

COVENTRY TURNED PARTS LIMITED

REGISTERED NUMBER : 982178

**FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER 1997**

Fox Evans & Partners
Chartered Accountants
Abbey House
Manor Road
Coventry



COVENTRY TURNED PARTS LIMITED

DIRECTORS	I.E. Jones M. Jones
SECRETARY	M. Jones
REGISTERED OFFICE	Welton Road Wedgenock Industrial Estate Warwick CV34 5PZ
REGISTERED NUMBER	982178
REGISTERED AUDITORS	Fox Evans Chartered Accountants Abbey House Manor Road Coventry CV1 2FW
BANKERS	Midland Bank PLC 11 High Street Warwick CV34 4AS

CONTENTS	Page
Directors Report	2
Statement of Directors Responsibilities	3
Auditors Report	4
Consolidated Profit & Loss Account	5
Profit & Loss Account	6
Consolidated Balance Sheet	7
Balance Sheet	8
Consolidated Cash Flow Statement	9
Consolidated Notes to Cash Flow Statement	10
Notes to the Accounts	11 to 22
The following pages do not form part of the Statutory Accounts	
Summary Profit & Loss Account	23
Engineering Trading & Profit & Loss Account	24
Schedule of Engineering Expenses	25 & 26
Schedule of Rental Income	27

COVENTRY TURNED PARTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 1997

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

PRINCIPAL ACTIVITIES

The principal activities of the company unchanged as precision engineers as shown in note 2 to the accounts.

REVIEW OF BUSINESS

A summary of the results of the year's trading is given on page 5 of the accounts. The directors' consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend a dividend to be paid, which leaves a loss of £5,564 to be transferred to reserves.

FIXED ASSETS

The changes in the fixed assets of the company are as shown in note 9 to the accounts.

DIRECTORS AND THEIR SHAREHOLDINGS

The directors in office in the year and their beneficial interests in the shares of the company were as follows:

	<u>31st December 1997</u>	<u>31st December 1996</u>
I.E. Jones	296,667	416,667
M. Jones	83,333	83,333

The director retiring by rotation is M. Jones who, being eligible, offers herself for re-election.

POST BALANCE SHEET EVENTS

All events after the balance sheet date which have a material effect on the accounts are shown in note 22 to the accounts.

AUDITORS

The auditors, Fox Evans & Partners will be proposed for re-appointment in accordance with S385 of the Companies Act 1985.

Signed on behalf of the
Board of Directors

.....*M. Jones*.....

M. Jones

Secretary

Approved by the Board: 30th April 1998

COVENTRY TURNED PARTS LIMITED

3.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires us as directors to prepare financial statements 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 financial statements we are required to

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

Signed on behalf of the
Board of Directors

M. Jones

M. Jones

Secretary

Approved by the Board: 30th April 1998

AUDITORS' REPORT

4.

TO THE MEMBERS OF COVENTRY TURNED PARTS LIMITED

We have audited the financial statements on pages 5 to 22 which have been prepared under the historical cost convention and the accounting policies set out on page 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 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 to you.

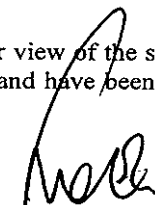
BASIS OF OPINION

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 that 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 the company's affairs as at 31st December 1997, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



FOX EVANS

CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

Abbey House
Manor Road
Coventry
CV1 2FW

30th April 1998

COVENTRY TURNED PARTS LIMITED
CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1997

	Notes	1997 £	1996 £
TURNOVER	2	2,971,099	3,431,930
Cost of Sales		1,629,112	1,936,103
GROSS PROFIT		1,341,987	1,495,827
Distribution Costs	99,402		101,996
Administrative Expenses	1,385,174		1,374,259
		1,484,576	1,476,255
		(142,589)	19,572
Other Operating Income	3	443,132	425,284
OPERATING PROFIT	4	300,543	444,856
Income from Investments	6	27	65
Interest Payable	7	314,671	272,378
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		(14,101)	172,543
Taxation	8	1,141	71,034
PROFIT FOR FINANCIAL YEAR		(15,242)	101,509
Profit on sale of Freehold Property		-	(91,596)
Depreciation on Revalued Amount		9,678	9,678
Retained Profits brought forward		1,565,418	1,545,827
RETAINED PROFIT FOR THE YEAR	19	1,559,854	1,565,418

The only recognised gain for the year is the loss for the year of £5,564 (1996 Profit £19,591). There were no acquisitions and no discontinued operations in the year.

