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TINSLEY BRIDGE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2002

TINSLEY BRIDGE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2002

Company registration number: 1866166

Registered office: Tinsley Park Spring Works
PO Box 89
Sheffield
S9 2DZ

Directors: D Owens
M H S Webber
M J Thomas
M Shield
M C Webber

Secretary: M J Thomas

Bankers: Royal Bank of Scotland

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants

TINSLEY BRIDGE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2002

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TINSLEY BRIDGE LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2002.

Principal activities

The company is principally engaged in the manufacture of springs and tempered material.

Business review

There was a loss for the year after taxation amounting to £439,001 (2001: loss £731,855). In view of the loss, the directors do not recommend payment of a dividend.

A review of the business of the group during the year and of its position at the year end, together with an indication of likely future developments is included in the chairman's statement in the group financial statements.

Research and development

Research and development continues to be at the heart of the company's future plans. The company is totally committed to remaining at the forefront of European spring making technology.

Directors

The present membership of the Board is set out below. All directors served throughout the year, except where stated.

The interests of the directors and their families in the shares of the company as at 31 March 2002 and 1 April 2001, or the date of their appointment to the Board if later, were as follows:

		£1 Ordinary shares	
		31 March 2002	1 April 2001
D Owens		-	-
M H S Webber		-	-
M J Thomas	(appointed 1 January 2002)	-	-
M Shield	(appointed 1 November 2001)	-	-
M C Webber	(appointed 22 October 2001)	-	-
		<hr/>	<hr/>

Mr D Roberts resigned from the Board on 6 July 2001.

Mr P Burns resigned from the Board on 21 December 2001.

TINSLEY BRIDGE LIMITED

REPORT OF THE DIRECTORS

Directors' responsibilities for the financial statements

Company law in the United Kingdom 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 judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton were appointed during the year and offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



M J Thomas
Director
24 September 2002

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TINSLEY BRIDGE LIMITED**

We have audited the financial statements of Tinsley Bridge Limited for the year ended 31 March 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

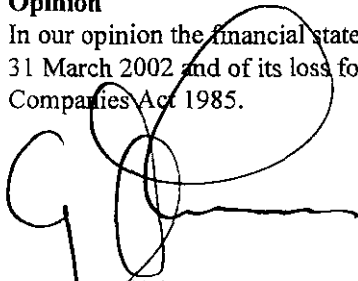
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 31 March 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

SHEFFIELD
24 September 2002

TINSLEY BRIDGE LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year except for the adoption of FRS 19. This change has not affected the result of the current or preceding year.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives. The rates generally applicable are:

Plant and machinery	3 - 25 years
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RESEARCH AND DEVELOPMENT

Research and development expenditure is charged to profits in the period in which it is incurred.

GOVERNMENT GRANTS

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Government grants assistance of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

DEFERRED TAXATION

Deferred tax is recognised on all timing difference where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

TINSLEY BRIDGE LIMITED

PRINCIPAL ACCOUNTING POLICIES

RETIREMENT BENEFITS

Defined Contribution Pension Scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Pension Scheme

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the average remaining service lives of current employees in the scheme.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

TINSLEY BRIDGE LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2002

	Note	2002 £	2001 £
Turnover	1	10,622,133	14,051,690
Operating costs	2	(11,085,114)	(14,783,696)
Operating loss		(462,981)	(732,006)
Net interest	3	23,980	151
Loss on ordinary activities before taxation	1	(439,001)	(731,855)
Tax on loss on ordinary activities	5	-	-
Loss transferred from reserves	14	(439,001)	(731,855)

There were no recognised gains or losses other than the loss for the financial year.

TINSLEY BRIDGE LIMITED**BALANCE SHEET AT 31 MARCH 2002**

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	7	3,106,272	3,083,116
Current assets			
Stocks	8	1,410,395	1,487,176
Debtors	9	1,822,321	2,156,204
Cash at bank and in hand		781,852	545,313
		<u>4,014,568</u>	<u>4,188,693</u>
Creditors: amounts falling due within one year	10	(1,999,428)	(1,692,610)
Net current assets		<u>2,015,140</u>	<u>2,496,083</u>
Total assets less current liabilities		<u>5,121,412</u>	<u>5,579,199</u>
Creditors: amounts falling due after more than one year	11	(1,222,749)	(1,222,749)
Deferred income		(125,214)	(144,000)
		<u>3,773,449</u>	<u>4,212,450</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account	13	3,772,449	4,211,450
Shareholders' funds	14	<u>3,773,449</u>	<u>4,212,450</u>

The financial statements were approved by the Board of Directors on 24 September 2002.

