

# STATUTORY

FC 107577/30

**WILSON TOOL INTERNATIONAL LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2004**

**The MGroup Partnership**  
**Chartered Certified Accountants**  
**Registered Auditors**  
**Cranbrook House**  
**287-291 Banbury Road, Oxford**  
**OX2 7JQ**



**Company Registration Number: FC013648**

**Branch Registration Number: BR001710**

**WILSON TOOL INTERNATIONAL LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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**WILSON TOOL INTERNATIONAL LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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**DIRECTORS**

KJ Wilson  
Mrs RL Wilson  
C Blackwell

**SECRETARY**

Mrs RL Wilson

**BRANCH ADDRESS AND REGISTERED OFFICE**

Stirling Road  
South Marston Industrial Estate  
Swindon  
Wilts  
SN3 4TQ

**BRANCH REGISTRATION NUMBER**

BR001710

**COMPANY REGISTRATION NUMBER**

FC013648

**CORPORATE CHARTER NUMBER**

5G-1162

**AUDITORS**

The MGroup Partnership  
Chartered Certified Accountants  
Cranbrook House  
287-291 Banbury Road  
Oxford  
OX2 7JQ

## **WILSON TOOL INTERNATIONAL LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004**

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The directors present their annual report with the financial statements of the group for the year ended 31 December 2004.

#### **PRINCIPAL ACTIVITY**

The principal activity of the group during the year under review continues to be the manufacture of sheet metal punch products. The company, Wilson Tool International Limited, is registered in the United States of America as a 'C' corporation, and operates in the United Kingdom as a branch of the American company.

#### **RESULTS AND DIVIDENDS**

The financial results are set out on page 5.

The directors do not recommend the payment of a dividend for the year under review. If this recommendation is approved retained group profits of £1,199,665 (2003 = profit of £811,243) will be taken to reserves.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The directors consider the financial position of the group has been and continues to be satisfactory.

#### **FIXED ASSETS**

Details of the movement in fixed assets are shown in notes 7 and 8 to the financial statements.

#### **POLICY ON PAYMENT OF CREDITORS**

The group does not follow any code or standard on payment practice. It is the group's policy-

- (i) to settle the terms of payment with suppliers when agreeing the terms of transactions with that supplier,
- (ii) to ensure that suppliers are made aware of the terms of payment, and
- (iii) to abide by the terms of payment.

Creditor days calculated with reference to the amount due to suppliers as at 31 December 2004 and amounts invoiced by suppliers during the year were 17 days (2003 - 16 days).

#### **DIRECTORS**

The following directors held office during the year and their interests, including family interests, in the shares of the group at the year end were as follows:

		<b>Number of shares</b>	
		<b>31/12/04</b>	<b>01/01/04</b>
KJ Wilson	Ordinary shares of \$0.01 each	91,990	91,990
Mrs RL Wilson	Ordinary shares of \$0.01 each	91,990	91,990
C Blackwell	Ordinary shares of \$0.01 each	-	-

The whole of the issued share capital of Wilson Tool International Limited is owned by Wilson Tool Enterprises Inc.. Mr KJ and Mrs RL Wilson have a combined interest of 92.3% in the share capital of Wilson Tool Enterprises Inc., a company incorporated in the USA and the ultimate parent company of Wilson Tool International Limited.

# WILSON TOOL INTERNATIONAL LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

### DIRECTORS - continued

The following directors held office during the year and their interests, including family interests, in the shares of the company at the year end were as follows:

		Number of shares	
		31/12/04	01/01/04
KJ Wilson	Ordinary shares of £0.0056 each	-	-
Mrs RL Wilson	Ordinary shares of £0.0056 each	-	-
C Blackwell	Ordinary shares of £0.0056 each	-	-

### 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 group and of the profit or loss of the group 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

The auditors, The MGroup Partnership, have expressed their willingness to continue in office, and in accordance with section 385 of the Companies Act 1985 a resolution proposing their reappointment will be submitted at the Annual General Meeting.

