

ARTHUR ANDERSEN

ARTHUR ANDERSEN & CO, SC

AJAX MAGNETHERMIC EUROPE LIMITED

ANNUAL ACCOUNTS 31 DECEMBER 1995

TOGETHER WITH DIRECTORS' AND
AUDITORS' REPORTS

COMPANY REGISTERED NO: 280453



AJAX MAGNETHERMIC EUROPE LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The activities of the company during the year were the manufacture and marketing of induction melting and heating equipment.

The company experienced a satisfactory trading year and the directors expect the general level of activity to continue.

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £735,695 (1994: £731,113). An interim dividend of £173,000 has been paid during the year and the directors propose to pay a final dividend of £735,000 to the ultimate parent company.

TANGIBLE FIXED ASSETS

The movement in tangible fixed assets during the year is set out in Note 10.

DIRECTORS

The directors who served the company during the year were:

F L Spalla (Chairman)
C G Claisse
D N Henderson
T J Logan

M A Wright was appointed 25 January 1996 and deceased 18 February 1996

DIRECTORS' INTERESTS

The directors who held office at the end of the year had no beneficial interests in the ordinary shares of the ultimate parent company, BBA Group plc, or any other Group company as at 31 December 1995, other than non-beneficial interests as nominees, except C G Claisse who held 50,070 ordinary shares in the ultimate parent company for his sole benefit.

AJAX MAGNETHERMIC EUROPE LIMITED

REPORT OF THE DIRECTORS

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

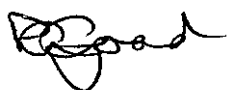
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts 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

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of Arthur Andersen is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



P A GOAD
Company Secretary

10 April 1996

Registered office - Holland Road
Hurst Green
Oxted
Surrey RH8 9BA

AJAX MAGNETHERMIC EUROPE LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF AJAX MAGNETHERMIC EUROPE LIMITED

We have audited the accounts on pages 5 to 17 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 7 to 9.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

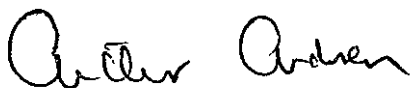
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and
Registered Auditors

10 April 1996

1 Surrey Street
London WC2R 2PS

AJAX MAGNETHERMIC EUROPE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

| NOTE | 1995 £ | 1994 £ |
|---|-------------|-------------|
| 2. Turnover | 4,525,727 | 4,370,739 |
| Cost of sales | (3,344,810) | (3,342,116) |
| | <hr/> | <hr/> |
| Gross profit | 1,180,917 | 1,028,623 |
| 3. Other operating expenses | (758,375) | (565,324) |
| | <hr/> | <hr/> |
| Operating profit | 422,542 | 463,299 |
| 4. Interest receivable and similar income | 314,298 | 271,380 |
| | <hr/> | <hr/> |
| | 736,840 | 734,679 |
| 5. Interest payable and similar charges | (1,145) | (3,566) |
| | <hr/> | <hr/> |
| 6. Profit on ordinary activities before taxation | 735,695 | 731,113 |
| 8. Taxation on profit on ordinary activities | - | - |
| | <hr/> | <hr/> |
| Profit for the financial year | 735,695 | 731,113 |
| 9. Dividends paid and proposed | (908,000) | - |
| | <hr/> | <hr/> |
| 18. Retained (loss)/profit for the financial year | (172,305) | 731,113 |
| | ===== | ===== |

The company had no recognised gains or losses in either year other than the profit for each year.

The turnover and profit for both years arise from continuing activities.

A statement of movement on reserves is given in note 18.

The accompanying notes are an integral part of this profit and loss account.

There is no material difference between the profit on ordinary activities before taxation and the retained (loss)/profit for either year and their respective historical cost equivalents.

