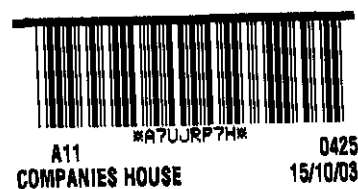


ST BERNARD COMPOSITES LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 APRIL 2003**

COMPANY REGISTRATION NUMBER 706645



ST BERNARD COMPOSITES LIMITED

COMPANY INFORMATION

Directors	JRG Wood TJC Webborn SCR Wood DA Owen HM Cameron
Secretary	HM Cameron
Company number	706645
Registered office	Saberhouse Lynchford Road Farnborough Hampshire GU14 6JE
Auditors	Baker Tilly The Clock House 140 London Road Guildford Surrey GU1 1UW

ST BERNARD COMPOSITES LIMITED

CONTENTS

	Page
Directors' report	1-2
Auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9-19

ST BERNARD COMPOSITES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 6 APRIL 2003

The Directors present their report and financial statements for the period ended 6 April 2003.

Principal activities and review of the business

The Company is principally engaged in advanced composites engineering.

In the light of the current trading environment, the results for the period and the financial position at the end of the period were considered satisfactory by the Directors.

Results and dividends

The results for the period are set out on page 4.

The Directors do not recommend payment of an ordinary dividend.

Directors

The Directors who held office during the period to 6 April 2003 were as follows:

JRG Wood
TJC Webborn
SCR Wood
RJ Slatter (resigned 30 June 2002)
DA Owen
HM Cameron (appointed 31 January 2003)

Directors' interests

JRG Wood and SCR Wood each held a beneficial interest in 5,005 'A' non-voting shares of £1 each at the balance sheet date (2002 - 5,005 ordinary shares of £1 each).

The interests of the Directors in the share capital of the Holding Company, SBP Holdings Limited, are disclosed in that Company's Directors' report.

According to the register of Directors' interests, no rights to subscribe for shares in the Company were granted to any of the Directors or their immediate families, or exercised by them, during the financial period.

Purchase of own shares

During the period the Company took the opportunity to repurchase, from a minority shareholder, 5005 £1 ordinary shares, representing 5% of the issued share capital, for a consideration of £100,100.

Taxation status

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

ST BERNARD COMPOSITES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 6 APRIL 2003

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Baker Tilly be reappointed as Auditors of the Company will be put to the Annual General Meeting.

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.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

By order of the Board



HM Cameron
Secretary
5 September 2003

ST BERNARD COMPOSITES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ST BERNARD COMPOSITES LIMITED

We have audited the financial statements on pages 4 to 19.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 6 April 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


Baker Tilly

Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey, GU1 1UW

5 September 2003

ST BERNARD COMPOSITES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 6 APRIL 2003

		Period ended 6 April 2003 £	Period ended 31 March 2002 £
	Notes		
Turnover	2	8,862,770	11,922,353
Cost of sales		(5,607,123)	(8,012,002)
Gross profit		<u>3,255,647</u>	<u>3,910,351</u>
Distribution costs		(118,874)	(133,756)
Administrative expenses		(3,072,607)	(3,248,284)
Other operating income		182,057	156,127
Operating profit	3	<u>246,223</u>	<u>684,438</u>
Interest payable and similar charges	4	(160,187)	(228,654)
Profit on activities before taxation		<u>86,036</u>	<u>455,784</u>
Tax on profit on ordinary activities	5	5,521	(117,797)
Profit on ordinary activities after taxation	15	<u><u>91,557</u></u>	<u><u>337,987</u></u>

The profit for the period all derives from continuing activities.

