REGISTRAR
OF
COMPANIES

REGISTERED NUMBER: 1615326

THREADRIVE COMPONENTS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 1998

Bland Baker,
Chartered Accountants and
Registered Auditor,
21 Lodge Lane,
Grays,
Essex.
RM17 5RY.

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COMPANIES HOUSE 13/11/98

THREADRIVE COMPONENTS LIMITED

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FOR THE YEAR ENDED 31 MAY 1998

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THREADRIVE COMPONENTS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 1998

DIRECTORS:	S.E. Brand C.T. Clark
SECRETARY:	S.E. Brand
REGISTERED OFFICE:	Unit 4B Gloucester Way Pipps Hill Industrial Estate Luckyn Lane Basildon Essex SS14 3AX
REGISTERED NUMBER:	1615326
AUDITORS:	Bland Baker Chartered Accountants and Registered Auditor 21 Lodge Lane Grays Essex RM17 5RY

THREADRIVE COMPONENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31 May 1998.

PRINCIPAL ACTIVITY

The principal activity of the company was the distribution of screwdriving tools.

DIRECTORS

The directors in office during the year were:

S.E. Brand
C.T. Clark

The directors holding office at 31 May 1998 did not have a beneficial interest in the share capital of the company at any time during the year.

The interests of S.E. Brand and C.T. Clark in the shares of the parent company are disclosed in that company's accounts.

YEAR 2000 ISSUE

The directors currently consider that the recent upgrade of their computer systems will mean that any further amounts needed to remedy YEAR 2000 problems will be relatively minor. They are unable to offer any opinion on the systems of the company's suppliers or customers.

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 judgments and estimates that are reasonable and prudent;
- 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

The company has exempted itself from the annual appointment of auditors. Accordingly Bland Baker are deemed to be re-appointed auditors for the forthcoming year.

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:

.....

S.E. BRAND - DIRECTOR

Date.....10/11/98.....

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THREADRIVE COMPONENTS LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors
As described on page 2 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 judgments 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 May 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bland Baker

Bland Baker
Chartered Accountants and
Registered Auditor
21 Lodge Lane
Grays
Essex
RM17 5RY

Date 11/11/98

THREADRIVE COMPONENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1998

	Notes	Year Ended 31/5/98 £	£	Period 1/4/96 to 31/5/97 £	£
TURNOVER	2		100,090		132,868
Cost of sales			68,218		93,234
GROSS PROFIT			31,872		39,634
Distribution costs		7,653		8,623	
Administrative expenses		16,720		24,398	
			24,373		33,021
OPERATING PROFIT BEFORE INTEREST	3		7,499		6,613
Bank interest receivable			350		138
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			7,849		6,751
Tax on profit on ordinary activities			1,652		1,183
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			6,197		5,568
Retained profit brought forward			68,294		62,726
RETAINED PROFIT CARRIED FORWARD			**£74,491**		**£68,294**

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profit for the current year and previous period.

The notes form part of these financial statements

THREADRIVE COMPONENTS LIMITED

BALANCE SHEET
31 MAY 1998

	Notes	1998 £	1998 £	1997 £	1997 £
FIXED ASSETS:					
Tangible assets	4		246		328
CURRENT ASSETS:					
Stocks	5	13,675		17,759	
Debtors	6	37,753		45,529	
Cash at bank and in hand		33,288		12,380	
		84,716		75,668	
CREDITORS: Amounts falling due within one year	7	10,469		7,700	
NET CURRENT ASSETS:			74,247		67,968
TOTAL ASSETS LESS CURRENT LIABILITIES:			**£74,493**		**£68,296**
CAPITAL AND RESERVES:					
Called up share capital	8		2		2
Profit and loss account			74,491		68,294
Shareholders' funds	11		**£74,493**		**£68,296**

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

APPROVED BY THE BOARD ON ..... 10-11-98 .....

.....

C.T. CLARK - DIRECTOR.

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 1998

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Cashflow
Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

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

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-	25% on reducing balance
Motor vehicles	-	25% on reducing balance

Stocks
Stock is valued at the lower of cost and net realisable value, after making provision for obsolete and slow moving items.

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies
Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs
Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable in accordance with the rules of the scheme.

2. TURNOVER

The turnover and profit before taxation are attributable to the principal activity of the company, which arose wholly within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31/5/98	Period 1/4/96 to 31/5/97
	£	£
Depreciation	82	1,204
Auditors' remuneration	1,700	2,000
Directors' emoluments	-	5,077

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc.
	£
COST:	
At 1 June 1997 and 31 May 1998	9,124
DEPRECIATION:	
At 1 June 1997	8,796
Charge for year	82
At 31 May 1998	8,878
NET BOOK VALUE:	
At 31 May 1998	£246
At 31 May 1997	£328

5. STOCKS

	1998	1997
	£	£
Stocks	13,675	17,759

6. DEBTORS

	1998	1997
	£	£
Trade debtors	18,076	26,438
Prepayments	1,612	1,597
Amount owed by parent undertaking	18,065	17,494
	37,753	45,529

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998	1997
	£	£
Trade creditors	5,048	2,965
Other taxes and social security	1,832	1,371
Taxation	1,652	1,183
Accruals	1,937	2,181
	10,469	7,700

8. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	1998 £	1997 £
100	Ordinary shares	£1	100	100

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£	£
2	Ordinary shares	£1	2	2

9. ULTIMATE PARENT COMPANY

In the opinion of the directors the company's ultimate holding company is Abbott Fasteners Limited, a company registered in England.

10. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the employees. Contributions paid during the year amounted to £1,200 (1997 - £1,400). There were no outstanding or prepaid premiums as at 31 May 1998.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Profit for the financial year	6,197	5,568
ADDITION TO SHAREHOLDERS' FUNDS	6,197	5,568
Opening shareholders' funds	68,296	62,728
CLOSING SHAREHOLDERS' FUNDS	74,493	68,296
Equity interests	74,493	68,296

12. RELATED PARTY DISCLOSURES

Ultimate controlling party
The company's parent undertaking is Abbott Fasteners Limited which holds all ordinary shares of the company.

The company's directors S.E. Brand and C.T. Clark are also directors of the holding company and hold, equally, all of the ordinary shares of that company.

Transactions with related parties
The company made trade purchases from the holding company of £5,879 (1997 - £20,908) on a normal commercial basis.

The company made sales to the holding company of £1,632 on a normal commercial basis.

In 1997 the company made a loan to the holding company of £19,200 which was unsecured, interest-free, and repayable on demand.

Balances with related parties
At 31 May 1998 the company had the following balances with related parties.

Parent company:
Asset - Loan account balance of £19,200. [1997 - £19,200]
Asset - Sales ledger balance of £49.

Liability - Bought ledger balance of (£1,184). [1997 - (£1,706)]