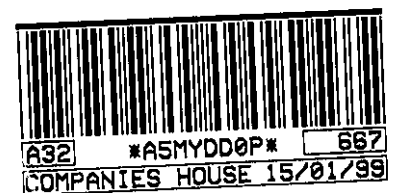


REGISTERED NUMBER
963741
ENGLAND AND WALES

BARNSHAW SECTION BENDERS LIMITED
ANNUAL REPORT
AND
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 1997



BARNSHAW SECTION BENDERS LIMITED
' ANNUAL REPORT
AND
ABBREVIATED FINANCIAL STATEMENTS
31 DECEMBER 1997

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BARNSHAW SECTION BENDERS LIMITED

DIRECTORS

R J Barnshaw
P M Barnshaw

SECRETARY

A L Ferguson

REGISTERED OFFICE

Tipton Road
Tividale
Warley
West Midlands
B69 3HY

REGISTERED NUMBER

963741 (England & Wales)

AUDITORS

Allenbrooke Kingsley Mills
614 Stratford Road
Birmingham
B11 4BE

BARNSHAW SECTION BENDERS LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

The principal activity of the company is to supply components for the engineering industry.

BUSINESS REVIEW

During the year under review the business continued to expand.

FUTURE DEVELOPMENTS

The business will continue to expand and improve.

POST BALANCE SHEET EVENTS

On 1 July 1998 the Company acquired the entire share capital of B Saxton (Holdings) Limited.

RESULTS AND DIVIDENDS

The results for the year are set out in the Profit and Loss Account on page 5. The position at the end of the year is shown in the Balance Sheet on page 6. The directors are unable to recommend the payment of a dividend for this year.

FIXED ASSETS

Changes in fixed assets are shown in the notes to the financial statements.

DIRECTORS

The directors who served throughout the year and their beneficial interests in the shares of the company at the beginning and end of the financial year are as follows:-

	At 01/01/1997	At 31/12/1997
R J Barnshaw	60	36
P M Barnshaw	10	4

In accordance with the Articles of Association, the director retiring by rotation is Mr R J Barnshaw who, being eligible, offers himself for re-election.

DIRECTORS' RESPONSIBILITIES

Company law requires the 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 year. In preparing those financial statements 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 financial statements;
- prepare the financial statements 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 financial statements 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.


BARNSHAW SECTION BENDERS LIMITED

DIRECTORS' REPORT (Continued)

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Allenbrooke Kingsley Mills, as auditors to the company, will be placed before the Annual General Meeting.

Signed by order of the
Board of Directors


A L Ferguson
Secretary

Approved by the Board: 4 August 1998

AUDITORS' REPORT TO THE SHAREHOLDERS OF

BARNSHAW SECTION BENDERS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 5 to 12 together with the full statutory financial statements of the company for the year ended 31 December 1997, prepared under section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with these provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the full statutory financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory financial statements.

OPINION

In our opinion, the company is entitled to deliver financial statements prepared in accordance with section 246A(3) and the abbreviated financial statements on pages 5 to 12 are properly prepared in accordance with those provisions.



ALLENBROOKE KINGSLEY MILLS

CHARTERED ACCOUNTANTS

& REGISTERED AUDITORS

4 August 1998

614 Stratford Road
Birmingham B11 4BE

BARNSHAW SECTION BENDERS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1997

	Note	1997	1996
GROSS PROFIT		1,347,203	1,548,304
Distribution Costs		(257,134)	(195,459)
Administrative Expenses		(1,390,418)	(1,508,410)
Other Operating Income		<u>1,456,403</u>	<u>1,503,732</u>
OPERATING PROFIT	3	1,156,054	1,348,167
Other Income	4	<u>60,963</u>	<u>93,013</u>
		1,217,017	1,441,180
Interest Payable	5	<u>(32,119)</u>	<u>(49,299)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,184,898	1,391,881
TAXATION	6	<u>(291,391)</u>	<u>(440,449)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		893,507	951,432
RETAINED PROFIT 1 January 1997		<u>5,681,759</u>	<u>4,730,327</u>
RETAINED PROFIT 31 December 1997		<u>£6,575,266</u>	<u>£5,681,759</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

