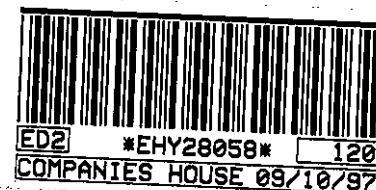


ST BERNARD COMPOSITES LIMITED
ABBREVIATED ACCOUNTS
FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

706645



ST BERNARD COMPOSITES LIMITED

COMPANY INFORMATION

DIRECTORS

C J B Wood – Chairman
E Tindall
J R G Wood
Mrs J E Wood
S C R Wood
A L Webb
S D Leed

COMPANY SECRETARY

P S Comley

COMPANY NUMBER

706645

REGISTERED OFFICE

Saberhouse
Lynchford Road
Farnborough
Hampshire
GU14 6JE

AUDITORS

Fraser Russell
Albany House
128 Station Road
Redhill
Surrey
RH1 1ET

ST BERNARD COMPOSITES LIMITED

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

INDEX TO ABBREVIATED ACCOUNTS

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3	Report of the Auditors
4	Profit and Loss Account
5	Balance Sheet
6-15	Notes to the Accounts

ST BERNARD COMPOSITES LIMITED

REPORT OF THE DIRECTORS

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

The Directors have pleasure in presenting their annual report and accounts for the 53 weeks ended 6 April 1997 (1996 – 52 weeks).

RESULTS AND DIVIDENDS

The profit after tax for the financial period amounted to £340,904 (52 weeks 1996 – £327,980) as shown on page 4.

The Directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is principally engaged as specialists in advanced composite engineering.

The Directors are pleased to report that the continued development of the business has again led to increased turnover, and sound profit generation. The trend of increased technology investment coupled with current pressure on gross profit margins requires the constant attention of the Board. During the year, to satisfy growing customer demand, the company significantly improved its manufacturing capabilities by investing in a modern, state of the art production facility, now established and yielding increased capacity and customer responsiveness.

DIRECTORS AND THEIR INTERESTS

The Directors during the financial period under review and up to the date of this report, and the shares in the Company in which they were beneficially interested at the beginning and end of the 53 weeks were:

	Ordinary shares of £1 each	
	At 6.4.97	At 1.4.96
C J B Wood	74,000	74,000
E Tindall – Managing Director	5,000	5,000
J R G Wood	5,000	5,000
Mrs J E Wood	1,000	1,000
S C R Wood	5,000	5,000
A L Webb	–	–
S D Leed (appointed 4.10.96)	–	–

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 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 financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

ST BERNARD COMPOSITES LIMITED

REPORT OF THE DIRECTORS
(Continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)

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.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Fraser Russell, Chartered Accountants and Registered Auditors, as Auditors to the Company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



P Comley
Secretary

Registered Office
Saberhouse
Lynchford Road
Farnborough
Hampshire
GU14 6JE

16 July 1997

AUDITORS' REPORT TO THE SHAREHOLDERS OF
ST BERNARD COMPOSITES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 15, together with the full financial statements of the company for the period ended 6 April 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditors

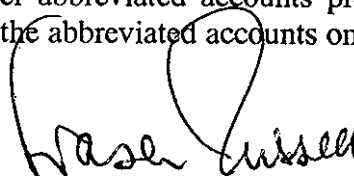
The Directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with that provision.



FRASER RUSSELL
Chartered Accountants
Registered Auditors

Albany House
128 Station Road
Redhill
Surrey
RH1 1ET

16 July 1997

ST BERNARD COMPOSITES LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

	Notes	1997 £	1996 £
GROSS PROFIT		5,272,162	4,457,028
Staff costs		(3,727,650)	(3,042,472)
Depreciation		(192,738)	(159,165)
Other operating charges		(762,450)	(674,631)
OPERATING PROFIT	2	<u>589,324</u>	<u>580,760</u>
Interest receivable		-	1,360
Interest payable	5	(128,058)	(111,374)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>461,266</u>	<u>470,746</u>
Taxation	6	(120,362)	(142,766)
PROFIT FOR THE FINANCIAL PERIOD		<u>340,904</u> =====	<u>327,980</u> =====
 STATEMENT OF TOTAL RECOGNISED GAINS OR LOSSES			
Profit for the financial year		340,904	327,980
Depreciation on revaluation reserve	17	3,002	3,002
TOTAL NET GAINS RECOGNISED		<u>343,906</u> =====	<u>330,982</u> =====

None of the Company's activities was acquired or discontinued during the two financial years.