ST BERNARD COMPOSITES LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 6 APRIL 2003**

	Period ended 6 April 2003 £	Period ended 31 March 2002 £
Profit on ordinary activities before taxation	86,036	455,784
Unrealised surplus on revaluation of fixed assets	434,926	-
Historical cost profit on ordinary activities before taxation	<u>520,962</u>	<u>455,784</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported profit on ordinary activities before taxation	86,036	455,784
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	8,010	5,008
Historical cost profit on ordinary activities before taxation	<u>94,046</u>	<u>460,792</u>
Historical cost profit for the period retained after taxation, extraordinary items and dividends	<u>99,567</u>	<u>342,995</u>

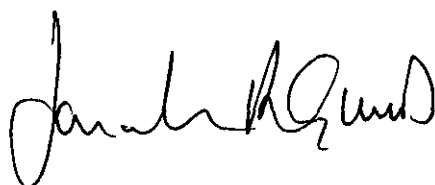
ST BERNARD COMPOSITES LIMITED

BALANCE SHEET AS AT 6 APRIL 2003

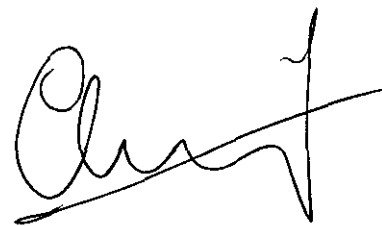
	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	6	5,467,538		4,478,988	
Investments	7	-		-	
		<u>5,467,538</u>		<u>4,478,988</u>	
Current assets					
Stocks	8	2,024,208		1,330,343	
Debtors	9	2,460,337		2,849,347	
Cash at bank and in hand		1,670		685	
		<u>4,486,215</u>		<u>4,180,375</u>	
Creditors: amounts falling due within one year	10	(3,830,142)		(2,679,224)	
Net current assets			656,073		1,501,151
Total assets less current liabilities			<u>6,123,611</u>		<u>5,980,139</u>
Creditors: amounts falling due after more than one year	11	(789,132)		(1,036,689)	
Provisions for liabilities and charges	12	(85,416)		(120,770)	
		<u>5,249,063</u>		<u>4,822,680</u>	
Capital and reserves					
Called up share capital	14	95,095		100,100	
Capital redemption reserve	15	5,005		-	
Revaluation reserve	15	1,212,146		785,230	
Profit and loss account	15	3,936,817		3,937,350	
Shareholders' funds - equity interests	16	<u>5,249,063</u>		<u>4,822,680</u>	

The financial statements were approved by the Board on 5 September 2003.

JRG Wood
Director



TJC Webborn
Director



ST BERNARD COMPOSITES LIMITED

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 6 APRIL 2003**

	Period ended 6 April 2003 £	Period ended 31 March 2002 £
Net cash inflow from operating activities	696,962	2,569,462
Returns on investments and servicing of finance		
Interest paid	(160,187)	(228,654)
Net cash outflow for returns on investments and servicing of finance	(160,187)	(228,654)
Taxation	(126,082)	(316,211)
Capital expenditure		
Payments to acquire tangible assets	(1,069,985)	(265,854)
Receipts from sales of tangible assets	37,816	8,800
Net cash outflow for capital expenditure	(1,032,169)	(257,054)
Net cash (outflow)/inflow before management of liquid resources and financing	(621,476)	1,767,543
Financing		
Buy-back of company shares	(100,100)	-
Repayment of long term bank loan	(137,217)	(178,104)
Increase in short term loan	813,822	-
Capital element of hire purchase contracts	(209,988)	(311,969)
	366,517	(490,073)
(Decrease)/Increase in cash in the period	<u>(254,959)</u>	<u>1,277,470</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 6 APRIL 2003

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2003	2002
		£	£
Operating profit		246,223	684,438
Depreciation of tangible assets		482,741	509,755
(Profit)/loss on disposal of tangible assets		(4,196)	10,083
(Increase)/decrease in stocks		(693,865)	898,527
Decrease in debtors		389,010	1,163,768
Increase/(decrease) in creditors within one year		277,049	(697,109)
Net cash inflow from operating activities		696,962	2,569,462

2 Analysis of net debt	31 March 2002	Cash flow	Other non-cash changes	6 April 2003
	£	£	£	£
Net cash:				
Cash at bank and in hand	685	985	-	1,670
Bank overdrafts	(385,117)	(255,944)	-	(641,061)
	(384,432)	(254,959)	-	(639,391)
Debt:				
Finance leases	(640,954)	209,987	-	(430,967)
Debts falling due within one year	(121,178)	(813,822)	-	(935,000)
Debts falling due after one year	(635,967)	137,217	-	(498,750)
	(1,398,099)	(466,618)	-	(1,864,717)
Net debt	(1,782,531)	(721,577)	-	(2,504,108)

