

Sanoh UK Manufacturing Limited
(formerly Bristol Bending Sanoh Limited)

Annual report and accounts

for the year ended 31 March 2007

(Registered No: 2607806)

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Sanoh UK Manufacturing Limited (formerly Bristol Bending Sanoh Limited)

Annual report and accounts for the year ended 31 March 2007

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Directors and advisers

Directors

J J Boulter	(resigned 2 May 2006)
M Komatsu	(resigned 30 November 2006)
K Yoshikawa	(resigned 30 November 2006)
P Davis	
W J Burke	
S Saltaire	(appointed 22 June 2006, resigned 20 October 2006)
Y Takeda	(appointed 30 November 2006)
R Harada	(appointed 30 November 2006)
J Hayashi	(appointed 30 November 2006)
Y Sunaga	(appointed 30 November 2006)
N Tanaka	(appointed 30 November 2006)
S Tanaka	(appointed 30 November 2006)

Secretary

W J Burke

Auditors

PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 5QD

Registered office

Grandeur Point
Fourth Way
Avonmouth
BRISTOL
BS11 8DL

Bankers

Lloyds Bank Plc
15 High Street
Westbury on Trym
Bristol
BS9 3DA

Directors' report for the year ended 31 March 2007

The directors present their report and the audited financial statements of the company for the year ended 31 March 2007

Principal activities

The company manufactures steel and nylon tubular products for the automotive industry from four factories, two in Bristol, one in Gloucester and a smaller unit in Derby which started to ship production quantities in February 2007

Review of business and future developments

The results for the company show a pre-tax profit of £1,357,000 (2006 £555,000) and turnover of £15,665,000 (2006 £14,625,000) The company has net debt of £258,000 (2006 £962,000) Net cash inflow from operating activities was £1,705,000 (2006 £1,724,000)

The directors are pleased with the current year's trade and anticipate continued growth in the coming year

Business environment

The UK automotive component market is dominated by the few very large companies still in volume car production The supply side of the UK market has also consolidated over time so that in tubular products we now have only one major competitor

The nature of the product makes it expensive to ship from overseas and also effectively limits export opportunities to a few special case contracts

Continued customer demands for quality and just-in-time supply mean that the highest standards are now the norm and price is an increasingly important factor in the marketing mix

Strategy

The company has a record of steady growth over recent years and, in that time, management and technical resources have been concentrated on ensuring that growth was achieved with no adverse impact on customer service As an established player we now not only have fewer contracts to gain but also more to lose For both reasons it is planned that we redirect some of those resources as they become available to cost reduction projects

We also regularly review the quality of our output in terms of both product quality and customer service to maximise our chances of retaining existing business

Future outlook

A re-alignment of supply contracts by one of our major customers has provided us with a temporarily increased level of business for a period of about eighteen months that will include the whole of the coming financial year and nearly half of the following one The Derby facility has contributed to our ability to meet this demand, though facilities are still stretched up to and slightly beyond a comfortable capacity Nevertheless we are considering options to ensure that we do not have under-utilised assets once the re-alignment exercise is complete

Principal risks and uncertainties

The key business risks affecting the company are set out below

Competition

The number of competitors in the UK is limited at present, reflecting the fact that there are a limited number of major contracts available. This does restrict the frequency of tenders but at the same time increases the significance of each bid. It therefore concentrates rather than reduces the competitive nature of the industry. We maintain close communication with our customers at all times, not just at contract negotiation, to ensure we are in a position to meet their needs. The satellite plant at Derby has improved links with the geographically most distant of our major customers.

Product Warranty

Customers are increasingly seeking to pass on consequential losses suffered as a result of quality failures. These are very expensive to insure against in this litigious age and look set to become another overhead cost we will have to accept and build into our quotes. Our main defence will remain a focus on providing quality products to customers thus eliminating the problem at source.

Market

With our existing market limited to a small number of customers, a change in economic forces or customer strategy that resulted in further reductions in car production in the UK would also reduce the market for our products. These would however be major decisions by the car manufacturers who have significant investments in plant in the UK.

