

“REGISTRAR”

ABRAM PULMAN & SONS LTD

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STATEMENT OF ACCOUNTS

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YEAR ENDED 31ST DECEMBER 1999

Number

56547 Registered in England

Address

WALTON STREET

SOWERBY BRIDGE

WEST YORKSHIRE



ABRAM PULMAN & SONS LTD

DIRECTORS' REPORT

for the year ended 31st December 1999

Registered Office

Walton Street, Sowerby Bridge, West Yorkshire

Number

56547 Registered in England

Review

The company has continued its business of Steel Stockholders. The loss for the year was £114,065 but the financial position is considered satisfactory.

The Future

Forecasts for 2000 suggest that trading conditions will continue to be extremely difficult.

Positive steps have been taken to increase turnover and the Directors believe the company is well placed to take advantage of any upturn in business and are hopeful that a return to profitability will be achieved.

Dividend

A dividend of 100% is proposed amounting to £24,035 which when added to the loss for the year gives a deficit of £138,100 to be deducted from the retained profits brought forward.

Directors

The directors who held office during the year are set out below together with their interests in the shares of the company:

	<u>Shares Held</u>	
	<u>31st December</u> <u>1999</u>	<u>31st December</u> <u>1998</u>
C R Shoesmith	600	600
D J Horner	65	65
Mrs R M Shoesmith	47	47
D N Shoesmith	550	550

Mrs R M Shoesmith, Mr D J Horner and Mr C R Shoesmith resigned as directors on 1st January 2000 and Mr J C Horner was appointed a director on that date.

Fixed Assets

The movements in fixed assets during the year are set out in note 1 of the notes to the Balance Sheet.

In the opinion of the directors the market value of the company's Freehold Land and Buildings exceeds the book value of £423,075 shown in the financial statements but are unable to quantify the excess since no recent professional valuation has been carried out.

ABRAM PULMAN & SONS LTD

DIRECTORS' REPORT CONTINUED

for the year ended 31st December 1999

Registered Office
Walton Street, Sowerby Bridge, West Yorkshire

Number
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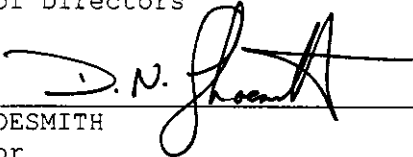
Charitable Donations

Charitable donations during the year amounted to £325 (1998 £325). No political donations were made.

Auditors

A resolution proposing the re-appointment of Sutcliffe & Riley as auditors to the company will be put to the Annual General Meeting.

Signed on behalf of the
Board of Directors

A handwritten signature in black ink, appearing to read 'D. N. Shoemith', is written over a horizontal line.

D N SHOESMITH
Director

Approved by the Board: 17th March 2000

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF ABRAM PULMAN & SONS LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective Responsibilities of Directors and Auditors

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 period. In preparing those financial statements, the directors are required to:

- (a) Select suitable accounting policies and then apply them consistently;
- (b) Make judgements and estimates that are reasonable and prudent;
- (c) State whether applicable accounting standards have been followed, and explain in the financial statements any material departures therefrom;
- (d) 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 also 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.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion 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.

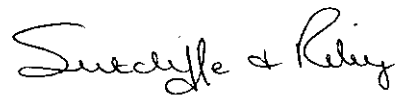
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity 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 1999 and of its loss and cash flow for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

3 Central Street
HALIFAX

17th March 2000


SUTCLIFFE & RILEY
Chartered Accountants
Registered Auditors

ABRAM PULMAN & SONS LTD

STATEMENT OF ACCOUNTING POLICIES

31st December 1999

(1) The accounts are prepared in accordance with the accounting practice principles set out in paragraphs 10 to 14 of Schedule 4 Part II Section A to the Companies Act 1985 and with applicable accounting standards.

(2) Depreciation on tangible fixed assets is provided at rates calculated to write off the assets over their useful lives taking account of any residual value thereof.

The principal rates used are:

Freehold Land & Buildings	5% p.a. reducing balance
Plant & Machinery	10% p.a. reducing balance
Cranes	20% p.a. reducing balance
Fixtures & Fittings, Office Furniture & Equipment	10% p.a. reducing balance
Motor Vehicles	25% p.a. reducing balance
Computer Equipment	25% p.a. reducing balance

(3) Stock is valued at the lower of cost or net realisable value. For this purpose cost comprises cost of direct materials and labour.

(4) Provision is made for taxation deferred by timing differences only where such differences are likely to be reversed within three years.

