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THE ANGLE RING COMPANY LIMITED
REPORT AND ABBREVIATED ACCOUNTS
revised
31 MARCH 1997



THE ANGLE RING COMPANY LIMITED

FINANCIAL STATEMENTS

for the year ended 31 March 1997

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes	8 - 17

The following Appendices do not form part of the statutory accounts

Detailed trading and profit and loss account	1
Schedule to the detailed trading and profit and loss account	2

THE ANGLE RING COMPANY LIMITED

COMPANY INFORMATION

31 March 1997

Chairman	B F Barnshaw
Other directors	R F Springthorpe D J Springthorpe
Secretary	C E Wardley
Registered office	Bloomfield Road Tipton West Midlands DY4 9EH
Bankers	Midland Bank plc 226 High Street Dudley West Midlands DY1 1PQ
Solicitors	Higgs & Son PO Box 15 Blythe House Brierley Hill West Midlands DY5 3BG
Auditors	Clement Keys Chartered Accountants Dartmouth House Sandwell Road West Bromwich West Midlands

THE ANGLE RING COMPANY LIMITED

DIRECTORS' REPORT

31 March 1997

The directors present their report and the audited financial statements for the year ended 31 March 1997.

Principal activity

The principal activity of the company throughout the year was that of section bending engineers.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £6,120,195.

Profit, dividends and appropriations

The results for the year are shown in the profit and loss account on page 5.

An ordinary dividend amounting to £80,000 is proposed and the balance of the profit for the year is to be transferred to reserves.

Fixed assets

Changes in fixed assets during the year are set out in note 8 to the accounts.

In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts. Details are set out in note 8.

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

	31 March 1997 Ordinary shares	1 April 1996 Ordinary shares
B F Barnshaw	8,916	8,916
R F Springthorpe	154	154
D J Springthorpe	-	-

THE ANGLE RING COMPANY LIMITED

DIRECTORS' REPORT

(continued)

31 March 1997

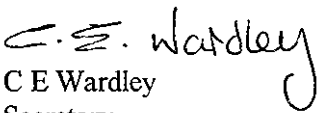
Charitable and political donations

Payments of a charitable nature made during the year amounted to £1,926.

Auditors

Clement Keys have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board


C E Wardley
Secretary

Bloomfield Road
Tipton
West Midlands
DY4 9EH

25 June 1997

THE ANGLE RING COMPANY LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under 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 year. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board

A handwritten signature in black ink, appearing to read 'B F Barnshaw', with a long horizontal flourish extending to the right.

B F Barnshaw
Chairman

25 June 1997

**AUUDITORS' REPORT TO THE ANGLE RING COMPANY LIMITED
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 5 to 17 together with the financial statements of The Angle Ring Company Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 1997.

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 the company's entitlement to deliver abbreviated accounts and whether the abbreviated accounts have been properly prepared in accordance with that section.

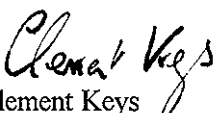
Basis of opinion

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 have been properly prepared from those financial statements. 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 under Sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Section 246A of that Act, in respect of the year ended 31 March 1997 and the abbreviated accounts on pages 5 to 17 have been properly prepared in accordance with that section.

West Bromwich
25 June 1997


Clement Keys
Chartered Accountants
Registered Auditor

THE ANGLE RING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1997

	Notes	1997	1996
		£	£
Gross profit		2,830,270	3,218,927
Net operating expenses			
Distribution costs		(630,697)	(668,589)
Administrative expenses		(1,798,714)	(1,757,186)
Operating profit	2	400,859	793,152
Investment income	4	1,162	1,027
Interest payable	5	(80,027)	(20,070)
Profit on ordinary activities before taxation		321,994	774,109
Taxation	6	(60,907)	(255,622)
Profit on ordinary activities after taxation		261,087	518,487
Dividends	7	(80,000)	(80,000)
Retained profit for the year	19	181,087	438,487

Movements in reserves are shown in the notes to the financial statements.