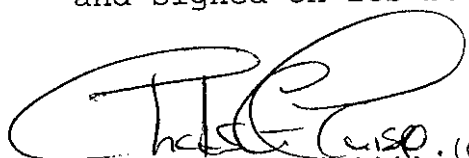
AJAX MAGNETHERMIC EUROPE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1995

NOTE

| | 1995 £ | 1994 £ |
|---|--------------------|--------------------|
| FIXED ASSETS | | |
| 10. Tangible assets | 1,842,686 | 1,855,221 |
| CURRENT ASSETS | | |
| 11. Stocks | 345,463 | 197,844 |
| 12. Debtors | 2,475,944 | 600,633 |
| Cash at bank and in hand | 3,882,764 | 5,356,407 |
| | 6,704,171 | 6,154,884 |
| 13. Creditors: amounts falling due within one year | (2,985,690) | (2,063,294) |
| NET CURRENT ASSETS | 3,718,481 | 4,091,590 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 5,561,167 | 5,946,811 |
| 14. Creditors: amounts falling due after more than one year | (707,256) | (620,756) |
| 15. Provisions for liabilities and charges | (497,186) | (797,025) |
| NET ASSETS | 4,356,725 ===== | 4,529,030 ===== |
| CAPITAL AND RESERVES | | |
| 16. Called-up share capital | 51,000 | 51,000 |
| 18. Share premium account | 207,000 | 207,000 |
| 18. Revaluation reserve | 1,361,193 | 1,364,364 |
| 18. Profit and loss account | 2,737,532 | 2,906,666 |
| 17. SHAREHOLDERS' FUNDS | 4,356,725 ===== | 4,529,030 ===== |

The accounts were approved by the Board of Directors on 10 April 1996 and signed on its behalf by:



.....(C G CLAISSE) Director

The accompanying notes are an integral part of this balance sheet.

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1995

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) ACCOUNTING CONVENTION

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention, as modified for the revaluation of tangible fixed assets.

b) CASH FLOW STATEMENTS

The company has taken advantage of the exemption provision in Financial Reporting Standard No. 1 and a cash flow statement has not been prepared. The company is a wholly-owned subsidiary undertaking and its accounts and cash flow statements are consolidated into the ultimate parent company's group accounts.

c) DEPRECIATION

Freehold land and buildings are not depreciated. Following the revaluation of tangible fixed assets on the 1 January 1989 all revalued assets are depreciated at rates calculated to write off the cost or revalued amount of each asset evenly over its expected useful life as indicated by the revaluation.

These useful lives are:

Plant and equipment between 1 and 23 years

Assets acquired since the revaluation are depreciated at the following rates on a straight line basis:

| | | |
|---------------------|-----------------|-----------|
| Plant and equipment | 10%, 12% or 15% | per annum |
| Office machinery | 20% | per annum |
| Office furniture | 10% | per annum |

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

d) STOCKS

Stocks are valued at the lower of cost and net realisable value. The cost of raw materials and stores is calculated at average cost.

Work in progress includes work shop and engineering labour overheads.

e) LONG-TERM CONTRACTS

The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses which are foreseen.

Work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

f) TAXATION

Provision for UK corporation tax on the profits of the company is made in the accounts of the ultimate parent company.

The ultimate parent company also makes provision for the company under the liability method for deferred taxation arising from accelerated capital allowances on capital expenditure and other timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future.

g) RESEARCH AND DEVELOPMENT

Research and development expenditure is written off in the year in which it is incurred.

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

h) FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into Sterling at the year end rates of exchange, except where currency positions are covered by forward contracts when the forward rates are used.

All exchange differences are included in the profit and loss account.

i) GUARANTEED MAINTENANCE

Provision is made for the estimated cost of future guaranteed maintenance in respect of contracts completed during the year. See note 15.

j) LEASING

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

k) PENSION COSTS

Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives within the company. The contribution levels are determined by valuations undertaken by independent qualified actuaries.

l) REVALUATION RESERVE

Surpluses/deficits arising on the revaluation of individual fixed assets are credited/debited to a non-distributable reserve known as the revaluation reserve. Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the profit and loss account. Where depreciation charges are increased following a revaluation, an amount equal to such increase is transferred annually from this reserve to the profit and loss account below the profit for the financial year. On the disposal of a revalued fixed asset any remaining revaluation surplus corresponding to that item is also transferred to the profit and loss account as a movement on reserves.

m) TURNOVER

Turnover comprises the invoiced value of goods and services net of excise taxes and amounts recoverable on long-term contracts.