### BY ORDER OF THE BOARD

  
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SECRETARY

# **WILSON TOOL INTERNATIONAL LIMITED**

## **INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004**

### **TO THE SHAREHOLDERS OF WILSON TOOL INTERNATIONAL LIMITED**

We have audited the financial statements of Wilson Tool International Limited for the year ended 31 December 2004 on pages 5 to 21 which comprise the Profit and Loss Account, Balance Sheets, Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 3.

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 group 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 group 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 United Kingdom 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 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 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 affairs of the group and the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**THE MG GROUP PARTNERSHIP**  
CHARTERED CERTIFIED ACCOUNTANTS  
REGISTERED AUDITORS  
OXFORD  
18 April 2005

**WILSON TOOL INTERNATIONAL LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 £	2003 £
<b>TURNOVER</b>	2	15,749,610	14,996,159
Cost of sales		7,508,689	7,547,243
<b>GROSS PROFIT</b>		8,240,921	7,448,916
Distribution costs		773,344	718,064
Administrative expenses		5,337,853	5,233,342
<b>OPERATING PROFIT</b>	3	2,129,724	1,497,510
Interest receivable		4,499	5,174
		2,134,223	1,502,684
Interest payable	5	212,536	248,012
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,921,687	1,254,672
Taxation on ordinary activities	6	722,022	443,429
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		1,199,665	811,243
Retained profit brought forward		7,378,050	6,566,807
<b>RETAINED PROFIT CARRIED FORWARD</b>		8,577,715	7,378,050

As permitted by the Companies Act 1985, a separate profit and loss account for the company has not been included in these financial statements. Of the group profit attributable to ordinary shareholders a profit of £2,162,489 (2003 - £1,320,939) has been dealt with in the profit and loss account of the company.

All recognised gains and losses are included in the profit and loss account.

All amounts relate to continuing activities.

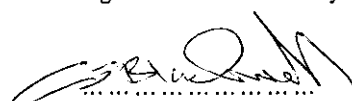
**WILSON TOOL INTERNATIONAL LIMITED**

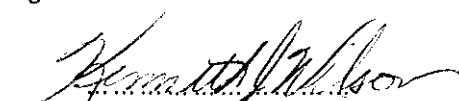
**BALANCE SHEETS**

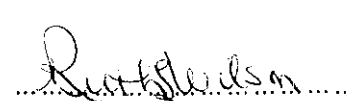
**AS AT 31 DECEMBER 2004**

		<b>Group</b>		<b>Company</b>	
	<b>Notes</b>	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Intangible assets	7	215,889	263,105	115,940	144,924
Tangible assets	8	6,049,411	5,970,337	6,011,582	5,919,598
Investments	9	-	-	41,152	41,152
		<u>6,265,300</u>	<u>6,233,442</u>	<u>6,168,674</u>	<u>6,105,674</u>
<b>CURRENT ASSETS</b>					
Stocks	10	3,878,690	4,143,829	3,846,610	4,019,001
Debtors	11	3,494,884	3,046,353	3,685,208	3,301,716
Cash at bank and in hand		1,111,352	725,054	1,068,730	593,939
		<u>8,484,926</u>	<u>7,915,236</u>	<u>8,600,548</u>	<u>7,914,656</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>1,814,648</u>	<u>1,996,846</u>	<u>1,654,744</u>	<u>1,861,509</u>
<b>NET CURRENT ASSETS</b>		<u>6,670,278</u>	<u>5,918,390</u>	<u>6,945,804</u>	<u>6,053,147</u>
<b>TOTAL ASSETS</b>					
<b>LESS CURRENT LIABILITIES</b>		<u>12,935,578</u>	<u>12,151,832</u>	<u>13,114,478</u>	<u>12,158,821</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	13	<u>3,442,820</u>	<u>3,867,997</u>	<u>3,442,820</u>	<u>3,867,997</u>
Provisions for liabilities and charges	16	<u>142,757</u>	<u>133,499</u>	<u>142,757</u>	<u>133,499</u>
<b>NET ASSETS</b>		<u>9,350,001</u>	<u>8,150,336</u>	<u>9,528,901</u>	<u>8,157,325</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	17	39	39	39	39
Share premium account	18	772,247	772,247	772,247	772,247
Profit and loss account	18	8,577,715	7,378,050	8,756,615	7,385,039
<b>SHAREHOLDERS' FUNDS</b>	19	<u>9,350,001</u>	<u>8,150,336</u>	<u>9,528,901</u>	<u>8,157,325</u>