The notes set out on pages 6 to 15 form an integral part of these accounts

ST BERNARD COMPOSITES LIMITED

ABBREVIATED BALANCE SHEET

AS AT 6 APRIL 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	7	1,910,063	1,459,310
Investments	8	1,000	1,000
		<u>1,911,063</u>	<u>1,460,310</u>
CURRENT ASSETS			
Stocks	9	1,535,820	1,408,932
Debtors	10	2,273,699	2,225,883
Cash at bank and in hand		49,833	12,715
		<u>3,859,352</u>	<u>3,647,530</u>
CREDITORS: Amounts falling due within one year	11	(2,583,918)	(2,460,536)
NET CURRENT ASSETS		<u>1,275,434</u>	<u>1,186,994</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,186,497</u>	<u>2,647,304</u>
CREDITORS: Amounts falling due after more than one year	12	(984,284)	(814,320)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation	14	(64,500)	(36,175)
		<u>(1,048,784)</u>	<u>(850,495)</u>
		<u>2,137,713</u>	<u>1,796,809</u>
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	15	100,000	100,000
Revaluation reserve	17	339,171	342,173
Profit and loss account	17	1,698,542	1,354,636
SHAREHOLDERS FUNDS		<u>2,137,713</u>	<u>1,796,809</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.

Approved by the Board on 16 July 1997

C J B Wood

.....

Directors

E Tindall

.....

The notes set out on pages 6 to 15 form an integral part of these accounts

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

1. ACCOUNTING POLICIES

a) **Basis of accounting**

These accounts have been prepared under the historical cost convention as modified to include the revaluation of land and buildings.

b) **Depreciation**

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets (excluding freehold land) over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Buildings	- 2.5% straight line
Fixtures	- 10% straight line
Computer Equipment	- 33.33% straight line
Plant and Machinery	- 12.5% straight line
Vehicles	- 25% straight line

c) **Deferred taxation**

Provisions are made so that the deferred taxation account represents corporation tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the Directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

d) **Stock and Work in Progress**

Stock is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour and attributable overheads. Net realisable value is based on estimated selling price, less any further costs of realisation.

e) **Assets held under finance leases and hire purchase contracts**

Fixed assets are held under hire purchase contracts, and those financed by leasing agreements which give rights approximating to ownership (i.e. finance leases) are treated in accordance with Statement of Standard Accounting Practice No. 21 as if purchased outright. The corresponding obligations are included in creditors.

Depreciation is provided, depending on the type of fixed asset, by the rates and methods set out above. The related finance costs are charged to the profit and loss account in proportion to the outstanding balance of the contracts.

f) **Pensions**

Pension contributions are charged to the profit and loss account when the contributions are made. These contributions are invested separately from the Company's assets.

g) **Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transaction. All differences are taken to profit and loss account.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
(continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

2. OPERATING PROFIT

	1997	1996
	£	£
Operating profit is stated after charging/(crediting):		
Depreciation	192,738	159,165
(Profit)/loss on disposal of fixed assets	(3,604)	2,501
Directors' emoluments (note 5)	446,814	332,948
Auditors' remuneration	13,000	13,000
	=====	=====

3. STAFF COSTS

	£	£
The cost of employing staff, including Directors, was:		
Wages and salaries	3,205,452	2,686,869
Social security costs	307,449	260,779
Pension costs (note 5)	214,749	94,824
	-----	-----
	3,727,650	3,042,472
	=====	=====

The average weekly number of employees during the financial period was:

	Number	Number
Direct production staff	111	81
Selling and distribution	6	6
Other support staff	68	56
	-----	-----
	185	143
	===	===

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
(continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

4. DIRECTORS' EMOLUMENTS	1997	1996
	£	£
Management remuneration	274,789	277,926
Pension contributions	142,044	28,951
Benefits in kind	29,981	26,071
	<u>446,814</u>	<u>332,948</u>
	=====	=====

Pension costs include a £100k contribution in respect of a Director's forthcoming retirement.

