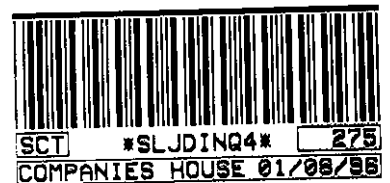

Richard Austin Alloys Limited

Report and Accounts

31 March 1996

Company Registration Number SCO 74125


 **ERNST & YOUNG**

DIRECTORS

S T Kelly
T McFadden
R J Weir

SECRETARY

W S Wright

AUDITORS

Ernst & Young
George House
50 George Square
Glasgow
G2 1RR

BANKERS

Bank of Scotland
Head Office
PO Box 5
The Mound
Edinburgh
EH1 1YZ

SOLICITORS

Semple Fraser WS
130 St Vincent Street
Glasgow
G2 5HF

REGISTERED OFFICE

Easter Queenslie Industrial Estate
Glasgow
G33 4TP

COMPANY REGISTRATION NUMBER

SCO 74125

DIRECTORS' REPORT

The directors present their report and the group accounts for the year ended 31 March 1996.

RESULTS AND DIVIDENDS

The group profit for the year, after taxation and minority interests, amounted to £311,602. The directors do not recommend payment of a dividend, leaving a retained profit of £311,602.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITY

The group's principal activity during the year was that of stockholders of non-ferrous metals.

The operating performance of the group companies was satisfactory in the year ended 31 March 1996 in terms of profitability and market share achieved.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies adopted during the year to 31 March 1996 and consider the company is well placed to take advantage of opportunities which may arise in the current year.

FIXED ASSETS

Movement in fixed assets during the year are shown in the notes to the accounts. The group's freehold land and buildings at Easter Queenslie Industrial Estate were valued in October 1991 at £300,000 which is £157,000 more than the amount at which they are shown in the accounts.

EVENTS SINCE THE BALANCE SHEET DATE

On 1 April 1996, a subsidiary company was set up and the trade and certain assets and liabilities of Richard Austin Alloys Limited were transferred to it.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the ordinary share capital of the company at the year end were as follows:

	<i>At 31 March 1996</i>	<i>Ordinary shares of £1 At 31 March 1995</i>
S T Kelly	20,000	20,000
T McFadden	11,250	11,250
R J Weir	11,250	11,250

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board


W S WRIGHT

Secretary

29 July 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Richard Austin Alloys Limited

We have audited the accounts on pages 5 to 18, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

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

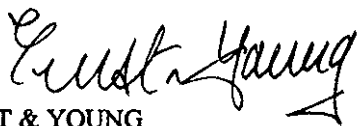
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 March 1996 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG

Chartered Accountants
Registered Auditor
Glasgow

29 July 1996

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1996

	<i>Note</i>	<i>1996</i> £	<i>1995</i> £
TURNOVER	2	19,265,314	14,354,783
Cost of sales		15,785,980	11,349,005
GROSS PROFIT		<u>3,479,334</u>	<u>3,005,778</u>
Selling and distribution costs		1,538,866	278,341
Administrative expenses		1,295,513	2,143,138
		<u>2,834,379</u>	<u>2,421,479</u>
Income from interest in associated company		644,955	584,299
		26,163	-
OPERATING PROFIT	3	<u>671,118</u>	<u>584,299</u>
Interest payable	5	131,954	99,503
Interest receivable		-	(1,030)
		<u>131,954</u>	<u>98,473</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>539,164</u>	<u>485,826</u>
Tax on profit on ordinary activities	6	176,067	172,723
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>363,097</u>	<u>313,103</u>
Minority interests		51,495	46,741
PROFIT ATTRIBUTABLE TO MEMBERS OF HOLDING COMPANY	7, 17. & 18	<u>311,602</u>	<u>266,362</u>

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £311,602 in the year ended 31 March 1996 and of £266,362 in the year ended 31 March 1995.