These accounts were approved by the board of directors on 22 March 2005 and signed on its behalf by the following:

  
Director

  
Director

  
Director



**WILSON TOOL INTERNATIONAL LIMITED****CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2004****RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Notes	2004 £	2003 £
Operating profit		2,129,724	1,497,510
Depreciation		613,507	586,976
Amortisation		47,216	47,589
(Profit) / loss on sale of assets		(198)	1,539
Stocks movement		265,139	236,751
Debtors movement		(447,330)	208,617
Creditors movement		(359,366)	(707,776)
Net cash inflow from operating activities		<u>2,248,692</u>	<u>1,871,206</u>

**CASH FLOW STATEMENT**

Net cash inflow from operating activities		2,248,692	1,871,206
Returns on investments and servicing of finance	22	(208,037)	(242,838)
Taxation		(488,321)	(663,660)
Capital expenditure and financial investment	23	(692,383)	(542,799)
Management of liquid resources	24	14	1
Financing	25	(473,653)	(272,380)
Increase in cash in the year		<u>386,312</u>	<u>149,530</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

Increase in cash in the year		386,312	149,530
New funds advanced net of amounts repaid		<u>473,653</u>	<u>272,380</u>
		859,965	421,910
Net debt at beginning of year		<u>(2,939,713)</u>	<u>(3,361,623)</u>
Net debt at end of year	26	<u>(2,079,748)</u>	<u>(2,939,713)</u>

# **WILSON TOOL INTERNATIONAL LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**

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### **1 STATEMENT OF ACCOUNTING POLICIES**

#### **Accounting convention**

The consolidated financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following is a summary of the significant accounting policies adopted by the group in the preparation of the consolidated financial statements.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of Wilson Tool International Limited and its subsidiary undertaking, Wilson Tool International A/S. The company uses the acquisition method of accounting to consolidate the results of its subsidiary undertaking.

#### **Turnover**

Turnover represents the value of goods and services provided, stated net of value added tax.

#### **Depreciation**

Depreciation methods and lives for assets acquired prior to 31 December 1988 are those allowed under the United States Internal Revenue Code. The annual depreciation method for assets acquired after 31 December 1988 is 25% on a reducing balance basis, except for the following:

Freehold land	Nil
Freehold buildings	2.5% straight line basis
Leasehold improvements	Straight line basis over 5 years

#### **Goodwill and Know How**

The excess of the purchase price over the fair value of the assets acquired and purchased know how is being amortised on a straight line basis between 10 and 20 years.

#### **Operating leases**

Rentals under operating leases are charged and credited to the profit and loss account on a straight-line basis over the lease term.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. The calculation of cost includes the cost of material, labour and attributable production overheads.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004

1 STATEMENT OF ACCOUNTING POLICIES - continued

**Deferred taxation**

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements and is fully provided for.

**Foreign currencies**

The functional currency of the company is sterling.

Balances denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

Trading transactions in foreign currencies are converted into sterling at the average rate for the month in which the transaction takes place. Exchange differences for the year are included in the profit and loss account.

**Pensions**

The group operates a group personal pension scheme for certain employees and directors. It is a contributory defined contribution scheme. The scheme funds are administered by trustees and are independent of the group's finances. Contributions are charged to the profit and loss account in the year in which they become payable.