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

There are no recognised gains and losses in 1997 or 1996 other than the profit for the year.

OTHE ANGLE RING COMPANY LIMITED

BALANCE SHEET

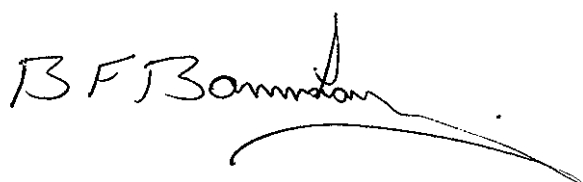
at 31 March 1997

	Notes	1997		1996	
		£	£	£	£
Fixed assets					
Tangible assets	8		7,132,311		6,497,966
Current assets					
Stocks	10	206,657		209,009	
Debtors	11	1,666,713		1,817,704	
Cash at bank and in hand		5,277		32,752	
		<u>1,878,647</u>		<u>2,059,465</u>	
Creditors: amounts falling due within one year	12	<u>(2,795,086)</u>		<u>(2,569,595)</u>	
Net current liabilities			<u>(916,439)</u>		<u>(510,130)</u>
Total assets less current liabilities			6,215,872		5,987,836
Provision for liabilities and charges	13		<u>(95,679)</u>		<u>(48,730)</u>
			<u>6,120,193</u>		<u>5,939,106</u>
Capital and reserves					
Called up share capital	16		11,886		11,886
Share premium account	17		270		270
Revaluation reserve	18		1,540,990		1,540,990
Profit and loss account	19		4,567,047		4,385,960
Total shareholders' funds	15		<u>6,120,193</u>		<u>5,939,106</u>

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to medium sized companies.

The financial statements on pages 5 to 17 were approved by the board of directors on 25 June 1997.

B F Barnshaw
Chairman



THE ANGLE RING COMPANY LIMITED

CASH FLOW STATEMENT

for the year ended 31 March 1997

	1997		1996	
	£	£	£	£
Net cash inflow from operating activities		424,599		1,012,405
Returns on investments and servicing of finance				
Interest received	1,162		1,027	
Interest paid	(80,027)		(20,070)	
Dividends paid	(80,000)		(60,000)	
	<u> </u>		<u> </u>	
Net cash outflow from returns on investments and servicing of finance		(158,865)		(79,043)
Taxation				
Corporation tax paid	(249,494)		(106,266)	
	<u> </u>		<u> </u>	
Tax paid		(249,494)		(106,266)
Investing activities				
Payments to acquire:				
Tangible fixed assets	(736,032)		(1,643,553)	
Receipts from sales of:				
Tangible fixed assets	47,100		3,900	
	<u> </u>		<u> </u>	
Net cash outflow from investing activities		(688,932)		(1,639,653)
Net cash outflow before financing		(672,692)		(812,557)
Financing				
New finance contracts	-		22,702	
Capital element of finance lease	(9,515)		(13,187)	
	<u> </u>		<u> </u>	
Net cash (outflow)/inflow from financing		(9,515)		9,515
Decrease in cash and cash equivalents		<u>(682,207)</u>		<u>(803,042)</u>

See Note 21 for the notes to this statement.

THE ANGLE RING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules as modified by the revaluation of certain freehold property.

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:

Freehold land	Nil
Freehold buildings	Nil
Leasehold land and buildings	Straight line over the lease term
Assets under construction	Nil
Plant and machinery - Short life	20% reducing balance
- Long life	Straight line over 15 years
Motor vehicles	25% reducing balance

No depreciation is provided on freehold buildings as the directors are of the opinion that their useful economic lives and estimated residual values are such that any element of depreciation is not material.

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.

THE ANGLE RING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

1 Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling as at the date of the transaction. Monetary assets and liabilities in the balance sheet are translated at the rate of exchange ruling at the balance sheet date.

Gains and losses on translation and conversion are included as part of the results from ordinary activities.

Grants

Grants in respect of capital expenditure are treated as deferred income and credited to profit and loss account over the expected useful economic lives of the relevant assets.

