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CTP SILLECK DAVALL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000



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CTP SILLECK DAVALL LIMITED

COMPANY INFORMATION

Directors

Mr P L Jones
Mr P M Clayton
Mrs T S Kurwie
Mr C Mawe
Mr R Salt
Mr I Williamson

Secretary

Mr P M Clayton

Company number

3088344

Registered office

Dafen Industrial Park
Llanelli
Carmarthenshire
SA14 8LX

Auditors

Ernst & Young
Leeds

CTP SILLECK DAVALL LIMITED

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CTP SILLECK DAVALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and the audited accounts for the company for the year ended 31 March 2000.

Principal activities and review of business

The company's principal activity during the year was the manufacture and sale of injection moulded plastic components for the automotive and telecommunications industries.

Results and dividends

The loss for the year amounts to £298,948 (1999 : profit £46,768) and is dealt with as shown in the profit and loss account on page 4.

Directors and their interests

The directors who held office during the year are listed below:

Name of director

Mr P L Jones	appointed 17 July 2000
Mr P M Clayton	appointed 26 June 2000
Mrs T S Kurwie	appointed 1 February 2000
Mr C Mawe	appointed 3 September 1999
Mr R Salt	appointed 1 April 1999
Mr I Williamson	

Also directors of the company were Mr D W Adam who resigned on 30 July 1999, Mr M Bettam who resigned on 31 December 1999, Mr P J Young who resigned on 1 February 2000, Mr S D Pottage who was appointed on 1 April 1999 and resigned on 31 March 2000, Mr J F Adams who was appointed on 1 October 1999 and resigned on 1 August 2000, Mr N Bradbury who was appointed on 1 April 1999 and resigned on 1 August 2000 and Mr R N Easedale who resigned on 1 August 2000,

Directors' interests notifiable under the terms of the Companies Act 1985 were those listed below:

Carclo plc	Options held	Granted during	Exercised	Options held
	1 April 1999	period	during period	31 March 2000
	No.	No.	No.	No.
Mr R N Easedale	10,000	-	-	10,000

Mr I Williamson, Mr T S Kurwie and Mr C Mawe were also directors of the ultimate parent company, Carclo plc, in whose accounts their interests in the share capital of that company are shown.

CTP SILLECK DAVALL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2000

Year 2000

Following the work carried out in 1999 to safeguard against the year 2000 computer issue, the directors are pleased to report that the company's computer systems are operating effectively. However the directors continue to be alert to the potential risks and uncertainties relating to the matter and at the date of this report are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business. Any future costs associated with this issue, in the unlikely event that a problem should arise, cannot be quantified but are not anticipated to be significant.

Statement of 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 for that year. 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 and

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 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.

Auditors

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Mr P M Clayton, Secretary

8 December 2000

Dafen Industrial Park
Llanelli
Carmarthenshire
SA14 8LX

AUDITORS' REPORT TO THE SHAREHOLDERS OF CTP SILLECK DAVALL LIMITED

We have audited the accounts on pages 4 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

**Ernst & Young
Registered Auditor
Leeds
8 December 2000**

CTP SILLECK DAVALL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2000

	<i>Notes</i>	<i>2000</i> £	<i>1999</i> £
Turnover	3	2,829,684	4,251,609
Operating (loss)/profit	4	(404,331)	94,531
Interest payable and similar charges	5	(25,000)	(39,369)
(Loss)/profit on ordinary activities before taxation		(429,331)	55,162
Taxation	8	130,383	(8,394)
(Loss)/profit for the financial year		(298,948)	46,768

All amounts relate to continuing activities.

CTP SILLECK DAVALL LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES AND HISTORICAL COST PROFITS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
Statement of total recognised gains and losses		
(Loss)/profit for the financial year	(298,948)	46,768
Unrealised surplus on revaluation of freehold land and buildings	-	80,260
Total recognised (losses)/gains relating to the year	<u>(298,948)</u>	<u>127,028</u>
Historical cost profits and losses		
(Loss)/profit on ordinary activities before taxation	(429,331)	55,162
Difference between historical cost depreciation charge and depreciation charge based on the revalued amounts	859	-
Historical cost (losses)/profits on ordinary activities before taxation	<u>(428,472)</u>	<u>55,162</u>
Historical cost (losses)/profits for the year retained after taxation, dividends and other appropriations	<u>(298,089)</u>	<u>46,768</u>

The notes on pages 7 to 14 form part of these accounts.

