298654

J BILLAM PLC

COMPANIES HOUSE
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Financial Statements 1991

J. Billam P.L.C. is the holding company of a specialist engineering group which supplies the aerospace, engineering and automotive industries.

Aircraft and Sheet Metal Engineers Limited
Precision sheet metal engineers for the aerospace, defence and automotive industries.

Carr Lane Engineering Services Limited
Cutting tool specialists and distributors to the engineering industry.

L. T. Willis (Birmingham) Limited
Manufacturers of precision metal pressings for the automotive, electrical and leisure industries.

Contents

Stephen Ingram *Chairman*

Barbara P. Billam

Alan France

Roy A. Talliss

Barry Truman

John C. G. Williams

Secretary and Registered Office
Geoffrey R. Wrigglesworth
75 Milton Street
Sheffield S3 7WF

Auditors
Grant Thornton
Chartered Accountants
Sheffield

Solicitors
Blackburn & Co.
Sheffield

Bankers
Barclays Bank PLC
Sheffield

Stockbrokers
BWD Rensburg Limited
Huddersfield

Registrars
Barclays Bank PLC
Octagon House
Gadbrook Park
Northwich
Cheshire

NOTICE IS HEREBY GIVEN that the 57th Annual General Meeting of members of the company will be held at Sheffield Moat House Hotel, Chesterfield Road South, Sheffield, on Thursday, 30 April 1992 at 11 a.m., for the following purposes:

(1) To receive the report of the directors and the financial statements for the year ended 31 December 1991 and the report of the auditors thereon.

(2) To declare a final dividend of 2.64p per share on the ordinary shares.

(3) To elect directors:
 (a) To re-elect Ms. B. P. Billam.
 (b) To re-elect Mr. B. Truman.

(4) To re-appoint the auditors and to authorise the directors to fix their remuneration.

(5) To approve the terms of two new service contracts intended to be entered into between the Group and Messrs. A. France and R. A. Talliss respectively. Copies of these will be available for inspection at the registered office of the company during normal business hours from the date of this notice until the date of the meeting and at the place of the meeting from 10.30 a.m. until its conclusion.

Dated this 26 day of March 1992.

By order of the board.
G. R. Wrigglesworth
Secretary.

Registered Office:
75 Milton Street, Sheffield S3 7WF

Reg. No. 298654 England

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in a poll instead of him. A proxy need not also be a member of the company. Completed forms must be lodged at the Registrars of the company at the address shown on the form not less than 48 hours before the time appointed for the holding of the meeting.

In accordance with the requirements of the Stock Exchange, copies of the directors' contracts of service with the company and with any of its subsidiaries will be available for inspection at the registered office of the company during normal business hours from the date of this Notice until the date of the Meeting and at the place of the meeting from 10.30 a.m. until its conclusion.

For the final dividend to be received, transfers must have been lodged by the close of business on 10 April 1992.

Dividend Warrants will be posted on 4 May 1992.

I am pleased that in my first year as Chairman I can report a significant improvement in the Group's profitability. Profit before taxation has improved from £117,000 to £306,000. This figure, which is after charging exceptional costs of £107,000, is the best result shown by the Group since 1986.

Earnings per share have increased from 4.2p to 13.3p.

This is a highly commendable performance particularly as the markets which the Group serves are, in my opinion, experiencing the most difficult trading conditions since The Great Depression of the 1930's.

Financial control

Considerable management time and effort has been concentrated on certain key aspects of the Group's finances:

* reduction of head office overheads
* tight control over all costs
* tight control over working capital.

These actions have not only enabled the Group to show significantly healthier profits, but also a substantial improvement in gearing which has been cut from 70% to 47%.

Customer service

The prosperity of the Group is not merely dependent on tight financial control. Other key features which have been given considerable management attention are:

* improving the level of service to customers
* increasing sales and marketing activity
* development and strengthening of management.

People are at the heart of all successful businesses. I firmly believe that it is crucial to have the right blend of management, marketing, technical and financial skills to provide our customers with the levels of quality and service that they properly demand, whilst at the same time enabling the Group to grow profitably.