3 Reconciliation of net cash flow to movement in net debt	2003	2002
	£	£
Increase/(decrease) in cash in the period	(254,959)	1,277,470
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(466,618)	490,074
Change in net debt resulting from cash flows	(721,577)	1,767,544
New finance leases	-	(324,711)
Movement in net debt in the period	(721,577)	1,442,833
Opening net debt	(1,782,531)	(3,225,364)
Closing net debt	(2,504,108)	(1,782,531)

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of land and buildings.

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2.5% straight line
Leasehold land & buildings	2.5% straight line
Plant & machinery	12.5% straight line
Fixtures and fittings	10% - 33% straight line
Motor vehicles	25% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

No depreciation is provided in respect of freehold land.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the Company during the period.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

1.9 Deferred taxation

Deferred taxation is provided in full, at appropriate rates, in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.10 Foreign currency translation

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

1.11 Group accounts

The Company has undertaken the exemption to produce group accounts on the grounds that the subsidiary is immaterial.

2	Turnover	2003	2002
		£	£
	United Kingdom	5,303,550	6,854,835
	Overseas	3,559,220	5,067,518
		<u>8,862,770</u>	<u>11,922,353</u>
3	Operating profit	2003	2002
		£	£
	Operating profit is stated after charging/(crediting):		
	Depreciation of tangible assets	482,741	509,755
	(Profit)/loss on disposal of fixed assets	(4,196)	10,083
	Directors' emoluments	374,945	435,260
	Auditors' remuneration	12,500	12,500
	Remuneration of auditors for non-audit work	16,385	9,035
	Operating lease rentals - other operating leases	48,978	42,000
	Exchange (gains)	(154,567)	(156,127)
		<u></u>	<u></u>
4	Interest payable	2003	2002
		£	£
	On bank loans and overdrafts	16,022	59,775
	On loans repayable after 5 years	62,882	48,531
	Hire purchase interest	81,283	120,348
		<u>160,187</u>	<u>228,654</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

5 Taxation

	2003 £	2002 £
Domestic current year tax		
UK corporation tax on profits of year	39,143	135,392
Adjustment for prior years	(9,310)	15,855
Current tax charge	<u>29,833</u>	<u>151,247</u>
Deferred tax		
Current year	(6,369)	(12,178)
Deferred taxation - change in tax rate	(28,985)	(21,272)
Tax charge for the year	<u>(5,521)</u>	<u>117,797</u>
Factors affecting the tax charge for the year		
The tax assessed for the year varies from the standard rate of corporation tax (30%) as follows:		
Profit on ordinary activities before taxation	<u>86,035</u>	<u>455,784</u>
Profit on ordinary activities before taxation multiplied by the standard applicable rate of UK corporation tax of 19% (2002: 30%)	16,346	136,735
Effects of:		
Non deductible expenses	6,804	2,056
Depreciation in excess of capital allowances	17,831	20,769
Other tax adjustments	(1,838)	749
Adjustments to previous periods	(9,310)	15,855
Small companies tax rate relief	-	(24,917)
Current tax charge	<u>29,833</u>	<u>151,247</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

6 Tangible fixed assets

	Freehold land & buildings £	Long Leasehold land & buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost or valuation						
At 31 March 2002	1,088,277	1,650,000	2,885,423	937,566	194,082	6,755,348
Additions	-	822,544	94,177	142,409	10,855	1,069,985
Disposals	-	-	(7,500)	-	(65,519)	(73,019)
Adjustment arising on revlauation	-	227,456	-	-	-	227,456
At 6 April 2003	<u>1,088,277</u>	<u>2,700,000</u>	<u>2,972,100</u>	<u>1,079,975</u>	<u>139,418</u>	<u>7,979,770</u>
Depreciation						
At 31 March 2002	50,788	164,132	1,508,953	437,363	115,124	2,276,360
On disposals	-	-	(7,500)	-	(31,899)	(39,399)
Charge for the period	13,082	43,338	305,659	99,298	21,364	482,741
Adjustment arising on revlauation	-	(207,470)	-	-	-	(207,470)
At 6 April 2003	<u>63,870</u>	<u>-</u>	<u>1,807,112</u>	<u>536,661</u>	<u>104,589</u>	<u>2,512,232</u>
Net book value						
At 6 April 2003	<u>1,024,407</u>	<u>2,700,000</u>	<u>1,164,988</u>	<u>543,314</u>	<u>34,829</u>	<u>5,467,538</u>
At 31 March 2002	<u>1,037,489</u>	<u>1,485,868</u>	<u>1,376,470</u>	<u>500,203</u>	<u>78,958</u>	<u>4,478,988</u>

