

COMPANY NUMBER 398921

FOWKES AND DANKS LIMITED

FINANCIAL STATEMENTS

31 MARCH 2006



FOWKES AND DANKS LIMITED

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FOWKES AND DANKS LIMITED

COMPANY INFORMATION

DIRECTORS

J A McDonald
J Jean-Louis

SECRETARY

H P Secretarial Services Limited

REGISTERED OFFICE

Howard Road
Park Farm Industrial Estate
Redditch
Worcestershire
B98 7SE

AUDITORS

Mazars LLP
The Broadway
Dudley
West Midlands
DY1 4PY

BANKERS

Allied Irish Bank (GB)
61 Temple Row
Birmingham
B2 5LT

SOLICITORS

Howes Percival
252 Upper Third Street
Grafton Gate East
Central Milton Keynes
MK9 1DZ

FOWKES AND DANKS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity during the year continued to be pressworking.

The results for the year are shown on page 5. Turnover increased by 10% with a 21% increase in exports, which now account for 18% of the total. Gross margin deteriorated because of escalating raw material costs and overheads were badly affected by a massive bad debt charge caused by the unforeseen failure of one of the Company's largest customers, following the introduction of FRS17. The resulting fall in Profit Before Tax precisely reflected this charge.

The principal risks for the business relate to the "push East", unrecoverable continuing raw material price escalation and supply uncertainty within the steel and aluminium markets and the increasing cost of energy. There are also difficulties in attracting and retaining suitable labour, skilled or otherwise, which at times results in a dependency on agency supplied migrant workers. No reduction in these pressures is anticipated and the Company will continue to take steps to mitigate their impact wherever possible. There is a further continuing high level threat to the Company's activities and one which, during the year, resulted in its largest ever bad debt: That is the potential for customer instability caused by their compliance with FRS17 in the UK or recognition of unsustainable employment related costs, for example of a parent company in the USA.

FINANCIAL INSTRUMENTS

The Group's exposure to liquidity risk and interest rate risk is managed through the Group's funding arrangements. Various financial instruments such as trade receivables and trade payables arise from the Group's operational activities.

Liquidity risk

The Group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of its businesses.

Interest rate risk

The Group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank loans and other loans

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

FOWKES AND DANKS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The directors below held office during the whole of the year and up to the date of this report. Their interest in the issued share capital of the company is as follows:

	Ordinary shares of £1 each	
	2006	2005
J Jean-Louis	-	-
J A McDonald	-	-

The directors' interests in the issued share capital of the parent company are disclosed in that company's financial statements.

RESPONSIBILITIES OF THE DIRECTORS

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;
- * comply with applicable accounting standards 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 maintaining 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.

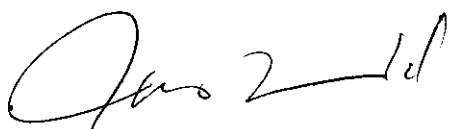
STATEMENTS AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all the necessary steps to make us aware, as directors, of any relevant audit information and to establish that the auditors are aware of that information. As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware.

AUDITORS

A resolution to re-appoint Mazars LLP as auditors will be proposed at the forthcoming annual meeting.

Approved by the Board on 27 September 2006
and signed on its behalf



J A McDonald
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FOWKES AND DANKS LIMITED

We have audited the financial statements of Fowkes and Danks Limited for the year ended 31 March 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 transactions with the company is not disclosed.

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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2006 and of its profit 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

Mazars LLP

MAZARS LLP
CHARTERED ACCOUNTANTS
and Registered Auditors
The Broadway
Dudley
West Midlands DY1 4PY

27 September 2006

FOWKES AND DANKS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Notes	2006 £	2005 £
TURNOVER	2	11,941,247	10,869,954
Cost of sales		(8,882,348)	(7,859,371)
GROSS PROFIT		3,058,899	3,010,583
Distribution costs		(212,469)	(172,941)
Administrative expenses		(1,384,425)	(1,307,416)
Exceptional item – bad debts		(503,000)	(-)
Other operating income		122,113	41,610
OPERATING PROFIT	3	1,081,118	1,571,836
Other interest receivable and similar income	4	4,122	512
Interest payable	5	(46,161)	(25,220)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,039,079	1,547,128
Tax on profit on ordinary activities	8	(317,165)	(429,747)
RETAINED PROFIT FOR THE YEAR	16	721,914	1,117,381

The company has no recognised gains or losses other than those included in the results above.

The company's turnover and expenses all relate to continuing operations.

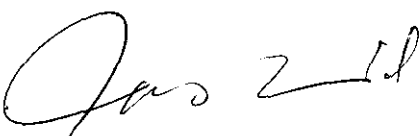
There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above, and their historical cost equivalents.

