9	(19,511)		(146,305)	
NET CURRENT ASSETS					
			413,581		398,008
TOTAL ASSETS LESS CURRENT LIABILITIES					
			413,581		677,228
PROVISIONS FOR LIABILITIES AND CHARGES					
	10		-		(25,300)
NET ASSETS					
			413,581		651,928
CAPITAL AND RESERVES					
Called up share capital	11		33,333		33,333
Profit and loss account	12		380,248		618,595
TOTAL SHAREHOLDERS' FUNDS					
			413,581		651,928

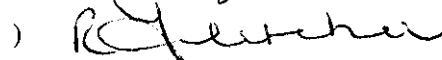
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by the board of directors on 29 March 2001 and signed on its behalf by:

G Fletcher


Directors

Mrs R Fletcher



The notes on pages 7 to 11 form part of these financial statements.

FLETCHER JONES (ASSOCIATES) LIMITED
(FORMERLY HART (UK) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF ACCOUNTING POLICIES

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

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Freehold land and buildings	2% on cost
Fixtures and fittings	20% on cost
Plant and machinery	20% on cost
Motor vehicles	25% on cost

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolescent, slow moving and defective stocks.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into the profit and loss account for the year.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Pension costs

Pension contributions are charged to the profit and loss account in the period in which they fall due.

FLETCHER JONES (ASSOCIATES) LIMITED
(FORMERLY HART (UK) LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

1. STATEMENT OF ACCOUNTING POLICIES - (continued)

Warranty Costs

Provision is made for the estimated liability on all products still under warranty, including claims already received.

2. OPERATING LOSS

Operating loss is stated:	2000	1999
	£	£
After charging:		
Depreciation of fixed assets	3,826	18,916
Auditors' remuneration	8,550	6,750
Hire of equipment	1,324	2,808
Exceptional items:		
Loss on sale of business assets	9,296	-
	<hr/>	<hr/>

3. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Directors' emoluments		
Salaries	137,190	34,536
Pension contributions	2,847	3,598
Benefits in kind	1,880	1,950
	<hr/>	<hr/>
	141,917	40,084
	<hr/>	<hr/>

One director (1999 - 1) is a member of a money purchase pension scheme

4. PENSION COSTS

Money purchase (defined contribution) pension scheme

The company operates a money purchase (defined contribution) pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,711 (1999: £10,197).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	2000 £	1999 £
The taxation credit comprises:		
UK Corporation tax at 23.25% (1999 - 24.75%)	5,899	-
Transfer from deferred tax	(25,300)	3,900
Adjustment in respect of prior years	-	(6,831)
	<u>(19,401)</u>	<u>(2,931)</u>

6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery etc. £	Total £
Cost:			
At 1 July 1999	311,588	156,130	467,718
Additions	-	3,901	3,901
Disposals	(311,588)	(160,031)	(471,619)
At 30 June 2000	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation:			
At 1 July 1999	52,516	135,980	188,496
Charge for year	-	3,826	3,826
On disposals	(52,516)	(139,806)	(192,322)
At 30 June 2000	<u>-</u>	<u>-</u>	<u>-</u>
Net book value:			
At 30 June 2000	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 1999	<u>259,072</u>	<u>20,148</u>	<u>279,220</u>

7. STOCKS

	2000 £	1999 £
Stocks	<u>-</u>	<u>97,073</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

8. DEBTORS

	2000 £	1999 £
Trade debtors	18,402	211,604
Other debtors	48,143	5,248
	<u>66,545</u>	<u>216,852</u>

9. CREDITORS: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	-	31,909
Trade creditors	771	56,918
Taxation and social security	7,367	24,681
Other creditors	11,373	32,797
	<u>19,511</u>	<u>146,305</u>

Bank overdrafts amounting to £- (1999 £31,909) are secured.

10. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Deferred taxation (see below)		
Balance at 1 July 1999	25,300	21,400
Transferred to profit and loss account	(25,300)	3,900
	<u>-</u>	<u>25,300</u>
Balance at 30 June 2000	-	25,300
	<u>-</u>	<u>25,300</u>
Total provision for liabilities and charges	-	25,300

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

10. PROVISIONS FOR LIABILITIES AND CHARGES - (continued)

	Fully provided	
	2000	1999
	£	£
Deferred tax is calculated at 20% (1999 - 21%) analysed over the following timing differences:		
On the excess of capital allowances over depreciation	-	25,300

11. SHARE CAPITAL

	2000	1999
	£	£
Authorised:		
Equity interests:		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid:		
Equity interests:		
33,333 Ordinary shares of £1 each	33,333	33,333

12. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Retained profit at 1 July 1999	618,595	623,071
Loss for the year	(71,682)	(4,476)
Capital reimbursement	(166,665)	-
Retained profit at 30 June 2000	380,248	618,595

13. CONTROLLING PARTY

Graham Fletcher, a director, controls the company by virtue of a controlling interest of 76% of the issued ordinary share capital.