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STATUTORY

WILSON TOOL INTERNATIONAL LIMITED

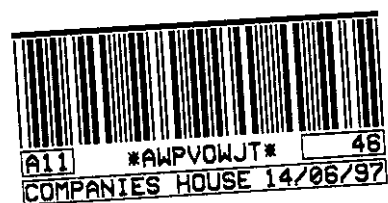
REPORT AND ACCOUNTS

**FOR THE YEAR ENDED
31ST DECEMBER 1996**

Miell and Company
Registered Auditor
Cranbrook House
287-291 Banbury Road, Oxford
OX2 7JQ

Company Registration Number:
FC013648

Branch Registration Number:
BR001710



WILSON TOOL INTERNATIONAL LIMITED

OFFICERS AND ADMINISTRATION

DIRECTORS

K J Wilson
Mrs R L Wilson
C Blackwell

SECRETARY

Mrs R L Wilson

BRANCH ADDRESS AND REGISTERED OFFICE

Woodside Road
South Marston Industrial Estate
Swindon
Wilts SN3 4WA

BRANCH REGISTRATION NUMBER

BR001710

COMPANY REGISTRATION NUMBER

FC013648

CORPORATE CHARTER NUMBER

SG-1162

REGISTERED AUDITOR

Miell and Company
Cranbrook House
287-291 Banbury Road
Oxford
OX2 7JQ

WILSON TOOL INTERNATIONAL LIMITED

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31st December 1996.

ACTIVITIES

The principle activity of the company during the year was the manufacture of sheet metal punch products. The company is registered in the United States of America as an 'S' 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 6.

The directors do not recommend the payment of a final dividend for the year ended 31st December 1996. During the year a dividend of £225,127 was declared.

If this recommendation is approved retained profits of £908,883 will be taken to reserves.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

In the opinion of the directors the financial position of the company has been and continues to be satisfactory.

FIXED ASSETS

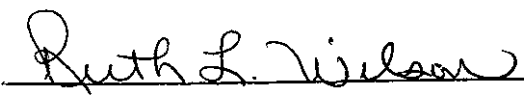
Details of the movement in fixed assets are shown in the notes to the accounts.

DIRECTORS

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:

	1996	1995
	Ordinary Shares of £0.0056 each	
K J Wilson	2111	1500
Mrs R L Wilson	2111	1500
C Blackwell	-	-

BY ORDER OF THE BOARD

RUTH L WILSON 

SECRETARY

WILSON TOOL INTERNATIONAL LIMITED

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:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
4. Prepare the final statements on the going concern basis unless it is inappropriate to presume that the company will continue to 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.

WILSON TOOL INTERNATIONAL LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF WILSON TOOL INTERNATIONAL LIMITED

We have audited the financial statements on pages 5 to 16 which have been prepared in accordance with the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 3 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 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 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 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

OXFORD
10 June 1997



MIELL AND COMPANY
REGISTERED AUDITOR

WILSON TOOL INTERNATIONAL LIMITED

ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These accounts have been prepared under the historical cost convention.

The accounts are prepared in accordance with applicable accounting standards.

TURNOVER

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

DEPRECIATION

Depreciation has been provided on the following classes of fixed assets at rates calculated so as to write off the cost less residual value over the estimated useful life.

Depreciation methods and lives for assets acquired prior to 31st December 1988 are those allowed under the United States Internal Revenue Code. The depreciation method for assets acquired after 31st December 1988 is 25 per cent on a reducing balance basis.

GOODWILL, KNOW HOW AND NON-COMPETE COVENANTS

The excess of the purchase price over the fair value of the assets acquired is being amortised on a straight line basis over 40 years.

Purchased know how is being amortised over 40 years on a straight line basis.

Non-compete covenants have been amortised on a straight line basis over a period of between 69 and 84 months.

STOCK

Stock has been valued at the lower of cost and net realisable value. The calculation of cost includes an appropriate addition for overheads.

FOREIGN CURRENCIES

The functional currency of the company is sterling.

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

Trading transactions in foreign currency are converted at the average rate for the year.