FOWKES AND DANKS LIMITED

BALANCE SHEET AT 31 MARCH 2006

		2006 £	2005 £
	Notes		
FIXED ASSETS			
Tangible assets	9	<u>2,894,162</u>	<u>2,577,940</u>
CURRENT ASSETS			
Stocks	10	564,334	710,529
Debtors	11	5,886,457	5,921,273
Cash at bank and in hand		<u>3,770</u>	<u>12,454</u>
		6,454,561	6,644,256
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(<u>3,693,307</u>)	(<u>4,330,810</u>)
NET CURRENT ASSETS		<u>2,761,254</u>	<u>2,313,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,655,416	4,891,386
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(204,378)	(185,962)
PROVISION FOR LIABILITIES AND CHARGES	14	(<u>335,200</u>)	(<u>311,500</u>)
NET ASSETS		<u><u>5,115,838</u></u>	<u><u>4,393,924</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	5,000	5,000
Share premium account	16	225	225
Revaluation reserve	16	481,970	481,970
Capital reserve	16	108,841	108,841
Profit and loss account	16	<u>4,519,802</u>	<u>3,797,888</u>
EQUITY SHAREHOLDERS' FUNDS	16	<u><u>5,115,838</u></u>	<u><u>4,393,924</u></u>

Approved by the Board on 27 September 2006
and signed on its behalf


J A McDonald
Director

FOWKES AND DANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention (modified to include the revaluation of certain fixed assets).

Turnover

Turnover represents the value of invoiced goods net of returns and Value Added Tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is calculated to write off the cost less estimated residual value of tangible fixed assets over the useful economic life of the assets.

Freehold buildings	2% straight line basis
Plant and machinery	10% straight line basis
Fixtures and fittings	12.5% and 25% straight line basis
Motor vehicles	25% straight line basis

Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences at the rates of tax expected to apply when the timing differences reverse.

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

FOWKES AND DANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

1 ACCOUNTING POLICIES (Continued)

Pensions

The company makes contributions on behalf of certain employees into defined contribution pension schemes. The pension charge for the year represents the amounts paid by the company in respect of the year.

2 TURNOVER

The whole of the turnover and profit before taxation is attributable to the one principal activity of the company. Turnover is analysed by geographical destination as follows:

	2006 £	2005 £
United Kingdom	9,786,737	9,087,259
Europe - EC	1,872,443	1,466,179
Europe - Other	282,067	316,516
	<u>11,941,247</u>	<u>10,869,954</u>

3 OPERATING PROFIT

The operating profit is stated after charging / (crediting):

Depreciation and other amounts written off tangible fixed assets		
- owned	141,343	172,521
- held under hire purchase	76,774	106,371
Profit on disposal of tangible fixed assets	(11,301)	(550)
Hire of equipment and vehicles - operating leases	62,559	39,898
Hire of other assets - operating leases	47,580	23,580
Auditors' remuneration	9,000	7,000
	<u>245,956</u>	<u>449,120</u>

4 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Other interest receivable	<u>4,122</u>	<u>512</u>
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FOWKES AND DANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	2006 £	2005 £
5 INTEREST PAYABLE AND SIMILAR CHARGES		
On hire purchase contracts	33,880	25,220
Other interest payable	12,281	-
	<u>46,161</u>	<u>25,220</u>

6 DIRECTORS' EMOLUMENTS

Emoluments	-	-
Company pension contributions to money purchase schemes	-	-
	<u>-</u>	<u>-</u>

7 EMPLOYEE INFORMATION

The average weekly number of persons (including directors) employed by the company during the year was: -

	Number	Number
Production	130	119
Administration	18	17
	<u>148</u>	<u>136</u>

	£	£
Staff costs (for the above persons):		
Wages and salaries	2,427,791	2,112,896
Social security costs	217,776	194,475
Other pension costs	41,340	41,461
	<u>2,686,907</u>	<u>2,348,832</u>

FOWKES AND DANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	2006 £	2005 £
8 TAX ON PROFIT ON ORDINARY ACTIVITIES		
Current tax		
UK corporation tax on profit for the year	296,100	495,800
Adjustment in respect of previous periods	(2,635)	(39,653)
	<u>293,465</u>	<u>456,147</u>
Total current tax	293,465	456,147
Deferred tax	23,700	(26,400)
	<u>23,700</u>	<u>(26,400)</u>
Tax on profit on ordinary activities	<u>317,165</u>	<u>429,747</u>
The tax assessed for the year is different to the standard rate of corporation tax in the UK of 30% (2005 30%). The differences are explained as follows:		
Profit on ordinary activities	1,039,079	1,547,128
	<u>1,039,079</u>	<u>1,547,128</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	311,724	464,138
Effects of:		
Expenses not deductible for tax purposes	7,798	2,762
Depreciation for the year in excess of capital allowances	(23,936)	28,905
Short term timing differences	514	(5)
Adjustment in respect of previous periods	(2,635)	(39,653)
	<u>293,465</u>	<u>456,147</u>
Total current tax charge for period	<u>293,465</u>	<u>456,147</u>

