

BRISTOL BENDING SANOH LIMITED

(Registered No: 2607806)

Signed Copy

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 1994



BRISTOL BENDING SANOH LIMITED

DIRECTORS

J J Boulter	Chairman
T Woodhead	Managing Director
CC Harvey	
S Igarashi	
S Yanami	

SECRETARY

CC Harvey

AUDITORS

Price Waterhouse
31 Great George Street
Bristol
BS1 5QD

REGISTERED OFFICE

116 Burcott Road
Avonmouth
Bristol
BS11 8AP

BANKERS

Lloyds Bank Plc
14 Church Street
Sheffield
S1 1HP

BRISTOL BENDING SANOH LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1994.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £224,374 (1993: £307,506). The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's tubular product manufacturing activity made excellent progress, expanding as customer volumes increased and improving technical efficiency month by month. The only adverse factor was the strong rise in the value of the Japanese yen which substantially increased costs of imported material, only some of which was recoverable from customers by way of increased prices. Further expansion with new products for new models will take place in the current year.

The company's new activity - electroplating of tubular components - involves development of highly advanced techniques and coatings to Japanese standards and specifications. Plant was commissioned at the beginning of the financial year and losses were sustained by way of high fixed costs as volumes were only built up gradually during the year. However good technical progress was made and the plant will be extremely successful and profitable as the volume of work expands over the next two years.

Once again, the company received valuable assistance from its partners, Sanoh Industrial Co. Limited and Nissho Iwai Corporation.

FIXED ASSETS

The changes in fixed assets during the year are detailed in Note 9 of the accounts.

DIRECTORS AND THEIR INTERESTS

The directors are listed on page 1. Mr G B Clarke served as a director until 1 July 1993; Mr T Woodhead was appointed on that date. Mr S Motoyama served as a director until 1 March 1994; Mr S Yanami was appointed on that date.

None of the directors had an interest in the share capital of the company at the period end or at any time during the year.

Details of directors' interests in the share capital of the parent undertaking are disclosed in the accounts of that company.

BRISTOL BENDING SANOH LIMITED

DIRECTORS' REPORT (continued)

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

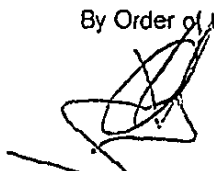
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Price Waterhouse, who were appointed auditors of the company on 1 March 1994, have indicated their willingness to remain in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



CC Harvey
Secretary

28 June 1994

31 Great George Street
Bristol
BS1 5QD

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Telecopier: (0272) 290519

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF BRISTOL BENDING SAND LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 as at 31 March 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Chartered Accountants
and Registered Auditors

28 June 1994

BRISTOL BENDING SANOH LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1994**

Continuing operations	Notes	<u>1994</u> £'000	<u>1993</u> £'000
TURNOVER	2	3,075	351
Operating costs	3	<u>(3,192)</u>	<u>(599)</u>
OPERATING LOSS	4	(117)	(248)
Interest receivable	6	13	23
Interest payable	7	<u>(120)</u>	<u>(83)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(224)	(308)
Tax on loss on ordinary activities	8	—	—
RETAINED LOSS FOR THE YEAR		<u>(224)</u>	<u>(308)</u>
STATEMENT OF LOSSES CARRIED FORWARD			
At 3 April 1993		(327)	(19)
Retained loss for the year		<u>(224)</u>	<u>(308)</u>
At 31 March 1994		<u>(551)</u>	<u>(327)</u>

There are no other recognised gains or losses during the year.

The notes on pages 7 to 15 form part of these accounts.

BRISTOL BENDING SANDS LIMITED

**BALANCE SHEET
AS AT 31 MARCH 1994**

	<u>Notes</u>	<u>1994</u> £'000	<u>1993</u> £'000
FIXED ASSETS			
Tangible assets	9	<u>2,289</u>	<u>2,000</u>
CURRENT ASSETS			
Stocks	10	405	163
Debtors	11	584	183
Cash at bank and in hand		<u>945</u>	<u>497</u>
		1,934	843
CREDITORS: Amounts falling due within one year	12	<u>(2,653)</u>	<u>(974)</u>
NET CURRENT LIABILITIES		<u>(719)</u>	<u>(131)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,570	1,869
CREDITORS: Amounts falling due after more than one year	13	<u>(1,161)</u>	<u>(1,336)</u>
		409	533
		<u>409</u>	<u>533</u>
CAPITAL AND RESERVES			
Called up share capital	15	960	860
Profit and loss account		<u>(551)</u>	<u>(327)</u>
		409	533
		<u>409</u>	<u>533</u>


JJ Boulter
DIRECTOR

APPROVED BY THE BOARD
ON 28 June 1994

The notes on pages 7 to 15 form part of these accounts.