Investment

Whilst the above improvements have been taking place within the Group, your Board has also been looking to the future. Significant investment is currently taking place in information technology systems, in particular to improve production planning and control, as well as control over inventories. Benefits are already being seen by L. T. Willis following the installation of a specialist system for pressings companies.

This policy will also result in investment in new computer systems at ASME and Carr Lane during the current year. These will provide more effective management controls and information whilst enabling an improvement in customer service.

Thorough planning and careful preparation has been undertaken to ensure that the Group obtains the significant benefits which can be provided by office automation and manufacturing technology.

In addition the markets which the Group serves are becoming increasingly demanding in their requirements. To ensure that the Group is at the forefront in serving those markets selective expenditure on automated production will be necessary.

Appropriate capital expenditure programmes are being implemented at both ASME and L. T. Willis.

Strategy

The Group now has a clear strategy for growth. This involves:

* profitable development and growth of operating subsidiaries – both organically and by selective acquisitions
* strengthening of management teams at operating subsidiaries
* investment in training, new technology and productive capacity.

Dividend

The dividend has been maintained at the same level for the past four years, and in some of those years it has been necessary to use reserves to support this policy. I appreciate the loyalty and patience displayed by shareholders during this very testing period. I am therefore very pleased to give a positive indication of the Board's confidence in the future by announcing an increase in the final dividend to 2.64p per share.

Appreciation

I have already referred to the pivotal role of people in running a successful business. It is because of the commitment, hard work and team effort of my Board colleagues and all personnel in the Group that we have achieved so much during 1991.

I should like to express my appreciation for the contribution everyone has made towards the substantial improvement in the Group's performance during the year.

Future

1991 has been an exciting but difficult year. None of us expects 1992 to be any easier, but now that the Group has a clear strategy which it is implementing I feel confident that the Group will achieve further progress in the current year.

I believe that the positive and conscientious attitudes which are so evident in the Billam Group will ensure that the progress which has been achieved will provide a solid foundation for significant future growth in both profits and earnings per share.

Stephen Ingram
Chairman

26 February 1992

Report of the Directors

Your directors have pleasure in presenting their report together with the financial statements for the year ended 31 December 1991.

Principal activities

The Group's principal activities are set out on page 1.

Results and dividends

The results for the year are set out in the Group Profit and Loss Account on page 9.

The profit on ordinary activities before taxation amounted to £306,000 (1990 £117,000).

The Directors recommend a final dividend of 2.64p per share (1990 2.4p) making a total of 4.28p per share for the year (1990 4.04p).

The retained profit of £147,000 (1990 loss £256,000) has been transferred to reserves.

Trading in 1991 and future developments

The decrease in turnover in 1991 was substantially accounted for by the closure of the Group's security installation company.

Engineering turnover showed a small decline.

Despite the difficult economic conditions experienced in the engineering sector, the directors are confident that the progress achieved during 1991 can be sustained.

Directors and their interests

The directors in office at the end of the year together with their respective beneficial interests in the shares of the company are:

	Ordinary shares of 10p each	
	31 December 1991	1 January 1991
S. Ingram	**102,000**	83,000
B. P. Billam	**385,629**	385,629
A. France	**10,000**	10,000
R. A. Talliss	**6,000**	6,000
B. Truman	**3,500**	1,000
J. C. G. Williams	**2,500**	2,500

Mr. J. C. G. Williams also held 6,666 ordinary shares in a non-beneficial capacity at 31 December 1991 (1 January 1991 nil).

All the directors shown above served throughout the year.

Mr. L. Wright resigned as a director on 12 June 1991.

There have been no movements in directors' shareholdings since 31 December 1991.

Ms. B. P. Billam and Mr. B. Truman retire by rotation and being eligible offer themselves for re-election. Neither director has a service contract with the company.

No director had an interest in any material contract, other than contracts of service and employment, to which the Group was a party.

Non-executive directors

Stephen Ingram, born in 1949, a Chartered Accountant, is senior partner of Ingram Forrest Associates and a director of several Yorkshire based companies.

Barry Truman, born in 1944, has an honours degree in Civil Engineering and is a Chartered Engineer. He is an area manager with Yorkshire Water PLC.

