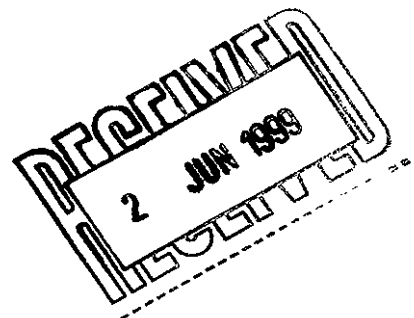


BARLOW METAL FABRICATIONS LIMITED

ABBREVIATED ACCOUNTS

31 DECEMBER 1998



BARLOW METAL FABRICATIONS LIMITED

ABBREVIATED ACCOUNTS

31 DECEMBER 1998

Company Number: 2419183

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BARLOW METAL FABRICATIONS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 1998.

Principal activity and review of the business

The principal activity of the company during the year was the manufacture of metal fabrications for retail and commercial interiors, catering outlets and railway environments. During the year under review, continuing improvements in productivity resulted in further increases in profitability. Trading during the current year whilst within budget is not expected to equal the year under review due to the introduction of new product lines.

Results and dividends

The company's results are set out on page 5.

Directors and their interests

The directors who served during the year and their beneficial interests, including family interests, in the company's issued share capital were:

	£1 Ordinary Shares	
	<u>At 31.12.98</u>	<u>At 31.12.97</u>
	£	£
W Barlow - Chairman (resigned 1.1.98)	-	-
D J Leah	-	-
K Hunter	5,000	5,000

Mr W Barlow holds one share in the company as nominee for George Barlow & Sons Limited, the parent company.

Mr Barlow and Mr Leah were also directors of the parent company and their interests in its issued share capital were:-

	£1 Ordinary Shares	
	<u>At 31.12.98</u>	<u>At 31.12.97</u>
	<u>Beneficial</u>	<u>Beneficial</u>
	£	£
W Barlow	30,325	30,325
D J Leah	-	-

Mr Barlow resigned as a director of George Barlow & Sons Limited on 1 January 1998.

Research and development

The company's policy is to continuously monitor and improve its methods of production and the quality of its products.

Year 2000

The directors have considered the potential impact of the Year 2000 issue on the company. The company's own computer systems are being reviewed for compliance and will be upgraded or replaced as necessary. The costs are not expected to be material to the company. At present, the directors are not aware that the company is exposed to any significant risks arising from key suppliers or service providers whose systems may transpire not to be compliant but this is being kept under review.

BARLOW METAL FABRICATIONS LIMITED**DIRECTORS' REPORT - continued****Statement of directors' responsibilities**

The directors are required by U.K. company law 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.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1998.

The directors also confirm that applicable accounting standards have been complied with subject to any material departures being disclosed and explained in the financial statements, and that the statements have been prepared 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint Barber Harrison & Platt as auditors and to authorise the directors to agree their remuneration will be submitted at the Annual General Meeting.

By order of the board

J R CARTWRIGHT
Secretary

Sheffield
25 May 1999

AUDITORS' REPORT TO BARLOW METAL FABRICATIONS LIMITED

(under section 247B of the Companies Act 1985)

We have examined the abbreviated accounts set out on pages 4 to 11 together with the financial statements of the company for the year ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

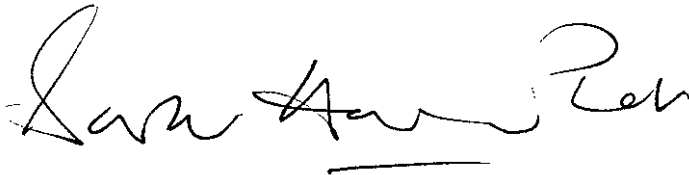
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the accounts have been properly prepared in accordance with that provision and to report our opinion to you..

Basis of Opinion

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

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 11 are properly prepared in accordance with that provision.



BARBER HARRISON & PLATT
Chartered Accountants and
Registered Auditors

Sheffield
25 May 1999

BARLOW METAL FABRICATIONS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1998**

	<u>Note</u>	<u>1998</u> £	<u>1997</u> £
Gross profit		1,670,524	1,336,989
Selling and distribution expenses		(67,706)	(88,405)
Administrative expenses		(804,797)	(813,998)
Operating profit	3	798,021	434,586
Profit/(loss) on sale of tangible fixed assets		6,000	(893)
Bank interest receivable		44,347	24,157
Profit on ordinary activities before taxation		848,368	457,850
Taxation	5	(401,760)	(164,561)
Profit on ordinary activities after taxation		446,608	293,289
Dividends	6	(676,996)	—
Retained (loss)/profit for the year		(230,388)	293,289

None of the company's operations was acquired or discontinued during the above two financial years.