CTP SILLECK DAVALL LIMITED

BALANCE SHEET

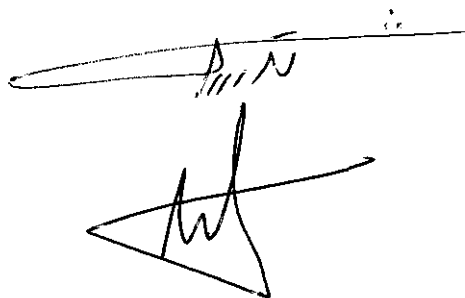
AS AT 31 MARCH 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	9		1,781,618		1,694,498
Current assets					
Stocks	10	351,690		159,752	
Debtors	11	716,031		379,157	
Cash at bank and in hand		188		68	
			<u>1,067,909</u>	<u>538,977</u>	
Creditors: amounts falling due within one year	12		<u>(1,208,599)</u>	<u>(607,563)</u>	
Net current liabilities			<u>(140,690)</u>		<u>(68,586)</u>
Total assets less current liabilities			<u>1,640,928</u>		<u>1,625,912</u>
Creditors: amounts falling due after more than one year	13		(749,194)		(450,246)
Provisions for liabilities and charges					
Deferred taxation	14		(140,928)		(125,912)
			<u>750,806</u>		<u>1,049,754</u>
Capital and reserves					
Share capital	15		1,000,000		1,000,000
Revaluation reserve	16		79,401		80,260
Profit and loss account	16		(328,595)		(30,506)
Shareholders' funds	17		<u>750,806</u>		<u>1,049,754</u>

Mr T S Kurwie
Director

Mr R Salt
Director

8 December 2000



The notes on pages 7 to 14 form part of these accounts.

CTP SILLECK DAVALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

1 Fundamental accounting concept

Going concern

The accounts have been prepared under the going concern basis as the directors have received written confirmation from the parent undertaking that continued financial support will be made available to enable the company to settle its liabilities as they fall due.

2 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

As permitted by Financial Reporting Standard 1 (revised 1996) - "Cash Flow Statements", the accounts do not include a cash flow statement on the grounds that the company is a wholly owned subsidiary undertaking and the ultimate holding company includes the company in its own published consolidated accounts.

Related party transactions

The company has taken advantage of the exemption to Financial Reporting Standard 8 from disclosing transactions with related parties that are part of Carclo plc.

Depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, with the exception of freehold land, by equal annual instalments over their expected useful lives as follows:

Freehold properties	2%
Plant and machinery	10 - 20%
Motor vehicles	25%

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value, with due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress cost comprises direct materials, direct labour and an appropriate proportion of manufacturing overhead expenses.

CTP SILLECK DAVALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

Deferred taxation

Provision is made for deferred taxation using the liability method where it is considered that such a liability may become payable in the future.

Foreign currencies

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at the year end, except where they are covered by forward contracts in which case the rate appropriate to the forward contracts is used.

Pensions

The company contributes to a group pension scheme which is a defined benefit scheme and fully funded. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees working lives with the company. The effect of any experience surpluses is retained within the accounts of the ultimate parent company.

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

3 Turnover

Turnover is the net invoiced value of goods and services provided by the company exclusive of VAT.

Turnover is attributable to one continuing activity, the manufacture of moulded plastic components.

The geographical analysis of turnover is as follows:

	2000 £	1999 £
United Kingdom	2,586,915	3,972,218
Rest of Europe	208,170	279,391
Rest of World	34,599	-
	<u>2,829,684</u>	<u>4,251,609</u>

CTP SILLECK DAVALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

4 Operating (loss)/profit

The operating (loss)/profit is arrived at as follows:

	2000	1999
	£	£
Turnover	2,829,684	4,251,609
Finished goods & work in progress stock change	(128,725)	55,593
Raw materials and consumables	1,703,172	2,741,655
Employee costs (note 6)	849,125	694,134
Depreciation	212,956	164,709
Operating lease rentals - plant and machinery	19,041	16,464
Operating lease rentals - land and buildings	5,662	21,000
Auditors' remuneration	2,000	3,949
Management charge	100,000	30,000
Other operating charges	470,784	429,574
	<u>(404,331)</u>	<u>94,531</u>

5 Interest payable and similar charges

	2000	1999
	£	£
Bank overdraft	18,984	39,369
Group interest payable	6,016	-
	<u>25,000</u>	<u>39,369</u>

6 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	768,582	617,348
Social security costs	51,829	46,086
Pension costs	28,714	30,700
	<u>849,125</u>	<u>694,134</u>

CTP SILLECK DAVALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

	<i>2000</i> <i>Number</i>	<i>1999</i> <i>Number</i>
The average monthly number of employees, including directors, during the year was	54	50

Directors' emoluments

	<i>2000</i> <i>£</i>	<i>1999</i> <i>£</i>
Emoluments	83,149	57,500

Mr I Williamson, Mr T S Kurwie, Mr C Mawe and Mr D W Adam were also directors of the holding company and fellow subsidiaries. Mr P J Young and Mr R Salt were also directors of fellow subsidiaries. These directors received remuneration of £579,457 (1999 - £450,232), all of which was paid by the holding company. The directors do not believe that it is practicable to apportion this amount between their service as directors of the holding company and the fellow subsidiary companies.

	<i>2000</i> <i>Number</i>	<i>1999</i> <i>Number</i>
Retirement benefits were accruing to directors as follows:		
Defined benefit schemes	6	4

7 Pensions

Contributions to the pension scheme are determined by qualified actuaries on the basis of the triennial valuation. The most recent valuation was as at 1 April 1998 and details of this actuarial valuation are disclosed in the accounts of the parent company.