John C. G. Williams, born in 1933, is senior partner of Blackburn & Co., Solicitors, and a director of Castlebulk Limited.

Substantial shareholdings other than directors

So far as the Board are aware no person had an interest in a substantial part of the share capital of the company at 26 February 1992 other than:

	Percentage of issued share capital held
Mrs. J. Knapp	22.4
Imperial Group Pension Trust Limited	6.1
Mr. M. D. Deakin	6.0
Shapcero's Limited	4.0
Phildrew Nominees Limited	4.0

Liability insurance

The company has purchased liability insurance for the directors and certain officers of the company as permitted under Section 310 of the Companies Act 1985.

Tax status

The directors are of the opinion that the company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

The auditors, Grant Thornton, offer themselves for re-appointment in accordance with Section 385 of the Companies Act 1985.

Special business

Resolution 5 seeks shareholders' approval to the terms of two new service contracts intended to be entered into between the Group and Messrs A. France and R. A. Talliss respectively.

By order of the board,
G. R. Wrigglesworth
G. R. Wrigglesworth

Secretary

Registered Office:
75 Milton Street
Sheffield S3 7WF

26 February 1992

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention as modified by the revaluation of certain land and buildings.

The principal accounting policies of the Group, have remained unchanged from the previous year and are set out below.

Basis of consolidation

The Group financial statements consolidate the financial statements of the company and of its subsidiary undertakings for the year ended 31 December 1991.

Turnover

Turnover represents sales invoiced to third parties excluding Value Added Tax.

Depreciation

Depreciation is calculated to write down the cost of all tangible assets by equal annual instalments over their expected useful economic lives. The rates generally applicable are:

Freehold and long leasehold buildings	2%
Plant and fixtures	10%-20%
Motor vehicles	25%

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

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

Deferred taxation is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred taxation is disclosed as a contingent liability.

Deferred taxation is computed under the liability method using the rate at which it is estimated that the tax will be paid when the timing differences reverse.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that it is foreseen that sufficient corporation tax will be assessed in the succeeding period to allow offset.

Leased assets

Where assets are financed by leasing agreements which transfer risk and rewards approximating to ownership ("finance leases") they are treated as if they had been purchased outright on credit. They are initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Goodwill

The amount by which the purchase price exceeds the fair value of separable assets on the acquisition of subsidiary companies is written off to reserves in the year of acquisition. Where the fair value of separable net assets exceeds the purchase price of the business as a whole, this difference is credited to reserves.

Contributions to pension funds

Defined contribution schemes

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

For the year ended 31 December	Note	1991	1990
		£000	£000
Turnover	1	5,853	6,897
Cost of sales		4,029	4,855
Gross profit		1,824	2,042
Distribution costs		164	146
Administrative expenses		1,152	1,464
Operating profit		508	432
Net interest payable	2	95	139
Profit before exceptional item		413	293
Exceptional item	5	107	176
Profit on ordinary activities before taxation	1	306	117
Taxation on profit on ordinary activities	6	90	49
Profit on ordinary activities after taxation		216	68
Extraordinary item	7	–	259
Profit/(loss) for the year		216	(191)
Dividends paid and proposed	8	69	65
Retained profit/(loss) for the year	18	147	(256)
Earnings per share	9	13.3p	4.2p

The accounting policies and notes on page 8 and pages 12 to 20 form part of these financial statements.

At 31 December	Note	Group 1991	Group 1990	Company 1991	Company 1990
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10	1,615	1,723	791	803
Investments	11	–	–	461	521
		1,615	1,723	1,252	1,324
Current assets					
Stocks	12	652	891	–	–
Debtors	13	1,505	1,775	789	963
Cash at bank and in hand		2	4	–	–
		2,159	2,670	789	963
Creditors: amounts falling due within one year	14	1,532	2,303	967	1,094
Net current assets		627	367	(178)	(131)
Total assets less current liabilities		2,242	2,090	1,074	1,193
Creditors: amounts falling due after more than one year	15	311	318	–	–
Provisions for liabilities and charges	16	44	32	–	–
		1,887	1,740	1,074	1,193
Capital and reserves					
Called up share capital	17	162	162	162	162
Share premium account	18	161	161	161	161
Revaluation reserve	18	642	642	642	642
Profit and loss account	18	922	775	109	228
		1,887	1,740	1,074	1,193

The financial statements were approved by the directors on 26 February 1992.
S. Ingram B. P. Billam *Directors*

Barbara P. Billam.