BRISTOL BENDING SANOH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994

1 ACCOUNTING POLICIES

a) Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Depreciation

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 and machinery, and office equipment:	10% - 25%
Motor vehicles:	35% (reducing balance)

c) 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:	Cost of direct materials and labour, plus an appropriate proportion of attributable overheads based on the normal level of activity
Tooling:	Cost less amortisation

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

d) Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

BRISTOL BENDING SANOH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994 (continued)

1 ACCOUNTING POLICIES (continued)

e) Foreign currencies

Transactions in foreign currencies are recorded at the rate valuing 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.

f) 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.

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.

g) Pensions

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

2 TURNOVER

Turnover, which is stated net of value added tax, represent amounts invoiced to third parties.

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

BRISTOL BENDING SANDH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994 (continued)

3 OPERATING COSTS

	<u>1994</u> £'000	<u>1993</u> £'000
(Increase) in stocks of finished goods and work in progress	(74)	(54)
Raw materials and consumables	2,068	297
Staff costs (Note 5)	485	145
Depreciation of owned tangible fixed assets	31	7
Depreciation of assets held under finance leases and hire purchase contracts	113	29
Other operating charges	<u>569</u>	<u>175</u>
	3,192	599

4 OPERATING LOSS

The operating loss is stated after charging:

Directors' remuneration	17	-
Auditors' remuneration	5	3
Operating lease rentals:		
plant and equipment	7	9
other	14	6

5 STAFF COSTS

Wages and salaries	440	132
Social security costs	44	13
Other pension costs	<u>1</u>	<u>-</u>
	485	145

The total includes £Nil (1993: £11,000) of capitalised labour costs. The average number of employees during the year was as follows:

	<u>1994</u> Number	<u>1993</u> Number
Hourly paid	24	6
Staff	<u>12</u>	<u>6</u>
	36	12

BRISTOL BENDING SANOH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994 (continued)

6 INTEREST RECEIVABLE

	<u>1994</u> £'000	<u>1993</u> £'000
Bank interest	13	23
	<u> </u>	<u> </u>

7 INTEREST PAYABLE

Bank overdraft	7	2
Other loans not wholly repayable within five years	54	71
Finance charges payable under finance leases and hire purchase contracts	<u>59</u>	<u>10</u>
	<u>120</u>	<u>83</u>

8 TAX ON LOSS ON ORDINARY ACTIVITIES

No provision is required for corporation tax or deferred tax at the current time. The company has trading losses of approximately £606,000 to be carried forward against future profits.

BRISTOL BENDING SANOH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994 (continued)

9 TANGIBLE FIXED ASSETS

	Long leasehold land and buildings £'000	Plant, machinery and office equipment £'000	Motor vehicles £'000	Total £'000
COST				
At 3 April 1993	1,169	857	11	2,037
Additions	6	429	-	435
Disposals	-	(2)	-	(2)
At 31 March 1994	1,175	1,284	11	2,470
DEPRECIATION				
At 3 April 1993	2	35	-	37
Charge for the year	2	138	4	144
Disposals	-	-	-	-
At 31 March 1994	4	173	4	181
NET BOOK AMOUNT				
At 31 March 1994	1,171	1,111	7	2,289
At 3 April 1993	1,167	822	11	2,000

The net book amount of plant and machinery and motor vehicles includes £718,000 (1993: £661,000) in respect of assets held under finance leases and hire purchase contracts; the historic cost of these assets was £869,000 (1993: £686,000).