The freehold land and buildings were valued on an open market basis with existing use by independent Chartered Surveyors in February 1998 at £1,075,000.

The leasehold land and buildings were valued on an open market basis with existing use by independent Chartered Surveyors as at 6 April 2003 at £2,700,000.

The gross amount of depreciable assets included within freehold land and buildings is £523,277, (2002 - £523,277).

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

Comparable historical cost for the land and buildings included at valuation:	£
Historical cost at 31 March 2002	2,074,396
Additions to cost in the period	822,544
Historical cost at 6 April 2003	<u>2,896,940</u>
Depreciation based on cost at 31 March 2002	336,269
Charge for the period	48,410
Depreciation based on cost at 6 April 2003	<u>384,679</u>
Net book value at 6 April 2003	<u>2,512,261</u>
Net book value at 31 March 2002	<u>1,738,127</u>

Included in plant & machinery are assets held under finance leases or hire purchase contracts as follows:

	£
Net book value	
At 6 April 2003	<u>632,382</u>
At 31 March 2002	<u>800,925</u>
Depreciation charge for the period	
6 April 2003	<u>152,277</u>
31 March 2002	<u>123,775</u>

7 Fixed asset investments - unlisted

The Company owns 100% of the ordinary share capital of Precision Composite Structures Limited, a company incorporated in England and Wales. This Company was dormant during the entire period.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

8	Stocks and work in progress	2003 £	2002 £
	Raw materials and consumables	765,520	548,714
	Work in progress	1,258,688	781,629
		<u>2,024,208</u>	<u>1,330,343</u>
9	Debtors	2003 £	2002 £
	Trade debtors	2,241,191	2,599,240
	Other debtors	14,408	772
	Prepayments and accrued income	204,738	249,335
		<u>2,460,337</u>	<u>2,849,347</u>
10	Creditors: amounts falling due within one year	2003 £	2002 £
	Bank overdraft	641,061	385,117
	Bank loans - debt due within one year	935,000	121,178
	Net obligations under finance leases and hire purchase contracts	140,585	240,233
	Trade creditors	1,178,007	680,636
	Corporation tax	39,143	135,392
	Other taxes and social security costs	95,940	255,411
	Other creditors	58,648	69,055
	Accruals and deferred income	741,758	792,202
		<u>3,830,142</u>	<u>2,679,224</u>

The bank overdraft is secured by way of a charge over certain trade debtors.

Bank loans includes an £800,000 property loan which, at the Balance Sheet date, was repayable within a year. Since the end of the financial year this loan has been converted to a term loan.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

11 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	498,750	635,967
Net obligations under finance leases and hire purchase agreements	290,382	400,722
	<u>789,132</u>	<u>1,036,689</u>
The bank loans are repayable as follows:		
Between one and two years	135,000	121,178
Between two and five years	363,750	363,534
In five years or more	-	151,255
	<u>498,750</u>	<u>635,967</u>
Of the amounts falling due after more than five years:		
Not repayable by instalments	<u>-</u>	<u>151,255</u>
The loans are secured by a fixed charge over leasehold property.		
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	166,251	240,233
Repayable between one and five years	316,142	484,154
	<u>482,393</u>	<u>724,387</u>
Finance charges and interest allocated to future accounting periods	(51,426)	(83,432)
	<u>430,967</u>	<u>640,955</u>
Included in liabilities falling due within one year	(140,585)	(240,233)
	<u>290,382</u>	<u>400,722</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2002	120,770
Profit and loss account	(35,354)
	<u>85,416</u>

Deferred tax is provided at 19% (2002 - 30%) analysed over the following timing differences:

	2003 £	2002 £
Accelerated capital allowances	<u>85,416</u>	<u>120,770</u>

13 Pension costs

The Company contributes to personal pension plans for certain employees. The pension cost charge represents contributions payable by the Company and amounted to £98,191 (2002 - £112,364).

