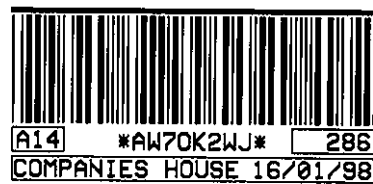


SERVOSTEEL LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST MARCH 1997

Registered number: 1654321



Hamiltons

SERVOSTEEL LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31st March 1997

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SERVOSTEEL LIMITED
AUDITORS' REPORT

**Auditors' report to the members of
 Servosteel Limited
 under section 247B to the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 4, together with the financial statements of the company for the year ended 31st March 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. 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 to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

Hamiltons of Stourbridge Ltd.

Hamiltons
 of Stourbridge Limited
 Registered Auditors
 Meriden House
 75 Market Street
 Stourbridge
 West Midlands
 DY8 1AQ

29 July 1997

SERVOSTEEL LIMITED**ABBREVIATED BALANCE SHEET****at 31st March 1997**

Note	<u>1997</u>		<u>1996</u>	
	£	£	£	£
Current assets				
Stocks	153,352		102,982	
Debtors	4,548,618		3,539,633	
Cash at bank and in hand	224		525	
	<u>4,702,194</u>		<u>3,643,140</u>	
Creditors: amounts falling due within one year	(3,161,163)		(2,328,415)	
Net current assets	1,541,031		1,314,725	
Total assets less current liabilities	<u>1,541,031</u>		<u>1,314,725</u>	
Capital and reserves				
Called up share capital	2	100	100	
Profit and loss account		<u>1,540,931</u>	<u>1,314,625</u>	
<u>Total shareholders' funds</u>		<u>1,541,031</u>	<u>1,314,725</u>	

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors.

Signed on behalf of the
board of directors

D. L. Fabb
Chairman



Date 29/7/97

SERVOSTEEL LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS****31st March 1997****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 qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Leasing

Where assets are acquired by leasing arrangements which give rights approximately to ownership (finance leases) the amount representing the outright purchase price of such assets is included in tangible fixed assets in accordance with the company's depreciation policy. The capital element of future rentals is treated as a liability and the interest element is charged to the profit and loss account over the period of the lease in proportion to the balance outstanding. Expenditure on leases other than finance leases (operating leases) is charged to the profit and loss account in the period incurred.

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

The company operates a contributory pension scheme to provide retirement benefits for certain employees. Contributions are charged to the profit and loss account as they are made.

2 Called up share capital

		1997		1996
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

SERVOSTEEL LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS****31st March 1997****3 Related party transactions**

During the year the company had the following transactions with group companies:-

	<u>1997</u>
	£
<u>David Fabb (Holdings) Limited</u>	
Rental of premises	350,000
Hire of machinery	477,000
	<u> </u>
<u>ESK Steel Strip Limited</u>	
Steel sales	29,404
	<u> </u>
<u>Sidney Smith Castings Limited</u>	
Direct materials recharged	236,339
	<u> </u>

All transactions occurred on a normal trading commercial basis.

As at the Balance sheet date the company was owed the following amounts from related parties:-

	£
David Fabb (Holdings) Limited	2,513,131
Sidney Smith Castings Limited	9,844
	<u> </u>

4 Ultimate holding company

The company regards David Fabb (Holdings) Ltd, a company incorporated in England and Wales, as its ultimate holding company.