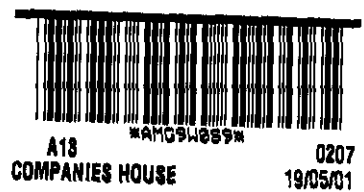


3085300

McFADYEN ENGINEERING LIMITED

FINANCIAL ACCOUNTS
FOR THE YEAR ENDED
31 JULY 2000



TINDLE WILLIAMSON
CHARTERED ACCOUNTANTS

McFADYEN ENGINEERING LIMITED

DIRECTORS: T R McFadyen
M McFadyen

SECRETARY: M McFadyen

REGISTERED OFFICE: 2 Lambert Road
Hebburn
Tyne and Wear
NE31 1SL

REGISTERED NUMBER: 3085300

REPORTING ACCOUNTANT: Tindle Williamson
Chartered Accountants
Coliseum Building
248 Whitley Road
Whitley Bay
Tyne and Wear
NE26 2TE

McFADYEN ENGINEERING LIMITED

REPORT OF THE DIRECTORS

The directors present their report and accounts for the year ended 31 July 2000.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of Commissioning Engineers.

DIVIDENDS

The Directors have paid and proposed net dividends of £21506 (1999 £15167) during the year.

DIRECTORS AND THEIR INTERESTS

The directors during the year and their interests in the share capital of the company were as follows:

	<u>Ordinary Shares of £1 each</u>	
	<u>2000</u>	<u>1999</u>
T R McFADYEN	2	2

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

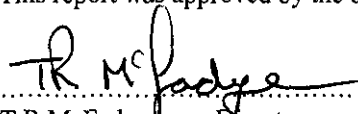
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis 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 accounts 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.

SMALL COMPANY RULES

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

This report was approved by the board on 24 April 2001 and signed on its behalf.


T R McFadyen Director

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS

ON THE UNAUDITED ACCOUNTS OF

McFADYEN ENGINEERING LIMITED

We report on the accounts for the year ended 31 July 2000, set out on pages 5 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 2, the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountant, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at anytime within that year, fall within any of the categories of companies not entitled to the exemption specified in section 24B(1).



TINDLE WILLIAMSON
Reporting Accountant
Coliseum Building
248 Whitley Road
Whitley Bay
Tyne and Wear
NE26 2TE

24 April 2001

McFADYEN ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2000

	<u>NOTES</u>	<u>2000</u>	<u>1999</u>
		£	£
<u>TURNOVER</u>		46048	43677
<u>EXPENSES</u>			
Directors Remuneration		8600	9400
Administration Expenses		9270	6508
Auditors Remuneration		740	611
Financial Expenses		<u>--</u>	<u>--</u>
		<u>18610</u>	<u>16519</u>
<u>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		27438	27158
<u>TAXATION</u>	5	<u>6375</u>	<u>5738</u>
<u>OPERATING PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		21063	21420
<u>DIVIDENDS PAID</u>		<u>21506</u>	<u>15167</u>
<u>RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR</u>		(443)	6253
RETAINED PROFIT BROUGHT FORWARD		<u>10789</u>	<u>4536</u>
RETAINED PROFIT AT 31 JULY 2000		<u>£10346</u>	<u>£10789</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

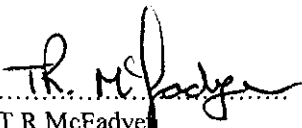
The company has no recognised gains or losses other than the profit or loss for the above two financial years.

McFADYEN ENGINEERING LIMITED**BALANCE SHEET AS AT 31 JULY 2000**

	<u>NOTES</u>	<u>2000</u>	<u>1999</u>
		£	£
<u>TANGIBLE FIXED ASSETS</u>	6	2340	1755
<u>CURRENT ASSETS</u>			
ACT Recoverable		--	2542
Balance at Bank		12740	12645
Sundry Debtors		973	973
PAYE/NIC in advance		--	200
		<u>13713</u>	<u>16360</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>			
Taxation: Mainstream	5	5067	5738
Directors Loan		3	1092
Accruals		<u>635</u>	<u>494</u>
		<u>5705</u>	<u>7324</u>
		<u>8008</u>	<u>9036</u>
<u>NET CURRENT ASSETS</u>		<u>£10348</u>	<u>£10791</u>
<u>CAPITAL AND RESERVES</u>			
Called-Up Share Capital	8	2	2
Profit and Loss Account		<u>10346</u>	<u>10789</u>
		<u>£10348</u>	<u>£10791</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249 (A) 1 of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit under Section 249(B)(2) of the Companies Act 1985. The directors acknowledge their responsibility for ensuring the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit for the year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities were approved by the board on 24 April 2000 and signed on its behalf.


T R McFadyen

Director

McFADYEN ENGINEERING LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 2000

1. ACCOUNTING POLICIES

i) Basis of Accounting

The accounts are prepared under the historical cost convention.

ii) Cash Flow

The accounts do not include a cash flow statement because the company as a small reporting entity is exempt from the requirement to prepare such a statement under F.R.S.I.

iii) Turnover

Turnover represents invoiced services provided during the year.

iv) Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office Equipment	20% straight line basis
Motor Vehicle	25% straight line basis

2. TURNOVER

The company carried on only one class of business and turnover relates wholly to supplies to the United Kingdom market.

3. EMPLOYEES

The only employee of the company was a director. Staff costs for the above were:

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Directors Remuneration	8600	9400
Social Security Costs	262	346
	-----	-----
	8862	9746
	=====	=====

4. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:-

Staff Costs (see note 3)

Reporting Accountants Remuneration

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
--	--
740	611
====	====

5. TAXATION

U.K. Corporation Tax @ 20%

Prior year adjustment

<u>2000</u>	<u>1999</u>
<u>£</u>	<u>£</u>
5067	5738
1308	--
-----	-----
6375	5738
=====	=====

McFADYEN ENGINEERING LIMITED
NOTES TO THE ACCOUNTS - AS AT 31 JULY 2000

6. TANGIBLE FIXED ASSETS

	<u>Motor Vehicle</u>	<u>Office Equipment</u>	<u>Total</u>
<u>Cost</u>			
At 1 August 1999	3500	1100	4600
Additions	--	2100	2100
	-----	-----	-----
At 31 July 2000	£3500	£3200	£6700
	-----	-----	-----
<u>Depreciation</u>			
At 1 August 1999	2625	220	2845
Charge for Year	875	640	1515
	-----	-----	-----
At 31 July 2000	£3500	£860	£4360
	-----	-----	-----
<u>Net Book Value</u>			
At 31 July 2000	£Nil	£2340	£2340
	=====	=====	=====
At 31 July 1999	£875	£880	£1755
	=====	=====	=====

7. PROVISIONS FOR LIABILITIES AND CHARGES

There is neither a deferred taxation provision, nor any potential provision, arising in these financial statements.

8. SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Authorised: Ordinary Shares of £1 each	100	100
	=====	=====
Allotted, Issued and Fully Paid	2	2
	=====	=====

9. CAPITAL COMMITMENTS

There were no major capital commitments which require disclosure.

10. CONTINGENT LIABILITIES

There were no contingent liabilities of a material amount for which provision has not been made in the financial statements.

11. DIRECTORS LOAN

The loans to company by the Directors are interest free and there are no formal arrangements for their repayment.

12. POST BALANCE SHEET EVENTS

No events have occurred and no facts have been revealed since the balance sheet date which could materially affect the state of affairs by the financial statements.