14 Share capital

	2003 £	2002 £
Authorised		
79,079 Ordinary shares of £1 each	79,079	100,100
21,021 'A' Non-voting shares of £1 each	21,021	-
	<u>100,100</u>	<u>100,100</u>
Allotted, called up and fully paid		
74,074 Ordinary shares of £1 each	74,074	100,100
21,021 'A' Non-voting shares of £1 each	21,021	-
	<u>95,095</u>	<u>100,100</u>

On 19 April 2002 the company bought back £5,005 £1 ordinary shares for a consideration of £100,100.

On 7 June 2002, by special resolution the existing share capital of 100,100 £1 ordinary shares was redesignated as 79,079 £1 ordinary shares and 21,021 £1 'A' non-voting shares.

The 'A' non-voting shares rank pari passu in all respects with the ordinary shares except that they do not entitle the holders to receive notice of or attend or vote at any general meeting of the Company or receive a dividend and the holders are only entitled to the repayment of the the nominal value in a winding up or liquidation of the Company.

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

15 Statement of movement on reserves

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2002	-	785,230	3,937,350
Retained profit for the period	-	-	91,557
Acquisition of own shares	5,005	-	(100,100)
Transfer from revaluation reserve to profit and loss account	-	(8,010)	8,010
Surplus on revaluation of fixed assets	-	434,926	-
Balance at 6 April 2003	<u>5,005</u>	<u>1,212,146</u>	<u>3,936,817</u>

During the year, the Directors approved the repurchase and subsequent cancellation of 5,005 ordinary shares of £1 each at £20 per share. The consideration for the repurchase of the shares was £100,100 and has been charged against distributable reserves.

The freehold and leasehold land and buildings were valued on an open market basis by a firm of independent Chartered Surveyors.

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

16 Reconciliation of movements in Shareholders' funds

	2003 £	2002 £
Profit for the financial period	91,557	337,987
Other recognised gains relating to the period	434,926	-
Acquisition of own shares	(100,100)	-
Net addition to Shareholders' funds	<u>426,383</u>	<u>337,987</u>
Opening Shareholders' funds	4,822,680	4,484,693
Closing Shareholders' funds	<u>5,249,063</u>	<u>4,822,680</u>

ST BERNARD COMPOSITES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 6 APRIL 2003

17 Commitments

Capital commitments at the end of the period for which no provision has been made are as follows:

	2003 £	2002 £
Contracted	<u>76,000</u>	<u>-</u>

At 6 April 2003 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003 £	2002 £
Expiry date:		
Between two and five years	<u>48,978</u>	<u>42,000</u>

18 Directors' emoluments

	2003 £	2002 £
Remuneration	332,135	393,424
Pension contributions	42,810	41,836
	<u>374,945</u>	<u>435,260</u>
Emoluments of the highest paid Director	<u>82,826</u>	<u>79,122</u>
Pension contributions for the highest paid Director	<u>12,424</u>	<u>10,923</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes is 5 (2002 - 5)

19 Employees

The average monthly number of employees (including Directors) during the period was:

	2003	2002
Direct production staff	87	111
Selling and distribution	2	3
Other support staff	51	55
	<u>140</u>	<u>169</u>

Employment costs

	2003 £	2002 £
Wages and salaries	3,047,980	4,029,551
Social security costs	275,285	349,969
Other pension costs	98,191	112,364
Other employment costs	56,173	55,917
	<u>3,477,629</u>	<u>4,547,801</u>

ST BERNARD COMPOSITES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 6 APRIL 2003**

20 Ultimate holding company

The company's immediate and ultimate holding company and controlling party is SBP Holdings Limited, a company incorporated in Great Britain.