Details of Directors' emoluments, excluding pension contributions and benefits in kind are:

The Chairman	30,132	35,022
	=====	=====
 The highest paid Director	 57,581	 62,516
	=====	=====

	Number	Number
Other Directors were in the following bands of emoluments:		
£15,001 to £20,000	1	-
£25,001 to £30,000	1	1
£45,001 to £50,000	2	1
£50,001 to £55,000	1	1
£55,001 to £60,000	-	1

5. INTEREST PAYABLE

	£	£
On bank loans, overdrafts and other loans wholly repayable within five years:		
Bank overdraft interest	31,808	20,264
Finance lease and hire purchase contracts payable by instalments	48,032	44,037
	<u>79,840</u>	<u>64,301</u>
On borrowing not wholly repayable within five years:		
Bank and other loans	48,218	47,073
	<u>128,058</u>	<u>111,374</u>
	=====	=====
 Aggregate charges under finance leases	 1,084	 1,592
	=====	=====

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

6. TAXATION

	1997 £	1996 £
UK corporation tax at 25.8 % (1995 – 29%) on the profit adjusted for tax purposes	92,037	126,126
Transfer to deferred taxation	28,325	17,100
(Over)provided in previous years	–	(460)
	<hr/>	<hr/>
	120,362	142,766
	=====	=====

7. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Computer Equipment £	Plant Machinery and Vehicles £	Total £
COST/VALUATION				
At 1 April 1996	750,000	138,869	1,242,898	2,131,767
Additions	–	222,681	421,706	644,387
Disposals	–	–	(18,618)	(18,618)
	<hr/>	<hr/>	<hr/>	<hr/>
At 6 April 1997	750,000	361,550	1,645,986	2,757,536
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 April 1996	20,000	75,301	577,156	672,457
Charge for the financial period	10,000	34,376	148,362	192,738
Disposals	–	–	(17,722)	(17,722)
	<hr/>	<hr/>	<hr/>	<hr/>
At 6 April 1997	30,000	109,677	707,796	847,473
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 6 April 1997	720,000	251,873	938,190	1,910,063
	=====	=====	=====	=====
At 31 March 1996	730,000	63,568	665,742	1,459,310
	=====	=====	=====	=====

The freehold properties were valued in 1994 by Messrs Vail Williams, a firm of Chartered Surveyors on the basis of market value with existing use at £750,000. The Directors are of the opinion that the open market value of the freehold property at the balance sheet date is in line with the net book value.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
(continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

7. TANGIBLE FIXED ASSETS (continued)

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1997 £	1996 £
Net book value at 6 April 1997	938,346 =====	574,030 =====
Depreciation charge for the financial period	136,122 =====	101,840 =====
	£	£
The cost or valuation figures for freehold properties include:		
At cost	431,906	431,906
At valuation 3 April 1989	485,000	485,000
At valuation 4 April 1994	(166,906)	(166,906)
	-----	-----
	750,000 =====	750,000 =====
The value of freehold properties as determined according to the historical cost convention is:		
	£	£
Cost	501,428	501,428
Depreciation	(87,000)	(80,002)
	-----	-----
Net book value	414,428 =====	421,426 =====
The net book value of land and buildings comprises:		
	£	£
Freehold land	221,500	221,500
Freehold buildings	192,928	199,926
	-----	-----
	414,428 =====	421,426 =====

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

8. INVESTMENTS

Investments in Group Companies

	£
At 31 March 1996 and At 6 April 1997	1,000 =====

Details of Group Companies at the balance sheet date are as follows:

Name of company and business	Class of shares	Holding %	Year end
Precision Composite Structures Limited			
Dormant	Ordinary	100	6 April

The Company is incorporated in England.