8 Taxation

	<i>2000</i> <i>£</i>	<i>1999</i> <i>£</i>
Based on the (loss)/profit for the year:		
UK corporation tax	(144,632)	(13,670)
Deferred tax charge	15,016	27,542
	(129,616)	13,872
Prior periods:		
UK corporation tax	(767)	(2,200)
Deferred taxation	-	(3,278)
	(130,383)	8,394

CTP SILLECK DAVALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

9 Tangible fixed assets

	<i>Freehold land and buildings</i>	<i>Plant and machinery</i>	<i>Motor vehicles</i>	<i>Total</i>
Cost or valuation	£	£	£	£
At 1 April 1999	520,000	1,563,559	19,675	2,103,234
Additions - non group	28,271	106,096	-	134,367
Additions - group	-	170,492	28,149	198,641
At 31 March 2000	548,271	1,840,147	47,824	2,436,242
Of which at valuation 1999	520,000			
Depreciation				
At 1 April 1999	-	403,817	4,919	408,736
Charge for the year	9,224	198,031	5,701	212,956
Group additions	-	28,240	4,692	32,932
At 31 March 2000	9,224	630,088	15,312	654,624
Net book value				
At 31 March 2000	539,047	1,210,059	32,512	1,781,618
At 31 March 1999	520,000	1,159,742	14,756	1,694,498

Freehold land and buildings were revalued on an open market for existing use basis as at 31 March 1999 by Eddisons Commercial Limited in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

Included in freehold land and buildings is land valued at £80,000 which is not depreciated.

On a historical cost basis, freehold land and buildings would have been included as follows:

	<i>2000</i>	<i>1999</i>
	£	£
Cost	571,532	543,261
Cumulative depreciation based on cost	111,886	103,521

CTP SILLECK DAVALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

10	Stocks	2000	1999
		£	£
	Raw materials	124,095	60,882
	Work in progress	66,675	13,443
	Finished goods	160,920	85,427
		<u>351,690</u>	<u>159,752</u>
11	Debtors	2000	1999
		£	£
	Trade debtors	563,501	205,785
	Taxation recoverable	145,399	13,670
	Amounts owed by group undertakings	1,956	157,102
	Other debtors	9	-
	Prepayments and accrued income	5,166	2,600
		<u>716,031</u>	<u>379,157</u>
12	Creditors: amounts falling due within one year	2000	1999
		£	£
	Bank loans and overdrafts	465,518	251,209
	Trade creditors	490,547	94,998
	Amounts owed to group undertakings	129,744	66,057
	Other taxes and social security	19,402	10,369
	Other creditors	4,160	9,570
	Accruals and deferred income	99,228	175,360
		<u>1,208,599</u>	<u>607,563</u>
13	Creditors: amounts falling due after more than one year	2000	1999
		£	£
	Amounts owed to parent undertaking	749,194	450,246

CTP SILLECK DAVALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

14 Deferred taxation

	2000 £	1999 £
At 1 April 1999	125,912	101,648
Movement in the year	15,016	24,264
At 31 March 2000	<u>140,928</u>	<u>125,912</u>

Deferred taxation is as follows:

	2000 £	1999 £
Accelerated capital allowances	<u>140,928</u>	<u>125,912</u>

There is a potential liability in respect of tax which would arise if the company's revalued property was sold for its revalued amount. This liability is estimated at £65,000 (1999 - £65,000).

15 Share capital

	2000 £	1999 £
Authorised Equity shares		
1,000,000 Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted Equity shares		
1,000,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>

16 Reserves

	<i>Revaluation reserve</i> £	<i>Profit and loss account</i> £
At 1 April 1999	80,260	(30,506)
Loss for the year	-	(298,948)
Transfer between reserves	(859)	859
At 31 March 2000	<u>79,401</u>	<u>(328,595)</u>

CTP SILLECK DAVALL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2000

17 Reconciliation of movement in shareholders' funds

	2000	1999
	£	£
(Loss)/profit for the financial year	(298,948)	46,768
Other recognised gains and losses	-	80,260
(Decrease)/increase in shareholders' funds	(298,948)	127,028
Opening shareholders' funds	1,049,754	922,726
Closing shareholders' funds	750,806	1,049,754

18 Contingent liabilities

Guarantees have been given by the company in respect of amounts drawn against borrowing facilities of certain associated undertakings.

19 Operating lease commitments

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		<i>Plant and machinery</i>	
	2000	1999	2000	1999
	£	£	£	£
Operating leases which expire:				
Within one year	-	5,250	-	-
Between two and five years	-	-	10,908	11,592
	-	5,250	10,908	11,592

20 Ultimate parent company

The parent company and ultimate controlling party of the group of undertakings for which group accounts are drawn up and of which the company is a member is Carclo plc. Copies of Carclo plc's accounts can be obtained from Ploughland House, 62 George Street, Wakefield, WF1 1ZF.