PENSIONS

The company operates a pension scheme for employees and directors. The scheme funds are administered by trustees and are independent of the company's finances. Contributions are charged against profit in the year in which they are made.

WILSON TOOL INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1996

		1996 £	1995 £
TURNOVER - Continuing operations	(Note 2)	10,896,980	9,700,471
Cost of sales		5,942,018	5,000,308
GROSS PROFIT		<u>4,954,962</u>	<u>4,700,163</u>
Distribution costs		574,500	503,632
Administrative expenses		2,824,779	2,586,778
Foreign currency exchange (gain)		(327,420)	(8,284)
		<u>1,883,103</u>	<u>1,618,037</u>
Other operating income	(Note 3)	1,875	-
OPERATING PROFIT - Continuing operations		<u>1,884,978</u>	<u>1,618,037</u>
Interest receivable	(Note 3) (Note 4)	31,496	10,763
		<u>1,916,474</u>	<u>1,628,800</u>
Interest payable		216,860	254,696
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,699,614</u>	<u>1,374,104</u>
Taxation on ordinary activities	(Note 7)	565,604	293,000
PROFIT FOR THE YEAR AFTER TAXATION		<u>1,134,010</u>	<u>1,081,104</u>
Dividends		225,127	399,601
RETAINED PROFIT FOR THE YEAR		<u>908,883</u>	<u>681,503</u>
Balance brought forward		125,897	(555,606)
Balance carried forward		<u>1,034,780</u>	<u>125,897</u>
		=====	=====

Subject to Note 16 of the accounts, the above account includes all recognised gains and losses in the year.

None of the company's activities were acquired or discontinued in the above two financial years.

WILSON TOOL INTERNATIONAL LIMITED

BALANCE SHEET
AT 31ST DECEMBER 1996

		1996 £	1995 £
FIXED ASSETS			
Intangible assets	(Note 8)	329,114	342,186
Tangible assets	(Note 9)	882,310	643,394
		<u>1,211,424</u>	<u>985,580</u>
CURRENT ASSETS			
Stocks	(Note 10)	2,166,000	1,705,000
Debtors	(Note 11)	5,574,769	6,387,538
Cash at bank and in hand		967,763	550,662
		<u>8,708,532</u>	<u>8,643,200</u>
CREDITORS: Amounts falling due within one year	(Note 12)	7,383,538	8,438,261
NET CURRENT ASSETS		<u>1,324,994</u>	<u>204,939</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,536,418	1,190,519
CREDITORS: Amounts falling due after more than one year	(Note 13)	643,530	967,981
		<u>1,892,888</u>	<u>222,538</u>
CAPITAL AND RESERVES			
Called up share capital	(Note 15)	39	31
Share premium account		772,247	131,230
Forward exchange contracts	(Note 16)	85,822	(34,620)
Profit and loss account		1,034,780	125,897
		<u>1,892,888</u>	<u>222,538</u>

These accounts were approved at a
Board Meeting on June 4, 1997

Directors:>

.....>



Ruth L. Wilson

WILSON TOOL INTERNATIONAL LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1996

	1996 £	1995 £
NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES (Note A)	1,736,217	1,576,264
RETURNS ON INVESTMENT AND SERVICING OF FINANCE		
Interest received	31,496	10,763
Interest paid	(216,860)	(254,696)
Dividends payable	(586,021)	(38,707)
	<u> </u>	<u> </u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(771,385)	(282,640)
	<u>964,832</u>	<u>1,293,624</u>
CORPORATION TAX PAID	(348,586)	-
INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(548,378)	(393,071)
Receipts from sale of tangible fixed assets	29,923	7,400
	<u> </u>	<u> </u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(518,455)	(385,671)
NET CASH INFLOW BEFORE FINANCING	<u>97,791</u>	<u>907,953</u>
FINANCING		
(Decrease)/increase in notes payable due to currency changes (Note D)	(89,769)	10,933
Payment of long term debt	(234,682)	(619,405)
Share capital issued	641,025	-
	<u> </u>	<u> </u>
	316,574	(608,472)
INCREASE IN CASH AND CASH EQUIVALENTS	<u>414,365</u>	<u>299,481</u>
	=====	=====

Notes to the cash flow statement are on page 9.

