

KENHAM TOOLS & PRESSINGS LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st DECEMBER 1995

CONTENTS

Page	
1	Directors and officers
2	Directors' report
3	Directors' responsibilities
4	Auditors' report
5	Profit and loss account
6	Balance sheet
7-13	Notes to the financial statements

Moore Stephens
Chartered Accountants
Birmingham



KENHAM TOOLS & PRESSINGS LIMITED

DIRECTORS

E. S. Moore
A. J. Mackenzie
E. Bates
C. W. Moore
F. Handley

SECRETARY

T. R. Jones

AUDITORS

Moore Stephens, Chartered Accountants,
Charterhouse, 165 Newhall Street,
Birmingham B3 1SW

BANKERS

Barclays Bank plc, P.O. Box 3121,
Birmingham B30 3ED

REGISTERED OFFICE

Plume Street, Aston,
Birmingham B6 7RY

Company number : 427531

KENHAM TOOLS & PRESSINGS LIMITED

REPORT OF THE DIRECTORS

The directors present their report
and audited financial statements for
the year ended 31st December 1995

REVIEW OF ACTIVITIES The principal activities of the Company have continued to be those of manufacturers of metal presswork. No change in these activities is foreseen in the immediate future.

RESULTS AND DIVIDENDS The balance sheet of the Company as at 31st December 1995 together with the profit and loss account for the year ended on that date are attached.

The directors recommend a dividend of £336314, being the whole of the post tax profit.

FIXED ASSETS The movement in fixed assets is shown in note 5.

DIRECTORS AND DIRECTORS' INTERESTS The directors who held office during the year and their interests in the shares of Metalrax Group PLC at the beginning and end of the year were as follows:-

		Ordinary shares of £1 each			
		1995		1994	
		Owned	Under Option	Owned	Under Option
E. S. Moore		383183	199650	246561	323288
A. J. Mackenzie		246567	166375	170357	265046
E. Bates		36935	25753	33578	23407
C. W. Moore		-	-	-	-
F. Handley		-	-	-	-
Shares held as trustee -					
A. J. Mackenzie		148150	-	134682	-

AUDITORS The auditors, Moore Stephens, are willing to continue in office.

ON BEHALF OF THE BOARD


E. S. Moore
DIRECTOR

13th March 1996

KENHAM TOOLS & PRESSINGS LIMITED

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

- select suitable accounting policies and then apply them consistently.
- make judgments and estimates that are reasonable and prudent.
- 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.

AUDITORS' REPORT TO THE MEMBERS OF
KENHAM TOOLS & PRESSINGS LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 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 judgments 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MOORE STEPHENS

CHARTERED ACCOUNTANTS
and REGISTERED AUDITOR

Charterhouse
165 Newhall Street
Birmingham B3 1SW

13th March 1996

KENHAM TOOLS & PRESSINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED
31st DECEMBER 1995

	NOTES	1995 £	1994 £
TURNOVER	1	5568978	3490955
Cost of sales		4585996	2722221
GROSS PROFIT		982982	768734
Distribution costs	89074		99486
Administrative expenses	398781		386031
		487855	485517
		495127	283217
Other operating income		16055	22500
OPERATING PROFIT	2	511182	305717
Interest receivable on finance leases		316	1091
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		511498	306808
Taxation	3	175184	99206
PROPOSED DIVIDEND		336314	207602

There are no recognised gains or losses other than those included
in the profit and loss account.

KENHAM TOOLS & PRESSINGS LIMITED

BALANCE SHEET

31st DECEMBER 1995

	NOTES	1995 £	1994 £
FIXED ASSETS			
Tangible assets	5	1043813	1091680
CURRENT ASSETS			
Stock	6	272346	368780
Debtors	7	742599	556499
Cash at bank and in hand	8	1014652	644155
		<u>2029597</u>	<u>1569434</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Creditors	9	2574054	2341470
Dividends payable		336314	207602
Taxation		72000	32000
		<u>2982368</u>	<u>2581072</u>
NET CURRENT LIABILITIES		<u>(952771)</u>	<u>(1011638)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		91042	80042
PROVISIONS FOR LIABILITIES AND CHARGES	10	65000	54000
		<u>26042</u>	<u>26042</u>
CAPITAL AND RESERVES			
Share capital	11	8000	8000
Capital reserve		18042	18042
		<u>26042</u>	<u>26042</u>

These financial statements were approved by the Board on 13th March 1996

E. S. Moore



DIRECTOR

KENHAM TOOLS & PRESSINGS LIMITED

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st DECEMBER 1995

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover represents the invoiced value of services and goods supplied excluding value added tax.

Fixed assets and depreciation

Fixed assets are depreciated over their estimated useful lives using the following rates:-

Freehold land	Nil
Freehold buildings	2% Straight line
Plant and equipment	10%-20% Straight line
Vehicles	25% Straight line

Stocks

Stocks have been consistently valued at the lower of cost (including overheads where appropriate) and net realisable value.

Deferred taxation

Deferred taxation is calculated under the liability method. Taxation deferred or accelerated by reason of material timing differences is accounted for if such liability is expected to arise in the foreseeable future.