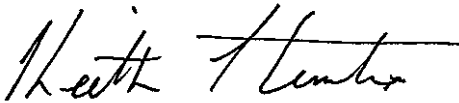
There are no recognised gains and losses in 1998 or 1997 other than the loss for the year.

BARLOW METAL FABRICATIONS LIMITED**BALANCE SHEET****AT 31 DECEMBER 1998**

	<u>Note</u>	<u>1998</u>		<u>1997</u>
		£	£	£
Fixed assets				
Tangible assets	7		<u>159,630</u>	<u>140,994</u>
Current assets				
Stock	8	289,050		286,891
Debtors	9	1,259,964		1,591,978
Cash at bank and in hand		<u>1,324,767</u>		<u>424,429</u>
		2,873,781		2,303,298
Creditors: amounts falling due within one year	10	<u>(1,987,013)</u>		<u>(1,167,506)</u>
Net current assets			<u>886,768</u>	<u>1,135,792</u>
Net assets			<u>1,046,398</u>	<u>1,276,786</u>
Capital and reserves				
Called up share capital	11	100,000		100,000
Profit and loss account	12	<u>946,398</u>		<u>1,176,786</u>
Equity shareholders' funds	13	<u>1,046,398</u>		<u>1,276,786</u>

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

The abbreviated accounts on pages 4 to 11 were approved by the Board of Directors on 25 May 1999 and signed on its behalf by:



K HUNTER
Director

BARLOW METAL FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 1998****1. Accounting policies****(a) Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemption as a 95% owned subsidiary.

(b) Turnover

Turnover represents the invoiced amount of goods sold and services provided, stated net of value added tax.

(c) Depreciation

Depreciation is provided on all tangible fixed assets at rates estimated to write off the cost of each asset over its useful life.

The annual rates used are:-

Plant and fixtures	- 15% per annum on cost
Computers	- 33 1/3% per annum on cost
Motor vehicles	- 33 1/3% per annum on reducing balance

A full year's depreciation is charged on all assets in use at the end of the accounting period, irrespective of the date of purchase.

(d) Stock and work-in-progress

Stock and work-in-progress are valued at the lower of cost and net realisable value. In the case of raw materials, cost is invoice cost on a first in, first out basis. Work-in-progress consists of the direct cost of raw materials and labour plus attributable production overhead. Net realisable value is estimated selling price less further costs expected to be incurred to completion and disposal.

(e) Research and development

Research and development expenditure is charged to profit and loss account as incurred.

(f) Deferred taxation

Deferred taxation is provided in respect of the tax effect of all timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

BARLOW METAL FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 1998****1. Accounting policies - continued****(g) Pensions**

The company contributes to a defined contribution scheme for its salaried employees. The assets of the scheme are invested and managed independently of the finances of the company. Contributions are charged to profit and loss account as incurred.

(h) Related parties

As a 95% owned subsidiary, the company does not disclose details of transactions with group companies which are eliminated on consolidation. Balances at the year end are disclosed in debtors and creditors, as appropriate.

2. Turnover

By virtue of S246A of the Companies Act 1985, no particulars of turnover are given in these abbreviated accounts

3. Operating profit is stated after charging

	<u>1998</u>	<u>1997</u>
	£	£
Directors' remuneration including pension contributions	98,818	84,830
Auditors' remuneration	4,500	6,500
Depreciation	131,605	48,172
Commercial vehicle hire	15,080	14,000

There is one director to whom retirement benefits are accruing under the pension scheme. Contributions made on his behalf during the year were £7,387 (1997:£4,750)

BARLOW METAL FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 1998**

4. Staff costs	<u>1998</u> £	<u>1997</u> £
Wages and salaries	1,254,494	1,241,629
Social security costs	103,408	104,479
Defined contribution pension costs	29,459	16,570
	<u>1,387,361</u>	<u>1,362,678</u>

The average number of employees including directors during the year was:

	<u>No.</u>	<u>No.</u>
Management	3	3
Administration	14	13
Production and sales	69	70
	<u>86</u>	<u>86</u>

5. Taxation

Corporation tax at 31% (1997: 31.5%)	402,000	165,000
Taxation over-provided in previous year	(240)	(439)
	<u>401,760</u>	<u>164,561</u>

No deferred taxation provision is required since the net book value of the company's fixed assets is less than their tax written down value.