Key performance indicators

	2007	2006	
Growth in sales	7%	17%	Year on year sales growth expressed as a percentage
Internal rejects	12,100	13,600	Internal rejects per million parts produced
Customer rejects	74	85	Average of customer rejects per million parts delivered as reported by our major customers
On time deliveries	99.8%	99.7%	Average of on time delivery performance as reported by our major customers who demand timed delivery schedules each day

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk, liquidity risk, interest rate risk and exchange rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

In order to manage interest risk the company arranges all new long term finance for fixed asset acquisitions at fixed rates but has not gone so far as to re-negotiate a long-term loan arranged in 2001 at variable rate. Short-term borrowing to cover day-to-day cash requirements is also at variable rate. At the balance sheet date 58 per cent of debt (2006 48 per cent) was at fixed rate. Further to this the company has sought to minimise the risk of uncertain funding in its operations by borrowing within a spread of maturity periods reflecting the use to which the funds will be applied. At the year end 69 per cent (2006 43 per cent) of debt was repayable within one year. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where debt finance is utilised, this is subject to pre-approval by the board of directors at which point the total exposure to any individual counterparty is considered.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has occasional interest bearing assets and more significant interest bearing liabilities. The interest bearing assets are short-term cash balances, which may be available from time to time and are invested at variable rate. Should it be required, the company has a policy of funding high value expenditure on fixed assets at fixed rates to ensure certainty of future interest cash flows. Short-term borrowings to cover day-to-day fluctuations in cash requirements are arranged on variable interest rates. In early 2001, at a time when interest rates were still falling, a long-term loan repayable over seven years was also arranged on variable interest rates. At the balance sheet date this loan had only one year to run and was down to 17% of the amount initially borrowed.

Exchange rate risk

The company makes significant purchases in Japanese yen but the majority of these are matched by customer sales price variation agreements linked to the sterling/yen exchange rate. The company also has income from sales in Euros that are partially offset by Euro purchases. The remaining exposures, being spread throughout the year, are subject to a degree of 'averaging' that reduces the exposure to short-term fluctuations and the cost of managing the remaining longer-term risk of more permanent exchange rate movements would exceed the potential benefits.

Results and dividends

The profit for the year, after taxation, amounted to £1,003,000 (2006 £286,000). The directors have not proposed the payment of a final dividend (2006 Nil). The aggregate dividend on the ordinary shares recognised as an expense during the year amounts to £Nil (2006 £780,000).

Directors

The directors are listed on page 1

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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently and they also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2007 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and the directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

By Order of the Board

Director
28 March 2008

Independent auditors' report to the members of Sanoh UK Manufacturing Limited

We have audited the financial statements of Sanoh UK Manufacturing Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Note of historical cost profits and losses, the Cash Flow Statement, the Accounting Policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol
28 March 2008

**Sanoh UK Manufacturing Limited
(formerly Bristol Bending Sanoh Limited)**

Profit and loss account for the year ended 31 March 2007

	Note	2007 £'000	2006 £'000
Turnover	1	15,665	14,625
Operating costs	2	(14,230)	(13,997)
Operating profit	3	1,435	628
Net interest payable and similar charges	6	(78)	(73)
Profit on ordinary activities before taxation		1,357	555
Tax on profit on ordinary activities	7	(354)	(269)
Profit on ordinary activities after taxation		1,003	286
Dividends – equity	8	-	(780)
Retained profit/(loss) for the year	17	1,003	(494)

All activities are continuing

The company has no recognised gains or losses other than those included in the profit above, and therefore no separate statement of total recognised gains and losses has been presented

Sanoh UK Manufacturing Limited
(formerly Bristol Bending Sanoh Limited)

Balance sheet as at 31 March 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	9	3,835	3,561
Current assets			
Stocks	11	1,792	1,717
Debtors	12	2,952	2,226
Cash at bank and in hand		113	110
		4,857	4,053
Creditors: amounts falling due within one year	13	(4,910)	(4,458)
Net current assets/(liabilities)		(53)	(405)
Total assets less current liabilities		3,782	3,156
Creditors: amounts falling due after more than one year	14	(204)	(617)
Provisions for liabilities and charges	19	(324)	(288)
Net assets		3,254	2,251
Capital and reserves			
Called up share capital	16	390	390
Capital redemption reserve	17	1,170	1,170
Revaluation reserve	17	-	12
Profit and loss account	17	1,694	679
Equity shareholders' funds	22	3,254	2,251

The financial statements on pages 8 to 27 were approved by the board of directors on 28 March 2008 and were signed on its behalf by