2 TURNOVER

The whole of the turnover for the year arises from the principal activity of the group. Turnover arises in the following geographical markets:

	2004 £	2003 £
United Kingdom	3,773,311	3,435,944
Europe and the Rest of the World	11,976,299	11,560,215
	<u>15,749,610</u>	<u>14,996,159</u>

**WILSON TOOL INTERNATIONAL LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**3 OPERATING PROFIT**

	2004 £	2003 £
<b>The operating profit is stated after charging:</b>		
Directors' remuneration - Paid in year	154,750	135,015
- Benefit payable under deferred compensation plan	52,529	52,742
Depreciation - owned assets	613,507	586,976
Amortisation	47,216	47,589
Auditors' remuneration - Audit fees	22,000	21,450
- Non-audit fees	30,733	20,625
Operating lease rentals - Land and buildings	51,050	48,112
- Other	156,488	161,631
Foreign currency (gain) / loss	(2,287)	305,106
(Profit) / loss on sale of fixed assets	(198)	1,539
	<u>1,539,118</u>	<u>1,539,118</u>

**4 INFORMATION REGARDING EMPLOYEES**

The average number of persons employed by the group, including directors, during the year was as follows:

	2004 Number	2003 Number
Manufacturing and engineering	75	73
Sales and administration	78	75
	<u>153</u>	<u>148</u>

The aggregate payroll costs, excluding benefits and including directors, of these persons were as follows:

	2004 £	2003 £
Wages and salaries	4,623,249	4,365,960
Social security costs	370,007	345,648
Pension costs - defined contribution scheme	282,278	198,454
	<u>5,275,534</u>	<u>4,910,062</u>

**WILSON TOOL INTERNATIONAL LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004****5 INTEREST PAYABLE**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
On bank loans and loan notes	212,535	237,648
On intercompany account - Wilson Tool International Inc.	1	10,364
	<u>212,536</u>	<u>248,012</u>

**6 TAXATION ON ORDINARY ACTIVITIES**

The taxation charge based on the profit before tax comprises:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
UK Corporation tax on profits at 30% (2003 - 30%).	689,203	448,559
Adjustment in respect of prior years	(2,817)	806
USA Corporation tax on profits - subsidiary share	113,046	29,348
Deferred tax	(77,410)	(35,284)
	<u>722,022</u>	<u>443,429</u>

**WILSON TOOL INTERNATIONAL LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**7 INTANGIBLE ASSETS**

<b>GROUP</b>	<b>Goodwill £</b>	<b>Know How £</b>	<b>Total £</b>
<b>Costs</b>			
At 1 January 2004	351,002	225,000	576,002
At 31 December 2004	351,002	225,000	576,002
<b>Accumulated amounts written off</b>			
At 1 January 2004	167,159	145,738	312,897
Charge for year	31,364	15,852	47,216
At 31 December 2004	198,523	161,590	360,113
<b>Net book value</b>			
At 1 January 2004	183,843	79,262	263,105
At 31 December 2004	152,479	63,410	215,889
<b>COMPANY</b>	<b>Goodwill £</b>	<b>Know How £</b>	<b>Total £</b>
<b>Costs</b>			
At 1 January 2004	186,393	225,000	411,393
At 31 December 2004	186,393	225,000	411,393
<b>Accumulated amounts written off</b>			
At 1 January 2004	120,731	145,738	266,469
Charge for year	13,132	15,852	28,984
At 31 December 2004	133,863	161,590	295,453
<b>Net book value</b>			
At 1 January 2004	65,662	79,262	144,924
At 31 December 2004	52,530	63,410	115,940