(5) Turnover represents the value of goods sold by the company excluding VAT.

(6) The company contributes to a defined contribution pension scheme. The assets of the scheme are held in a separately identifiable fund. The charge in the profit and loss account represents payments made to the scheme during the year.

(7) The rental cost of assets acquired under operating leases is charged directly to the Profit & Loss Account.

ABRAM PULMAN & SONS LTD

PROFIT & LOSS ACCOUNT

for the year ended 31st December 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
Turnover	(1)	2,713,236	2,847,245
Cost of Sales		<u>1,669,367</u>	<u>1,890,099</u>
<u>GROSS PROFIT ON CONTINUING OPERATIONS</u>		1,043,869	957,146
Distribution Costs	1,035,920		810,969
Administrative Expenses	<u>226,510</u>	<u>1,262,430</u>	<u>175,773</u>
<u>OPERATING (LOSS)/PROFIT ON CONTINUING OPERATIONS</u>	(2)	(218,561)	(29,596)
Interest Receivable	(3)	<u>63,704</u>	<u>89,197</u>
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(154,857)	59,601
Taxation	(4)	<u>(40,792)</u>	<u>22,269</u>
<u>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</u>		(114,065)	37,332
Ordinary Dividends - Equity Shares		<u>24,035</u>	<u>36,053</u>
<u>(DEFICIT)/RETAINED PROFITS</u>		(138,100)	1,279
Retained Profits Brought Forward		<u>2,598,414</u>	<u>2,597,135</u>
<u>RETAINED PROFITS CARRIED FORWARD</u>		£ <u>2,460,314</u>	£ <u>2,598,414</u>

The notes on page 6 form part of this account

ABRAM PULMAN & SONS LTD

NOTES TO THE PROFIT & LOSS ACCOUNT

31st December 1999

1999

1998

(1) Turnover:

The whole of the company's turnover relates to the United Kingdom and is attributable to its principal activity of steel stockholders.

(2) The Operating (Loss)/Profit is stated after charging/(crediting):

Wages & Salaries	£ 565,454	£ 501,428
Social Security Costs	£ 61,681	£ 61,277
Pension Costs	£ 16,132	£ 10,557
Auditors' Remuneration	£ 4,600	£ 4,450
Directors' Emoluments	£ 110,945	£ 123,838
Director's Pension Costs	£ 15,000	£ 13,387
Depreciation on Tangible Fixed Assets	£ 86,772	£ 71,768
Surplus on Disposal of Tangible Fixed Assets	£ (735)	£ (12,400)
Operating Lease Rentals - Motor Vehicles	£ 20,755	£ 4,536

The director's pension costs relate to contributions to a money purchase pension scheme for one director.

(3) Interest Receivable:

Interest Receivable and Similar Income	£ <u>63,704</u>	£ <u>89,197</u>
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(4) Taxation on (Loss)/Profit on Ordinary Activities:

UK Corporation Tax Repayable on the results for the year	(10,272)	(-)
UK Corporation Tax at 21% based on the profit for the year (1998 21%)	(-)	10,252
Deferred Tax	<u>(30,520)</u>	<u>12,017</u>
	£ <u>(40,792)</u>	£ <u>22,269</u>

The charge for corporation tax has been reduced due to excess of capital allowances over depreciation

	£ <u>4,422</u>	£ <u>7,210</u>
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(5) The average number of employees was

41

37

(6) The company has no recognised gains or losses other than the profit for the year and therefore does not provide a statement of recognised gains and losses.

ABRAM PULMAN & SONS LTD

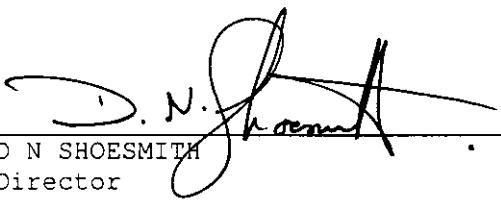
BALANCE SHEET

as at 31st December 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
<u>FIXED ASSETS</u>			
Tangible Assets	(1)	774,943	696,635
<u>CURRENT ASSETS</u>			
Stock & Work in Progress	(2)	416,707	355,680
Debtors	(3)	960,082	736,698
Investment - Short Term Deposit		1,055,309	997,280
Cash in Hand and Bank		<u>467</u>	<u>220,104</u>
		2,432,565	2,309,762
<u>CREDITORS PAYABLE WITHIN ONE YEAR</u>	(4)	<u>705,070</u>	<u>344,352</u>
<u>NET CURRENT ASSETS</u>		<u>1,727,495</u>	<u>1,965,410</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>2,502,438</u>	<u>2,662,045</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	(5)	<u>17,589</u>	<u>39,096</u>
		£ <u>2,484,849</u>	£ <u>2,622,949</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	(6)	24,035	24,035
Reserves	(7)	500	500
Profit & Loss Account		<u>2,460,314</u>	<u>2,598,414</u>
<u>EQUITY SHAREHOLDERS' FUNDS</u>		£ <u>2,484,849</u>	£ <u>2,622,949</u>