P Davis
Director

**Sanoh UK Manufacturing Limited
(formerly Bristol Bending Sanoh Limited)**

Note of historical cost profits and losses

	2007	2006
	£'000	£'000
Profit on ordinary activities before taxation	1,357	555
Difference between historical cost depreciation and the actual depreciation charge	12	13
Historical cost profit on ordinary activities before taxation	1,369	568
Historical cost profit for the year retained after taxation	1,015	299

Sanoh UK Manufacturing Limited
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Cash flow statement for the year ended 31 March 2007

	Note	2007 £'000	2007 £'000	2006 £'000	2006 £'000
Net cash inflow from operating activities	24		1,705		1,724
Returns on investment and servicing of finance					
Interest received		-		36	
Interest paid		(45)		(73)	
Interest element of finance lease payments		(33)		(36)	
Net cash outflow from returns on investment and servicing of finance			(78)		(73)
Tax paid			(186)		(25)
Capital expenditure					
Purchase of tangible fixed assets		(772)		(425)	
Receipts from sale of tangible fixed assets		35		-	
Net cash outflow from capital expenditure			(737)		(425)
Equity dividends paid			-		(780)
Cash inflow before financing			704		421
Financing					
Capital element of finance lease payments		(191)		(191)	
Repayment of loans		(224)		(211)	
Net cash (outflow) from financing			(415)		(402)
Increase in cash in the year	26		289		19

Sanoh UK Manufacturing Limited (formerly Bristol Bending Sanoh Limited)

Accounting policies

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, the accounting policies set out below and in accordance with applicable accounting standards

The company has taken advantage of the exemption available to medium sized groups and has not prepared consolidated group accounts

Turnover

Turnover is stated net of value added tax. It represents the value of goods and services supplied and is recognised at the point of delivery.

Fixed assets

Following the introduction of Financial Reporting Standard 15, 'Tangible fixed assets' in previous years, the company decided to adopt a policy of freezing revalued assets at their current valuation balance, as permitted under the transitional arrangements, and no further revaluation of assets is planned.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Long leasehold land and buildings	Over the lease term
Plant, machinery and office equipment	10% - 33 1/3 %
Motor vehicles	35% (reducing balance)

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Raw materials	Purchase cost on a first in, first out basis
Work in progress and finished goods	Cost of direct materials and labour, plus an appropriate proportion of attributable overheads based on the normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion or disposal.

Provisions are made for obsolete or slow moving items.

Sanoh UK Manufacturing Limited (formerly Bristol Bending Sanoh Limited)

Recognition of profit on tooling projects

As tooling projects progress attributable profit is recognised on a percentage complete basis

Deferred taxation

Deferred tax is provided on all material timing differences, whether or not they are expected to reverse in the future. Deferred tax assets and liabilities have not been discounted.

Tooling amortisation

Tooling, which is to be amortised through the piece part price, is stated at cost less accumulated amortisation to date. The charge per unit is agreed with the customer at the start of a contract, and based on the estimated total parts to be supplied.

Foreign currencies

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

All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the length of the lease if shorter. The interest element of rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Pensions

The company operates a defined contribution personal pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Sanoh UK Manufacturing Limited (formerly Bristol Bending Sanoh Limited)

Notes to the financial statements for the year ended 31 March 2007

1 Turnover

Turnover, which is stated net of value added tax, represents the invoiced value of goods and services supplied

Turnover is attributable to one activity, the manufacture of components for the car industry

Analysis of turnover by geographical area is given below

	2007	2006
	£'000	£'000
United Kingdom	15,109	14,290
Europe	556	335
	15,665	14,625

2 Operating costs

	2007	2006
	£'000	£'000
Decrease in stocks of finished goods and work in progress	76	92
Raw materials and consumables	8,373	8,293
Staff costs (Note 4)	4,812	4,180
Depreciation of owned tangible fixed assets	387	296
Depreciation of assets held under finance leases and hire purchase contracts	83	77
Other operating charges	499	1,059
	14,230	13,997

Sanoh UK Manufacturing Limited **(formerly Bristol Bending Sanoh Limited)**

3 Operating profit

		2007	2006
		£'000	£'000
Operating profit is stated after charging			
Services provided by the			
Company's auditor	fees payable for the audit	17	16
	fees payable for other services – tax compliance	3	2
Operating lease rentals	land and buildings	161	114
	plant and equipment	38	35
	other	9	9
Gain on foreign exchange		(421)	(102)

4 Staff costs

	2007	2006
	£'000	£'000
Wages and salaries	4,380	3,814
Social security costs	399	342
Other pension costs	33	24
	4,812	4,180