**WILSON TOOL INTERNATIONAL LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**8 TANGIBLE FIXED ASSETS**

<b>GROUP</b>	<b>Freehold land and buildings £</b>	<b>Machinery and equipment £</b>	<b>Fixtures, fittings and office equipment £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Costs</b>					
At 1 January 2004	5,030,845	3,577,732	1,264,173	70,805	9,943,555
Additions	-	518,904	161,049	16,080	696,033
Disposals	-	(36,425)	-	(12,250)	(48,675)
At 31 December 2004	<u>5,030,845</u>	<u>4,060,211</u>	<u>1,425,222</u>	<u>74,635</u>	<u>10,590,913</u>
<b>Accumulated depreciation</b>					
At 1 January 2004	399,978	2,606,788	940,817	25,635	3,973,218
Charge for year	101,977	369,467	127,296	14,767	613,507
Disposals	-	(36,425)	-	(8,798)	(45,223)
At 31 December 2004	<u>501,955</u>	<u>2,939,830</u>	<u>1,068,113</u>	<u>31,604</u>	<u>4,541,502</u>
<b>Net book value</b>					
At 1 January 2004	<u>4,630,867</u>	<u>970,944</u>	<u>323,356</u>	<u>45,170</u>	<u>5,970,337</u>
At 31 December 2004	<u>4,528,890</u>	<u>1,120,381</u>	<u>357,109</u>	<u>43,031</u>	<u>6,049,411</u>

Included in freehold land and buildings is £1,134,444 (2003 - £1,134,444) relating to land which is not depreciated.

Included in freehold land and buildings are improvements to leasehold premises with a net book value of £1,407 at 31 December 2004 (2003 - £2,776). Accumulated depreciation at 31 December 2004 totalled £4,773 (2003 - £3,404).

WILSON TOOL INTERNATIONAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004

8 TANGIBLE FIXED ASSETS - continued

COMPANY	Freehold land and buildings £	Machinery and equipment £	Fixtures, fittings and office equipment £	Motor vehicles £	Total £
<b>Costs</b>					
At 1 January 2004	5,024,665	3,577,732	1,173,668	70,805	9,846,870
Additions	-	518,904	149,261	16,080	684,245
Disposals	-	(36,425)	-	(12,250)	(48,675)
At 31 December 2004	5,024,665	4,060,211	1,322,929	74,635	10,482,440
<b>Accumulated depreciation</b>					
At 1 January 2004	396,574	2,606,788	898,275	25,635	3,927,272
Charge for year	100,608	369,467	103,967	14,767	588,809
Disposals	-	(36,425)	-	(8,798)	(45,223)
At 31 December 2004	497,182	2,939,830	1,002,242	31,604	4,470,858
<b>Net book value</b>					
At 1 January 2004	4,628,091	970,944	275,393	45,170	5,919,598
At 31 December 2004	4,527,483	1,120,381	320,687	43,031	6,011,582

Included in freehold land and buildings is £1,134,444 (2003 - £1,134,444) relating to land which is not depreciated.



# WILSON TOOL INTERNATIONAL LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 9 INVESTMENTS

COMPANY	Investment in subsidiary £
<b>Costs</b>	
At 1 January 2004	41,152
At 31 December 2004	41,152

On 1 May 2001, Wilson Tool International Limited subscribed for the entire share capital of Wilson Tool International A/S, a company incorporated in Denmark. Wilson Tool International A/S has a share capital of DKK 500,000 (500 shares of DKK 1000 each) and the results of the subsidiary undertaking have been included in the consolidated financial statements.

### 10 STOCKS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Raw materials and goods for resale	3,878,690	4,143,829	3,846,610	4,019,001

### 11 DEBTORS

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Trade debtors	2,978,392	2,548,442	2,636,752	2,238,663
Amounts owed by subsidiary undertaking	-	-	658,049	597,417
Other debtors	384,958	403,800	273,117	377,308
Prepayments and accrued income	131,534	94,111	117,290	88,328
	3,494,884	3,046,353	3,685,208	3,301,716

Included within other debtors for the group and company is a deferred tax asset totalling £233,418 (2003 - £146,750) and £149,115 (2003 - £131,339) respectively. The deferred tax asset comprises tax losses and other timing differences.