Grants relating to revenue items are credited to profit and loss account in the same period as that in which the related expenditure is charged.

THE ANGLE RING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

2	Operating profit	1997	1996
	Operating profit is stated after crediting	£	£
	Profit on sale of assets	16,593	-
	and after charging		
	Staff costs (note 3)	2,837,797	2,643,281
	Auditors' remuneration	4,500	4,500
	Operating leases		
	Hire of plant and machinery	-	420
	Rent	3,450	3,450
	Loss on sale of assets	-	27
	Depreciation of tangible fixed assets (note 8)		
	owned assets	193,026	225,552
	depreciation adjustment (owned assets) (note 8)	(121,846)	
	leased assets	-	5,676
		71,180	231,228
3	Directors and employees		
	Staff costs including directors' emoluments		
	Wages and salaries	2,368,009	2,190,655
	Social security costs	236,324	214,353
	Pension costs	233,464	238,273
		2,837,797	2,643,281
		Number	Number
	Average number employed including executive directors		
	Administration	21	18
	Sales and distribution	15	11
	Works	56	58
		92	87
	Directors	£	£
	Aggregate emoluments	559,412	511,681
	Company pension contributions to money purchase schemes	156,253	141,253

THE ANGLE RING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

3 Directors and employees (continued)

Retirement benefits are accruing to three directors under a money purchase pension scheme.

Highest paid director	1997	1996
	£	£
Aggregate emoluments	291,033	262,304
Company pension contributions to money purchase schemes	98,703	100,702

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 £233,464 (1996 £238,273). Contributions totalling £0 (1996 £0) were payable to the fund at 31 March 1997 and are included in creditors.

4 Investment income	1997	1996
	£	£
Interest receivable	1,162	1,027
5 Interest payable		
Bank interest	80,027	20,070
6 Taxation		
Corporation tax on profit on ordinary activities at 24% (1996 25%)	13,410	243,949
Deferred taxation	46,949	3,920
	60,359	247,869
Under provision in earlier years	548	7,753
	60,907	255,622
7 Dividends		
Dividend proposed - £6.73 per share	80,000	80,000

THE ANGLE RING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

8 Tangible fixed assets

	Assets under construction	Motor vehicles	Plant and machinery	Land and buildings	Total
Cost	£	£	£	£	£
1 April 1996	1,585,948	464,230	2,526,443	4,055,182	8,631,803
Additions	-	63,578	151,165	521,289	736,032
Disposals	-	(75,552)	-	-	(75,552)
Inter-category transfers	(1,585,948)	-	28,336	1,557,612	-
31 March 1997	-	452,256	2,705,944	6,134,083	9,292,283
Depreciation					
1 April 1996	-	270,000	1,861,317	2,520	2,133,837
Charge for year	-	56,825	136,021	180	193,026
Depreciation overstated	-	-	(121,846)	-	(121,846)
Disposals	-	(45,045)	-	-	(45,045)
31 March 1997	-	281,780	1,875,492	2,700	2,159,972
Net book amount					
31 March 1997	-	170,476	830,452	6,131,383	7,132,311
1 April 1996	1,585,948	194,230	665,126	4,052,662	6,497,966

The net book amount of fixed assets includes £0 (1996 £17,026) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 2.

The company's depreciation policy for long life plant is to write off their cost over 15 years on a straight line basis. Certain long life plant has been depreciated incorrectly at 15% straight line in previous years. This has been corrected in the current year resulting in the depreciation adjustment of £121,846.