The total amount includes £14,550 (2006 £9,417) of capitalised labour costs. The average number of persons (including directors) employed during the year was as follows

	2007	2006
	Number	Number
Hourly paid	210	185
Staff	35	34
	245	219

Sanoh UK Manufacturing Limited **(formerly Bristol Bending Sanoh Limited)**

5 Directors' emoluments

	2007	2006
	£'000	£'000
Aggregate emoluments	168	128
Company contributions paid to money purchase schemes	3	2

During the year the company paid contributions to the money purchase pension schemes of one (2006 one) director and retirement benefits are accruing to one director (2006 one) under these schemes at 31 March 2007

Under a cost sharing agreement £34,000 (2006 £23,000) of the above costs are funded by Sanoh Industrial Company Ltd

The emoluments of Mr Takeda, Mr Harada, Mr Hayashi, Mr Sunaga, and Mr N Tanaka are paid by the parent company. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company. Accordingly, the above details include no emoluments in respect of these directors

6 Net interest payable and similar charges

	2007	2006
	£'000	£'000
Bank overdraft interest	2	4
Interest receivable from group undertakings	-	(36)
Invoice discounting	22	34
Interest on loans wholly repayable within five years	21	35
Finance charges payable under finance leases and hire purchase contracts	33	36
	78	73

Sanoh UK Manufacturing Limited (formerly Bristol Bending Sanoh Limited)

7 Tax charge on profit on ordinary activities

(a) Analysis of charge in the year

	2007	2006
	£'000	£'000
Current tax:		
UK corporation tax on profits of the year	364	201
Prior year adjustment for over provision	(46)	(22)
Total current tax	318	179
Deferred tax:		
Origination and reversal of timing differences (ACA and other)	36	90
Prior year adjustment for under provision	-	-
Total deferred tax	36	90
	354	269

(b) Factors affecting current tax charge for the year

The tax assessed for the year is lower (2006 Higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007	2006
	£'000	£'000
Profit on ordinary activities before taxation	1,357	555
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30% (2006 30%)	407	167
Non deductible expenses	(2)	69
Depreciation charge in excess of capital allowances and other timing differences	(41)	(35)
Adjustments to tax in respect of previous periods	(46)	(22)
Current tax charge for the year	318	179

8 Dividends

Ordinary shares of £1 each (equity)

	2007	2006
	£'000	£'000
Final paid £Nil (2006 £2 00) per £1 share	-	780

The directors have not proposed a dividend for the year ended 31 March 2007

Sanoh UK Manufacturing Limited **(formerly Bristol Bending Sanoh Limited)**

9 Tangible fixed assets

	Long leasehold land and buildings £'000	Plant machinery and office equipment £'000	Motor vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation					
At 1 April 2006	2,276	4,697	13	22	7,008
Additions	26	704	30	12	772
Transfer	-	22	-	(22)	-
Disposals	(5)	(948)	-	-	(953)
At 31 March 2007	2,297	4,475	43	12	6,827
Depreciation					
At 1 April 2006	381	3,056	10	-	3,447
Charge for the year	63	400	7	-	470
Disposals	(5)	(920)	-	-	(925)
At 31 March 2007	439	2,536	17	-	2,992
Net book amount					
At 31 March 2007	1,858	1,939	26	12	3,835
At 31 March 2006	1,895	1,641	3	22	3,561

Assets held under finance leases and hire purchase contracts, capitalised and included in plant and machinery and motor vehicles

	2007 £'000	2006 £'000
Cost	696	816
Aggregate depreciation	(173)	(131)
Net book amount	523	685

Included within plant and machinery are assets which were purchased for a cost of £5,000 and revalued to £134,250. The valuation was performed in 1997, on the basis of open market value, by independent qualified valuers. The historical cost and historical net book value of these assets at 31 March 2007 is £5,000 and £Nil respectively.