Richard Austin Alloys Limited

GROUP BALANCE SHEET

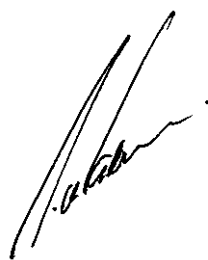
at 31 March 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	8	537,908	500,226
Investments	9	50,050	-
		<hr/> 587,958	<hr/> 500,226
CURRENT ASSETS			
Stocks	10	2,771,530	2,781,541
Debtors	11	4,183,399	4,292,464
Cash at bank and in hand		334	61,892
		<hr/> 6,955,263	<hr/> 7,135,897
CREDITORS - amounts falling due within one year	13	5,699,755	6,282,783
		<hr/> 1,255,508	<hr/> 853,114
NET CURRENT ASSETS			
		<hr/> 1,843,466	<hr/> 1,353,340
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS - amounts falling due after more than one year			
Loans	14	408,000	216,500
Hire purchase creditors	15	5,183	59,145
		<hr/> 413,183	<hr/> 275,645
MINORITY INTEREST		158,287	108,667
		<hr/> 571,470	<hr/> 384,312
		<hr/> 1,271,996	<hr/> 969,028
CAPITAL AND RESERVES			
Called up share capital	16 & 18	42,500	42,500
Profit and loss account	17 & 18	1,229,496	926,528
		<hr/> 1,271,996	<hr/> 969,028

T MCFADDEN

29 July 1996

Director



Richard Austin Alloys Limited

BALANCE SHEET

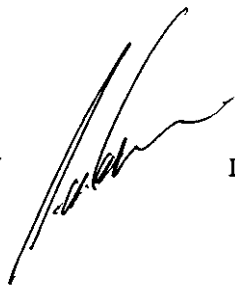
at 31 March 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	8	335,107	299,435
Investment	9	<u>179,309</u>	<u>268,750</u>
		<u>514,416</u>	<u>568,185</u>
CURRENT ASSETS			
Stocks	10	1,419,762	1,546,186
Debtors	11	1,728,510	1,952,888
Cash at bank and in hand		<u>160</u>	<u>233</u>
		3,148,432	3,499,307
CREDITORS - amounts falling due within one year	13	<u>2,387,795</u>	<u>3,109,937</u>
NET CURRENT ASSETS		<u>760,637</u>	<u>389,370</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,275,053</u>	<u>957,555</u>
CREDITORS - amounts falling due after more than one year			
Loans	14	408,000	216,500
Hire purchase creditors	15	<u>-</u>	<u>12,317</u>
		<u>408,000</u>	<u>228,817</u>
		<u>867,053</u>	<u>728,738</u>
CAPITAL AND RESERVES			
Called up share capital	16 & 18	42,500	42,500
Profit and loss account	17 & 18	<u>824,553</u>	<u>686,238</u>
		<u>867,053</u>	<u>728,738</u>

T MCFADDEN

29 July 1996

Director



GROUP STATEMENT OF CASH FLOWS

for the year ended 31 March 1996

	<i>Note</i>	<i>1996</i> £	<i>1995</i> £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES			
Operating profit		671,118	584,299
Depreciation		164,619	137,525
(Gain)/loss on sale of fixed assets		(3,003)	6,000
Share of profits of associated undertaking		(26,163)	-
Goodwill written off		(8,634)	-
Diminution in value of investment		25,351	-
Decrease/(increase) in stocks		10,011	(1,315,466)
Decrease/(increase) in debtors		109,065	(1,986,012)
Increase in creditors		101,884	2,117,689
Net cash (outflow)/inflow from continuing operating activities		1,044,248	(455,965)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(131,954)	(99,503)
Interest received		-	1,030
		(131,954)	(98,473)
TAXATION			
Corporation tax payment		(172,723)	(91,617)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(208,150)	(39,968)
Proceeds of sale of tangible fixed assets		8,852	-
Payments to acquire investments		(50,050)	-
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		(249,348)	(39,968)
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		490,223	(686,023)
FINANCING			
Long term loan repayments		17,167	14,000
New loans received		(215,000)	-
Repayments of capital elements of hire purchase contracts	15(b)	85,757	73,503
		(112,076)	87,503
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	12	602,299	(773,526)
		490,223	(686,023)

NOTES ON THE ACCOUNTS

at 31 March 1996

1 ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention.

