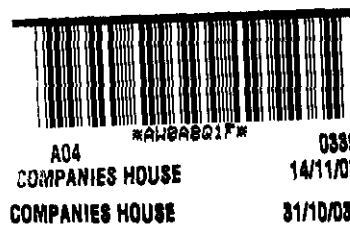


Glenson Limited

Directors' report and financial statements

31 December 2002

Registered number 3171237



Glenson Limited

Directors' report and financial statements

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Glenson Limited

Directors' report

The directors submit their report and the audited financial statements for the year ended 31 December 2002.

Principal activity

The principal activity of the company is the manufacture and sale of flexible metallic tubing and hose assemblies. There has been no significant change in the activity during the year.

Business review

The company benefited from stronger consumer led demand for its products in the UK and this, coupled with some improvement in sales to certain export markets, gave rise to the significantly better results achieved for the year under review. The contribution of both management and employees to these results is both recognised and appreciated. The directors are hopeful that this improvement in the performance of the business can be maintained.

Details of the results for the year are as follows:-

	2002 £	2001 £
Turnover	<u>1,839,519</u>	<u>1,626,340</u>
Profit on ordinary activities before taxation	187,580	44,971
Taxation	<u>(56,273)</u>	<u>(13,500)</u>
Retained profit for the financial year	<u>131,307</u>	<u>31,471</u>

The turnover of £1,839,519 (of which £508,081 was exported) all relates to the principal activity noted above.

Glenson Limited

Directors' report *(continued)*

Dividend

The directors do not recommend the payment of a dividend for the year (2001: £Nil). It is proposed that the retained profit of £131,307 be transferred to reserves.

Fixed assets

Details of movements in fixed assets are set out in note 8 to the financial statements.

Directors

The directors who served throughout the year were:-

Mr MI Lloyd (chairman)
Mrs ME Lloyd
Mrs MA Jones
Mr DR Jones (retired 14 June 2002)
Mr V Jones (appointed 16 October 2002)
Mr CJ Ball
Mr CC Nurton

Mrs MA Jones, Mr DR Jones, Mr V Jones, Mr CC Nurton and Mr CJ Ball had no interest in the share capital of any group company at any time during the year.

Mr MI Lloyd and Mrs ME Lloyd are also directors of the ultimate holding company and their interests fall to be disclosed in the financial statements of that company.

Taxation status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Glenson Limited

Directors' report *(continued)*

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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; and
- prepare the financial statements on a 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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Clay Shaw Thomas as auditors of the company is to be proposed at the forthcoming annual general meeting.

This report was approved by the board of directors on 31 October 2003 and signed on its behalf by:-



CJ Ball
Company secretary

Summerhill Works
Powell Street
Birmingham
B1 3DH

Clay Shaw Thomas

Charter House
46/48 Coity Road
Bridgend
Mid Glamorgan
CF31 1LR

Independent auditors' report to the members of Glenison Limited

We have audited the financial statements on pages 6 to 15.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

Independent auditors' report to the members of Glenson Limited
(continued)

Qualified opinion arising from disagreement as to the adequacy of disclosure in the financial statements

As explained in note 16, the financial statements do not contain the disclosures relating to the company's pension scheme required under the transitional arrangements under Financial Reporting Standard 17 Retirement Benefits. As no information is available to us in respect of assets and liabilities of the scheme at 31 December 2002, we have been unable to quantify the omissions.

Except for the absence of this disclosure, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2002 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Clay Shaw Thomas
Chartered Accountants
Registered Auditors

31 October 2003

Glenson Limited

Profit and loss account for the year ended 31 December 2002

	Note	2002	2001
		£	£
Turnover	2	1,839,519	1,626,340
Change in stocks of finished goods and work in progress		289	3,917
Raw materials and consumables		(1,152,872)	(1,121,958)
Other external charges		(156,358)	(145,659)
		<u>(1,308,941)</u>	<u>(1,263,700)</u>
		530,578	362,640
Staff costs	3	(326,291)	(309,267)
Depreciation and other amounts written off tangible and intangible assets		(16,027)	(9,973)
Other operating income		(500)	2,000
		<u>187,760</u>	<u>45,400</u>
Operating profit		187,760	45,400
Interest payable	4	(180)	(429)
		<u>187,580</u>	<u>44,971</u>
Profit on ordinary activities before taxation	5	187,580	44,971
Taxation on profit on ordinary activities	7	(56,273)	(13,500)
		<u>131,307</u>	<u>31,471</u>
Retained profit for the financial year	14	131,307	31,471

The movements on reserves and in shareholders' funds are set out in note 14.

All turnover and operating profit arises from continuing activities.

The company has no recognised gains or losses in either the current or preceding year other than the profits for those years.