Sanoh UK Manufacturing Limited (formerly Bristol Bending Sanoh Limited)

10 Investments

The company has two wholly owned subsidiaries, both incorporated in England

The company's investments in subsidiaries comprise

	Shares	Loans	Provisions	Total
	£'000	£'000	£'000	£'000
At 1 April 2006 and 31 March 2007	-	-	-	-

Details of subsidiary undertakings

Subsidiary undertakings	Description of shares held	Group share of equity	Nature of business	Retained profit £'000	Net assets £'000
Bristol Bending Sanoh Automotive Components Limited	Ordinary	100%	Tubular Products	4	5
Bristol Bending Sanoh Fluid Handling Components Limited	Ordinary	100%	Dormant	-	-

11 Stocks

	2007 £'000	2006 £'000
Raw materials and consumables	1,475	1,324
Work in progress	186	319
Finished goods and goods for resale	131	74
	1,792	1,717

12 Debtors

	2007 £'000	2006 £'000
Trade debtors	2,321	1,980
Amounts owed by group undertakings	86	41
Amounts due from debt factor	282	15
Other debtors and prepayments	263	190
	2,952	2,226

Sanoh UK Manufacturing Limited
(formerly Bristol Bending Sanoh Limited)

13 Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Amounts forwarded by debt factor	-	-
Bank Overdraft (note 15)	37	56
Loans (note 15)	239	224
Trade creditors	3,206	1,558
Amounts owed to group undertakings	-	15
Corporation tax	363	231
Other taxation and social security	329	405
Obligations under finance leases and hire purchase contracts (note 18)	173	190
Other creditors and accruals	563	1,779
	4,910	4,458

The bank overdraft and loans and amounts forwarded by debt factor are secured by way of fixed and floating charges on the assets of the company

14 Creditors amounts falling due after more than one year

	2007	2006
	£'000	£'000
Loans (Note 15)	-	239
Obligations under finance leases and hire purchase contracts (Note 18)	204	378
	204	617

Sanoh UK Manufacturing Limited **(formerly Bristol Bending Sanoh Limited)**

15 Bank loan and other borrowings

	2007	2006
	£'000	£'000
Bank loans and overdrafts are repayable		
Within one year	276	280
Between one and two years	-	239
Between two and five years	-	-
After five years	-	-
	276	519

Preference share capital

At 31 March 2007 the company had 1,500,000 (2006 1,500,000) redeemable preference shares of £1 each which were authorised but not allotted or called up

16 Called up share capital

	2007	2006
	£'000	£'000
Authorised		
500,000 Ordinary shares of £1 each	500	500
Allotted, called up and fully paid		
390,000 Ordinary shares of £1 each	390	390

17 Reserves

	Capital redemption reserve	Revaluation reserve	Profit and loss reserve
	£'000	£'000	£'000
At 1 April 2006	1,170	12	679
Transfer	-	(12)	12
Retained profit for the year	-	-	1,003
At 31 March 2007	1,170	-	1,694

Sanoh UK Manufacturing Limited (formerly Bristol Bending Sanoh Limited)

18 Obligations under finance leases and hire purchase contracts

Amounts due under finance leases and hire purchase contracts are analysed as follows

	2007	2006
	£'000	£'000
Within one year	173	190
Between one and two years	161	173
Between two and five years	43	205
	377	568

19 Provisions for liabilities and charges

Deferred taxation

	2007	2006
	£'000	£'000
At 1 April	288	198
Charged to profit and loss account	36	90
At 31 March	324	288

	2007	2006
	£'000	£'000
Short term timing differences	(8)	(19)
Accelerated capital allowances	332	307
Total	324	288

20 Capital commitments

	2007	2006
	£'000	£'000
Authorised and contracted for	8	182

Sanoh UK Manufacturing Limited **(formerly Bristol Bending Sanoh Limited)**

21 Financial commitments

	Land and buildings		Other	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Operating leases which expire				
within one year	-	-	7	3
within one to two years	-	-	-	6
within two to five years	173	144	35	31
after five years	17	17	8	-
	190	161	50	40

22 Reconciliation of movement in shareholders' funds

	2007	2006
	£'000	£'000
Profit for the financial year	1,357	286
Dividends	-	(780)
Net increase/(decrease) to shareholders' funds	1,357	(494)
Opening shareholders' funds	2,251	2,745
Closing shareholders' funds	3,608	2,251

23 Pension commitments

The company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Sanoh UK Manufacturing Limited
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24 Reconciliation of operating profit to net cash inflow from operating activities

	2007	2006
	£'000	£'000
Operating profit	1,435	628
Depreciation	470	373
Profit on disposal of fixed assets	(7)	-
(Increase) in stocks	(75)	(293)
(Increase)/decrease in debtors	(459)	4
Increase in creditors	341	1,012
Net cash inflow from operating activities	1,705	1,724

