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These are  
two of  
these on  
system

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Wakefield  
WF9 1AP

Sir Michael Lyons  
Room 3/12  
1 Horse Guards Road  
London  
SW1A 2HQ

4<sup>th</sup> May 2005

Dear Sir Michael

**Lyons Local Government Funding Inquiry**

Thank you again for your time when you were in Leeds on February 14 and subsequently writing to me on 8<sup>th</sup> April.

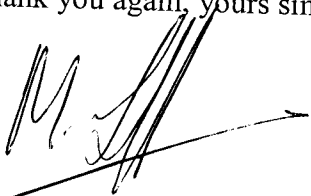
I have enclosed evidence of a Company I know very well. In the 12 months to December 2003 (the last year of annual accounts currently available) this small manufacturing company in Wakefield had a turnover of £171k and employed one person. After the cost of raw materials purchased, I have illustrated the other expenditure of the company for that year. National Non Domestic Rates accounting for a huge **14%** of the overheads. The rates bill had been further increased following the business investing in overhead cranes and a compressor.

Surely it is extraordinary when investing in plant and machinery results in an increased Tax Burden. Without doubt a Tax unfairly disadvantaging UK manufacturing. The penal level of NNDR on such a small business has held back the growth of the Company and at times jeopardised its very existence.

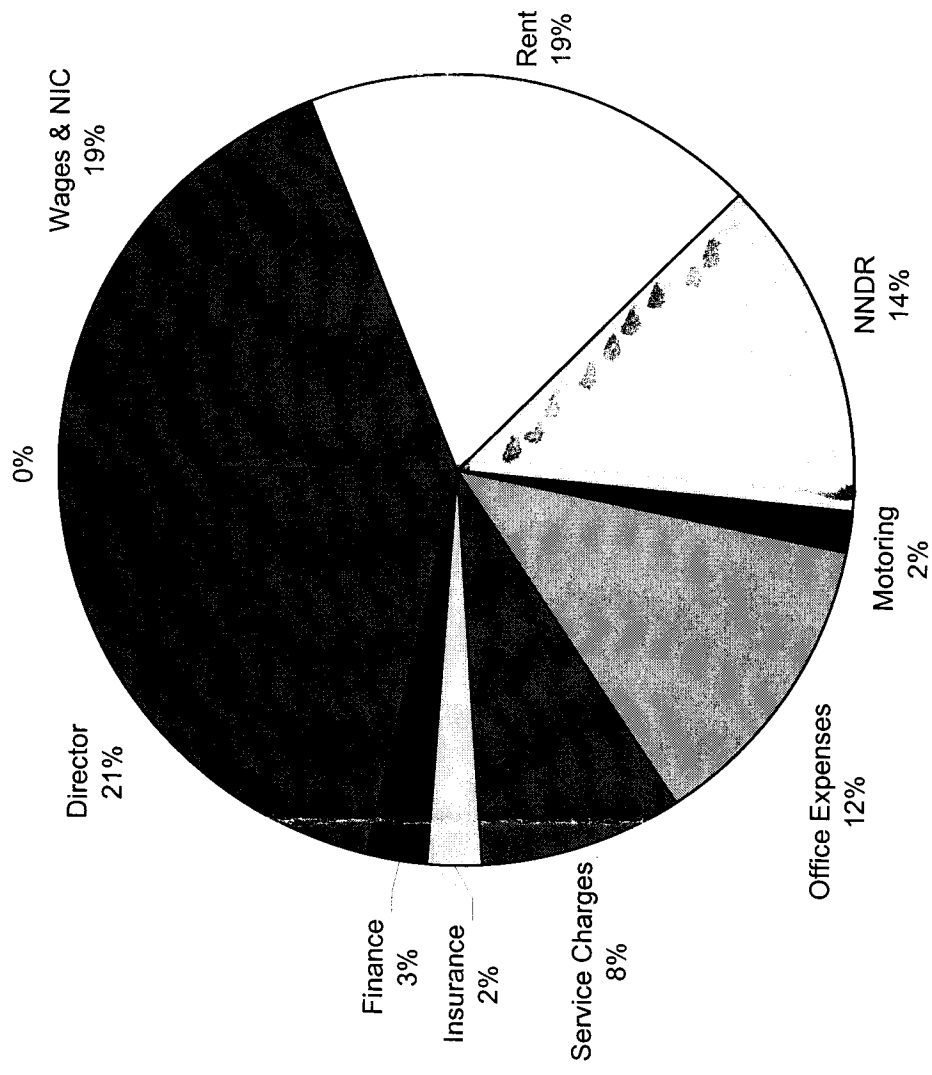
It is unfair to assess a business on the size of its footprint.- A business in large premises is not necessarily a large business. Indeed a business working from one room is not necessarily a small business.