The notes on pages 8 to 10 form part of this account

Signed on behalf of the
Board of Directors


D N SHOESMITH
Director

Approved by the Board: 17th March 2000

ABRAM PULMAN & SONS LTD

NOTES TO THE BALANCE SHEET

31st December 1999

(1) Tangible Fixed Assets are:

	<u>Freehold</u>	<u>Plant</u>	<u>Fixtures</u> <u>Fittings</u> <u>Office</u> <u>Furniture</u> <u>& Equipment</u>	<u>Motor</u> <u>Vehicles</u>	<u>Total</u>
	<u>Land &</u> <u>Buildings</u>	<u>&</u> <u>Machinery</u>			
<u>Cost</u>					
1.1.99	654,841	576,791	168,215	184,544	1,584,391
Additions	61,636	18,110	66,084	21,665	167,495
Disposals	-	-	-	(21,992)	(21,992)
31.12.99	£ 716,477	£ 594,901	£ 234,299	£ 184,217	£ 1,729,894
<u>Depreciation</u>					
1.1.99	271,134	353,656	113,099	149,867	887,756
Years Charge	22,268	25,012	26,011	13,481	86,772
Elimination on Disposals	-	-	-	(19,577)	(19,577)
31.12.99	£ 293,402	£ 378,668	£ 139,110	£ 143,771	£ 954,951
<u>Book Value</u>					
31.12.99	£ 423,075	£ 216,233	£ 95,189	£ 40,446	£ 774,943
31.12.98	£ 383,707	£ 223,135	£ 55,116	£ 34,677	£ 696,635

1999 1998

(2) Stock & Work in Progress comprise:

Raw Materials	412,421	350,900
Work in Progress	4,286	4,780
	£ 416,707	£ 355,680

(3) Debtors comprise:

Trade Debtors	938,933	736,698
Corporation Tax Repayable	19,285	-
Other Debtors	1,864	-
	£ 960,082	£ 736,698

(4) Creditors falling due within one year are:

Bank Overdraft	168,428	-
Trade Creditors	344,253	160,626
Corporation Tax	-	658
Taxation & Social Security	46,300	31,486
Accruals	122,054	115,529
Proposed Dividend	24,035	36,053
	£ 705,070	£ 344,352

ABRAM PULMAN & SONS LTD

NOTES TO THE BALANCE SHEET CONTINUED

31st December 1999

	<u>1999</u>	<u>1998</u>
(5) Provision for liabilities and charges are:		
Taxation deferred by Capital Allowances	55,478	48,109
Less Tax Losses Unrelieved	37,889	-
Less Advance Corporation Tax	<u>-</u>	<u>9,013</u>
	£ <u>17,589</u>	£ <u>39,096</u>
(6) The called up share capital is:		
Authorised: £5 Ordinary Shares - Equity	£ <u>25,000</u>	£ <u>25,000</u>
Allotted & Fully Paid: £5 Ordinary Shares - Equity	£ <u>24,035</u>	£ <u>24,035</u>
(7) Reserves are:		
Capital Reserve	312	312
Share Premium Account	<u>188</u>	<u>188</u>
	£ <u>500</u>	£ <u>500</u>
(8) Capital Commitments:		
Capital expenditure authorised by the directors:		
a) For which contracts had been placed	£ 32,250	£ 173,000
b) Not yet subject to contract	£ -	£ -
(9) There is a contingent liability in respect of corporation tax on the capital gain arising on the sale of Freehold Property, which has been rolled over against the cost of new buildings acquired. Additional Capital Gains Tax likely to arise on future sale of the Freehold Property is estimated to be	£ <u>41,000</u>	£ <u>41,000</u>