The annexed notes form part of these consolidated financial statements.

COVENTRY TURNED PARTS LIMITED
PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1997

	Notes	1997 £	1996 £
TURNOVER	2	1,593,968	1,760,576
Cost of Sales		666,462	785,613
GROSS PROFIT		927,506	974,963
Distribution Costs	53,847		52,350
Administrative Expenses	845,699		797,762
		899,546	850,112
		27,960	124,851
Other Operating Income	3	480,632	455,507
OPERATING PROFIT	4	508,592	580,358
Income from Investments	6	27	65
Interest Payable	7	314,624	270,317
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		193,995	310,106
Taxation	8	(1,987)	61,185
PROFIT FOR FINANCIAL YEAR		195,982	248,921
Amortisation of Revaluation Surplus		9,678	9,678
Loss on Subsidiary		-	(125,000)
Retained Profits brought forward		1,429,737	1,296,140
RETAINED PROFITS CARRIED FORWARD 19		1,635,397	1,429,739

The only recognised gain for the year is the profit for the year of £195,982 (1996 £248,921). There were no acquisitions and no discontinued operations in the year.

The annexed notes form part of these financial statements.

COVENTRY TURNED PARTS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST DECEMBER 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible Assets	9	6,176,214	6,262,433
CURRENT ASSETS			
Stocks	11	2,853,771	2,322,904
Debtors	12	769,893	774,748
Cash at Bank and in Hand	13	136,215	729,298
		<u>3,759,879</u>	<u>3,826,950</u>
CREDITORS			
Amounts due within one year	14	3,782,846	2,661,080
NET CURRENT ASSETS		<u>(22,967)</u>	<u>1,165,870</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,153,247</u>	<u>7,428,303</u>
CREDITORS			
Amounts due-more than one year	14	1,428,049	2,687,363
Deferred Taxation	16	15,550	16,050
		<u>1,443,599</u>	<u>2,703,413</u>
NET ASSETS		<u>4,709,648</u>	<u>4,724,890</u>
CAPITAL AND RESERVES			
Called Up Share Capital	17	500,000	500,000
Other Reserves	18	2,649,794	2,659,472
Profit and Loss Account	19	1,559,854	1,565,418
SHAREHOLDERS' FUNDS	19	<u>4,709,648</u>	<u>4,724,890</u>

Signed on behalf of the Board of Directors

I.E. Jones
 I.E. Jones

Director

Approved by the Board: 30th April 1998

M. Jones
 M. Jones

Director

The annexed notes form part of these financial statements.

COVENTRY TURNED PARTS LIMITED
BALANCE SHEET AS AT 31ST DECEMBER 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible Assets	9	5,593,302	5,658,017
Investments	10	450,402	450,402
		<u>6,043,704</u>	<u>6,108,419</u>
CURRENT ASSETS			
Stocks	11	2,542,890	2,099,365
Debtors	12	656,204	523,005
Cash at Bank and in Hand	13	131,485	725,364
		<u>3,330,579</u>	<u>3,347,734</u>
CREDITORS			
Amounts due within one year	14	3,161,043	2,179,579
NET CURRENT ASSETS		<u>169,536</u>	<u>1,168,155</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,213,240</u>	<u>7,276,574</u>
CREDITORS			
Amounts due-more than one year	14	1,428,049	2,687,363
NET ASSETS		<u>4,785,191</u>	<u>4,589,211</u>
CAPITAL AND RESERVES			
Called Up Share Capital	17	500,000	500,000
Other Reserves	18	2,649,794	2,659,472
Profit and Loss Account	19	1,635,397	1,429,739
SHAREHOLDERS' FUNDS	19	<u>4,785,191</u>	<u>4,589,211</u>

Signed on behalf of the Board of Directors

I.E. Jones
 I.E. Jones
 Director

M. Jones
 M. Jones
 Director

Approved by the Board: 30th April 1998

The annexed notes form part of these financial statements.

COVENTRY TURNED PARTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 1997

	1997	1996
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	(163,650)	936,152
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest Received	27	65
Interest Paid - On Bank Loans		
Overdrafts	(314,671)	(228,909)
- On Finance Leases	-	(6,713)
- Other Interest	-	(36,490)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(314,644)	(272,313)
TAXATION	(61,982)	(67,080)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(43,539)	(684,404)
Receipts from sales of tangible fixed assets	-	2,000
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(43,539)	(682,404)
NET CASH INFLOW (OUTFLOW) BEFORE FINANCING	(521,833)	(85,645)
FINANCING		
Bank Loans	-	449,000
Repayments of Bank Loans	(210,937)	(394,668)
Pension Fund Loan	560,000	-
Repayments of Finance Leases	(55,122)	(62,182)
NET CASH INFLOW (OUTFLOW) FROM FINANCING	293,941	(7,850)
INCREASE IN CASH	(289,874)	(93,495)

COVENTRY TURNED PARTS LIMITED

10.