WILSON TOOL INTERNATIONAL LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1996

	1996 £	1995 £	
A. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
Operating profit	1,884,978	1,618,037	
Depreciation	282,031	207,283	
(Profit)/loss on sale of fixed assets	(2,492)	2,604	
Increase in stock	(461,000)	(63,000)	
Increase in debtors	(123,608)	(623,515)	
Increase in creditors	143,236	410,794	
Amortisation	13,072	24,061	
	-----	-----	
NET CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES	1,736,217	1,576,264	
	=====	=====	
B. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE PERIOD			
Balance at 1st January 1996	315,210	15,729	
Net cash inflow/(outflow) (Note C)	414,365	299,481	
	-----	-----	
Balance at 31st December 1996	729,575	315,210	
	=====	=====	
C. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET			
	1996	1995	Change in year
Cash at bank and in hand	967,763	550,662	417,101
Bank overdrafts	(238,188)	(235,452)	(2,736)
	-----	-----	-----
	729,575	315,210	414,365
	=====	=====	=====
D. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR			
		Loan Notes £	
At at 1st January 1996		1,167,981	
Exchange difference		(89,769)	
Repaid in the year		(234,682)	

Balance at 31st December 1996		843,530	
		=====	

WILSON TOOL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1996

1. ACCOUNTING POLICIES

The accounting policies adopted are set out on page 5.

2. TURNOVER

The whole of the turnover for the year arises from the principal activity of the company.

The analysis of turnover by geographical area is as follows:	1996 £	1995 £
United Kingdom	4,043,867	3,424,923
Europe and the rest of the World	6,853,113	6,275,548
	<u>10,896,980</u>	<u>9,700,471</u>
	=====	=====

3. OPERATING PROFIT

Operating profit is stated:

After charging:	1996 £	1995 £
Directors emoluments:		
salary	70,020	63,006
bonus (1995 and 1996)	78,977	-
benefits in kind	3,612	2,210
Auditors' remuneration	16,000	16,000
Depreciation - owned assets	282,031	207,283
Amortisation	13,072	24,061
Loss on disposal of fixed assets	-	2,604
Rental under operating leases: Land and buildings	191,191	172,364
	<u>=====</u>	<u>=====</u>
And crediting:		
Gain on sale of assets	2,492	-
	<u>=====</u>	<u>=====</u>

4. INTEREST RECEIVABLE

	1996 £	1995 £
Bank deposit interest	31,496	10,763
	<u>=====</u>	<u>=====</u>

WILSON TOOL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996 - Continued

5. INTEREST PAYABLE	1996 £	1995 £
On bank loans, overdrafts and other loans:	216,860 =====	254,696 =====
6. DIRECTORS AND EMPLOYEES		
The average weekly number including directors during the year was as follows	1996 Number	1995 Number
Manufacturing and engineering	55	49
Sales	26	24
Administration	12	11
	-----	-----
	93	84
	=====	=====
Staff costs including directors during the year amounted to:	£	£
Wages and salaries	2,176,023	1,911,463
Social security costs (UK only)	167,245	137,031
Pension costs	130,074	78,485
	-----	-----
	2,473,342	2,126,979
	=====	=====
Directors emoluments total £152,609 (1995 - £65,216) and are split as follows:-	1996 £	1995 £
Salaries	70,020	63,006
Bonus (for 1995 and 1996)	78,977	-
Benefits in kind	3,612	2,210
	-----	-----
	152,609	65,216
	=====	=====
There were no emoluments received by the chairman.		
The emoluments of the directors fell within the following ranges:-	1996 Number	1995 Number
£Nil - £5,000	2	2
£65,000 - £70,000	-	1
£150,000 - £155,000	1	-
	-----	-----

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1996 - Continued

7. TAXATION ON ORDINARY ACTIVITIES

	1996 £	1995 £
UK Corporation tax on profits at 33%	549,300	293,000
Adjustment in respect of prior years	16,304	-
	<u>565,604</u>	<u>293,000</u>