The accounting policies and notes on page 8 and pages 12 to 20 form part of these financial statements.

For the year ended 31 December	Note	1991		1990	
		£000	£000	£000	£000
Net cash flow from operating activities	19		531		573
Extraordinary item			–		(338)
			531		235
Returns on investment and servicing of finance					
Interest received		–		1	
Interest paid		(93)		(138)	
Interest element of finance lease rental payments		(2)		(2)	
Dividends paid		(65)		(65)	
Net cash outflow from returns on investment and servicing of finance			(160)		(204)
Taxation					
Corporation tax paid		(22)		(22)	
Corporation tax recoverable		–		6	
Tax paid			(22)		(16)
Investing activities					
Purchase of goodwill		–		(9)	
Payments to acquire tangible fixed assets		(68)		(325)	
Receipts from sales of tangible fixed assets		28		5	
Net cash outflow from investing activities			(40)		(329)
Net cash inflow/(outflow) before financing			309		(314)
Financing					
Capital element of finance lease rental payments		(11)		(12)	
Draw down of medium term loan		–		109	
Net cash (outflow)/inflow from financing			(11)		97
Increase/(decrease) in cash and cash equivalents	20		298		(217)

The accounting policies and notes on page 8 and pages 12 to 20 form part of these financial statements.

1. Turnover and profit on ordinary activities before taxation

	Turnover		Profit/(Loss)	
	1991	1990	1991	1990
	£000	£000	£000	£000
Engineering	5,853	6,066	306	268
Discontinued activity	–	831	–	(151)
	5,853	6,897	306	117

Turnover is all within the U.K.

2. Net interest payable

	1991	1990
	£000	£000
On bank loans, overdrafts and other loans:		
– repayable within five years other than by instalments	73	118
– repayable within five years, by instalments	5	–
– repayable after five years	15	20
On finance leases	2	2
	95	140
Interest receivable	–	1
	95	139

3. Profit on ordinary activities

This is stated after taking into account:

	1991	1990
	£000	£000
Depreciation – owned assets	99	86
– assets held under finance leases	5	6
Operating lease rentals – plant and machinery	5	4
– other	58	112
Auditors' remuneration	24	25
Grants received	–	16

4. Directors and employees

Staff costs during the year

	1991	1990
	£000	£000
Wages and salaries	1,906	2,233
Social security	184	217
Pension costs (note 21)	43	43
	2,133	2,493

The average number of employees (including directors) of the Group during the year was:

	1991	1990
Engineering	186	215

Remuneration in respect of directors was as follows:

	1991	1990
	£000	£000
Directors' fees	30	14
Management remuneration	144	155
	174	169

The directors' emoluments, excluding pension contributions, were:

	1991	1990
	£000	£000
Chairman		
L. Wright – to 12 June 1991	24	41
S. Ingram – from 12 June 1991	11	–
The total emoluments received by S. Ingram were £17,000.		
Highest paid director (1990 Chairman)	38	–

The emoluments of other directors were in the following ranges:

	1991	1990
	Number	Number
£0 to £5,000	–	2
£5,001 to £10,000	2	2
£20,001 to £25,000	–	1
£25,001 to £30,000	1	–
£30,001 to £35,000	–	2
£35,001 to £40,000	1	–

5. Exceptional item

	1991	1990
	£000	£000
Compensation for loss of office as a director	107	85
Costs associated with termination of employment	–	91
	107	176

6. Tax on profit on ordinary activities

The taxation charge based on the profit for the year is made up as follows:

	1991	1990
	£000	£000
UK corporation tax at 33% (1990 25%)	65	41
Adjustments in respect of previous years	(2)	1
Deferred tax	27	7
	90	49

7. Extraordinary item

	1990
	£000
Costs associated with closure of business	338
Related taxation	(79)
	259

8. Dividends

	1991	1990
	£000	£000
Ordinary shares		
Interim dividend of 1.64p (1990 1.64p) per share	26	26
Proposed final dividend of 2.64p (1990 2.4p) per share	43	39
	69	65

9. Earnings per share

The calculation of earnings per share is based on the weighted average number of shares in issue during the year of 1.62m (1990 1.62m), and the profit after tax for the year of £216,000 (1990 £68,000).

