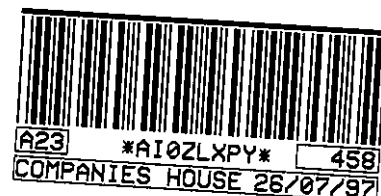

Company Registration No. 2735820 (England and Wales)

H & S MOULDINGS (WALES) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1996

Bruce G T Rees & Co.,
Chartered Accountants.
Registered Auditor.
21(a) Newton Road,
Mumbles,
Swansea, SA3. 4AS.

Tel : 01792 36 33 66
Fax : 01792 36 09 71



H & S MOULDINGS (WALES) LIMITED

COMPANY INFORMATION

Directors

W.J. Turner
S.J. Turner
H.M. Turner
M.L. Turner

Secretary

S.J. Turner

Company number

2735820

Registered office

21(a) Newton Road
Mumbles
Swansea
SA3 4AS

Accountants

Bruce G T Rees & Co
21(a) Newton Road
Mumbles
Swansea
SA3 4AS

Business address

Unit 2, Crofty Industrial Estate,
Penclawdd
Swansea

Bankers

Barclays Bank Plc.,
48, Station Road,
Port Talbot.

Solicitors

Jonathan Hill & Co.,
27, Mansel Street,
Swansea.

H & S MOULDINGS (WALES) LIMITED

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 11

H & S MOULDINGS (WALES) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996

The directors present their report and financial statements for the year ended 31 December 1996.

Principal activities

The principal activity of the company continued to be in the manufacture and design of rubber compression and plastic injection mouldings.

Directors

The following directors have held office since 1 January 1996:

W.J. Turner
S.J. Turner
H.M. Turner
M.L. Turner

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary Shares of £1 each	
	31 December 1996	1 January 1996
S.J. Turner	40	40
W.J. Turner	10	10
H.M. Turner	40	40
M.L. Turner	10	10

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the board



S.J. Turner
Director
25 June 1997

H & S MOULDINGS (WALES) LIMITED

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF H & S MOULDINGS (WALES) LIMITED

We report on the accounts for the year ended 31 December 1996 set out on pages 3 to 11.

Respective responsibilities of directors and reporting accountants

As described on page 5 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Bruce G T Rees & Co

25 June 1997

Chartered Accountants
Reporting Accountants

21(a) Newton Road
Mumbles
Swansea
SA3 4AS

H & S MOULDINGS (WALES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996

		Year ended 31 December 1996 £	Year ended 31 December 1995 £
	Notes		
Turnover		198,339	175,691
Cost of sales		(101,492)	(91,047)
Gross profit		96,847	84,644
Administrative expenses		(83,466)	(82,362)
Operating profit	2	13,381	2,282
Interest payable and similar charges	3	(2,144)	(1,455)
Profit on ordinary activities before taxation		11,237	827
Tax on profit on ordinary activities	4	(2,937)	(298)
Profit on ordinary activities after taxation	12	8,300	529

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

H & S MOULDINGS (WALES) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996

	Notes	1996 £	£	1995 £	£
Fixed assets					
Tangible assets	5		41,233		31,014
Current assets					
Stocks		2,968		3,168	
Debtors	6	35,446		32,341	
Cash at bank and in hand		296		39	
		<u>38,710</u>		<u>35,548</u>	
Creditors: amounts falling due within one year	7	<u>(54,253)</u>		<u>(52,742)</u>	
Net current liabilities			<u>(15,543)</u>		<u>(17,194)</u>
Total assets less current liabilities			25,690		13,820
Creditors: amounts falling due after more than one year	8		(5,860)		(2,692)
Provisions for liabilities and charges	9		<u>(2,868)</u>		<u>(2,465)</u>
			<u>16,962</u>		<u>8,663</u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		16,862		8,563
Shareholders' funds - equity interests	13		<u>16,962</u>		<u>8,663</u>

H & S MOULDINGS (WALES) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1996


In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(2) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the board on 25 June 1997



