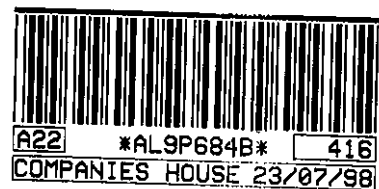


Company Registration No. 3306897 (England and Wales)

NEWCASTLE BEARING COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JANUARY 1998



NEWCASTLE BEARING COMPANY LIMITED

COMPANY INFORMATION

Directors	D P Moore	(Appointed 1 February 1997)
	R J Wilson	(Appointed 1 February 1997)

Secretary	D P Moore
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Company number	3306897
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Registered office	Unit 14a, Airport Industrial Estate Kingston Park Newcastle upon Tyne NE9 2EF
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Accountants	Haines Watts Newcastle 3 Osborne Terrace Jesmond Newcastle upon Tyne NE2 1NE
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Bankers	Midland Bank plc 189 High Street Gosforth Newcastle upon Tyne NE3 1NY
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NEWCASTLE BEARING COMPANY LIMITED

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NEWCASTLE BEARING COMPANY LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JANUARY 1998

The directors present their report and financial statements for the period ended 31 January 1998.

Principal activities

The company was incorporated on 24 January 1997 and commenced trading on 1 February 1997. The principal activity of the company during this period was that of the supply of machine parts.

Directors

The following directors have held office since 24 January 1997:

D P Moore	(Appointed 1 February 1997)
R J Wilson	(Appointed 1 February 1997)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary of £1 each	
	31 January 1998	24 January 1997
D P Moore	1	-
R J Wilson	1	-

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



D P Moore

Director

..... 14 July 1998

NEWCASTLE BEARING COMPANY LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF NEWCASTLE BEARING COMPANY LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the period ended 31 January 1998, set out on pages 3 to 9 and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

Haines Watts Newcastle

Chartered Accountants
Reporting Accountants

Haines Watts Newcastle

3 Osborne Terrace
Jesmond
Newcastle upon Tyne
NE2 1NE

17 July 1998

NEWCASTLE BEARING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 JANUARY 1998

	Notes	Period ended 31 January 1998 £
Turnover		205,588
Cost of sales		(148,540)
Gross profit		<u>57,048</u>
Administrative expenses		(62,303)
Operating loss	2	<u>(5,255)</u>
Other interest receivable and similar income	3	53
Interest payable and similar charges	4	(9,235)
Loss on ordinary activities before taxation		<u>(14,437)</u>
Tax on loss on ordinary activities	5	-
Loss on ordinary activities after taxation		<u>(14,437)</u>
Dividends		(3,620)
Retained loss for the period	11	<u><u>(18,057)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

NEWCASTLE BEARING COMPANY LIMITED

BALANCE SHEET AS AT 31 JANUARY 1998

	Notes	1998 £	£
Fixed assets			
Tangible assets	6		14,842
Current assets			
Stocks		5,936	
Debtors	7	16,520	
Cash at bank and in hand		4,615	
		<u>27,071</u>	
Creditors: amounts falling due within one year	8	(55,346)	
		<u></u>	
Net current liabilities			(28,275)
Total assets less current liabilities			<u>(13,433)</u>
Creditors: amounts falling due after more than one year	9		(4,622)
			<u>(18,055)</u>
			<u><u>(18,055)</u></u>
Capital and reserves			
Called up share capital	10		2
Profit and loss account	11		(18,057)
			<u>(18,055)</u>
Shareholders' funds - equity interests	12		<u><u>(18,055)</u></u>

NEWCASTLE BEARING COMPANY LIMITED

BALANCE SHEET AS AT 31 JANUARY 1998

In preparing these financial statements:

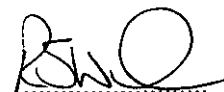
- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on14th July 1998



D P Moore
Director



.....
R J Wilson
Director

NEWCASTLE BEARING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 1998

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

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

Fixtures, fittings & equipment	20% - 25% Straight Line
Motor vehicles	25% Reducing Balance

1.4 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 rate of charge on the net obligation outstanding in each period.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating loss 1998

£

Operating loss is stated after charging:

Depreciation of tangible assets	4,703
Directors' emoluments	29,916

3 Other interest receivable and similar income 1998

£

Bank interest	53
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4 Interest payable 1998

£

Hire purchase interest	649
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NEWCASTLE BEARING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 1998

5 Taxation

The company has estimated losses of £11,170 (1997 - £-) available for carry forward against future trading profits.

6 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost			
At 24 January 1997	-	-	-
Additions	4,485	15,060	19,545
	<hr/>	<hr/>	<hr/>
At 31 January 1998	4,485	15,060	19,545
	<hr/>	<hr/>	<hr/>
Depreciation			
At 24 January 1997	-	-	-
Charge for the period	938	3,765	4,703
	<hr/>	<hr/>	<hr/>
At 31 January 1998	938	3,765	4,703
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 January 1998	3,547	11,295	14,842
	<hr/>	<hr/>	<hr/>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles £
Net book values	
At 31 January 1998	11,295
	<hr/>
Depreciation charge for the period	
31 January 1998	3,765
	<hr/>

7 Debtors

	1998 £
Trade debtors	7,088
Other debtors	9,432
	<hr/>
	16,520
	<hr/>

NEWCASTLE BEARING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 1998

8	Creditors: amounts falling due within one year	1998
		£
	Net obligations under finance lease and hire purchase contracts	4,267
	Trade creditors	41,809
	Taxation and social security	3,334
	Other creditors	5,936
		<u>55,346</u>
9	Creditors: amounts falling due after more than one year	1998
		£
	Net obligations under finance leases and hire purchase agreements	<u>4,622</u>
	Net obligations under finance leases and hire purchase contracts	
	Repayable within one year	4,974
	Repayable between one and five years	5,389
		<u>10,363</u>
	Finance charges and interest allocated to future accounting periods	<u>(1,474)</u>
		8,889
	Included in liabilities falling due within one year	<u>(4,267)</u>
		<u>4,622</u>
10	Share capital	1998
		£
	Authorised	
	100 Ordinary of £1 each	100
		<u></u>
	Allotted, called up and fully paid	
	2 Ordinary of £1 each	2
		<u></u>
11	Statement of movements on profit and loss account	
		Profit and loss account
		£
	Retained loss for the period	<u>(18,057)</u>

NEWCASTLE BEARING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JANUARY 1998

12 Reconciliation of movements in shareholders' funds	1998 £
Loss for the financial period	(14,437)
Dividends	(3,620)
	<hr/>
Proceeds from issue of shares	(18,057) 2
	<hr/>
Net depletion in shareholders' funds	(18,055)
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	(18,055)
	<hr/> <hr/>