BARNSHAW SECTION BENDERS LIMITED

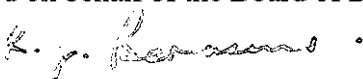
ABBREVIATED BALANCE SHEET

AT 31 DECEMBER 1997

	Note	1997	1996
FIXED ASSETS			
Tangible Assets	8	5,524,211	4,462,488
Investments	9	<u>282,623</u>	<u>282,623</u>
		<u>5,806,834</u>	<u>4,745,111</u>
CURRENT ASSETS			
Stocks		10,515	10,300
Debtors	10	1,156,083	1,018,568
Amounts due from Associated Undertakings		2,466,374	2,802,713
Cash at Bank and in Hand		<u>810,259</u>	<u>1,201,065</u>
		<u>4,443,231</u>	<u>5,032,646</u>
CREDITORS: Amounts falling due within one year			
Amounts due to Associated Undertakings		(61,203)	(302,492)
Other	11	<u>(2,063,541)</u>	<u>(2,285,951)</u>
		<u>(2,124,744)</u>	<u>(2,588,443)</u>
NET CURRENT ASSETS		<u>2,318,487</u>	<u>2,444,203</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,125,321	7,189,314
ACCRUALS AND DEFERRED INCOME	12	<u>(42,500)</u>	<u>-</u>
NET ASSETS		<u>£8,082,821</u>	<u>£7,189,314</u>
CAPITAL AND RESERVES			
Called up Share Capital	13	70	70
Revaluation Reserve	14	1,507,485	1,507,485
Profit and Loss Account		<u>6,575,266</u>	<u>5,681,759</u>
SHAREHOLDERS FUNDS	15	<u>£8,082,821</u>	<u>£7,189,314</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium companies.

Signed on behalf of the Board of Directors


R J Barnshaw
Director

Approved by the Board: 4 August 1998

BARNSHAW SECTION BENDERS LIMITED

CASHFLOW STATEMENT

YEAR ENDED 31 DECEMBER 1997

	Note	1997	1996
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	1,337,498	1,014,229
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Rent Received	-	200	
Interest Received	60,963	92,813	
Interest Paid	<u>(32,119)</u>	<u>(49,299)</u>	
		28,844	43,714
CORPORATION TAX PAID		(439,989)	(339,189)
CAPITAL EXPENDITURE			
Payments to acquire Tangible Fixed Assets	(1,473,759)	(1,068,602)	
Receipts from sales of Tangible Fixed Assets	106,600	30,825	
Grant Received	<u>50,000</u>		
		<u>(1,317,159)</u>	<u>(1,037,777)</u>
DECREASE IN BANK AND CASH BALANCES		(390,806)	(319,023)
NET FUNDS AT 1 JANUARY 1997		<u>1,201,065</u>	<u>1,520,088</u>
NET FUNDS AT 31 DECEMBER 1997		<u>£ 810,259</u>	<u>£1,201,065</u>

BARNSHAW SECTION BENDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1997

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements:

a) Accounting Convention

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention, as modified by the revaluation of certain freehold and long term leasehold property.

b) Turnover

Turnover represents amounts invoiced by the company in respect of goods sold during the year, excluding value added tax.

c) Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives using the reducing balance method at the following annual rates:

Motor Vehicles	25%
Plant and Machinery	15%
Fixtures, Fittings and Office Equipment	15%

No provision has been made for depreciation of Freehold Land and Buildings, Long Term Leasehold Property. This is not in accordance with the requirement of the Statement of Standard Accounting Practice No. 12 and Schedule 4 to the Companies Act 1985.

d) Stocks and Work in Progress

Stocks of Materials and Work in Progress have been valued at the lower of cost and net realisable value.

e) Deferred Taxation

Deferred Taxation is provided on the liability method to take account of timing differences between the treatment for tax purposes and the treatment for accounts purposes except to the extent that the directors are satisfied that the tax benefits resulting from these timing differences will continue in the foreseeable future.

f) Grants

Capital Grants are treated as deferred income which is credited to the Profit and Loss Account by instalments over the useful economic life of the related asset at a rate consistent with the depreciation policy.

g) Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating results.

h) Consolidation

The company and its group undertaking comprise a medium group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group financial statements.