I apologise for not replying sooner but the burdens of running a small business keep stealing my time but I do hope this has been illustrative of how the current regime is hurting manufacturing in this country. Should you need the original documents with the names and addresses please do not hesitate to contact me.

Thank you again, yours sincerely,



Mark Jefferies



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2003**

|  | Notes     | 2003<br>£           | 2002<br>£            |
|--|-----------|---------------------|----------------------|
| Turnover   |           | 171,801             | 129,739              |
| Cost of sales  |           | (74,331)            | (54,590)             |
| <b>Gross profit</b>                                  |           | <u>97,470</u>       | <u>75,149</u>        |
| Administrative expenses                              |           | (78,319)            | (44,897)             |
| Other operating income                               |           | 14,826              | -                    |
| <b>Operating profit</b>                              | <b>2</b>  | <u>33,977</u>       | <u>30,252</u>        |
| Loss on sale of tangible assets                      | <b>2</b>  | -                   | (2,441)              |
| <b>Profit on ordinary activities before interest</b> |           | <u>33,977</u>       | <u>27,811</u>        |
| Interest payable and similar charges                 | <b>3</b>  | (5,089)             | (3,325)              |
| <b>Profit on ordinary activities before taxation</b> |           | <u>28,888</u>       | <u>24,486</u>        |
| Tax on profit on ordinary activities                 | <b>4</b>  | -                   | -                    |
| <b>Profit on ordinary activities after taxation</b>  |           | <u>28,888</u>       | <u>24,486</u>        |
| Dividends  |           | (25,000)            | (14,064)             |
| <b>Retained profit for the year</b>                  | <b>10</b> | <u><u>3,888</u></u> | <u><u>10,422</u></u> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



**City of Wakefield  
Metropolitan  
District Council**

Andrew Hughes CPFA  
Head of Financial Services  
PO Box 102, Chantry House,  
123 Kirkgate,  
WAKEFIELD, WF1 1ZS

17/03/2003

Statement of non-domestic rates for the period:

01/04/2003-31/03/2004

|                  |                      |  |
|------------------|----------------------|--|
| Reference number | Property description |  |
|                  | WORKSHOP & PREMISES  |  |
| Rateable value   | Multiplier           | Rate liability (before transitional adjustments) |
| 37250            | 0.444                | 16539.00   |

|   |                |              |            |
|---|----------------|--------------|------------|
| <u>Your account is calculated as follows:</u>   |                |              | £          |
| NDR CHARGE  |                |              |            |
|   | Rateable Value | X Multiplier |            |
| 01/04/03-31/03/04   | £37250         | £0.444       | £16539.00  |
| As at 13/03/2003 there was £16567.05 due for previous years which is not included in Amount to Pay. |                |              |            |
| <b>Amount to pay</b>  |                |              | £ 16539.00 |

Payment should be made as follows:

|            |          |            |          |
|------------|----------|------------|----------|
| 14/04/2003 | £1653.00 | 14/09/2003 | £1654.00 |
| 14/05/2003 | £1654.00 | 14/10/2003 | £1654.00 |
| 14/06/2003 | £1654.00 | 14/11/2003 | £1654.00 |
| 14/07/2003 | £1654.00 | 14/12/2003 | £1654.00 |
| 14/08/2003 | £1654.00 | 14/01/2004 | £1654.00 |

**HOW TO CONTACT US**

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**Direct Debit:** Details can now be accepted over the telephone.