2. OPERATING PROFIT

	1995 £	1994 £
Operating profit is stated after charging:-		
Depreciation and amounts written off tangible fixed assets	108870	84563
(Profit) on disposal of assets	(7058)	(34936)
Directors' emoluments (note 4)	141485	172256
Auditors' remuneration	4800	3900
Hire of plant and machinery	30247	11848
	<hr/>	<hr/>
And after crediting:-		
Rent received	16000	16000
	<hr/>	<hr/>

KENHAM TOOLS & PRESSINGS LIMITED

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st DECEMBER 1995

3. TAXATION ON ORDINARY ACTIVITIES

	1995 £	1994 £
United Kingdom corporation tax based on the results for the year, as adjusted for taxation purposes, at 33% (1994 33%)	167000	72000
Under/(over)provision for previous years	(2816)	(1794)
Deferred taxation	11000	29000
	<u>175184</u>	<u>99206</u>

KENHAM TOOLS & PRESSINGS LIMITED

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st DECEMBER 1995

4. DIRECTORS AND EMPLOYEES	1995 £	1994 £
Directors' emoluments		
Fees	-	-
Other emoluments, including pension contributions	141485	172256
	<u>141485</u>	<u>172256</u>

Directors' emoluments, excluding pension contributions, are as follows:-

The Chairman	-	-
The highest paid director	<u>46059</u>	<u>74230</u>

The number of other directors whose emoluments were within the ranges were:-

	Number	Number
£5001 - £10000	1	-
£15001 - £20000	-	1
£30001 - £35000	-	1
£35001 - £40000	1	1
£40001 - £45000	1	-
	<u>1</u>	<u>1</u>

Staff

Staff costs, including directors, during the year were as follows:-

	£	£
Wages and salaries	959554	725571
Social security costs	82786	71059
Other pension costs	21708	23036
	<u>1064048</u>	<u>819666</u>

The average weekly number of persons employed by the Company during the year, excluding non-executive directors was:-

	Number	Number
Monthly paid	15	14
Weekly paid	<u>70</u>	<u>46</u>
	<u>85</u>	<u>60</u>

KENHAM TOOLS & PRESSINGS LIMITED

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st DECEMBER 1995

5. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and vehicles £	Total £
COST			
At 31st December 1994	603621	1091714	1695335
Additions	1320	74750	76070
Disposals	-	(42035)	(42035)
	<hr/>	<hr/>	<hr/>
At 31st December 1995	604941	1124429	1729370
	<hr/>	<hr/>	<hr/>
AMOUNTS WRITTEN OFF			
At 31st December 1994	101596	502059	603655
Adjustments on disposal	-	(26968)	(26968)
Charge for the year	10374	98496	108870
	<hr/>	<hr/>	<hr/>
At 31st December 1995	111970	573587	685557
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31st December 1995	492971	550842	1043813
	<hr/>	<hr/>	<hr/>
At 31st December 1994	502025	589655	1091680
	<hr/>	<hr/>	<hr/>

The cost of depreciable assets included above is £1643270.

6. STOCKS

	1995 £	1994 £
Stocks comprise:		
Raw materials	53419	139006
Work in progress	67042	97293
Finished goods	151885	132481
	<hr/>	<hr/>
	272346	368780
	<hr/>	<hr/>

KENHAM TOOLS & PRESSINGS LIMITED

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st DECEMBER 1995

7. DEBTORS	1995 £	1994 £
Trade debtors	727483	538702
Prepayments and accrued income	15116	17716
Finance lease receivables	-	81
	<u>742599</u>	<u>556499</u>

8. BANK ACCOUNT

The amount shown as cash at bank and in hand includes the balance arising on the company's subdivision of the Metalrax Group PLC group banking arrangement. Under that arrangement the company stands as guarantor of any amounts owing to the bank by other group undertakings. No such amounts were owing at 31st December 1995.

9. CREDITORS

	Amounts falling due within one year	
	1995 £	1994 £
Trade creditors and accruals	1183476	1334602
Other taxation and social security payable	192644	61283
Amounts owed to group undertakings	1197934	945585
	<u>2574054</u>	<u>2341470</u>

KENHAM TOOLS & PRESSINGS LIMITED

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st DECEMBER 1995

10. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided and the total potential liability are as follows:-

	1995 £	1994 £
Accelerated allowances	65000	54000
	<u>65000</u>	<u>54000</u>

The movement in deferred taxation during the year is as follows:

	1995 £	1994 £
At 31st December 1994	54000	25000
Transfer for the year	11000	29000
At 31st December 1995	<u>65000</u>	<u>54000</u>

11. CALLED UP SHARE CAPITAL

Ordinary shares of £1 each:-

	1995 £	1994 £
Authorised	8000	8000
Allotted, called up and fully paid	<u>8000</u>	<u>8000</u>

12. CAPITAL COMMITMENTS

	1995 £	1994 £
Contracted for, but not provided	13720	16880
Authorised, but not contracted	<u>-</u>	<u>-</u>

13. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Metalrax Group PLC, a company registered in England and Wales.

KENHAM TOOLS & PRESSINGS LIMITED

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st DECEMBER 1995

14. PENSION SCHEME

The company is a member of the Metalrax Group Pension and Life Assurance Scheme, which is a defined benefit scheme, funded through an insurance company, providing benefits based on final pensionable pay. Particulars of the most recent actuarial valuation of the scheme are disclosed in the accounts of Metalrax Group PLC. Pension costs in respect of this scheme resulted in a charge of £17839 (1994 £19751).

The company also operates a defined contribution scheme for certain employees by way of payments to an insurance company, resulting in a charge of £3869 (1994 £3285).

15. CASH FLOW STATEMENT

The company is not required to produce a cash flow statement under the provisions of Financial Reporting Standard No. 1.