25 Reconciliation of net cash flow to movement in net debt

	2007	2006
	£'000	£'000
Increase in cash in the year	289	19
Decrease in debt and lease financing	415	402
Change in net debt resulting from cash flows	704	421
New finance lease/HP contracts	-	(355)
Movements in net debt in year	704	66
Net debt at 1 April	(962)	(1,028)
Net debt at 31 March	(258)	(962)

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26 Analysis of net debt

	At 1 April 2006 £'000	Cash flow £'000	Other non cash Movements £'000	At 31 March 2007 £'000
Cash in hand and at bank	110	3	-	113
Overdraft	(56)	19	-	(37)
Amounts forwarded by debt factor	15	267	-	282
	69	289	-	358
Debt due within 1 year	(224)	224	(239)	(239)
Debt due after 1 year	(239)	-	239	-
Finance leases/HP contracts	(568)	191	-	(377)
	(1,031)	415	-	(616)
Total	(962)	704	-	(258)

27 Related party disclosures

Up to 20 October 2006 the ultimate parent company and controlling party of the company was Cavendish Industries Limited, a company registered in England. Up to 20 October 2006 the immediate parent company was Bristol Bending Services Limited, a company registered in England, who were the major shareholders of the company. Both these companies entered administration in February 2006 and transactions and balances are stated separately for the periods before and after the administrators' appointment. Sanoh Industrial Company Ltd and the Sojitz Corporation, both of Japan, held the balance of the company's shares up to 20 October 2006.

On 20 October 2006 the shares previously held by Bristol Bending Services Ltd were acquired by Sanoh Industrial Company Ltd of Japan, making them the immediate and ultimate parent company from that date. Sanoh Industrial Company Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Sanoh Industrial Company Limited's consolidated financial statements can be obtained from Sanoh Industrial Company Ltd, Koga Office, 4-2-27 Honcho, Koga, Ibaraki 306-0023, Japan.

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	2007 £'000	2006 £'000
<u>Transactions with Cavendish Industries Limited - pre administration</u>		
Supply of goods and services by Cavendish Industries Limited	-	533
Supply of goods and services to Cavendish Industries Limited	-	47
Interest receivable from Cavendish Industries Limited	-	36
Fees for management services provided by Cavendish Industries Limited	-	63
Repayment of loan by Cavendish Industries Limited	-	368
Consortium tax relief (receivable) from Cavendish Industries Limited	-	(44)
<u>Transactions with Cavendish Industries Limited - post administration</u>		
Supply of goods and services by Cavendish Industries Limited	121	63
Supply of goods and services to Cavendish Industries Limited	22	4
<u>Transactions with Sanoh Industrial Company Ltd and associated companies</u>		
Supply of goods and services by Sanoh Industrial Company Ltd	23	4
Supply of goods and services to Sanoh Industrial Company Ltd	40	-
Supply of goods and services by Sanoh Europe (France) EURL	-	19
Supply of goods and services to Sanoh Europe (France) EURL	503	291
<u>Transactions with the Sojitz Corporation and associated companies</u>		
Supply of goods and services by Sojitz UK Plc	5925	3,801
<u>Transactions with Bristol Bending Sanoh Automotive Components Ltd</u>		
Supply of goods and services by Bristol Bending Sanoh Limited	125	53
<u>Transactions with Industrial and Commercial Property Maintenance Ltd (J J Boulter was a common director)</u>		
Supply of goods and services by Industrial and Commercial Property Maintenance Ltd	-	14
Supply of goods and services by Bristol Bending Sanoh Limited	-	4
Those transactions were undertaken on normal commercial terms and conditions		

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Balances due from/(to) related parties at the year end are

	2007	2006
	£'000	£'000
Cavendish Industries Limited - pre administration on current account	(79)	(55)
Cavendish Industries Limited - pre administration on loan account	238	238
Cavendish Industries Limited - post administration	-	(15)
Sanoh Industrial Company Ltd	31	15
Sanoh Europe (France) EURL	52	53
Sojitz UK Plc	(2,281)	(1,603)
Bristol Bending Sanoh Automotive Components Ltd	1	15

In the event that the company had surplus cash funds and prior to the appointment of administrators at Cavendish Industries Ltd an element of these funds were lent to the parent company and interest was paid by the parent company at a premium of at least 1.5% p a over the deposit rate of interest achievable by the company. The loan was unsecured and repayable on demand.

The pre administration balances with Cavendish Industries Ltd are stated gross with no offset of the provision made against them which reduces the amounts owed by Group undertakings in creditors.