S.J. Turner
Director

H & S MOULDINGS (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	15% Reducing balance
Fixtures & fittings	15% Reducing balance
Motor vehicles	20% Reducing Balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit	1996	1995
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	7,672	6,057
Operating lease rentals		
- Plant and machinery	220	-
- Other assets	401	702
Directors' emoluments	40,261	46,520

H & S MOULDINGS (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

3	Interest payable	1996	1995
		£	£
	Hire purchase interest	457	658
		<u> </u>	<u> </u>
4	Taxation	1996	1995
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 24% (1995 - 25%)	2,534	49
	Deferred taxation	403	249
		<u> </u>	<u> </u>
		2,937	298
		<u> </u>	<u> </u>

H & S MOULDINGS (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 1996	45,299
Additions	17,891
	<hr/>
At 31 December 1996	63,190
	<hr/>
Depreciation	
At 1 January 1996	14,285
Charge for the year	7,672
	<hr/>
At 31 December 1996	21,957
	<hr/>
Net book value	
At 31 December 1996	41,233
	<hr/>
At 31 December 1995	31,014
	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Total £
Net book values		
At 31 December 1996	5,908	12,257
At 31 December 1995	3,378	11,315
	<hr/>	<hr/>
Depreciation charge for the year		
31 December 1996	1,043	2,630
31 December 1995	596	2,580
	<hr/>	<hr/>

6 Debtors

	1996 £	1995 £
Trade debtors	35,446	32,341
	<hr/>	<hr/>

H & S MOULDINGS (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

7 Creditors: amounts falling due within one year	1996	1995
	£	£
Bank loans and overdrafts	27,455	9,228
Net obligations under finance lease and hire purchase contracts	1,933	1,782
Trade creditors	12,353	14,345
Corporation tax	2,534	1,217
Other creditors	9,978	26,170
	<u>54,253</u>	<u>52,742</u>
 Debt due within one year	 <u>54,253</u>	 <u>52,742</u>
 The loan is secured by a fixed and floating charge over the assets of the company.		
8 Creditors: amounts falling due after more than one year	1996	1995
	£	£
Bank loans	2,162	-
Net obligations under finance leases and hire purchase agreements	3,698	2,692
	<u>5,860</u>	<u>2,692</u>
 Analysis of loans		
Wholly repayable within five years	<u>2,162</u>	<u>-</u>
 Loan maturity analysis		
Between one and two years	<u>2,162</u>	<u>-</u>
 Net obligations under finance leases and hire purchase contracts		
Repayable within one year	1,933	1,782
Repayable between one and five years	3,698	5,480
	<u>5,631</u>	<u>7,262</u>
	5,631	7,262
Included in liabilities falling due within one year	<u>(1,933)</u>	<u>(1,782)</u>
	<u>3,698</u>	<u>5,480</u>

H & S MOULDINGS (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

9 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 January 1996	2,868
Balance at 31 December 1996	<u>2,868</u>

Deferred tax is provided at 24% (1995 - 25%) analysed over the following timing differences:

	Fully provided 1996 £	1995 £
Accelerated capital allowances	<u>2,868</u>	<u>2,465</u>

10 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

11 Share capital	1996 £	1995 £
Authorised 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 1996	8,562
Retained profit for the period	<u>8,300</u>
Balance at 31 December 1996	<u>16,862</u>

H & S MOULDINGS (WALES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1996

13 Reconciliation of movements in shareholders' funds	1996 £	1995 £
Profit for the financial year	8,300	529
Opening shareholders' funds	8,663	8,134
Closing shareholders' funds	16,962	8,663

14 Financial commitments

At 31 December 1996 the company had annual commitments under non-cancellable operating leases as follows:

	1996 £	1995 £
Expiry date:		
Within one year	1,916	1,916
Between two and five years	1,933	3,829
	3,849	5,745

15 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum in period
	1996 £	1995 £	£
Director's current account (debit bal)	-	-	1,444