8. INTANGIBLE ASSETS

	Non-compet Covenants £	Know How £	Purchased Goodwill £	Total £
COST				
At 1st January 1996	96,429	225,000	186,393	507,822
Amounts written off	(96,429)	-	-	(96,429)
	<u>-</u>	<u>225,000</u>	<u>186,393</u>	<u>411,393</u>
At 31st December 1996	-	225,000	186,393	411,393
	<u>-</u>	<u>225,000</u>	<u>186,393</u>	<u>411,393</u>
AMORTISATION				
At 1st January 1996	93,642	39,375	32,619	165,636
Provided during the year	2,787	5,625	4,660	13,072
Amounts written off	(96,429)	-	-	(96,429)
	<u>-</u>	<u>45,000</u>	<u>37,279</u>	<u>82,279</u>
At 31st December 1996	-	45,000	37,279	82,279
	<u>-</u>	<u>45,000</u>	<u>37,279</u>	<u>82,279</u>
NET BOOK VALUE				
At 31st December 1995	2,787	185,625	153,774	342,186
	<u>2,787</u>	<u>185,625</u>	<u>153,774</u>	<u>342,186</u>
NET BOOK VALUE				
At 31st December 1996	-	180,000	149,114	329,114
	<u>-</u>	<u>180,000</u>	<u>149,114</u>	<u>329,114</u>

9. TANGIBLE ASSETS

	Office equipment £	Machinery & equipment £	Fixtures & fittings £	Motor vehicles £	Total £
COST					
At 1st January 1996	227,978	1,440,421	313,091	109,123	2,090,613
Additions	184,435	286,946	16,122	60,875	548,378
Disposals	-	(15,055)	-	(40,932)	(55,987)
	<u>412,413</u>	<u>1,712,312</u>	<u>329,213</u>	<u>129,066</u>	<u>2,583,004</u>
At 31st December 1996	412,413	1,712,312	329,213	129,066	2,583,004
	<u>412,413</u>	<u>1,712,312</u>	<u>329,213</u>	<u>129,066</u>	<u>2,583,004</u>
DEPRECIATION					
At 1st January 1996	128,846	1,027,387	243,000	47,986	1,447,219
Charge for the year	62,241	172,426	20,968	26,396	282,031
Disposals	-	(4,045)	-	(24,511)	(28,556)
	<u>191,087</u>	<u>1,195,768</u>	<u>263,968</u>	<u>49,871</u>	<u>1,700,694</u>
At 31st December 1996	191,087	1,195,768	263,968	49,871	1,700,694
	<u>191,087</u>	<u>1,195,768</u>	<u>263,968</u>	<u>49,871</u>	<u>1,700,694</u>
Net Book Value 1995	99,132	413,034	70,091	61,137	643,394
	<u>99,132</u>	<u>413,034</u>	<u>70,091</u>	<u>61,137</u>	<u>643,394</u>
Net Book Value 1996	221,326	516,544	65,245	79,195	882,310
	<u>221,326</u>	<u>516,544</u>	<u>65,245</u>	<u>79,195</u>	<u>882,310</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996 - Continued

10. STOCKS	1996 £	1995 £
Raw materials and goods for re-sale	2,166,000 =====	1,705,000 =====
11. DEBTORS	1996 £	1995 £
Trade debtors	2,589,494	2,428,034
Other debtors	127,339	112,586
Prepayments	28,406	81,010
Forward exchange contracts	2,773,248	3,765,908
Advance corporation tax recoverable	56,282	-
	5,574,769 =====	6,387,538 =====
13. CREDITORS: Amounts falling due within one year	1996 £	1995 £
Loan notes (Note 14)	200,000	200,000
Bank loans and overdrafts	238,188	235,452
Trade creditors	134,027	132,915
Wilson Tool International Inc.	3,215,064	2,977,594
Other taxes and social security	41,739	36,298
Other creditors	-	360,894
Accruals	300,795	401,580
Forward exchange contracts	2,687,426	3,800,528
Corporation tax	566,299	293,000
	7,383,538 =====	8,438,261 =====

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

13. CREDITORS: Amounts falling due after more than one year	1996 £	1995 £
Loan notes (Note 14)	643,530 =====	967,981 =====

14. LOAN NOTES

The following unsecured loans from Mr K J Wilson and Mrs R L Wilson are outstanding as at 31st December 1996. Interest is payable at the prime or index rate announced by First Security Bank of St. Paul (USA).