10. Tangible assets

		Land and buildings		Plant	
	Total	Freehold	Long leasehold	and fixtures	Motor vehicles
Group	£000	£000	£000	£000	£000
Cost or valuation					
At 1 January 1991	2,400	1,158	150	1,042	50
Additions	68	6	–	58	4
Disposals	(104)	–	–	(80)	(24)
At 31 December 1991	2,364	1,164	150	1,020	30
Depreciation					
At 1 January 1991	677	29	2	619	27
Provided in the year	104	19	3	75	7
Disposals	(32)	–	–	(16)	(16)
At 31 December 1991	749	48	5	678	18
Net book amount					
At 31 December 1991	1,615	1,116	145	342	12
Net book amount					
At 31 December 1990	1,723	1,129	148	423	23

Included above are assets held under finance leases with a net book amount of £26,000 at 31 December 1991 (1990 – £31,000).

10. Tangible assets (continued)

		Land and buildings	
	Total	Freehold	Long leasehold
Company	£000	£000	£000
Cost or valuation			
At 1 January 1991 and 31 December 1991	815	665	150
Depreciation			
At 1 January 1991	12	10	2
Provided in the year	12	9	3
At 31 December 1991	24	19	5
Net book amount			
At 31 December 1991	791	646	145
Net book amount			
At 31 December 1990	803	655	148

The gross book value of land and buildings represents items at:

	Group		Company	
	Freehold	Long leasehold	Freehold	Long leasehold
	£000	£000	£000	£000
1989 valuation	665	150	665	150
Additions at cost	499	–	–	–
	1,164	150	665	150

The total amount of land and buildings, determined according to the historical cost convention, is as follows:

	Group		Company	
	Freehold	Long leasehold	Freehold	Long leasehold
	£000	£000	£000	£000
Cost	695	44	195	44
Depreciation	70	30	45	30
	625	14	150	14

11. Fixed asset investments

	Company	
	1991	1990
	£000	£000
Shares in subsidiary undertakings at cost less amounts written off		
At 1 January 1991	521	672
Addition	–	9
Provisions	(60)	(160)
At 31 December 1991	461	521

At 31 December 1991, the principal subsidiary undertakings which are wholly owned by the company were:

	Nature of business	Class of capital
Aircraft & Sheet Metal Engineers Limited	Precision engineers in sheet metal	Ordinary
Carr Lane Engineering Services Limited	Distributors of engineering cutting tools	Ordinary
L. T. Willis (Birmingham) Limited	Manufacturers of metal pressings	Ordinary

The principal country of operation and the country of incorporation is England in each case.

12. Stocks

	Group	
	1991	1990
	£000	£000
Raw materials	210	283
Work in progress	210	314
Finished goods	232	294
	652	891

13. Debtors

	Group		Company	
	1991	1990	1991	1990
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	1,434	1,658	–	–
Amounts owed by subsidiary undertakings	–	–	628	852
Other debtors	24	71	47	100
Prepayments and accrued income	47	46	14	11
Amounts falling due after more than one year:				
Amount owed by subsidiary undertaking	–	–	100	–
	1,505	1,775	789	963

14. Creditors

	Group		Company	
	1991	1990	1991	1990
	£000	£000	£000	£000
Amounts falling due within one year:				
Bank overdraft (secured – see note 22)	585	885	841	715
Trade creditors	525	707	17	13
Corporation tax	63	22	23	22
Social security and other taxes	171	186	–	7
Proposed dividend	43	39	43	39
Other creditors and accruals	136	451	43	298
Obligations under finance leases	9	13	–	–
	1,532	2,303	967	1,094

15. Creditors

Group

Amounts falling due after more than one year:

	1991	1990
	£000	£000
Bank loans repayable by instalments	310	310
Obligations under finance leases	1	8
	311	318

Interest on bank loans is charged on £100,000 at 8% and £210,000 at 10%, with a 3% rebate applying for the first 5 years in both cases. The latter is secured by a fixed charge on certain freehold land and buildings. The loans are repayable as follows:

	£000	£000
Within two to five years	205	128
After more than five years	105	182
	310	310

The loan of £210,000 is not wholly repayable within 5 years.