Glenison Limited

Balance sheet at 31 December 2002

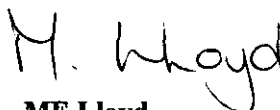
	Note	2002 £	2001 £
Fixed assets			
Tangible assets	8	37,715	31,497
Current assets			
Stocks	9	137,668	95,465
Debtors	10	439,876	329,354
Cash at bank and in hand		29,114	61,402
		<u>606,658</u>	<u>486,221</u>
Creditors: amounts falling due within one year	11	<u>(385,143)</u>	<u>(389,210)</u>
Net current assets		<u>221,515</u>	<u>97,011</u>
Total assets less current liabilities		<u>259,230</u>	<u>128,508</u>
Provisions for liabilities and charges	12	<u>(1,695)</u>	<u>(2,280)</u>
Net assets		<u>257,535</u>	<u>126,228</u>
Capital and reserves			
Called up share capital	13	10,000	10,000
Profit and loss account	14	247,535	116,228
Shareholders' funds		<u>257,535</u>	<u>126,228</u>

Shareholders' funds are wholly attributable to equity interests.

These financial statements were approved by the board of directors on 31 October 2003 and were signed on its behalf by:-



MI Lloyd
Director



ME Lloyd
Director

Glenson Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been used in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules and in accordance with applicable Accounting Standards.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets in equal annual instalments over their estimated useful lives as follows:-

Plant and machinery	Between 5 and 15 years
Motor vehicles	Between 3 and 5 years
Fixtures, fittings, tooling and equipment	Between 4 and 10 years

Additions to fixed assets during the accounting period are depreciated at an appropriate proportion of the annual rate attributable to that category of asset.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost in relation to finished goods and work in progress includes attributable production overheads.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effects of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

Pensions

The company operates a defined benefit pension scheme covering the majority of its permanent employees. Contributions to the defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' service lives with the company.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transactions. Any amounts receivable or payable at the balance sheet date are converted at the rate then ruling and any differences are taken to the profit and loss account.

Operating leases

Payments under operating leases are charged to revenue in the financial period in which they are incurred.

Cash flow statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by FRS 1 on the grounds that it is a small company as defined in Section 247 of the Companies Act 1985.

Glenson Limited

Notes (continued)

2 Turnover

Turnover represents invoiced sales less returns, excluding VAT, in respect of goods sold. The analysis of turnover by geographical area is as follows:-

	2002 £	2001 £
United Kingdom	1,331,438	1,253,431
Rest of Europe	10,658	17,999
Middle East	357,973	345,570
Far East and Australia	139,450	9,340
	<u>1,839,519</u>	<u>1,626,340</u>

3 Staff numbers and costs

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

	2002 Number	2001 Number
Management	6	6
Administration and sales	1	2
Production	15	14
	<u>22</u>	<u>22</u>

The aggregate payroll costs of these persons were as follows:-

	£	£
Wages and salaries	285,720	272,660
Social security costs	18,338	19,180
Other pension costs	22,233	17,427
	<u>326,291</u>	<u>309,267</u>

4 Interest payable

	2002 £	2001 £
Bank loans and overdraft repayable within 5 years	180	373
Other interest	-	56
	<u>180</u>	<u>429</u>

Glenison Limited

Notes (continued)

5 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting) the following:-

	2002	2001
	£	£
(Profit)/loss on sale of fixed assets	(1,600)	-
Auditors' remuneration	2,000	1,950
Directors' emoluments	60,709	62,200
Directors' pension contributions	5,148	5,464
Operating lease rentals:		
Hire of plant and machinery	3,500	3,500
Other	36,000	40,000
Depreciation	16,027	9,973

6 Directors' emoluments

The chairman and three other directors are paid by other group companies and their emoluments are shown in the financial statements of those companies. Three other directors are accruing retirement benefits under a defined benefits pension scheme (2001: two).

Glenson Limited

Notes (continued)

7 Taxation on profit on ordinary activities

	2002 £	2001 £
Corporation tax based on the adjusted profit for the year at 30% (2001: 30% less marginal relief)	56,858	11,220
Deferred taxation	(585)	2,280
	<u>56,273</u>	<u>13,500</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:-

Profit on ordinary activities before tax	187,580	44,971
Corporation tax on above at the standard UK rate of 30%	56,274	13,491
Effects of:-		
Capital allowances less than depreciation	1,064	712
Profits on sale of fixed assets	(480)	-
Marginal relief	-	(2,983)
Current tax charge for the year	<u>56,858</u>	<u>11,220</u>

Glenson Limited

Notes (continued)