M J Thomas



Director

M C Webber



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

TINSLEY BRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation are attributable to the manufacture of springs and tempered materials.

The loss on ordinary activities before taxation is stated after:

	2002 £	2001 £
Auditors' remuneration:		
Audit services	22,650	20,000
Non-audit services	-	7,000
Depreciation:		
Tangible fixed assets, owned	340,333	759,546
Tangible fixed assets, held under finance leases and hire purchase contracts	3,710	7,123
Government grants	(18,786)	(18,000)
Hire of plant and machinery	84,896	108,835

2 OPERATING COSTS

	2002 Total £	2001 Total £
Management charge	15,893	200,000
Other external charges	6,346,759	8,236,921
Staff costs	3,931,103	4,776,479
Depreciation	344,043	765,394
Other operating charges	332,074	370,637
Redundancy costs	115,242	434,265
	<u>11,085,114</u>	<u>14,783,696</u>

3 NET INTEREST

	2002 £	2001 £
Other interest payable and similar charges	3,625	5,359
Other interest receivable and similar income	(27,605)	(5,510)
	<u>(23,980)</u>	<u>(151)</u>

TINSLEY BRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

4 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2002 £	2001 £
Wages and salaries	3,414,755	4,164,411
Social security costs	260,026	269,956
Other pension costs	256,322	342,112
	<u>3,931,103</u>	<u>4,776,479</u>

The average number of employees of the company during the year were as follows:

	2002 Number	2001 Number
Production and maintenance	128	175
Administration, technical and support staff	42	45
	<u>170</u>	<u>220</u>

Remuneration in respect of directors was as follows:

	2002 £	2001 £
Emoluments	174,812	215,089
Pension contributions to money purchase pension schemes	1,245	-
Compensation for loss of office	101,650	-
	<u>277,707</u>	<u>215,089</u>

During the year 3 directors (2001: 3) participated in defined benefit pension schemes and 3 directors (2001: no directors) participated in money purchase pension schemes.

5 TAX ON LOSS ON ORDINARY ACTIVITIES

Unrelieved tax losses of £1,700,000 remain available to offset against future taxable trading profits.

TINSLEY BRIDGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2002

6 RECONCILIATION OF CURRENT TAX CHARGE

	2002 £	2001 £
Loss on ordinary activities before taxation	<u>(439,001)</u>	<u>(731,855)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2001: 30%)	(132,000)	(220,000)
Effect of:		
Depreciation for the period in excess of capital allowances	(123,000)	234,000
Short term timing differences	49,000	(41,000)
Unrelieved tax losses carried forward	221,000	41,000
Other	(15,000)	(5,000)
Utilisation of tax losses	-	(9,000)
Current tax charge for the period	<u>-</u>	<u>-</u>

7 TANGIBLE FIXED ASSETS

	Plant and machinery £
Cost	
At 1 April 2001	11,803,835
Additions	367,199
At 31 March 2002	<u>12,171,034</u>
Depreciation	
At 1 April 2001	8,720,719
Provided in the year	344,043
At 31 March 2002	<u>9,064,762</u>
Net book amount at 31 March 2002	<u>3,106,272</u>
Net book amount at 31 March 2001	<u>3,083,116</u>

TINSLEY BRIDGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2002

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £
Net book amount at 31 March 2002	<u><u>29,676</u></u>
Net book amount at 31 March 2001	<u><u>33,386</u></u>

8 STOCKS

	2002 £	2001 £
Raw materials and consumable stores	550,900	642,082
Short-term work in progress	473,927	520,140
Finished goods and goods for resale	385,568	324,954
	<u><u>1,410,395</u></u>	<u><u>1,487,176</u></u>