**NOTES TO CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1997**

1. RECONCILIATION OF OPERATING PROFIT (LOSS) TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES

	1997 £	1996 £
Operating Profit (Loss)	300,543	444,856
Depreciation	129,758	142,913
Decrease (Increase) in Stocks	(530,867)	(224,245)
Decrease (Increase) in Debtors	4,855	240,101
Increase (Decrease) in Creditors	(67,939)	332,527
NET CASH INFLOW FROM OPERATING ACTIVITIES	(163,650)	936,152

2. ANALYSIS OF CHANGES IN CASH

	1997 £	1996 £	Change in Year £
Cash at Bank and in Hand	136,215	729,298	(593,083)
Bank Overdrafts	(453,753)	(756,962)	303,209
	<u>(317,538)</u>	<u>(27,664)</u>	<u>(289,874)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	1996 £	Cashflow £	1997 £
Cash at Bank and in Hand	729,298	(593,083)	136,215
Bank Overdrafts	(756,962)	303,209	(453,753)
Debt due within one year	-	-	-
Debt due after one year	-	-	-
Current Asset Investments	-	-	-
	<u>(27,664)</u>	<u>(289,874)</u>	<u>(317,538)</u>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

1. ACCOUNTING POLICIES**a. Basis of Accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold land and buildings.

b. Turnover

The turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities exclusive of value added tax.

c. Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and Investment Properties, at rates calculated to write off the cost or valuation, over their anticipated useful life in equal annual instalments at the following rates :

Freehold Buildings	2%
Motor Vehicles	20%
Other Assets	10%

That part of the annual depreciation charge of revalued assets which relates to the surplus over cost is transferred from the revaluation reserve to the profit & loss account.

d. Stocks

Stocks and work-in-progress are valued on a first-in, first-out basis at the lower of cost or net realisable value. In respect of finished goods and work-in-progress, cost includes direct materials and labour with addition of appropriate overheads. Net realisable value is based on an estimated selling price less further costs expected to be incurred to completion and disposal. Long term work in progress represents a building development which is valued at cost together with attributable profits to date. Profits are taken to the profit and loss account when recognised over the life of the development.

e. Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallize in the foreseeable future.

f. Leased Assets

Rentals paid under operating leases are charged to the profit and loss account in the period in which they are incurred. Assets held under finance leases are capitalised and depreciated over their expected useful life. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

g. Pensions

The company operates a defined contribution pension scheme for certain of its employees. The assets of the scheme are held in independently administered funds. Contributions are charged to the profit and loss account in the year in which they are payable.

h. Investment in Subsidiaries

Shares and debentures in subsidiary companies are stated at cost.

COVENTRY TURNED PARTS LIMITED

12.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

2. TURNOVER AND PROFIT CONTRIBUTIONS

The group's turnover and profit derived from its principal activities was as follows :

	1997 Turnover	1997 Profit Before Taxation	1996 Turnover	1996 Profit Before Taxation
	£	£	£	£
Precision Engineers	2,368,149	43,123	2,956,884	163,761
Sporting Centre	292,165	(140,265)	331,538	(15,437)
Building Contractor	8,327	750	44,310	26,155
Garage Services	32,458	(46,197)	98,658	(154,907)
	2,971,099	(142,589)	3,431,930	19,572

The geographical analysis was as follows :

	1997 Group	1996 Group	1997 Company	1996 Company
	£	£	£	£
United Kingdom	2,966,930	3,351,462	1,589,799	1,680,108
Other E.U. Countries	4,169	47,905	4,169	47,905
Africa	-	32,563	-	32,563
	2,971,099	3,431,930	1,593,968	1,760,576

3. OTHER OPERATING INCOME

	1997 Group	1996 Group	1997 Company	1996 Company
	£	£	£	£
Rents Received	293,132	275,284	323,632	298,507
Administration Charge	-	-	7,000	7,000
Management Charge	150,000	150,000	150,000	150,000
	443,132	425,284	480,632	455,507