Basis of consolidation

The group accounts consolidate the accounts of Richard Austin Alloys Ltd and its subsidiaries Richard Austin Alloys (Northern) Ltd and Richard Austin Alloys (North West) Limited.

Companies, other than subsidiary companies, in which the group has an investment and over which it is in a position to exercise a significant influence are treated as associated undertakings. The group accounts include the appropriate share of these undertakings' results and reserves based on audited accounts to 31 March 1996.

Goodwill

Goodwill arising on consolidation is written off to reserves in the year in which it arises.

Depreciation

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

Freehold buildings	- over 50 years
Motor vehicles	- over 4 years
Plant and machinery	- over 5 years
Fixtures and fittings	- over 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value where cost is defined as the cost incurred in bringing each product to its present location and condition, taking the purchase costs on a first-in, first-out basis.

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

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is anticipated the timing differences will reverse.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

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

Pension costs

Contributions payable by the group to a defined contribution pension scheme are charged against profit in the accounting period to which they relate.

NOTES ON THE ACCOUNTS

at 31 March 1996

2 TURNOVER

Turnover represents the invoiced amount of goods sold during the year (stated net of value added tax).

The turnover and pre-tax profit is attributable to one activity, that of stockholders of non-ferrous metals.

3 OPERATING PROFIT

(a) This is stated after charging/(crediting):

	1996 £	1995 £
Auditors' remuneration		
- audit services	12,500	13,610
- non audit services	23,975	13,610
Depreciation		
- Assets held under HP contracts	56,140	53,270
- Others	108,479	84,255
(Gain)/loss on disposal of fixed assets	(3,003)	6,000

(b) Directors' remuneration:

	£	£
Fees	-	-
Other emoluments (including pension contributions)	333,078	345,712
	333,078	345,712

The emoluments of the chairman, excluding pension contributions, who was also the highest paid director, were £153,343 (1995 - £120,358). Directors' emoluments, excluding pension contributions, fell within the following ranges:

	1996 Number	1995 Number
£55,001 - £60,000	-	1
£60,001 - £65,000	1	-
£70,001 - £75,000	1	-
£75,001 - £80,000	-	1
£120,001 - £125,000	-	1
£150,001 - £155,000	1	-

4 STAFF COSTS

	1996 £	1995 £
Wages and salaries	1,244,212	1,059,884
Social security costs	106,681	96,791
Other pension costs	101,834	171,321
	1,452,727	1,327,996

NOTES ON THE ACCOUNTS

at 31 March 1996

4 STAFF COSTS (continued)

The average weekly number of employees during the year was made up as follows:

	<i>1996</i> <i>Number</i>	<i>1995</i> <i>Number</i>
Office and management	31	30
Warehouse	27	23
	<hr/>	<hr/>
	58	53
	<hr/>	<hr/>

5 INTEREST PAYABLE

	<i>1996</i> <i>£</i>	<i>1995</i> <i>£</i>
Finance charges payable under hire purchase contracts	10,649	8,684
Bank loans and overdrafts	90,486	75,014
Other loan wholly repayable within five years	30,819	15,805
	<hr/>	<hr/>
	131,954	99,503
	<hr/>	<hr/>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<i>1996</i> <i>£</i>	<i>1995</i> <i>£</i>
Based on the profit for the year:		
Corporation tax at 30.1% (1995 - 30.4%)	175,255	182,338
Deferred taxation	-	(9,615)
	<hr/>	<hr/>
	175,255	172,723
Associated company	812	-
	<hr/>	<hr/>
	176,067	172,723
	<hr/>	<hr/>