9 DEBTORS

	2002 £	2001 £
Trade debtors	1,353,980	1,498,201
Amounts owed by group undertakings	347,087	611,065
Other debtors	119,962	33,422
Prepayments and accrued income	1,292	13,516
	<u><u>1,822,321</u></u>	<u><u>2,156,204</u></u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	1,323,261	1,011,722
Amounts owed to group undertakings	162,248	200,000
Social security and other taxes	326,408	368,404
Other creditors	181,131	94,448
Amounts due under finance leases and hire purchase contracts	6,380	18,036
	<u><u>1,999,428</u></u>	<u><u>1,692,610</u></u>

TINSLEY BRIDGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2002

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Amounts owed to group undertakings	<u>1,222,749</u>	<u>1,222,749</u>

12 SHARE CAPITAL

	2002 £	2001 £
Authorised Ordinary shares of £1 each	<u>6,000,000</u>	<u>6,000,000</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

13 RESERVES

	Profit and loss account £
At 1 April 2001	4,211,450
Retained loss for the year	<u>(439,001)</u>
At 31 March 2002	<u>3,772,449</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Loss for the financial year and net decrease in shareholders' funds	(439,001)	(731,855)
Shareholders' funds at 1 April 2001	<u>4,212,450</u>	<u>4,944,305</u>
Shareholders' funds at 31 March 2002	<u>3,773,449</u>	<u>4,212,450</u>

TINSLEY BRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

15 CONTINGENT LIABILITIES

Under a group registration, the company is jointly and severally liable for value added tax due by Tinsley Bridge (Holdings) Limited of £nil (2001: £nil).

A loan of £1,000,000 taken out by the ultimate holding company is secured by a fixed and floating charge over the assets of all the companies within the group.

16 RETIREMENT BENEFITS

Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Defined Benefit Pension Scheme

The company operates a defined benefit pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

Pension costs are assessed in accordance with the advice of a qualified actuary using the projected unit method. The assumptions which have the most significant effect on the results of the valuation were that the assumed rate of pre-retirement investment return would be 6.75% per annum. The most recent actuarial valuation was as at 6 April 1999.

On a current funding level basis (which reflects current accrued service and pensionable earnings and statutory revaluation only) there was a deficit of assets of £2,200,000.

The market value of scheme assets as at 6 April 1999 was £14,796,000. The actuarial value of those assets was sufficient to cover 86.9% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

Transitional FRS17 disclosures for Defined Benefit Pension Schemes

Costs and liabilities of the scheme are based on actuarial valuations. The latest full actuarial valuation, taking account of the requirements of FRS17 to assess the liabilities at 31 March 2002, was carried out on 22 August 2002 by a qualified independent actuary.

The company gave notice to the Trustees of its decision to cease paying contributions to the scheme with effect from 31 October 2001, and the scheme went into wind up from this date. The Trustees have yet to set the calculation date for determining the debt on the employer.

The main assumptions used by the actuary were:

Rate of increase for pensions in payment and deferred pensions	(Post 1997)	2.75%
Rate of increase for pensions in payment and deferred pensions	(Pre 1997 excess)	2.25%
Rate used to discount scheme liabilities		6.40%
Rate of inflation		2.75%

TINSLEY BRIDGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

The assets of the scheme at 31 March 2002 and the expected long-term rates of return were:

	Rate of return %
Equities	8.25
Bonds	6.10
Property	8.25
Gilts	5.25
Other	5.25

	Value £
Total market value of assets	14,500,000
Present value of scheme liabilities	(16,600,000)
Deficit in the scheme	<u>(2,100,000)</u>

17 LEASING COMMITMENTS

Operating lease payments amounting to £66,105 (2001: £117,054) are due within one year. The leases to which these amounts relate expire as follows:

	2002 Other £	2001 Other £
In one year or less	20,588	-
Between one and five years	45,517	117,054
	<u>66,105</u>	<u>117,054</u>

18 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Tinsley Bridge (Holdings) Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Tinsley Bridge (Holdings) Limited.

19 ULTIMATE PARENT UNDERTAKING AND CONTROLLING RELATED PARTY

The directors consider that the ultimate parent undertaking of this company is Tinsley Bridge (Holdings) Limited, a company incorporated in England and Wales.

Tinsley Bridge (Holdings) Limited is this company's controlling related party by virtue of its 100% shareholding.

The largest group of undertakings for which group accounts have been drawn up is that headed by Tinsley Bridge (Holdings) Limited which is registered in England and Wales. Copies of the group accounts can be obtained at Tinsley Park Spring Works, PO Box 89, Sheffield, S9 2DZ.