	1996 £	1995 £
Due inside one year	200,000	200,000
Due between one and two years	200,000	200,000
Due between two and five years	443,530	600,000
Due after 5 years	-	167,981
	843,530 =====	1,167,981 =====

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1996 - Continued

15. CALLED UP SHARE CAPITAL	1996 £	1995 £
AUTHORISED		
Ordinary shares of £0.0056	280	280
	=====	=====
ISSUED AND FULLY PAID		
Ordinary shares of £1 each	39	31
	=====	=====

During the year the company issued a further 1222 Ordinary Shares for £641,025.

16. FORWARD EXCHANGE CONTRACTS

The company hedges foreign currencies to protect gains and minimise losses due to market fluctuations. Wilson Tool International Ltd maintains a US denominated current account to facilitate intercompany transactions with Wilson Tool International Inc.. Foreign currency contracts were made based on the exchange of Deutsche Marks and French Francs for US Dollars. Contracts entered and completed during 1996 are included in the foreign currency exchange gain/(loss) account. Contracts outstanding at 31st December 1996 and the related gains or losses (which are shown in the capital and reserves on the balance sheet) are as follows:-

Settlement Date	Foreign Currency Sold	31st December Exchange Rate	Exchange Rate (At Settlement - Date)	Amount to be Received at Settlement Date	Value Year End Rate	Exchange (Gain) loss in Sterling
01/30/97	DM 175,000	1.54	1.4948	\$117,073	\$113,636	£(2,010)
01/30/97	DM 250,000	1.54	1.5067	\$165,926	\$162,338	£(2,098)
01/30/97	DM 75,000	1.54	1.4985	\$ 50,050	\$ 48,701	£ (789)
02/27/97	DM 250,000	1.54	1.5037	\$166,257	\$162,338	£(2,292)
02/27/97	DM 250,000	1.54	1.4959	\$167,123	\$162,338	£(2,798)
03/27/97	DM 250,000	1.54	1.5008	\$166,578	\$162,338	£(2,480)
03/27/97	DM 250,000	1.54	1.4924	\$167,515	\$162,338	£(3,027)
04/28/97	DM 250,000	1.54	1.4973	\$166,967	\$162,338	£(2,707)
04/01/97	DM 250,000	1.54	1.4898	\$167,808	\$162,338	£(3,199)
05/28/97	DM 250,000	1.54	1.4941	\$167,325	\$162,338	£(2,916)
05/28/97	DM 250,000	1.54	1.4859	\$168,248	\$162,338	£(3,456)
06/26/97	DM 250,000	1.54	1.4871	\$168,112	\$162,338	£(3,377)
06/26/97	DM 250,000	1.54	1.4815	\$168,748	\$162,338	£(3,749)
07/29/97	DM 250,000	1.54	1.4839	\$168,475	\$162,338	£(3,589)
07/29/97	DM 250,000	1.54	1.4779	\$169,159	\$162,338	£(3,989)
08/27/97	DM 250,000	1.54	1.4811	\$168,793	\$162,338	£(3,775)
08/27/97	DM 250,000	1.54	1.4747	\$169,526	\$162,338	£(4,204)
09/26/97	DM 250,000	1.54	1.4781	\$169,136	\$162,338	£(3,975)
09/26/97	DM 250,000	1.54	1.4715	\$169,895	\$162,338	£(4,419)
10/28/97	DM 500,000	1.54	1.475	\$338,983	\$324,675	£(8,370)
				-----	-----	-----
				\$3,361,697	\$3,246,758	£(67,219)
				-----	-----	=====
				UK Pound receivable		1,965,905
				UK Pound payable		1,898,689