**WILSON TOOL INTERNATIONAL LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**12 CREDITORS:** amounts falling due within one year

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (Note 14)	178,719	176,202	178,719	176,202
Trade creditors	349,547	332,988	326,119	317,548
Amounts owed to group undertaking	197,292	794,382	178,237	777,875
Corporation tax	324,203	98,559	324,203	98,559
Other taxation and social security	105,682	94,286	86,583	79,257
Loan notes (Note 15)	66,612	58,352	66,612	58,352
Other creditors	161,419	120,208	63,097	31,847
Accruals and deferred income	431,174	321,869	431,174	321,869
	<b>1,814,648</b>	<b>1,996,846</b>	<b>1,654,744</b>	<b>1,861,509</b>

Included within trade creditors are amounts which may be the subject of retention of title clauses.

**13 CREDITORS:** amounts falling due after more than one year

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (Note 14)	1,742,147	1,893,809	1,742,147	1,893,809
Accruals and deferred income	497,051	437,798	497,051	437,798
Loan notes (Note 15)	1,203,622	1,536,390	1,203,622	1,536,390
	<b>3,442,820</b>	<b>3,867,997</b>	<b>3,442,820</b>	<b>3,867,997</b>

**14 BANK LOANS AND OVERDRAFTS**

The group's overall bank indebtedness is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due within one year	178,719	176,202	178,719	176,202
Due between one and two years	178,719	176,202	178,719	176,202
Due between two and five years	536,156	528,603	536,156	528,603
Due after five years	1,027,272	1,189,004	1,027,272	1,189,004
	<b>1,920,866</b>	<b>2,070,011</b>	<b>1,920,866</b>	<b>2,070,011</b>

The two bank loans totalling £1,920,866 at 31 December 2004 (2003 - £2,070,011) are repayable over periods of five and twenty years respectively in quarterly instalments.

**WILSON TOOL INTERNATIONAL LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004****15 LOAN NOTES**

The following unsecured loans from Mr KJ Wilson and Mrs RL Wilson are outstanding as at 31 December 2004. Interest is payable at 6% per annum and the split below assumes that only the minimum capital repayment is made.

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Due within one year	66,612	58,352	66,612	58,352
Due between one and two years	76,959	67,416	76,959	67,416
Due between two and five years	260,547	228,238	260,547	228,238
Due after five years	866,116	1,240,736	866,116	1,240,736
	<u>1,270,234</u>	<u>1,594,742</u>	<u>1,270,234</u>	<u>1,594,742</u>

**16 PROVISIONS FOR LIABILITIES****Deferred Taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	142,757	133,499	142,757	133,499

**Movements on provisions of deferred taxation**

	<b>Group</b>		<b>Company</b>	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward	133,499	22,033	133,499	20,583
Transfer during the year	9,258	111,466	9,258	112,916
	<u>142,757</u>	<u>133,499</u>	<u>142,757</u>	<u>133,499</u>

**WILSON TOOL INTERNATIONAL LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**17 SHARE CAPITAL**

	2004 £	2003 £
<b>Authorised</b>		
Equity interests: Ordinary shares of £0.0056 each	280	280
<b>Allotted, called up and fully paid</b>		
Equity interests: Ordinary shares of £0.0056 each	39	39

**18 RESERVES**

	Share premium account £	Profit and loss account £
<b>GROUP</b>		
At 1 January 2004	772,247	7,378,050
Retained profit for the year excluding exchange movements	-	1,197,378
Exchange gain for the year	-	2,287
At 31 December 2004	772,247	8,577,715
	Share premium account £	Profit and loss account £
<b>COMPANY</b>		
At 1 January 2004	772,247	7,385,039
Retained profit for the year excluding exchange movements	-	1,350,137
Exchange gain for the year	-	21,439
At 31 December 2004	772,247	8,756,615

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>Group</b>		<b>Company</b>	
	2004 £	2003 £	2004 £	2003 £
Profit for the financial year	1,199,665	811,243	1,371,576	860,650
Opening shareholders' funds	8,150,336	7,339,093	8,157,325	7,296,675
Closing shareholders' funds	9,350,001	8,150,336	9,528,901	8,157,325
<b>REPRESENTED BY:</b>				
Equity interests	9,350,001	8,150,336	9,528,901	8,157,325

## WILSON TOOL INTERNATIONAL LIMITED

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

#### 20 RELATED PARTY DISCLOSURES

The directors consider the ultimate parent company to be Wilson Tool Enterprises Inc., a company incorporated in the USA and under the control of Mr KJ Wilson and Mrs RL Wilson who have a combined interest of 92.3% in the share capital of that company.