9. STOCKS

	1997 £	1996 £
Raw materials	560,281	585,192
Work in progress and finished goods	975,539	823,740
	-----	-----
	1,535,820	1,408,932
	=====	=====

10. DEBTORS

	£	£
Trade debtors	1,952,703	2,089,334
Other debtors	10,713	4,787
Prepayments and accrued income	301,418	131,762
Taxation and social security	8,865	-
	-----	-----
	2,273,699	2,225,883
	=====	=====

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
(continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

11. CREDITORS: Amounts falling due within one year

	1997	1996
	£	£
Bank loans and overdrafts	373,963	719,968
Net obligations under finance leases and hire purchase contracts	299,227	168,118
Trade creditors	1,455,652	1,001,570
UK corporation tax	92,037	126,126
Tax and social security costs	153,595	159,509
Other creditors	122,987	188,247
Accruals and deferred income	86,457	96,998
	<hr/>	<hr/>
	2,583,918	2,460,536
	=====	=====
	£	£

Secured creditors included above are as follows:

Bank loans and overdrafts:

Legal charge over freehold property	373,963	719,968
-------------------------------------	---------	---------

Hire purchase instalments:

Secured on the assets concerned	299,227	168,118
---------------------------------	---------	---------

	<hr/>	<hr/>
	673,190	888,086
	=====	=====

12. CREDITORS: Amounts falling due after more than one year

	£	£
Bank loans	467,354	479,120
Net obligations under finance leases and hire purchase contracts	516,930	335,200
	<hr/>	<hr/>
	984,284	814,320
	=====	=====
	£	£
Amounts payable by instalments between one and five years hence:		
Finance leases and hire purchase contracts	516,930	335,200
	=====	=====

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
(continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

12.	CREDITORS: Amounts falling due after more than one year (Continued)	1997 £	1996 £
	Secured creditors included above are as follows:		
	Bank loans:		
	Legal charge over freehold property	467,354	479,120
	Hire purchase instalments:		
	Secured on the assets concerned	516,930	335,200
		<hr/>	<hr/>
		984,284	814,320
		=====	=====
13.	NET OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACT		
	The company's net obligations under finance leases and hire purchase contracts are repayable as follows:		
		£	£
	Within one year	299,227	204,760
	2-5 years	641,795	347,468
	Over 5 years	11,507	39,128
		<hr/>	<hr/>
	Gross obligations	952,529	591,356
	Less: finance charges allocated to future periods	(136,372)	(88,038)
		<hr/>	<hr/>
	Net obligations	816,157	503,318
		=====	=====
14.	PROVISIONS FOR LIABILITIES AND CHARGES		
	Deferred Taxation		
		Actual 1997 £	Potential 1997 £
		Actual 1996 £	Potential 1996 £
	Corporation tax calculated in accordance with note 1 relating to:		
	Tax allowances	64,500 =====	64,500 =====
		36,175 =====	36,175 =====

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
(continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

15. SHARE CAPITAL

	Number	Nominal	Number	Nominal
	1997	Value	1996	Value
		1997		1996
		£		£
Authorised:				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	_____	=====	_____	=====
Issued and fully paid:				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	_____	=====	_____	=====

16. RECONCILIATION OF SHAREHOLDERS' FUNDS

	1997	1996
	£	£
Profit for the year	340,904	327,980
Opening shareholders' funds	1,796,809	1,468,829
	_____	_____
Closing shareholders' funds	2,137,713	1,796,809
	=====	=====
Represented by:		
Equity interests	2,137,713	1,796,809
	=====	=====

17. MOVEMENT ON RESERVES

	Profit and	Revaluation
	loss	£
	£	
Brought forward at 1 April 1996	1,354,636	342,173
Profit for the year	340,904	-
Reserves movement	3,002	(3,002)
	_____	_____
Carried forward at 6 April 1997	1,698,542	339,171
	=====	=====

ST BERNARD COMPOSITES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
(continued)

FOR THE FINANCIAL PERIOD ENDED 6 APRIL 1997

18. REVENUE COMMITMENT

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	Land and buildings £
Expiry date:	
Between one and five years	9,500
After five years	42,000
	<hr/>
	51,500
	=====

19. PENSIONS

The Company operates a group money purchase pension scheme. The funds of the scheme continued to be administered by the Trustees and are independent of the Company's finances. The Company's contributions are charged against profits in the year in which contributions are made.

Subsequent to the year end, the Directors have taken the decision to terminate the group money purchase scheme and transfer existing funds and future contributions to individual personal pension plans for the relevant staff concerned.

20. CAPITAL COMMITMENTS

The Directors have also entered into an agreement to purchase the freehold property at 36 Invincible Road, Farnborough Industrial Estate, Farnborough for a sum of £1,475,000.