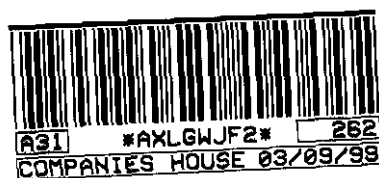


Company No. 407916

R. M. MANUFACTURING & ENGINEERING
CO. LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31st MARCH 1999



Moore Stephens
Chartered Accountants
Birmingham

R. M. MANUFACTURING & ENGINEERING CO. LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31st March 1999

FINANCIAL INFORMATION

The company did not trade during the year.

The balance sheet of the company as at 31st March 1999 is attached.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year and their interests in the shares of the company at the beginning and end of the year were as follows:-

	Ordinary shares of £1 each	
	1999	1998
S. B. Heath	-	-
D. F. Coplestone	-	-

The directors interests in the shares of the ultimate parent undertaking are shown in the financial statements of that company.

BY ORDER OF THE BOARD


S. B. Heath
DIRECTOR

27th July 1999

R. M. MANUFACTURING & ENGINEERING CO. 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.

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF
R. M. MANUFACTURING & ENGINEERING CO. LIMITED

As described on page 2 you are responsible for the preparation of the accounts for the year ended 31st March 1999, set out on pages 4 to 5, and you consider that the company is exempt from an audit under the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

A handwritten signature in black ink, appearing to read 'Moore Stephens', written in a cursive style.

MOORE STEPHENS

CHARTERED ACCOUNTANTS

Charterhouse
165 Newhall Street
Birmingham B3 1SW

27th July 1999

R. M. MANUFACTURING & ENGINEERING CO. LIMITED

BALANCE SHEET



31st MARCH 1999

	NOTES	1999 £	1998 £
FIXED ASSETS			
Shares in group undertakings at cost		527945	527945
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amount owed to group undertakings		<u>526761</u>	<u>526761</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1184</u>	<u>1184</u>
CAPITAL AND RESERVES			
Share capital	3	1000	1000
Profit and loss account		<u>184</u>	<u>184</u>
		<u>1184</u>	<u>1184</u>

The company was dormant throughout the financial year.

These financial statements were approved by the Board on 27th July 1999

S. B. Heath

DIRECTOR

R. M. MANUFACTURING & ENGINEERING CO. LIMITED

**NOTES TO THE
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31st MARCH 1999**

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.

2. SUBSIDIARY UNDERTAKING

The company owns the entire issued share capital of The Mander Frame Company, an unlimited company. Consolidated accounts have not been drawn up because the company is itself a subsidiary of Samuel Heath & Sons PLC, the ultimate parent company.

The aggregate capital and reserves of The Mander Frame Company at 31st March 1999 was £529974 (1998 £529974) and the company did not trade during the year.

The directors consider the market value of the company's investment in the subsidiary is not less than its book value.

3. CALLED UP SHARE CAPITAL

	1999	1998
	£	£
Ordinary shares of £1 each:-		
Authorised	1000	1000
Allotted, called up and fully paid	1000	1000

4. ULTIMATE PARENT UNDERTAKING

The company was controlled throughout the current and previous period by its ultimate parent undertaking, Samuel Heath & Sons PLC, which company was controlled by Mr. S. B. Heath and his close family by virtue of them holding a majority of the issued ordinary share capital of that company.