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

2. TURNOVER

It is the opinion of the directors that disclosure of the geographical analysis of turnover would be seriously prejudicial to the interests of the company. This information has not therefore been disclosed in accordance with the provisions of the Companies Act 1985 Sch 4 Part III 55.5

3. OTHER OPERATING COSTS

| | 1995 £ | 1994 £ |
|----------------------|-----------|-----------|
| Distribution costs | 373,434 | 242,381 |
| Administration costs | 384,941 | 322,943 |
| | <hr/> | <hr/> |
| | 758,375 | 565,324 |
| | ===== | ===== |

4. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 1995 £ | 1994 £ |
|---------------------|-----------|-----------|
| Interest receivable | 314,298 | 271,380 |
| | ===== | ===== |

5. INTEREST PAYABLE AND SIMILAR CHARGES

| | 1995 £ | 1994 £ |
|--|-----------|-----------|
| Bank loans and overdrafts repayable within 5 years, not by instalments | 1,145 | 3,566 |
| | ===== | ===== |

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 1995 £ | 1994 £ |
|--|-----------|-----------|
| Profit before taxation is stated after charging(crediting): | | |
| | £ | £ |
| Depreciation | 47,765 | 46,097 |
| Auditors' remuneration | | |
| - audit fees | 12,000 | 12,000 |
| Exchange gains | (42,857) | (73,568) |
| Staff costs(see note 7) | 1,075,829 | 949,779 |
| Hire of plant and machinery under operating leases | 62,383 | 49,971 |
| | ===== | ===== |

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

7. DIRECTORS AND EMPLOYEES

The average number of persons, including directors, employed by the company during the year was:

| | 1995 Number | 1994 Number |
|------------------------------------|----------------|----------------|
| Management | 5 | 5 |
| Production | 28 | 26 |
| Other | 12 | 14 |
| | — | — |
| | 45 | 45 |
| | == | == |
| Staff costs for the above persons: | 1995 £ | 1994 £ |
| Wages and salaries | 911,242 | 813,559 |
| Social security costs | 90,915 | 64,692 |
| Other pension costs | 73,672 | 71,528 |
| | 1,075,829 | 949,779 |
| | ===== | ===== |

Directors' remuneration in respect of directors of the company was as follows:

| | 1995 £ | 1994 £ |
|--|-----------|-----------|
| Other emoluments (including pension contributions) | 113,963 | 122,120 |

The directors' aggregate emoluments shown above (excluding pensions and pension contributions) included:

| | | |
|-----------------------|--------|--------|
| Highest paid director | 69,936 | 69,468 |
| Chairman | — | — |

The emoluments of the directors were within the following ranges (excluding pension and pension contributions):

| | Number of directors 1995 | Number of directors 1994 |
|-----------------|--------------------------------|--------------------------------|
| Nil - 5,000 | 2 | 2 |
| 30,001 - 35,000 | — | 1 |
| 35,001 - 40,000 | 1 | — |
| 65,001 - 70,000 | 1 | 1 |

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

8. TAXATION

Subsequent to the adoption of an agreement between the company and the ultimate parent company, the latter will meet all corporation tax liabilities relating to the profits of the company, so long as the company remains a subsidiary undertaking of the BBA Group plc. The tax charge is calculated at 33% less any appropriate ACT, arising on the profit for the year:

| | 1995 £ | 1994 £ |
|---|-----------|-----------|
| Gross corporation tax at 33% (1994 33%) | 210,000 | 192,000 |
| ACT surrendered by ultimate parent company | (127,000) | (116,000) |
| | ----- | ----- |
| | 83,000 | 76,000 |
| | ===== | ===== |

This net charge is reflected in the accounts of the ultimate parent company.