WILSON TOOL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996 - Continued

16. FORWARD EXCHANGE CONTRACTS - Continued

Settlement Date	Foreign Currency Sold	31st December Exchange Rate	Exchange Rate (At Settlement - Date)	Amount to be Received at Settlement Date	Value Year End Rate	Exchange (Gain) loss in Sterling
01/30/97	FF 350,000	5.19	5.1236	\$ 68,311	\$ 67,437	£ (511)
01/30/97	FF 350,000	5.19	5.1178	\$ 68,389	\$ 67,437	£ (557)
02/27/97	FF 350,000	5.19	5.1164	\$ 68,407	\$ 67,437	£ (567)
02/01/97	FF 350,000	5.19	5.1094	\$ 68,501	\$ 67,437	£ (622)
03/27/97	FF 350,000	5.19	5.1085	\$ 68,513	\$ 67,437	£ (629)
03/01/97	FF 350,000	5.19	5.1015	\$ 68,607	\$ 67,437	£ (684)
04/28/97	FF 350,000	5.19	5.0994	\$ 68,636	\$ 67,437	£ (701)
04/28/97	FF 350,000	5.19	5.092	\$ 68,735	\$ 67,437	£ (759)
05/28/97	FF 350,000	5.19	5.091	\$ 68,749	\$ 67,437	£ (767)
05/28/97	FF 350,000	5.19	5.083	\$ 68,857	\$ 67,437	£ (830)
06/26/97	FF 350,000	5.19	5.0485	\$ 69,328	\$ 67,437	£(1,106)
06/26/97	FF 350,000	5.19	5.0645	\$ 69,109	\$ 67,437	£ (978)
07/29/97	FF 350,000	5.19	5.0392	\$ 69,455	\$ 67,437	£(1,180)
07/29/97	FF 350,000	5.19	5.0535	\$ 69,259	\$ 67,437	£(1,065)
08/27/97	FF 350,000	5.19	5.0313	\$ 69,565	\$ 67,437	£(1,244)
08/27/97	FF 350,000	5.19	5.0455	\$ 69,369	\$ 67,437	£(1,130)
09/26/97	FF 350,000	5.19	5.0232	\$ 69,677	\$ 67,437	£(1,310)
09/26/97	FF 350,000	5.19	5.036	\$ 69,500	\$ 67,437	£(1,206)
10/28/97	FF 700,000	5.19	5.0147	\$139,590	\$134,875	£(2,757)
				-----	-----	-----
				\$1,380,557	\$1,348,741	£(18,603)
				-----	-----	=====
				UK Pound receivable		807,343
				UK Pound payable		788,737

17. LEASING COMMITMENTS

At 31st December 1996 the company had the following annual commitments under non-cancellable operating leases:

	Land and Buildings	
	1996	1995
	£	£
Date of Expiry:		
In two to five years	181,044	181,044
	=====	=====

WILSON TOOL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996 - Continued

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	1,134,010	1,081,104
Dividends	(225,127)	399,601
New share subscription	641,025	-
	-----	-----
	1,549,908	681,503
Movement on Forward Exchange contracts (Note 16)	120,442	9,509
	-----	-----
Net addition to shareholders funds	1,670,350	691,012
Opening shareholders funds	222,538	(468,474)
	-----	-----
Closing shareholders funds	1,892,888	222,538
	=====	=====

19. TRANSACTIONS WITH RELATED PARTIES

Mr K J Wilson and Mrs R L Wilson are directors and shareholders of Wilson Tool International Limited. They are also directors and shareholders of Wilson Tool International Incorporated, a company incorporated in the U.S.A. During the year Wilson Tool International Limited purchased finished and part-finished tooling from Wilson Tool International Incorporated to the value of £1,609,527 (1995 - £1,451,159). Amounts payable to Wilson Tool International Incorporated are disclosed in Note 12.

20. CAPITAL COMMITMENTS

As at 31st December 1996 the company had contracted to the purchase of plant and equipment totalling £116,400.