7 PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

	<i>1996</i> <i>£</i>	<i>1995</i> <i>£</i>
Dealt with in the accounts of the holding company	112,964	124,698
Retained by the subsidiaries	198,638	141,664
	<hr/>	<hr/>
	311,602	266,362
	<hr/>	<hr/>

NOTES ON THE ACCOUNTS

at 31 March 1996

8 TANGIBLE FIXED ASSETS

<i>GROUP</i>	<i>Freehold land and buildings £</i>	<i>Motor vehicles £</i>	<i>Plant and machinery £</i>	<i>Fixtures and fittings £</i>	<i>Total £</i>
Cost					
At 1 April 1995	186,623	401,489	396,022	23,110	1,007,244
Additions	95,000	106,650	6,500	-	208,150
Disposals	-	(56,112)	-	-	(56,112)
At 31 March 1996	281,623	452,027	402,522	23,110	1,159,282
Depreciation					
At 1 April 1995	39,807	164,880	279,221	23,110	507,018
Provided during the year	5,154	107,513	51,952	-	164,619
Disposals	-	(50,263)	-	-	(50,263)
At 31 March 1996	44,961	222,130	331,173	23,110	621,374
Net book value					
At 31 March 1996	<u>236,662</u>	<u>229,897</u>	<u>71,349</u>	<u>-</u>	<u>537,908</u>
At 1 April 1995	<u>146,816</u>	<u>236,609</u>	<u>116,801</u>	<u>-</u>	<u>500,226</u>

The net book value of motor vehicles and plant and machinery includes an amount of £50,017 (1995 - £127,546) and £25,868 (1995 - £33,210) respectively in respect of assets held under hire purchase contracts.

COMPANY

Cost					
At 1 April 1995	186,623	154,805	310,627	23,110	675,165
Additions	95,000	28,950	-	-	123,950
Disposals	-	(18,000)	-	-	(18,000)
At 31 March 1996	281,623	165,755	310,627	23,110	781,115
Depreciation					
At 1 April 1995	39,807	69,709	243,104	23,110	375,730
Provided during the year	5,154	44,355	37,644	-	87,153
Disposals	-	(16,875)	-	-	(16,875)
At 31 March 1996	44,961	97,189	280,748	23,110	446,008
Net book value					
At 31 March 1996	<u>236,662</u>	<u>68,566</u>	<u>29,879</u>	<u>-</u>	<u>335,107</u>
At 1 April 1994	<u>146,816</u>	<u>85,096</u>	<u>67,523</u>	<u>-</u>	<u>299,435</u>

The net book value of motor vehicles includes an amount of £nil (1995 - £48,561) in respect of assets held under hire purchase contracts.

NOTES ON THE ACCOUNTS

at 31 March 1996

9 FIXED ASSET INVESTMENTS

GROUP

	£
Cost:	
At 1 April 1995	-
Additions	<u>50,050</u>
	50,050
Share of profit retained by associated company	<u>25,351</u>
	75,401
Provision for diminution in value of investment	<u>(25,351)</u>
At 31 March 1996	<u>50,050</u>

COMPANY

	£
Cost:	
1 April 1995	268,750
Additions	60,559
Shares redeemed	<u>(150,000)</u>
At 31 March 1996	<u>179,309</u>

Details of the investments which the group or the company holds are as follows:-

Name of company	Country of Registration	Holding	Proportion of shares held	Nature of business
Subsidiary undertakings All held by the company unless indicated				
Richard Austin Alloys (Northern) Limited	Scotland	Ordinary shares	77½%	Stockholders of non-ferrous metals
Richard Austin Alloys (North West) Limited	Scotland	Ordinary shares	76.8% (1)	Stockholders of non-ferrous metals
Associated undertakings All held by the company unless indicated				
Lite Structures (GB) Limited	England	Ordinary shares	33⅓%	Manufacturers and suppliers of aluminium trussing equipment
		Preference shares	100%	

(1) 14.3% held by a subsidiary undertaking.