ABRAM PULMAN & SONS LTD

NOTES TO THE BALANCE SHEET CONTINUED

31st December 1999

	<u>1999</u>	<u>1998</u>
(10) Operating Lease Commitments:		
The company had the following annual commitments under non cancellable operating leases in respect of motor vehicles:		
Expiring within one year	£ <u>-</u>	£ <u>-</u>
Expiring within two and five years	£ <u>20,524</u>	£ <u>7,996</u>
(11) Reconciliation of movements in Shareholders' Funds:		
(Loss)/Profit for the Financial Year	(114,065)	37,332
Dividends	<u>24,035</u>	<u>36,053</u>
Net (Reduction)/Additions to Shareholders' Funds	(138,100)	1,279
Opening Shareholders' Funds	<u>2,622,949</u>	<u>2,621,670</u>
Closing Shareholders' Funds	£ <u>2,484,849</u>	£ <u>2,622,949</u>

CASH FLOW STATEMENT

for the year ended 31st December 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
<u>Reconciliation of Operating (Loss)/Profit with net Cash Flow from Operating Activities</u>			
Operating (loss)/profit on continuing activities		(218,561)	(29,596)
Depreciation charges and adjustments on sale of fixed assets		86,037	59,368
Decrease (Increase) in Stocks		(61,027)	124,792
Decrease (Increase) in Debtors		(204,099)	38,002
Increase (Decrease) in Creditors		<u>204,966</u>	<u>(21,761)</u>
Net cash flow from operating activities		£ <u>(192,684)</u>	£ <u>170,805</u>
<u>Cash Flow Statement</u>			
Net cash flow from operating activities above		(192,684)	170,805
Returns on investments less servicing of finance	1(a)	63,704	89,197
Taxation Paid		(658)	(27,849)
Capital Expenditure	1(b)	<u>(164,345)</u>	<u>(170,132)</u>
		(293,983)	62,021
Equity Dividends Paid		<u>(36,053)</u>	<u>(38,456)</u>
		(330,036)	23,565
Management of Liquid Resources	1(c)	262,140	(1,350)
Financing		<u>-</u>	<u>-</u>
Increase (Reduction) in cash in period		£ <u>(67,896)</u>	£ <u>22,215</u>
<u>Reconciliation of Cash Flow with Movement in Net Funds (Debt)</u>			
Increase (Reduction) in cash in period as above		(67,896)	22,215
Cash used to Increase (Reduce) Liquid Resources	1(c)	<u>(262,140)</u>	<u>1,350</u>
Change in Net Funds (Debt)		(330,036)	23,565
Net Funds (Debt) on 1/1/99	2	<u>1,217,384</u>	<u>1,193,819</u>
Net Funds (Debt) on 31/12/99	2	£ <u>887,348</u>	£ <u>1,217,384</u>

The notes on page 12 form part of this statement

ABRAM PULMAN & SONS LTD

NOTES TO THE CASH FLOW STATEMENT

for the year ended 31st December 1999

	<u>1999</u>	<u>1998</u>
(1) <u>Gross Cash Flows</u>		
(a) <u>Returns on investment and servicing of finance</u>		
Interest Received	63,704	89,197
Interest Paid	<u>-</u>	<u>-</u>
	£ <u>63,704</u>	£ <u>89,197</u>
(b) <u>Capital Expenditure</u>		
Payments to acquire fixed assets:		
Tangible	(167,495)	(240,432)
Intangible	<u>-</u>	<u>-</u>
Receipts from sale of tangible fixed assets	<u>3,150</u>	<u>70,300</u>
	£ <u>(164,345)</u>	£ <u>(170,132)</u>
(c) <u>Management of Liquid Resources</u>		
Placed on deposits at notice	(1,057,409)	(1,319,549)
Withdrawn from deposits at notice	<u>1,319,549</u>	<u>1,318,199</u>
	£ <u>262,140</u>	£ <u>(1,350)</u>
(d) <u>Financing</u>		
No Financing was undertaken in the Period	£ <u>-</u>	£ <u>-</u>

(2) Analysis of Changes in Net Funds (Debt)

	<u>1/1/99</u>	<u>31/12/99</u>	<u>Cash Flows</u>	<u>1999</u>	<u>1998</u>
Cash in hand and at bank					
Overdrafts (note)	(102,165)	(170,061)	(67,896)	<u>22,215</u>	
			(67,896)		22,215
Debt due within 1 Year					-
Debt due after 1 Year					-
Current Asset Investments	<u>1,319,549</u>	<u>1,057,409</u>	<u>(262,140)</u>		<u>1,350</u>
Net Funds (Debt)	£ <u>1,217,384</u>	£ <u>887,348</u>	£ <u>(330,036)</u>		£ <u>23,565</u>

Note: "Overdrafts" includes uncleared payment cheques issued prior to 31st December. Funds at notice are made available to meet such cheques prior to presentation and it is not the company's policy to overdraw any account.