16. Provisions for liabilities and charges

Deferred taxation

Deferred taxation provided in the financial statements is set out below.

	1991		1990	
	Provided	Unprovided	Provided	Unprovided
	£000	£000	£000	£000
Group				
Accelerated capital allowances	65	–	70	–
Other timing differences	(6)	–	–	–
Recoverable advance corporation tax	(15)	–	–	–
Relief for losses	–	–	(38)	–
	44	–	32	–

Provision for deferred taxation at 33%

	£000
At 1 January 1991	32
Transfer to profit and loss account	27
Recoverable advance corporation tax	(15)
At 31 December 1991	44

In the opinion of the directors, the revalued properties will be retained for use in the business and the likelihood of any taxation liability arising is remote. Accordingly, the potential deferred taxation in respect of these properties has not been quantified.

17. Share capital

	1991 and 1990	
	Authorised	Allotted, called up and fully paid
	£000	£000
Ordinary shares of 10p each	200	162

18. Share premium account and reserves

	Share premium £000	Revaluation reserve £000	Profit and loss account £000
Group			
At 1 January 1991	161	642	775
Profit for the year	–	–	147
At 31 December 1991	161	642	922
Company			
At 1 January 1991	161	642	228
Loss for the year	–	–	(119)
At 31 December 1991	161	642	109

A separate profit and loss account dealing with the results of the company only has not been presented under the provisions of Section 230 of the Companies Act 1985. The Group Profit and Loss Account includes a loss of £50,000 (1990 loss £701,000) which is dealt with in the financial statements of the parent company.

19. Reconciliation of operating profit to net cash inflow from operating activities

	1991	1990
	£000	£000
Operating profit	508	432
Exceptional items	(107)	(176)
Depreciation charges	104	93
Loss on sale of tangible fixed assets	44	–
Decrease in stocks	239	147
Decrease/(increase) in debtors	255	(330)
(Decrease)/increase in creditors	(512)	407
	531	573

20. Analysis of increase in cash and cash equivalents

	1991	1990	Change in year
	£000	£000	£000
Cash at bank	2	4	(2)
Short term borrowings	(585)	885	300
	(583)	(881)	298

21. Pension schemes

The Group operates two defined contribution pension schemes for the benefit of its employees. The schemes are set up under trust and their assets are therefore held separately from the Group's resources.

22. Contingent liabilities

Guarantees

Barclays Bank PLC has a fixed and floating charge over the assets of the company and its subsidiary undertakings.

There are unlimited mutual guarantees by the company and its subsidiary undertakings in respect of bank advances. The overdrafts and loans guaranteed by the company at 31 December 1991 totalled £29,000 (1990 £419,000).

23. Commitments under operating leases

There were annual commitments under operating leases in respect of other assets as follows:

	Group		Company	
	1991	1990	1991	1990
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	10	25	2	6
Within two to five years	46	42	11	14

24. Capital commitments

	1991	1990
Group	£000	£000
Capital expenditure authorised by the directors and contracted for	7	–

Year to 31 December	1991	1990	1989	1988	1987
	£000	£000	£000	£000	£000
Profit before exceptional item	413	293	70	124	12
Exceptional item	107	176	59	–	–
Profit on ordinary activities	306	117	11	124	12
Taxation	90	49	4	41	(8)
Profit after taxation	216	68	7	83	20
Extraordinary item	–	259	–	–	–
Dividends	69	65	65	65	65
Taken to/(from) reserves	147	(256)	(58)	18	(45)
Net assets	1,887	1,740	2,005	1,437	1,419
Earnings per share	13.3p	4.2p	0.4p	5.2p	1.3p
Dividends per share	4.28p	4.04p	4.04p	4.04p	4.04p

Report of the Auditors

To the Members of J. Billam P.L.C.