NOTES ON THE ACCOUNTS

at 31 March 1996

10 STOCKS

	1996 £	Group 1995 £	1996 £	Company 1995 £
Non-ferrous metals	<u>2,771,530</u>	<u>2,781,541</u>	<u>1,419,762</u>	<u>1,546,186</u>

In the opinion of the directors, the difference between the purchase price of stocks and their replacement cost is not material.

11 DEBTORS

	1996 £	Group 1995 £	1996 £	Company 1995 £
Trade debtors	4,130,834	4,203,902	1,644,455	1,631,225
Other debtors	34,131	72,690	20,958	65,225
Prepayments and accrued income	18,434	15,872	-	5,122
Amounts due from group companies	<u>-</u>	<u>-</u>	<u>63,097</u>	<u>251,316</u>
	<u>4,183,399</u>	<u>4,292,464</u>	<u>1,728,510</u>	<u>1,952,888</u>

12 CASH AND CASH EQUIVALENTS

	1996 £	Group 1995 £	1996 £	Company 1995 £
At 1 April	(888,963)	(115,437)	(707,170)	(50,735)
Net cash inflow/(outflow)	<u>602,299</u>	<u>(773,526)</u>	<u>682,868</u>	<u>(656,435)</u>
At 31 March	<u>(286,664)</u>	<u>(888,963)</u>	<u>(24,302)</u>	<u>(707,170)</u>

13 CREDITORS - amounts falling due within one year

	1996 £	Group 1995 £	1996 £	Company 1995 £
Current instalments due on loans (note 14)	20,333	14,000	20,333	14,000
Bank overdraft (see below)	286,998	950,855	24,462	707,403
Trade creditors	4,736,757	4,583,441	2,083,072	2,066,105
Current corporation tax	175,254	182,338	80,804	94,235
Other taxes and social security costs	219,560	236,819	63,288	68,223
Obligations under hire purchase contracts (note 16)	38,085	69,880	-	20,267
Accruals	162,640	188,123	83,461	112,768
Other creditors	60,128	57,327	32,375	26,936
	<u>5,699,755</u>	<u>6,282,783</u>	<u>2,387,795</u>	<u>3,109,937</u>

The bank overdraft is secured by a bond and floating charge.

The bank also holds a standard security over the company's factory premises.

NOTES ON THE ACCOUNTS

at 31 March 1996

14 LOANS - GROUP AND COMPANY

The business term loan bears interest at 1% over bank base rate with a minimum rate of 8½% and is repayable in quarterly instalments of £3,500.

A new term loan of £95,000 was received during the year which bears interest at 1½% over bank base rate and is repayable in monthly instalments of £1,583.

The pension fund loan bear interest at rates ranging from 3.25% to 5.25% over bank base rate.

	<i>Business term loan</i> £	<i>Pension fund loan</i> £	<i>1996 Total</i> £	<i>1995 Total</i> £
Amounts repayable within five years	130,333	298,000	428,333	230,500
Less repayable within twelve months (note 13)	20,333	-	20,333	14,000
	<u>110,000</u>	<u>298,000</u>	<u>408,000</u>	<u>216,500</u>

The bank holds a standard security over the company's factory premises and flatted property together with a bond and floating charge.