There is a contingent liability to deferred taxation of £133,000 (1994-£63,000) representing the excess of capital allowances over depreciation. This has not been provided in the company's or ultimate parent company's accounts as in the opinion of the directors the liability is not likely to crystallise in the foreseeable future.

No provision has been made in the accounts for the full potential deferred tax liability that would arise of £416,366 (1994-£416,366) in the event of disposal of acquired land and buildings at their carrying value as the directors have no current intentions to dispose of the assets.

9. DIVIDENDS PAID AND PROPOSED

| | 1995 £ | 1994 £ |
|--------------------------------------|-----------|-----------|
| Ordinary | | |
| - interim paid of £3.39 per share | 173,000 | - |
| - final proposed of £14.41 per share | 735,000 | - |
| | ----- | ----- |
| | 908,000 | - |
| | ===== | ===== |

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

| 10. TANGIBLE FIXED ASSETS | Freehold Land & Buildings £ | Plant & Equipment £ | Total £ |
|---------------------------|--------------------------------------|---------------------------|------------|
| Cost or valuation | | | |
| At 1.1.1995 | 1,761,016 | 346,578 | 2,107,594 |
| Additions | - | 35,230 | 35,230 |
| | ----- | ----- | ----- |
| At 31.12.1995 | 1,761,016 | 381,808 | 2,142,824 |
| | ----- | ----- | ----- |
| Depreciation | | | |
| At 1.1.1995 | 59,718 | 192,655 | 252,373 |
| Provision for year | - | 47,765 | 47,765 |
| | ----- | ----- | ----- |
| At 31.12.1995 | 59,718 | 240,420 | 300,138 |
| | ----- | ----- | ----- |
| Net book value | | | |
| At 31.12.1995 | 1,701,298 | 141,388 | 1,842,686 |
| | ===== | ===== | ===== |
| At 31.12.1994 | 1,701,298 | 153,923 | 1,855,221 |
| | ===== | ===== | ===== |

No depreciation has been charged on freehold land and buildings this year (1994 Nil). Although not in accordance with Accounting Standards the directors believe the effect of not providing depreciation is not material to the financial position of the company and that the carrying value of buildings is reasonably stated.

On 1 January 1989 the tangible fixed assets of the company were revalued by Fuller Peiser, Chartered Surveyors, at the open market value for those assets, on the basis of current use.

The value under the historic cost convention of tangible fixed assets at 31 December 1995 included at revalued amounts is as follows:

| | Freehold Land & Buildings £ | Plant & Equipment £ | Total £ |
|--------------------------|--------------------------------------|---------------------------|------------|
| Historic cost | 439,582 | 573,822 | 1,013,404 |
| Accumulated depreciation | 176,965 | 445,424 | 622,389 |
| | ----- | ----- | ----- |
| Net book value | 262,617 | 128,398 | 391,015 |
| | ===== | ===== | ===== |

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

| 11. STOCKS | 1995 £ | 1994 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 171,757 | 128,836 |
| Work in progress | 173,706 | 69,008 |
| | <hr/> | <hr/> |
| | 345,463 | 197,844 |
| | ===== | ===== |

Payments received on account in excess of the value of the work done on the related contracts are included under creditors.

| 12. DEBTORS | 1995 £ | 1994 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 1,308,317 | 364,325 |
| Amounts recoverable on contracts | 900,433 | 112,290 |
| Amounts owed by group undertakings | 890 | 5,680 |
| Other debtors | 247,285 | 3,082 |
| Prepayments and accrued income | 19,019 | 115,256 |
| | ----- | ----- |
| | 2,475,944 | 600,633 |
| | ===== | ===== |

| 13. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR | 1995 £ | 1994 £ |
|---|-----------|-----------|
| Payments received on account | 328,798 | 253,716 |
| Trade creditors | 1,188,721 | 1,255,240 |
| Amounts due to group undertakings | 464,758 | 325,934 |
| Taxation and social security | 25,268 | 23,588 |
| Accruals and deferred income | 243,145 | 204,816 |
| Proposed dividends | 735,000 | - |
| | ----- | ----- |
| | 2,985,690 | 2,063,294 |
| | ===== | ===== |

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

| | | | |
|-----|---|------------------|------------------|
| 14. | CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 1995 £ | 1994 £ |
| | Group loans - interest free | 707,256 ===== | 620,756 ===== |

The interest free loan is unsecured and has no fixed repayment date.