COVENTRY TURNED PARTS LIMITED

13.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

4. OPERATING PROFIT

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
This is stated after charging:				
Audit Fee	12,900	12,425	6,500	6,000
Depreciation of Tangible Fixed Assets	129,758	142,913	32,335	70,287
Hire of Plant and Machinery	44,401	43,572	16,023	16,386
Write Down of Stock Associated with Subsidiary Activity	18,500	60,000	-	-

The remuneration paid to Directors of the holding company was

Directors' Remuneration	575,200	542,695
Directors' Benefits	7,400	11,121
	<u>582,600</u>	<u>553,816</u>

Remuneration as disclosed above includes

Chairman	<u>530,909</u>	<u>509,706</u>
Others - £40,001 - £45,000	<u>-</u>	<u>1</u>
Others - £50,001 - £55,000	<u>1</u>	<u>-</u>

5. STAFF COSTS

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
Wages and Salaries	1,367,203	1,254,440	767,953	739,137
Social Security Costs	64,311	60,204	18,362	19,650
Pension Costs	11,521	11,975	7,122	7,719
	<u>1,443,035</u>	<u>1,326,619</u>	<u>793,437</u>	<u>766,506</u>

	1997 Group	1996 Group	1997 Company	1996 Company
The average weekly number of employees during the year was as follows	<u>103</u>	<u>105</u>	<u>17</u>	<u>17</u>

COVENTRY TURNED PARTS LIMITED

14.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

6. INCOME FROM INVESTMENTS

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
Bank Deposit Interest	12	65	12	65
Other Interest	15	-	15	-
	<u>27</u>	<u>65</u>	<u>27</u>	<u>65</u>

7. INTEREST PAYABLE

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
On sums wholly repayable within five years				
Bank Interest	7,579	7,388	7,579	7,388
Bank Loan Interest	235,053	221,521	235,053	221,521
Hire Purchase Interest	6,057	6,713	6,010	4,794
Interest on Overdue Taxation	334	334	334	192
	<u>249,023</u>	<u>235,936</u>	<u>248,976</u>	<u>233,895</u>
On sums repayable after five years				
Loan Interest	65,648	36,422	65,648	36,422
	<u>314,671</u>	<u>272,378</u>	<u>314,624</u>	<u>270,317</u>

8. TAXATION

Tax on profit on ordinary activities at 31%, (1996 33%).

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
Corporation Tax	1,641	68,984	(1,987)	61,185
Deferred Tax	(500)	2,050	-	-
	<u>1,141</u>	<u>71,034</u>	<u>(1,987)</u>	<u>61,185</u>

COVENTRY TURNED PARTS LIMITED

15.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

9. TANGIBLE FIXED ASSETS (Group)

	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	Land & Buildings	Total
	£	£	£	£	£
COST OR VALUATION					
At 1st January 1997	145,034	1,404,909	518,821	6,086,901	8,155,665
Additions	-	12,936	27,110	3,493	43,539
Disposals	-	-	(12,671)	-	(12,671)
At 31st December 1997	145,034	1,417,845	533,260	6,090,394	8,186,533
DEPRECIATION					
At 1st January 1997	89,964	1,090,796	445,255	267,217	1,893,232
Charge for the Year	12,039	66,062	19,707	31,950	129,758
On Disposals	-	-	(12,671)	-	(12,671)
At 31st December 1997	102,003	1,156,858	452,291	299,167	2,010,319
NET BOOK VALUE					
At 31st December 1997	43,031	260,987	80,969	5,791,227	6,176,214
At 31st December 1996	55,070	314,113	73,566	5,819,684	6,262,433

The net book value of land & buildings at 31st December 1997 comprised :

	1997 £	1996 £
Freehold	2,198,377	2,226,834
Investment Properties	3,592,850	3,592,850
	<u>5,791,227</u>	<u>5,819,684</u>

The net book value of fixed assets at 31st December 1997 includes £11,910 (1996 £69,709) in respect of assets subject to finance obligations.

The depreciation charged on those assets in the year was £3,250 (1996 £25,099).

Freehold Land & Buildings were valued on the basis of open market valuation for existing use on 12th April 1988. Investment properties were valued by the Directors at 31st December 1992.