6. Dividends

Interim dividends:

Paid	393,996	-
Proposed	283,000	-
	<u>676,996</u>	<u>-</u>

BARLOW METAL FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 1998****7. Tangible fixed assets**

	Plant & machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£
Cost				
1 January 1998	372,183	54,104	42,290	468,577
Additions	109,194	20,886	14,028	144,108
Group transfers	-	-	13,800	13,800
Disposals	(18,855)	(100)	-	(18,955)
31 December 1998	<u>462,522</u>	<u>74,890</u>	<u>70,118</u>	<u>607,530</u>
Depreciation				
1 January 1998	270,335	37,468	19,780	327,583
Charge for the year	105,790	11,591	14,224	131,605
Group transfers	-	-	7,667	7,667
Disposals	(18,855)	(100)	-	(18,955)
31 December 1998	<u>357,270</u>	<u>48,959</u>	<u>41,671</u>	<u>447,900</u>
Net book value				
31 December 1998	<u>105,252</u>	<u>25,931</u>	<u>28,447</u>	<u>159,630</u>
31 December 1997	<u>101,848</u>	<u>16,636</u>	<u>22,510</u>	<u>140,994</u>

The depreciation charge includes an additional £58,000 on an item of plant which became obsolete in February 1999.

8. Stock

	1998	1997
	£	£
Raw materials	109,381	164,807
Work in progress	179,669	122,084
	<u>289,050</u>	<u>286,891</u>

9. Debtors

Trade debtors	484,894	912,011
Trade debtors - fellow subsidiary companies	110,610	166,806
Amounts owed by parent company	596,704	487,235
Trade debtors - related party	12,426	-
Prepayments and accrued income	48,937	22,576
Other debtors	6,393	3,350
	<u>1,259,964</u>	<u>1,591,978</u>

BARLOW METAL FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 1998****10. Creditors: amounts falling due within one year**

	<u>1998</u> £	<u>1997</u> £
Trade creditors	691,224	528,412
Amounts owed to fellow subsidiary companies	22,501	265
Amounts owed to parent company	113,252	121,996
Current corporation tax	397,075	165,000
Other taxes and social security costs	71,777	122,838
Accruals and deferred income	377,463	199,557
Other creditors	30,721	29,438
Proposed dividend	283,000	-
	<u>1,987,013</u>	<u>1,167,506</u>

11. Share capital

Authorised, issued and fully paid: 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
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12. Profit and loss account

1 January 1998	1,176,786	883,497
Retained (loss)/profit for the year	(230,388)	293,289
31 December 1998	<u>946,398</u>	<u>1,176,786</u>

13. Reconciliation of movement in shareholders' funds

	<u>1998</u> £	<u>1997</u> £
Profit for the year	446,608	293,289
Dividends	(676,996)	-
Net reduction in/addition to shareholders' funds	(230,388)	293,289
Opening shareholders' funds	1,276,786	983,497
Closing shareholders' funds	<u>1,046,398</u>	<u>1,276,786</u>

BARLOW METAL FABRICATIONS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****FOR THE YEAR ENDED 31 DECEMBER 1998****14. Capital commitments**

The company had no capital commitments at the year end (1997: £36,252).

15. Ultimate parent company

The ultimate parent company is George Barlow & Sons Limited, which owns 95% of the issued share capital of Barlow Metal Fabrications Limited.

16. Control

George Barlow & Sons Limited is controlled by Mr W Barlow who, as stated in the directors' report, was a director of both that company and Barlow Metal Fabrications Limited, until his resignation on 1 January 1998.

17. Related parties

The company had the following material transactions with related parties during the year:

Sales to Wiselow Commercial Interiors Limited	<u>99,727</u>
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These sales were made on an arms length basis. The companies are related by virtue of having some directors in common. Wiselow owed the company £12,426 at the year ended (1997: £Nil).

18. Contingent liabilities

The Midland Bank plc has been given an unlimited Multilateral guarantee by George Barlow & Sons Ltd and all other group undertakings dated 9 December 1998.

As far as the directors are aware there are no other contingent liabilities at 31 December 1998 (1997: Nil).