FOWKES AND DANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

9 TANGIBLE FIXED ASSETS

	Freehold land & buildings £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 April 2005	1,288,667	3,405,533	393,217	72,589	5,160,006
Additions	-	522,206	24,082	-	546,288
Disposals	-	-	-	(66,554)	(66,554)
	<u>1,288,667</u>	<u>3,927,739</u>	<u>417,299</u>	<u>6,035</u>	<u>5,639,740</u>
At 31 March 2006	<u>1,288,667</u>	<u>3,927,739</u>	<u>417,299</u>	<u>6,035</u>	<u>5,639,740</u>
DEPRECIATION					
At 1 April 2005	50,697	2,139,137	333,935	58,297	2,582,066
Charge for the year	8,460	185,917	22,052	1,688	218,117
Disposals	-	-	-	(54,605)	(54,605)
	<u>59,157</u>	<u>2,325,054</u>	<u>355,987</u>	<u>5,380</u>	<u>2,745,578</u>
At 31 March 2006	<u>59,157</u>	<u>2,325,054</u>	<u>355,987</u>	<u>5,380</u>	<u>2,745,578</u>
NET BOOK VALUE					
At 31 March 2006	<u>1,229,510</u>	<u>1,602,685</u>	<u>61,312</u>	<u>655</u>	<u>2,894,162</u>
At 31 March 2005	<u>1,237,970</u>	<u>1,266,396</u>	<u>59,282</u>	<u>14,292</u>	<u>2,577,940</u>

The net book value of tangible fixed assets includes an amount of £1,135,644 (2005 £806,553) in respect of assets held under hire purchase.

If freehold land and buildings and plant and machinery had not been revalued they would be included at the following amounts:

	Freehold land and buildings		Plant and machinery	
	2006 £	2005 £	2006 £	2005 £
Cost	644,405	644,405	3,923,739	3,401,533
Aggregate depreciation based on cost	<u>32,948</u>	<u>28,248</u>	<u>2,321,054</u>	<u>2,135,137</u>
Net book value based on cost	<u>611,457</u>	<u>616,157</u>	<u>1,602,685</u>	<u>1,266,396</u>

FOWKES AND DANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

	2006 £	2005 £
10 STOCKS		
Raw materials	91,586	124,742
Work in progress	135,896	253,458
Finished goods	336,852	332,329
	<u>564,334</u>	<u>710,529</u>
11 DEBTORS		
Trade debtors	1,295,187	2,116,811
Prepayments	53,887	31,040
Other debtors	4,823	-
Amounts owed by group undertakings	4,532,560	3,773,422
	<u>5,886,457</u>	<u>5,921,273</u>
12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade creditors	2,335,774	2,033,461
Other creditors and accruals	797,464	1,619,884
Hire purchase	184,769	87,209
Corporation tax	262,981	396,165
Other tax and social security	112,319	194,091
	<u>3,693,307</u>	<u>4,330,810</u>
13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Other creditors	-	53,921
Hire purchase	204,378	132,041
	<u>204,378</u>	<u>185,962</u>

Hire purchase liabilities are secured against the specific assets they finance and are repayable by instalments falling due as follows:

Within one to two years	£159,837
Within two to five years	£44,541

FOWKES AND DANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

14 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax

	£	
At 1 April 2005	311,500	
Profit and loss account	<u>23,700</u>	
At 31 March 2006	<u><u>335,200</u></u>	
	2006	2005
	£	£
Accelerated capital allowances	336,700	312,700
Short term timing differences	<u>(1,500)</u>	<u>(1,200)</u>
	<u><u>335,200</u></u>	<u><u>311,500</u></u>

15 CALLED UP SHARE CAPITAL

Authorised, allotted, called up and fully paid:

5,000 Ordinary shares of £1 each	<u><u>5,000</u></u>	<u><u>5,000</u></u>
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16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £	Share premium account £	Revaluation reserve £	Capital reserve £	Profit and loss account £	Total £
At 1 April 2004	5,000	225	481,970	108,841	2,680,507	3,276,543
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,117,381</u>	<u>1,117,381</u>
At 1 April 2005	5,000	225	481,970	108,841	3,797,888	4,393,924
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>721,914</u>	<u>721,914</u>
At 31 March 2006	<u><u>5,000</u></u>	<u><u>225</u></u>	<u><u>481,970</u></u>	<u><u>108,841</u></u>	<u><u>4,519,802</u></u>	<u><u>5,115,838</u></u>

FOWKES AND DANKS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

17 OTHER FINANCIAL COMMITMENTS

At 31 March 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2007.

Operating leases which expire:

	2006		2005	
	Land and buildings £	Other £	Land and buildings £	Other £
Within one year	11,790	7,967	7,680	15,880
Between one and two years	24,000	18,547	-	13,990
Between two and five years	-	43,677	-	10,028
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

18 PENSION OBLIGATIONS

The company operates a defined contribution scheme for its employees and makes contributions to personal pension plans. The pension cost charge in respect of these schemes represents contributions payable by the company to the schemes and amounted to £41,340 (2005 £41,461). The accrued contributions at 31 March 2006 were £226 (2005 £3,997).

19 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Metal Pressings Group Limited, a company registered in England and Wales. The directors regard Metal Pressings Group Limited, a company registered in England and Wales as the company's ultimate parent undertaking.

The company is exempt from disclosing related party transactions with other group companies as the Ultimate Parent undertaking, Metal Pressings Group Limited, prepares consolidated financial statements.