15. PROVISIONS FOR LIABILITIES AND CHARGES

| The movements on the provisions are as follows: | Contract Contingency Provisions | Guaranteed Maintenance Provisions | Total |
|---|---------------------------------------|---|------------------|
| | £ | £ | £ |
| At 1 January 1995 | 490,525 | 306,500 | 797,025 |
| Utilised in year | (333,525) | (39,500) | (373,025) |
| Transfer from profit & loss account | 7,000 | 66,186 | 73,186 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 1995 | 164,000 ===== | 333,186 ===== | 497,186 ===== |

16. CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid

| | 1995 £ | 1994 £ |
|-----------------------------------|-----------------|-----------------|
| 51,000 ordinary shares of £1 each | 51,000 ===== | 51,000 ===== |

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

| 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS | 1995 £ | 1994 £ |
|---|-----------|-----------|
| Profit for the financial year | 735,695 | 731,113 |
| Dividends paid and proposed | (908,000) | - |
| | ----- | ----- |
| Net (decrease)/increase in shareholders' funds | (172,305) | 731,113 |
| Opening shareholders' funds | 4,529,030 | 3,797,917 |
| | ----- | ----- |
| Closing shareholders' funds | 4,356,725 | 4,529,030 |
| | ===== | ===== |

18. RESERVES

| | Share Premium Account £ | Revaluation Reserve £ | Profit & Loss Account £ | Total £ |
|---|----------------------------------|-----------------------------|----------------------------------|------------|
| At 1.1.1995 | 207,000 | 1,364,364 | 2,906,666 | 4,478,030 |
| Retained loss | - | - | (172,305) | (172,305) |
| Transfer of additional depreciation accruing from the revaluation of tangible fixed assets | - | (3,171) | 3,171 | - |
| | ----- | ----- | ----- | ----- |
| At 31.12.1995 | 207,000 | 1,361,193 | 2,737,532 | 4,305,725 |
| | ===== | ===== | ===== | ===== |

19. PENSIONS

BBA Group pension schemes cover the majority of employees and are of the funded defined benefits type. The total pension cost for the company is shown in note 7. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The group's main UK pension commitments are contained within a defined benefits scheme with assets held in a separate trustee administered fund. The latest actuarial valuation of the scheme was as at 1 October 1994. Particulars of the actuarial valuation of the group's pension schemes are included in the accounts of BBA Group plc.

AJAX MAGNETHERMIC EUROPE LIMITED

NOTES TO THE ACCOUNTS - continued FOR THE YEAR ENDED 31 DECEMBER 1995

20. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) At 31 December 1995 the company had annual commitments under non-cancellable operating leases in respect of plant and equipment as follows:

Rentals falling due within one year on leases expiring:

| | 1995 £ | 1994 £ |
|---------------------|-----------|-----------|
| Within one year | 6,431 | 21,786 |
| Between 2 - 5 years | 39,599 | - |
| Over 5 years | 7,665 | 11,868 |
| | ----- | ----- |
| | 53,695 | 33,654 |
| | ===== | ===== |

b) The company had no capital commitments either authorised but not contracted, or contracted but not paid, as at 31 December 1995 (1994 nil).

c) The company had outstanding bank guarantees with Barclays Bank at 31 December 1995 of £911,585 (1994-£228,539). The guarantees were in respect of certain debtors and creditors.

d) The company's bank balances are subject to an unlimited cross guarantee issued by BBA Group plc. The company participates in a number of banking facilities available to BBA Group plc and subsidiaries.

21. ULTIMATE PARENT COMPANY

The company is a subsidiary undertaking of BBA Group plc, a company registered in England and Wales. The largest and smallest group in which the results of the company are consolidated is that headed by BBA Group plc. The accounts of the parent company are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.