Analysis of changes in loan financing during the year:

	<i>1996</i> £	<i>1995</i> £
At 1 April	230,500	244,500
Net cash inflow from financing	215,000	-
Repayment of long term loans	(17,167)	(14,000)
	<u>428,333</u>	<u>230,500</u>

NOTES ON THE ACCOUNTS

at 31 March 1996

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

(a) The maturity of these amounts are as follows:

	1996 £	Group 1995 £	1996 £	Company 1995 £
Amounts payable:				
Within one year	43,137	78,760	-	22,747
In the second to fifth years	5,880	66,820	-	13,843
	<u>49,017</u>	<u>145,580</u>	<u>-</u>	<u>36,590</u>
Less: Finance charges allocated to future periods	5,749	16,555	-	4,006
	<u>43,268</u>	<u>129,025</u>	<u>-</u>	<u>32,584</u>
Hire purchase contracts are analysed as follows:				
Creditors within one year	38,085	69,880	-	20,267
Creditors after more than one year	5,183	59,145	-	12,317
	<u>43,268</u>	<u>129,025</u>	<u>-</u>	<u>32,584</u>

(b) Analysis of changes in hire purchase contracts

	1996 £	Group 1995 £	1996 £	Company 1995 £
At 1 April	129,025	82,671	32,584	54,441
Inception of hire purchase contracts	-	119,857	-	-
Capital element of finance lease rental payments	(85,757)	(73,503)	(32,584)	(21,857)
	<u>43,268</u>	<u>129,025</u>	<u>-</u>	<u>32,584</u>

16 SHARE CAPITAL

	1996 No	Authorised 1995 No	Allotted, called up and fully paid 1996 £	1995 £
Ordinary shares of £1 each	42,500	42,500	42,500	42,500

NOTES ON THE ACCOUNTS

at 31 March 1996

17 RESERVES

	<i>Profit and loss account</i>	
	<i>Group</i>	<i>Company</i>
	£	£
At 1 April 1995	926,528	686,238
Profit for the year	311,602	138,315
Goodwill written off	(8,634)	-
	<hr/>	<hr/>
At 31 March 1996	1,229,496	824,553
	<hr/>	<hr/>

18 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£
<i>Group</i>			
At 1 April 1994	42,500	660,166	702,666
Profit for year	-	266,362	266,362
	<hr/>	<hr/>	<hr/>
At 1 April 1995	42,500	926,528	969,028
Profit for year	-	311,602	311,602
Goodwill written off	-	(8,634)	(8,634)
	<hr/>	<hr/>	<hr/>
At 31 March 1996	42,500	1,229,496	1,271,996
	<hr/>	<hr/>	<hr/>
<i>Company</i>			
At 1 April 1994	42,500	561,540	604,040
Profit for year	-	124,698	124,698
	<hr/>	<hr/>	<hr/>
At 1 April 1995	42,500	686,238	728,738
Profit for year	-	138,315	138,315
	<hr/>	<hr/>	<hr/>
At 31 March 1996	42,500	824,553	867,053
	<hr/>	<hr/>	<hr/>

19 POST BALANCE SHEET EVENTS

On 1 April 1996, a subsidiary company was set up and the trade and certain assets and liabilities of Richard Austin Alloys Limited were transferred to it.

NOTES ON THE ACCOUNTS

at 31 March 1996

20 PENSION COMMITMENTS

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The outstanding contributions at 31 March 1996 were £60,060 (1995 - £87,327).

21 CONTINGENT LIABILITIES

- (a) Cross guarantees exist between all group companies in favour of the group's bankers. At 31 March 1996 the group companies' combined bank borrowings amounted to £286,998.
- (b) The company has guaranteed the liability due to an individual supplier of its subsidiary undertakings, Richard Austin Alloys (Northern) Limited and Richard Austin Alloys (North West) Limited. At 31 March 1996, the liabilities stood at £365,225 and £260,002 respectively.

22 RELATED PARTIES

During the year the company made sales to one of its subsidiary companies, Richard Austin Alloys (Northern) Limited, of £733,353 in the normal course of business. At the balance sheet date the amount due from this subsidiary company was £38,192.

During the year, the company also made sales to one of its subsidiary undertakings, Richard Austin Alloys (North West) Limited, in the normal course of business of £397,805. At the balance sheet date the amount due from this subsidiary company was £24,905.