If land and buildings had not been revalued they would have been included at the following amounts :

	1997 £	1996 £
COST	3,048,193	3,335,557
AGGREGATE DEPRECIATION	<u>333,596</u>	<u>311,324</u>

COVENTRY TURNED PARTS LIMITED

16.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

9. TANGIBLE FIXED ASSETS (Company)

	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	Land & Buildings	Total
	£	£	£	£	£
COST OR VALUATION					
At 31st December 1996	118,501	784,645	44,701	5,709,401	6,657,248
Additions	-	9,202	-	3,493	12,695
Disposals	-	-	-	-	-
At 31st December 1997	118,501	793,847	44,701	5,712,894	6,669,943
DEPRECIATION					
At 31st December 1996	65,446	641,038	38,580	254,167	999,231
On Disposals	-	-	-	-	-
Charge for the Year	10,124	35,330	1,456	30,500	77,410
At 31st December 1997	75,570	676,368	40,036	284,667	1,076,641
NET BOOK VALUE					
At 31st December 1997	42,931	117,479	4,665	5,428,227	5,593,302
At 31st December 1996	53,055	143,607	6,121	5,455,234	5,658,017

The net book value of land & buildings at 31st December 1997 comprised :

	1997 £	1996 £
Freehold	1,835,377	1,862,384
Investment Properties	3,592,850	3,592,850
	<u>5,428,227</u>	<u>5,455,234</u>

The net book value of fixed assets at 31st December 1997 includes £8,670 (1996 £66,109) in respect of assets subject to finance obligations. The depreciation charged on those assets in the year was £2,890 (1996 £24,699).

Freehold Land & Buildings were valued on the basis of open market valuation for existing use on 12th April 1988. Investment Properties were valued by the Directors at 31st December 1992.

If land and buildings had not been revalued they would have been included at the following amounts :

	1997 £	1996 £
COST	<u>2,961,550</u>	<u>2,958,057</u>
AGGREGATE DEPRECIATION	<u>319,096</u>	<u>298,274</u>

COVENTRY TURNED PARTS LIMITED

17.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

10. INVESTMENTS

	1997 £	1996 £
Shares in Group Companies	<u>450,402</u>	<u>450,402</u>

The following are the subsidiary companies of the company, all of which are 100% owned and incorporated within the United Kingdom.

Backer Electric Industrial Limited	- Dormant
Chevroncircle Limited	
E-Types of Warwick Limited	
Leper Castings Limited	- Dormant
Leper Engineering Limited	
Wade Park Engineering Limited	
Warwick Squash Centre Limited	

11. STOCKS

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
Raw Materials	141,557	77,368	87,905	31,889
Work in Progress	184,552	88,693	4,414	10,994
Finished Goods	-	10,092	-	-
Other Stock	77,091	90,269	-	-
Development Land	200,571	199,600	200,571	199,600
Long Term Work in Progress	2,250,000	1,856,882	2,250,000	1,856,882
	<u>2,853,771</u>	<u>2,322,904</u>	<u>2,542,890</u>	<u>2,099,365</u>

12. DEBTORS

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
Amounts due within one year:-				
Trade Debtors	728,294	716,379	431,445	362,387
Amounts Owed by Group Companies	-	-	201,625	132,137
Other Debtors	8,154	19,261	6,563	11,580
Prepayments	33,445	39,108	16,571	16,901
	<u>769,893</u>	<u>774,748</u>	<u>656,204</u>	<u>523,005</u>

COVENTRY TURNED PARTS LIMITED

18.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

13. CASH AT BANK AND IN HAND

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
Bank Deposit	1,207	1,195	1,207	1,195
Bank	130,274	724,075	130,274	724,075
Cash	4,734	4,028	4	94
	<u>136,215</u>	<u>729,298</u>	<u>131,485</u>	<u>725,364</u>

14. CREDITORS

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
a.Amounts due within one year:-				
Bank Overdraft	453,753	756,962	-	-
Bank Loan	2,332,682	862,283	2,332,682	862,283
Trade Creditors	237,175	314,197	78,251	111,458
Amounts Owed to Group Companies	-	-	111,350	629,786
Corporation Tax	8,363	68,704	4,500	61,000
Other Tax and Social Security	318,464	329,702	278,070	284,111
Accruals	49,618	62,510	33,899	33,686
Hire Purchase Creditors	37,978	55,122	37,978	54,455
Director's Loan	201,941	26,974	201,941	26,974
Deferred Income	142,872	184,626	82,372	115,826
	<u>3,782,846</u>	<u>2,661,080</u>	<u>3,161,043</u>	<u>2,179,579</u>

b.Amounts due in more than one year:-

Bank Loan	296,827	1,978,163	296,827	1,978,163
Pension Fund Loan	965,000	405,000	965,000	405,000
Hire Purchase Creditors	16,222	54,200	16,222	54,200
Director's Loan	150,000	250,000	150,000	250,000
	<u>1,428,049</u>	<u>2,687,363</u>	<u>1,428,049</u>	<u>2,687,363</u>

The bank borrowings are secured by a floating charge over the assets of the company, together with a first charge over the freehold property.