BARNSHAW SECTION BENDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 1997

2 STAFF NUMBERS AND COSTS

The average number of persons, including directors, employed by the company during the year was

	1997	1996
Administration and Sales	51	45
Works	<u>50</u>	<u>40</u>
	<u>101</u>	<u>85</u>

The aggregate payroll costs of these persons were as follows:-

	1997	1996
Salaries	1,636,439	1,461,628
Social Security Costs	<u>157,067</u>	<u>139,758</u>
	<u>£1,793,506</u>	<u>£1,601,386</u>

3 OPERATING PROFIT

The operating profit is stated after charging the following:-

	1997	1996
	£	£
Depreciation of Tangible Fixed Assets	310,267	197,682
Directors Emoluments	18,480	343,720
Auditors Remuneration	<u>4,800</u>	<u>4,600</u>

4 OTHER INCOME

	1997	1996
Rent	-	200
Bank Interest	<u>60,963</u>	<u>92,813</u>
	<u>£ 60,963</u>	<u>£ 93,013</u>

5 INTEREST PAYABLE

	1997	1996
On Directors Current Accounts	22,220	46,923
On Other Accounts	<u>9,899</u>	<u>2,376</u>
	<u>£ 32,119</u>	<u>£ 49,299</u>

6 TAXATION

	1997	1996
Current UK Corporation Tax @ 31.49% (1996 - 33%)	291,391	439,989
Underprovision in respect of prior year	<u>-</u>	<u>460</u>

£ 291,391 £ 440,449

No provision for Deferred Tax is necessary for the current year.

In accordance with the Accounting Policy the potential liability for Deferred Taxation at 31% (1996 - 33%) not provided in the financial statements is made up as follows:-

	1997	1996
Revaluation of Property	248,891	283,065
Accelerated Capital Allowances	169,628	97,053
Industrial Buildings Allowance	<u>186,220</u>	<u>182,453</u>
	<u>£ 604,739</u>	<u>£ 562,571</u>

BARNSHAW SECTION BENDERS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 1997

7 DIRECTORS EMOLUMENTS

The emoluments of the Chairman and highest paid director amounted to £10,400 (1996 - £290,600)

The number of other directors whose emoluments were within the scales set out below were as follows:-

	1997	1996
£5,001 - £10,000	1	-
£50,001 - £55,000	-	1

8 TANGIBLE FIXED ASSETS

	Total	Motor Vehicles	Plant & Machinery	Fixtures Fittings & Office Equipment	Freehold Land & Buildings	Long Term Leasehold Property	Freehold Building Under Construction
Cost or Valuation:							
1 January 1997	6,383,782	397,446	2,343,097	176,144	2,346,519	539,200	581,376
Additions	1,473,759	284,333	581,899	26,195	581,332	-	-
Disposals	(262,813)	(75,409)	(187,404)	-	-	-	-
Reallocation	-	-	-	-	581,376	-	(581,376)
31 December 1997	<u>£7,594,728</u>	<u>606,370</u>	<u>2,737,592</u>	<u>202,339</u>	<u>3,509,227</u>	<u>539,200</u>	<u>-</u>
Cost	5,182,228	606,370	2,737,592	202,339	1,566,727	69,200	-
Valuation	<u>2,412,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,942,500</u>	<u>470,000</u>	<u>-</u>
	<u>£7,594,728</u>	<u>606,370</u>	<u>2,737,592</u>	<u>202,339</u>	<u>3,509,227</u>	<u>539,200</u>	<u>-</u>
Depreciation:							
1 January 1997	1,921,294	236,038	1,563,728	121,528	-	-	-
Provision	310,267	105,896	192,249	12,122	-	-	-
On Disposals	<u>(161,044)</u>	<u>(53,249)</u>	<u>(107,795)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 December 1997	<u>£2,070,517</u>	<u>288,685</u>	<u>1,648,182</u>	<u>133,650</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value:							
31 December 1997	<u>£5,524,211</u>	<u>317,685</u>	<u>1,089,410</u>	<u>68,689</u>	<u>3,509,227</u>	<u>539,200</u>	<u>-</u>
31 December 1996	<u>£4,462,488</u>	<u>161,408</u>	<u>779,369</u>	<u>54,616</u>	<u>2,346,519</u>	<u>539,200</u>	<u>581,376</u>