8 Tangible assets

	Plant and machinery	Fixtures, fittings, tooling and equipment	Motor vehicles	Total
<i>Cost</i>	£	£	£	£
At beginning of year	290,481	44,908	34,933	370,322
Additions	-	510	21,735	22,245
Disposals	(19,408)	-	(12,815)	(32,223)
At end of year	271,073	45,418	43,853	360,344
<i>Depreciation</i>				
At beginning of year	269,514	40,211	29,100	338,825
Charge for the year	6,135	1,336	8,556	16,027
Eliminated on disposals	(19,408)	-	(12,815)	(32,223)
At end of year	256,241	41,547	24,841	322,629
<i>Net book value</i>				
At 31 December 2002	14,832	3,871	19,012	37,715
At 31 December 2001	20,967	4,697	5,833	31,497

Capital commitments

The company had no contractual commitments for capital expenditure at 31 December 2002 (2001: £Nil).

9 Stocks

	2002 £	2001 £
Raw materials	98,708	56,794
Work in progress	38,960	38,671
	137,668	95,465

Glenson Limited

Notes (continued)

10 Debtors

	2002 £	2001 £
Trade debtors	221,476	281,169
Amounts due from group undertakings - parent	161,880	-
Amounts due from group undertakings - fellow subsidiary	53,745	45,952
Other debtors	-	500
Prepayments	2,775	1,733
	<u>439,876</u>	<u>329,354</u>

11 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	63,558	73,356
Amounts due to group undertakings - parent	30,000	105,120
Amounts due to group undertakings - fellow subsidiary	187,854	130,441
Other creditors including taxation and social security	75,998	62,702
Accruals	27,733	17,591
	<u>385,143</u>	<u>389,210</u>

Other creditors including taxation and social security comprise:-

Social security and PAYE	6,444	7,219
Corporation tax	56,858	11,220
VAT	4,667	35,490
Other creditors	8,029	8,773
	<u>75,998</u>	<u>62,702</u>

Glenison Limited

Notes (continued)

12 Provisions for liabilities and charges

The amounts provided for deferred taxation and the full potential liability, calculated on the liability method at a corporation tax rate of 30% (2001: 30%) are set out below:-

	2002		2001	
	Amount provided	Amount not provided	Amount provided	Amount not provided
	£	£	£	£
Difference between accumulated depreciation and amortisation and capital allowances	<u>1,695</u>	<u>-</u>	<u>2,280</u>	<u>-</u>

13 Called up share capital

	2002 £	2001 £
<i>Authorised:</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Allotted:</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<i>Called up and paid:</i>		
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

14 Reserves and reconciliation of movements in shareholders' funds

	Share capital	Profit and loss account	Total
	£	£	£
At beginning of year	10,000	116,228	126,228
Retained profit for the financial year	<u>-</u>	<u>131,307</u>	<u>131,307</u>
At end of year	<u>10,000</u>	<u>247,535</u>	<u>257,535</u>

Glenson Limited

Notes (continued)

15 Lease commitments

Annual commitments under operating leases are as follows:-

	2002 £	2001 £
Land and Buildings		
Expiring in over five years	<u>36,000</u>	<u>36,000</u>

16 Pension contributions

The company participates in a group pension scheme providing benefits for its employees which are based on final pensionable earnings, contributions being charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives. The assets of the scheme are administered by trustees and are held separately from the group. The contributions for the scheme have been determined by a qualified actuary using the projected unit method.

The most recent formal actuarial valuation was at 5 April 2001. The principal assumption was that long term investment returns will be 2.5% per annum above the general rate of increase in earnings. The market value of the assets at the valuation date was more than adequate to cover the benefits that had accrued to members, after allowing for expected future increases in earnings.

The group/company has not obtained and disclosed the value of the assets and liabilities of the scheme at 31 December 2002 in accordance with Financial Reporting Standard 17 Retirement Benefits.

There were no contributions prepaid or outstanding at 31 December 2002 (2001: £Nil).

17 Related party transactions

Throughout the year the company has, in the ordinary course of business, purchased certain raw materials from Currie & Warner Limited and Bowden Bros & Co (Manchester) Limited, group undertakings, on similar terms to those available from other suppliers. These transactions amounted to £666,851 and £190,891 respectively during the year and at the year end £148,556 and £29,547 respectively was due in relation to them.

During the year the company, in the ordinary course of business, was charged for management services provided by the parent company, Glenson (Holdings) Limited. These transactions amounted to £30,000 and this amount remained outstanding at the end of the year.

18 Parent companies

The immediate parent company is Glenson (Holdings) Limited and the ultimate parent company is Currie & Warner (Holdings) Limited, both of which are incorporated in Great Britain and registered in England and Wales.

The results of the company are incorporated into the consolidated financial statements of Currie & Warner (Holdings) Limited. Copies of these financial statements can be obtained from Summerhill Works, Powell Street, Birmingham, B1 3DH.