Mr KJ Wilson and Mrs RL Wilson are directors of Wilson Tool International Limited and Wilson Tool International Inc.. Both companies are incorporated in the USA and are wholly owned subsidiaries of Wilson Tool Enterprises Inc..

During the year under review Wilson Tool International Limited purchased finished and part-finished tooling from Wilson Tool International Inc. to the value of £2,358,889 (2003 - £3,001,158). The company also made sales to Wilson Tool International Inc. to the value of £442,233 (2003 - £714,092). Amounts owed to Wilson Tool International Inc. are disclosed in note 12 to the financial statements.

Interest is charged on the account balance with Wilson Tool Inc. as follows:

- i) On all trade balances which have been outstanding for 90 days or more.
- ii) On all non-trade balances.

Interest is charged at 1.5% above the London Interbank Offering Rate (LIBOR) for related party loans. Details of the interest payable during the year under review is disclosed in note 5 to the financial statements.

Mr KJ and Mrs RL Wilson have made loans to the company and details of the amounts outstanding, repayment terms and interest payable are disclosed in notes 5 and 15 to the financial statements.

Mr CJ Blackwell is also a director of Wilson Tool International A/S, a company incorporated in Denmark and a wholly owned subsidiary of Wilson Tool International Limited.

#### 21 OPERATING LEASE COMMITMENTS

At 31 December 2004 the group was committed to making the following payments during the next year in respect of non-cancellable operating leases:

	2004	2003	2004	2003
	Land and buildings		Other	
	£	£	£	£
<b>Date of expiry:</b>				
Due within one year	-	-	10,537	41,471
Due between one and two years	-	43,578	53,874	35,992
Due between two and five years	14,688	-	68,028	33,416
Due after five years	-	-	6,736	-
	<u>14,688</u>	<u>43,578</u>	<u>139,175</u>	<u>110,879</u>

**WILSON TOOL INTERNATIONAL LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004****22 CASHFLOWS RELATING TO RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2004	2003
	£	£
Interest received	4,499	5,174
Interest paid	(212,536)	(248,012)
	<u>(208,037)</u>	<u>(242,838)</u>

**23 CASHFLOWS RELATING TO CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	2004	2003
	£	£
Purchase of tangible fixed assets	(696,033)	(546,999)
Sale of tangible fixed assets	3,650	4,200
	<u>(692,383)</u>	<u>(542,799)</u>

**24 MANAGEMENT OF LIQUID RESOURCES**

The company treats all bank balances as liquid resources where the funds cannot be obtained within one working day.

**25 FINANCING**

	2004	2003
	£	£
Repayment of loan notes, net of exchange rate fluctuations	(324,508)	(256,621)
Repayment of bank borrowing, net of exchange rate fluctuations	(149,145)	(15,759)
	<u>(473,653)</u>	<u>(272,380)</u>

**WILSON TOOL INTERNATIONAL LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004****26 ANALYSIS OF CHANGES IN NET DEBT**

	<b>At 01/01/04</b>	<b>Cashflows</b>	<b>At 31/12/04</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	725,040	386,312	1,111,352
Debt due within one year	(234,554)	(10,777)	(245,331)
Debt due after more than one year	(3,430,199)	484,430	(2,945,769)
	<u>(2,939,713)</u>	<u>859,965</u>	<u>(2,079,748)</u>

**27 FINANCIAL COMMITMENTS**

As at 31 December 2004, the group and company had contracted for forward exchange contracts payable and receivable of £5,582,074 (2003 - £3,682,056) and £5,032,421 (2003 - £3,457,128) respectively.