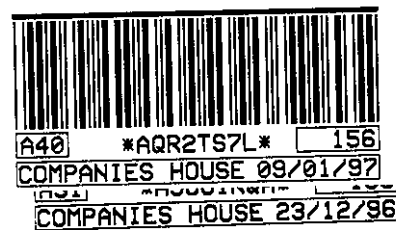


H. KEDWARDS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER, 1996

Registered number: 578151



H. KEDWARDS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER, 1996

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H. KEDWARDS LIMITEDCOMPANY INFORMATIONFOR THE YEAR ENDED 31ST OCTOBER, 1996

DIRECTORS	A. C. Ralph E. M. Ralph
REGISTERED OFFICE	3 Bear Hill, Alvechurch, Birmingham.
BANKERS	Lloyds Bank plc., 112 High Street, Bromsgrove, Worcs. B61 8EZ
ACCOUNTANTS	Harrison Priddey & Co., Chartered Accountants, St. John's House, 22 St. John Street, Bromsgrove, Worcs. B61 8QY

H. KEDWARDS LIMITEDDIRECTORS' REPORTFOR THE YEAR ENDED 31ST OCTOBER, 1996

The directors present their report and the financial statements for the year ended 31st October, 1996.

Principal activity

The principal activity of the company is the manufacture and design of springs.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31st October, 1996 Ordinary shares	1st November, 1995 Ordinary shares
A. C. Ralph	75	75
E. M. Ralph	25	25

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies

On behalf of the board



A. C. Ralph
Director

25th November, 1996

3 Bear Hill,
Alvechurch,
Birmingham.

H. KEDWARDS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST OCTOBER, 1996

	Note	1996 £	1995 £
Turnover		46,553	39,922
Cost of sales		(8,067)	(9,276)
Gross profit		38,486	30,646
Net operating expenses			
Distribution costs		(3,608)	(2,890)
Administrative expenses		(29,687)	(26,100)
Other operating income		185	301
Profit on ordinary activities before taxation	2	5,376	1,957
Tax on profit on ordinary activities	4	(1,435)	(623)
Profit on ordinary activities after taxation		3,941	1,334
Dividends		(7,000)	(5,000)
Retained loss	11	(3,059)	(3,666)

Movements in reserves

Movements in reserves are shown in note 11.

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Recognised gains and losses

There are no recognised gains and losses in 1996 or 1995 other than the loss for the year.

The notes on pages 5 to 9 form part of the financial statements.

H. KEDWARDS LIMITEDBALANCE SHEETAT 31ST OCTOBER, 1996

	Note	£	1996	£	1995	£
Fixed assets						
Tangible assets	5		3,460		4,579	
Current assets						
Stocks	6	800		800		
Debtors	7	11,815		11,295		
Cash at bank and in hand		16,358		10,906		
			28,973		23,001	
Creditors: amounts falling due within one year	8	(36,885)		(28,972)		
Net current liabilities			(7,912)		(5,971)	
Total assets less current liabilities			(4,452)		(1,392)	
Provision for liabilities and charges	9		(25)		(26)	
			(4,477)		(1,418)	
Capital and reserves						
Called up share capital	10		100		100	
Profit and loss account	11		(4,577)		(1,518)	
Total shareholders' funds	12		(4,477)		(1,418)	

continued

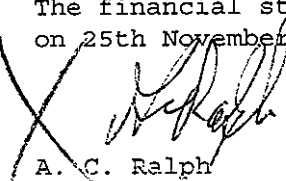
H. KEDWARDS LIMITEDBALANCE SHEETAT 31ST OCTOBER, 1996

The directors consider that for the year ended 31st October, 1996 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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 the Act relating to financial statements, so far as applicable to the company.

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 3 to 9 were approved by the board of directors on 25th November, 1996.



A. C. Ralph
Director

The notes on pages 5 to 9 form part of the financial statements.

H. KEDWARDS LIMITEDNOTES ON FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST OCTOBER, 1996**1 Accounting policies****Basis of accounting**

The financial statements have been prepared 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 exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	25%	Reducing balance
Motor vehicles	25%	Reducing balance
Fixtures and fittings	15%	Reducing balance

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

H. KEDWARDS LIMITEDNOTES ON FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST OCTOBER, 1996**2 Operating profit**

	1996	1995
	£	£
Operating profit is stated after crediting		
Interest receivable	185	301
and after charging		
Operating leases		
Rent	2,275	2,275
Loss on sale of assets	-	17
Depreciation of tangible fixed assets		
Owned assets	1,119	1,487

3 Directors

	1996	1995
	£	£
Directors' emoluments	21,083	17,143

Pension costs**Defined contribution scheme**

The company operates a defined contribution 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 and amounted to £2,761 (1995 £2,358).

4 Taxation

	1996	1995
	£	£
Corporation tax on profit on ordinary activities at 24% and 25% (1995 25%)	1,436	691
Deferred taxation	(1)	(68)
	1,435	623

H. KEDWARDS LIMITEDNOTES ON FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST OCTOBER, 1996

5 Tangible fixed assets

	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £
Cost or valuation				
1st November, 1995 and 31st October, 1996	5,445	3,491	1,030	9,966
Depreciation				
1st November, 1995	1,362	3,253	772	5,387
Charge for year	1,020	60	39	1,119
31st October, 1996	2,382	3,313	811	6,506
Net book amount				
31st October, 1996	3,063	178	219	3,460
1st November, 1995	4,083	238	258	4,579

6 Stocks

	1996 £	1995 £
Stocks	800	800

7 Debtors

	1996 £	1995 £
Amounts falling due within one year		
Trade debtors	10,597	9,998
Corporation tax recoverable	574	697
Prepayments	644	600
	11,815	11,295

H. KEDWARDS LIMITEDNOTES ON FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST OCTOBER, 1996

8 Creditors: amounts falling due within one year

	1996	1995
	£	£
Trade creditors	424	453
Current taxation	2,009	1,388
Other taxation and social security	4,061	3,776
Directors' loans	28,548	21,813
Other creditors	1,843	1,542
	<u>36,885</u>	<u>28,972</u>

9 Deferred taxation

	1996		1995	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Corporation tax deferred by virtue of capital allowances in excess of depreciation	25	25	26	26

The potential liability and provision are based on a corporation tax rate of 24% (1995 25%).

10 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
Authorised				
Equity				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted called up and fully paid				
Equity				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

H. KEDWARDS LIMITEDNOTES ON FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST OCTOBER, 1996**11 Profit and loss account**

	1996 £	1995 £
1st November, 1995	(1,518)	2,148
Retained loss for the year	(3,059)	(3,666)
31st October, 1996	<u>(4,577)</u>	<u>(1,518)</u>

12 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Profit for the financial year	3,941	1,334
Dividends	<u>(7,000)</u>	<u>(5,000)</u>
Net subtraction from shareholders' funds	(3,059)	(3,666)
Opening shareholders' funds	<u>(1,418)</u>	<u>2,248</u>
Closing shareholders' funds	<u>(4,477)</u>	<u>(1,418)</u>

Dividends paid during the year exceeded distributable profits. This is in contravention of the Companies Act 1985. However, the directors are confident that sufficient distributable profits will be realised after the year end to cover the deficit.

13 Going concern

The financial statements have been prepared on a going concern basis as the directors consider that the company will be able to meet its liabilities as they fall due.

14 Operating leases

The company has a liability under an operating lease on the property at 3 Bear Hill, Alvechurch. The company continues to pay the annual rental of £2,275, which is subject to review in 1998.