We have audited the financial statements set out on pages 8 to 20 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 December 1991 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

Grant Thornton
Registered Auditor
Chartered Accountants

Sheffield

26 February 1992

Joseph and Florence Billam worked together in a business established in 1908 polishing cutlery, scissors and bicycle parts which they electro-plated before delivering back to their customers on a hand cart. Their hard work brought steady progress surviving the 1914/18 war and the depression of the 1930's.

By 1937 their two sons, Gordon and Cyril, took over the management of the Company and during the Second World War, like many other companies, it engaged in essential munition work.

Situated in the centre of Sheffield, the Company miraculously survived the shortages, the blitz and many bombing raids. In the course of the post war boom three new factories were constructed during the 1950's.

A decision to diversify during this period led to the launching of Aircraft and Sheet Metal Engineers Limited which is still engaged in a wide range of fabrication and engineering techniques in the aircraft engine and motor car industries, now of course having expanded and developed to keep pace with modern technology.

In 1964 the Company had expanded sufficiently to warrant Stock Exchange quotation.

In 1984 the Company instituted an orderly closure of the cutlery manufacturing side, and in 19[illegible] the long association with cutlery manufacturing and factoring came to an end.

In 1986 the Group acquired Carr Lane Engineering Services Limited which is a distributor of a wide range of cutting tools for engineering companies covering an area of Yorkshire, Lancashire and Humberside. It has sole agencies for all leading names in the tool manufacturing industries and provides a highly competitive service.

L. T. Willis (Birmingham) Limited was acquired by the Group in 1987. This rapidly expanding Company, producing precision and commercial pressings, is now able to increase its production capacity following the completion of a new factory extension in the early part of 1990.

BPCC Oyez (Birmingham)

Please insert full name(s) and address(es)

I/We ....
(Block Letters)

of ....

....

being a registered holder(s) of Ordinary shares in the capital of J. Billam P.L.C. hereby appoint ..../the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday 30 April 1992 and at every adjournment thereof.

Please insert a '×' in the appropriate box alongside each Resolution.

Resolutions	For	Against
1. To adopt the Directors' Report and Accounts for the year ended 31 December 1991	1	
2. To declare a final dividend	2	
3. To elect Directors:		
(a) To re-elect Ms. B. P. Billam	3a	
(b) To re-elect Mr. B. Truman	3b	
4. To re-appoint Grant Thornton as Auditors and to authorise the Directors to fix their remuneration	4	
5. To approve the terms of two new service contracts intended to be entered into between the Group and Messrs. A. France and R. A. Talliss respectively	5	

Dated this .... day of 1992

Signature ....

Notes:

1. Please indicate how you wish your votes to be cast. If you do not indicate how you wish your proxy to use your vote on any particular matter the proxy will exercise his discretion both as to how he votes and as to whether or not he abstains from voting. The proxy will also exercise his discretion as to how he votes (and whether or not he abstains from voting) on any other business transacted at the meeting and on any other resolutions for the election of Directors.
2. In the case of joint holders, only one need sign as the vote of the senior holder who tenders a vote will alone be counted.
3. If a member is a Corporation this form must be executed either under its common seal or under the hand of an officer or attorney duly authorised in writing.
4. To be effective this proxy must be filled in, signed, and lodged with the Registrars, Barclays Bank PLC, P.O. Box 34, Octagon House, Gadbrook Park, Northwich, Cheshire CW9 7RD not less than 48 hours before the time appointed for the Meeting.
5. If you wish to appoint a proxy other than the Chairman of the Meeting please delete the words "the Chairman of the Meeting" and insert in block letters in the space provided the name and address of your proxy who need not be a member of the company.

Second Fold

Barclays Bank PLC
P.O. Box 34,
Octagon House,
Gadbrook Park,
Northwich,
Cheshire CW9 7RD.

First Fold

Third Fold and Tuck In