During 1992 certain freehold and long leasehold property were valued on the basis of open market value.

The historical cost of the fixed assets shown at valuation is as follows:-

	1997	1996
Freehold Land and Buildings	739,044	739,044
Long Term Leasehold Property	165,971	165,971

BARNSHAW SECTION BENDERS LIMITED

NOTES TO ABBREVIATED THE FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 1997

9 INVESTMENTS	1997	1996
Shares in Group Undertaking at Cost	407,522	407,522
Deduct: Permanent diminution in value	(124,899)	(124,899)
	<u>£282,623</u>	<u>£282,623</u>
<p>The company's investment in its group undertaking represents the cost of acquisition of 100% of the ordinary share capital of Chatglade Limited, a company registered in England and Wales.</p> <p>At 31 December 1997, the aggregate of share capital and reserves of Chatglade Limited amounted to £282,623 (1996 - £282,623). The company remained dormant throughout the year.</p>		
10 DEBTORS	1997	1996
Trade	1,098,233	988,411
Other	39,225	14,430
Prepayments	<u>18,625</u>	<u>15,727</u>
	<u>£1,156,083</u>	<u>£1,018,568</u>
11 OTHER CREDITORS	1997	1996
Directors Remuneration subject to PAYE	-	325,000
Directors Current Account	489,685	694,906
Trade	944,065	626,371
Corporation Tax	291,391	439,989
Other Taxation and Social Security	45,647	74,512
Other	132,901	123,347
Accruals	<u>159,852</u>	<u>1,826</u>
	<u>£2,063,541</u>	<u>£2,285,951</u>
12 ACCRUALS AND DEFERRED INCOME	1997	1996
Grant	£ <u>42,500</u>	£ <u>-</u>
13 SHARE CAPITAL	1997	1996
Authorised: Ordinary shares of £1 each	£ <u>100</u>	£ <u>100</u>
Allotted, called-up and fully paid:		
Ordinary shares of £1 each	£ <u>70</u>	£ <u>70</u>
14 REVALUATION RESERVE	1997	1996
Surplus on Revaluation of certain Freehold and Long Leasehold Property	<u>£1,507,485</u>	<u>£1,507,485</u>

BARNSHAW SECTION BENDERS LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (Continued)****YEAR ENDED 31 DECEMBER 1997**

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	1997	1996
Profit for the financial year after taxation	893,507	951,432
Shareholders funds at 1 January 1997	<u>7,189,314</u>	<u>6,237,882</u>
Shareholders funds at 31 December 1997	<u>£8,082,821</u>	<u>£7,189,314</u>
16 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	1997	1996
Operating Profit	1,156,054	1,348,167
Depreciation	310,267	200,977
Grant Receivable	(7,500)	-
Profit on Sale of Tangible Fixed Assets	(4,831)	(9,285)
Increase in Stock	(215)	(120)
Decrease (Increase) in Debtors	198,824	(619,958)
(Decrease)/Increase in Creditors	<u>(315,101)</u>	<u>94,448</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>£1,337,498</u>	<u>£1,014,229</u>
17 CAPITAL COMMITMENTS		
There were no Capital Expenditure Commitments at 31 December 1997 (1996 - Nil).		
18 CONTINGENT LIABILITIES		
There were no known Contingent Liabilities at 31 December 1997 (1996 - Nil).		
19 POST BALANCE SHEET EVENTS		
On 1 July 1998 the Company acquired the entire share capital of B Saxton (Holdings) Limited.		