The hire purchase creditors are secured on certain fixed assets.

COVENTRY TURNED PARTS LIMITED

19.

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

15. BORROWINGS

	1997 £	1996 £
Aggregate of instalment debts of the group some of which are due for payment after five years:		
Bank Loan	-	2,840,446
Pension Fund Loan	965,000	405,000
	<u>965,000</u>	<u>3,245,446</u>

The pension fund loans are due for repayment in full from 2002 to 2010. Interest is charged on these loans at 3% over bank base rate.

16. DEFERRED TAXATION

	1997 Group £	1996 Group £	1997 Company £	1996 Company £
POTENTIAL LIABILITY				
Due to Capital Allowances	274,550	403,050	259,000	387,000
Capital Gains Tax rolled over	10,000	10,000	10,000	10,000
Revaluation of Fixed Assets	222,000	264,500	222,000	264,500
	<u>506,550</u>	<u>677,550</u>	<u>491,000</u>	<u>661,500</u>
PROVIDED				
Due to Capital Allowances	<u>15,550</u>	<u>16,050</u>	-	-

17. SHARE CAPITAL

	1997 £	1996 £
Authorised Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, Called Up and Fully Paid Ordinary Shares of £1 each	<u>500,000</u>	<u>500,000</u>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

18. RESERVES

	Revaluation Reserve General	Investment
	£	£
At 1st January 1997	772,660	1,886,812
Transfers to/from Profit & Loss	9,678	-
	<u>762,982</u>	<u>1,886,812</u>

No provision has been made for the additional U.K. taxation that would accrue if the Land and Buildings were disposed of at their revalued amounts. The potential liability to such taxation is disclosed in Note 16.

The transfer from the Revaluation Reserve to the Profit and Loss Account represents the realisation of a revaluation surplus on the disposal of Freehold Land and Buildings and also the difference between the depreciation charge for the Year based on the revalued amounts and the depreciation charge for the Year based on cost.

19. SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the Year	(15,242)	101,509
Dividends Paid	-	-
Other recognised gains and losses	-	(91,596)
Net addition to shareholders' funds	<u>(15,242)</u>	<u>9,913</u>
Opening Shareholders' Funds	4,724,890	4,714,977
Closing Shareholders' Funds	<u>4,709,648</u>	<u>4,724,890</u>

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

20. COMMITMENTS**a. Pension Commitments**

Annual pension commitments of the group amounted to £11,521 (1996 £11,975). There were no unpaid contributions at the balance sheet date.

b. Lease Commitments - Operating Leases

At 31st December 1997, the group had annual commitments under non-cancellable operating leases as below :

	1997		1996	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Operating leases which expire :				
Within One Year	-	5,341	-	-
Between One and Five Years	-	5,001	-	20,049
After Five Years	30,000	-	30,000	-
	30,000	10,342	30,000	20,049

c. Other Financial Commitments

There were no capital commitments at the balance sheet date.

21. CONTINGENT LIABILITIES

At 31st December 1997 there was a counter indemnity with the company bankers totalling £15,500.

22. POST BALANCE SHEET EVENTS

Since the balance sheet date the company has sold the long term work-in-progress for in excess of its value as stated in Note 11. The proceeds were utilised to repay certain of the bank loans.

COVENTRY TURNED PARTS LIMITED

NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1997

23. RELATED PARTY TRANSACTIONS

During the year the company and certain of its subsidiaries supplied goods and services to Backer Electric Company Limited a company in which I.E. Jones is a director. The value of goods supplied by the group was as follows :

Coventry Turned Parts Limited	£1,124,594
Wade Park Engineering Limited	£202,292

In addition Coventry Turned Parts Limited received a management charge of £150,000 and purchased goods from Backer Electric Company Limited to the value of £368,040. All transactions were carried out under normal trading terms.

E - Types of Warwick Limited made payments of rent totalling £30,000 to CTP Pension Scheme, a small self administered scheme, in respect of property occupied by that company. The pension fund members comprise I.E. Jones & Mrs M. Jones. The rent is set on an arm's length basis.

During the year Chevroncircle Limited carried out work on behalf of I.E. Jones and certain members of his family to a value of £2,385, and work on behalf of CTP Pension Scheme to the value of £5,942.