10 STOCKS

	1994 £'000	1993 £'000
Raw materials and consumables	277	109
Work in progress	36	13
Finished goods and goods for resale	92	41
	405	163

BRISTOL BENDING SANOH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994 (continued)

11 DEBTORS

	<u>1994</u> £'000	<u>1993</u> £'000
Trade debtors	486	180
Amounts owed by Group undertakings	68	-
Prepayments and other debtors	11	3
Value added tax	18	-
Corporation tax	<u>1</u>	<u>-</u>
	584	183
	<u>584</u>	<u>183</u>

12 CREDITORS: Amounts falling due within one year

Loans (Note 14)	75	-
Trade creditors	1,428	409
Amounts owed to Group undertakings	-	16
Other taxation and social security	17	10
Obligations under finance leases and hire purchase contracts (Note 16)	200	125
Other creditors and accruals	<u>933</u>	<u>414</u>
	2,653	974
	<u>2,653</u>	<u>974</u>

13 CREDITORS: Amounts falling due after more than one year

Loans (Note 14)	725	800
Obligations under finance leases and hire purchase contracts (Note 16)	436	496
Other creditors	<u>-</u>	<u>40</u>
	1,161	1,336
	<u>1,161</u>	<u>1,336</u>

BRISTOL BENDING SANOH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994 (continued)

14 LOANS

	<u>1994</u> £'000	<u>1993</u> £'000
Not wholly repayable within five years:		
Bank loan at 1% above LIBOR rate, repayable in quarterly instalments of £25,000 commencing August 1994	800	800
	<u>800</u>	<u>800</u>
Amounts repayable by instalments:		
Within five years	475	375
After five years	<u>325</u>	<u>425</u>
	<u>800</u>	<u>800</u>

15 CALLED UP SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	<u>1993</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Ordinary shares of £1 each	250,000	250,000	240,000	215,000
Redeemable preference shares of £1 each	<u>750,000</u>	<u>750,000</u>	<u>720,000</u>	<u>645,000</u>
	<u>1,000,000</u>	<u>1,000,000</u>	<u>960,000</u>	<u>860,000</u>

During the year the company issued 25,000 ordinary shares of £1 each for £25,000 and 75,000 redeemable preference shares for £75,000. The share issue was undertaken to fund the continuing expansion of the business.

BRISTOL BENDING SANOH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994 (continued)

16 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

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

	<u>1994</u> £'000	<u>1993</u> £'000
Within one year	200	125
Between two and five years	<u>436</u>	<u>496</u>
	<u>636</u>	<u>621</u>

17 DEFERRED TAXATION

No provision for deferred taxation is necessary due to the availability of surplus tax losses. The amounts not provided are as follows:

	<u>1994</u> £'000	<u>Not provided</u> <u>1993</u> £'000
Capital allowances in advance of depreciation	149	74
Other timing differences	-	1
Trading losses available for relief	<u>(149)</u>	<u>(75)</u>
	<u>-</u>	<u>-</u>

18 CAPITAL COMMITMENTS

	<u>1994</u> £'000	<u>1993</u> £'000
Authorised and contracted	<u>53</u>	<u>90</u>

Of this commitment, £Nil (1993: £89,000) has been financed by finance leases.

BRISTOL BENDING SANOH LIMITED

NOTES TO THE ACCOUNTS AS AT 31 MARCH 1994 (continued)

19 OTHER FINANCIAL COMMITMENTS

	<u>Land and buildings</u>		<u>Other</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£'000	£'000	£'000	£'000
Operating leases which expire:				
within five years	-	-	12	12
after five years	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>
	10	10	12	12
	<u>10</u>	<u>10</u>	<u>12</u>	<u>12</u>

20 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>Share capital</u>	<u>Profit & loss account</u>	<u>Total</u>
	£000	£000	£000
At 4 April 1993	860	(327)	533
Issue of shares (note 15)	100	-	100
Profit for the financial year	<u>-</u>	<u>(224)</u>	<u>(224)</u>
At 31 March 1994	<u>960</u>	<u>(551)</u>	<u>409</u>

21 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.

22 ULTIMATE PARENT COMPANY

The parent undertaking of the company is Circuitt and Hinchliffe Limited, a company registered in England. Copies of the group accounts may be obtained from the registered office of the company.

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