

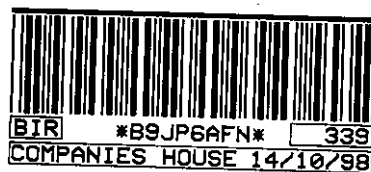
KAB PRESSINGS LIMITED

Directors' Report and Financial Statements

For the year ended 31st December 1997

Registered number 1120648

c&p97



KAB PRESSINGS LIMITED

Directors' report and financial statements

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KAB PRESSINGS LIMITED

Directors' report

The directors present their annual report and the financial statements for the year ended 31st December 1997.

Review of business

The company did not trade during the year.

No dividends were paid or proposed during the year (1996 £Nil).

Directors and directors' interests

The directors who served during the period were as follows:

C A Howell
A P Weatherstone
K Johnson

The directors of the company had no interest in the share capital of the company at the beginning or end of the year.

Messrs. C A Howell and A P Weatherstone are also directors of the holding company and their interests in Bostrom plc are disclosed in the accounts of that company.

At 31st December 1997 K Johnson owned 2,500 ordinary shares of 5p each in Bostrom plc (1996: 2,500) and options over shares under Bostrom plc's Executive Share Option Schemes, details of which are as follows:

At 1st January 1997	Granted during the year	At 31st December 1997	Option Price	Exercise Period From To
30,000	-	30,000	299p	5.4.1998 4.4.2005
-	20,000	20,000	246p	14.01.2000 13.01.2007

A Long Term Incentive Plan (LTIP) was introduced in May 1997.

Benefits may be provided to the participants in the LTIP in the form of an option exercisable for the price of £1. Receipt of the benefit is dependent upon satisfaction by Bostrom plc of performance criteria over a period of at least 36 months. The performance criteria require that the growth in earnings per share over the measurement period is 6% higher than the increase in RPI over the same period.

Under Bostrom plc's LTIP options have been granted as follows:

	No. of Shares	Value at 31st December 1997 £000
K Johnson	1,818	6

The value at 31st December 1997 has been based on the market price of the ordinary shares of 333.5p per share. No director had any beneficial interest in any material contract or arrangement entered into by the Company during the year.

KAB PRESSINGS LIMITED

Directors' Report (continued)

Auditors

The directors have exercised their right not to appoint auditors under Section 252 of the Companies Act 1985, as the company has remained dormant for the whole of the financial year.

Approved by order of the board of directors on 16th March 1998 and signed on its behalf by:



ID Easton
Secretary

Stone Circle Road
Round Spinney
Northampton
NN3 8RS

KAB PRESSINGS LIMITED

Balance sheet
at 31st December 1997

	Note	At 31st December 1997 and 1996 £
Current Assets		
Debtors	3	1,797,281

Total assets less current liabilities		1,797,281
Provision for liabilities and charges	4	(51,500)

		1,745,781

Capital and reserves		
Called up share capital	5	100
Profit and loss account		1,745,681

Equity shareholders' funds		1,745,781

The company was dormant throughout the financial year.

These financial statements were approved by the board of directors on 16th March 1998 and were signed on its behalf by:



A P Weatherstone
Director

KAB PRESSINGS LIMITED

Notes

(forming part of the financial statements)

1 Principal accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year and preceding year, are set out below:

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Trading

The company did not trade during the year, received no income, incurred no expenditure and consequently made neither a profit nor a loss.

Deferred taxation

Deferred taxation, which arises from differences in the timing of the recognition of items in the accounts and by the tax authorities is calculated under the liability method. A provision is made for all timing differences which, in the opinion of the directors, are likely to reverse using the rates of tax expected to be in force at the time of reversal.

Related Parties

The company has taken advantage of the exemption available under FRS 8 "Related Party Transactions" not to disclose transactions that have been made between the company and other fellow subsidiaries and associated undertakings of Bostrom plc.

2. Directors emoluments

No director received any emoluments during the year or previous year.

3 Debtors

At 31st December
1997 and 1996
£

Amounts owed by group undertakings	1,797,281
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No formal terms of repayment have been agreed for the amounts owed by group undertakings.

4 Provision for liabilities and charges

Deferred taxation

At 31st December
1997 and 1996

	Full potential liability £	Unprovided £
Other timing differences	51,500	-

KAB PRESSINGS LIMITED

Notes (continued)

5 Share capital

At 31st December
1997 and 1996
£

Authorised, allotted, issued and fully paid:

100 ordinary shares of £1 each	100
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6 Contingent liabilities

The company has guaranteed the bank overdrafts of the parent company and certain fellow subsidiary undertakings amounting to £9,475,000 (1996: £8,333,000).

7 Ultimate parent company

The company regards Bostrom plc, registered in England and Wales, as its ultimate parent company.

The group financial statements are available to the public and can be obtained from:

The Company Secretary
Bostrom plc
Stone Circle Road
Round Spinney
Northampton
NN3 8RS