THE ANGLE RING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

9 Land and buildings

	1997	1996
	£	£
Freehold	6,116,263	4,037,362
Long leasehold	15,120	15,300
	<u>6,131,383</u>	<u>4,052,662</u>

Freehold land and buildings at valuation

Freehold property 1990 revaluation	<u>3,470,000</u>	<u>3,470,000</u>
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Long leaseholds are those leaseholds with more than 50 years unexpired

Historical cost information

Freehold property historical cost	<u>4,575,274</u>	<u>2,496,372</u>
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10 Stocks

Raw materials	204,657	207,009
Stationery	2,000	2,000
	<u>206,657</u>	<u>209,009</u>

11 Debtors

Amounts falling due within one year

Trade debtors	1,640,030	1,792,893
Other debtors	6,590	-
Prepayments and accrued income	20,093	24,811
	<u>1,666,713</u>	<u>1,817,704</u>

THE ANGLE RING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

12 Creditors: amounts falling due within one year

	1997	1996
	£	£
Bank overdraft	1,489,941	835,209
Trade creditors	953,669	992,897
Corporation tax	-	228,949
Other taxation and social security	251,765	169,315
Dividend	80,000	80,000
Other creditors	285	248,320
Accruals and deferred income	19,426	5,390
Obligations under finance leases and hire purchase contracts	-	9,515
	<u>2,795,086</u>	<u>2,569,595</u>

The bank overdraft is secured by a fixed charge over book and other debts and a floating charge over all other assets.

13 Provision for liabilities and charges

	1996	Profit and loss account	Other movements	1997
	£	£	£	£
Deferred taxation (notes 6 and 14)	<u>48,730</u>	<u>46,949</u>	<u>-</u>	<u>95,679</u>

14 Deferred taxation

	1997		1996	
	Potential liability	Provision made	Potential liability	Provision made
	£	£	£	£
Corporation tax deferred by				
Property revaluation	161,000	-	171,000	-
Excess capital allowances	<u>119,342</u>	<u>115,679</u>	<u>68,730</u>	<u>68,730</u>
	280,342	115,679	238,730	68,730
Advance corporation tax	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>
	<u>260,342</u>	<u>95,679</u>	<u>219,730</u>	<u>48,730</u>

The potential liability and provision are based on a corporation tax rate of 33% (1996 33%).

THE ANGLE RING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

15 Reconciliation of movements in shareholders' funds

	1997	1996
	£	£
Profit for the financial year	261,087	518,487
Dividends	(80,000)	(80,000)
Net addition to shareholders' funds	181,087	438,487
Opening shareholders' funds	5,939,106	5,500,619
Closing shareholders' funds	6,120,193	5,939,106

16 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	15,000	15,000	15,000	15,000
Allotted called up and fully paid				
Ordinary shares of £1 each	11,886	11,886	11,886	11,886

17 Share premium account

	1997
	£
1 April 1996 and 31 March 1997	270

18 Revaluation reserve

1 April 1996 and 31 March 1997	1,540,990

THE ANGLE RING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31 March 1997

19 Profit and loss account	1997
	£
1 April 1996	4,385,960
Retained profit for the year	181,087
	<hr/>
31 March 1997	4,567,047
	<hr/>

20 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 March 1998

	1997 Land and buildings	1996 Land and buildings
	£	£
Expiring		
After five years	3,450	3,450
	<hr/>	<hr/>

21 Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

Operating profit	400,859	793,152
Depreciation charges	71,179	231,228
(Profit)/loss on sale of fixed assets	(16,593)	27
Decrease in stocks	2,352	53,609
Decrease/(increase) in debtors	157,581	(442,275)
(Decrease)/increase in creditors	(190,779)	376,664
	<hr/>	<hr/>
Net cash inflow from operating activities	424,599	1,012,405
	<hr/>	<hr/>

THE ANGLE RING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 March 1997

21 Notes to the cash flow statement (continued)

Analysis of changes in cash and cash equivalents as shown in the balance sheet

	1997	1996
	£	£
Balance at 1 April 1996	(802,457)	585
Net cash outflow	(682,207)	(803,042)
Balance at 31 March 1997	<u>(1,484,664)</u>	<u>(802,457)</u>

Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1997	1996	Change in year
	£	£	£
Cash at bank and in hand	5,277	32,752	(27,475)
Bank overdraft	(1,489,941)	(835,209)	(654,732)
	<u>(1,484,664)</u>	<u>(802,457)</u>	<u>(682,207)</u>