



Manganese Bronze Holdings PLC

Annual Report for the year ended 31 July 1999

1999

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Key Statistics	1999	1999	1998	1998
	Turnover	Profit before tax	Turnover	Profit before tax
	£000	£000	£000	£000
Vehicles Division	89,440	5,384	79,456	5,527
Exceptional item	-	-	-	(2,505)
	89,440	5,384	79,456	3,022
Components Division	28,743	(263)	35,513	2,899
Exceptional item	-	(723)	-	-
	28,743	(986)	35,513	2,899
Turnover/Operating profit	118,183	4,398	114,969	5,921
Interest - net payable		(885)		(887)
Profit before tax		3,513		5,034
Net assets		39,080		38,533
		1999		1998
Earnings per Ordinary Share		13.25p		19.32p
Dividend per Ordinary Share		10.50p		10.50p
Price range of Ordinary Shares (1 Jan - 1 Sept 1999; Jan - Dec 1998)		178.5p - 272.5p		185.0p - 507.5p
Weighted average number of Ordinary Shares in issue		17,890,094		17,852,652
Market Capitalisation at 1 September		£40.87m		£63.2m
Net Assets per Ordinary Share		214p		212p

Manganese Bronze Holdings PLC is an independent UK based engineering group with two core businesses, taxis and components. Our Vehicles Division produces the new London Taxi, the TX1, which was launched in October 1997. We build the TX1 in Coventry and we have a network of dealerships throughout the UK. We also provide a range of services to taxi owners including finance, training, parts supply, maintenance and repair.

Our Components Division produces bus doors, metal powders and high quality sintered and precision cast parts for the automotive and other industries. We specialise in producing complex high-duty parts with minimum machining and we operate in accordance with the most exacting requirements for qual-

Turnover £ m		Pre Tax Profit £ m	
99	118.2	99	3.5
98	115.0	98	5.0
97	101.7	97	8.3
96	97.3	96	6.2
95	86.3	95	4.2
Earnings per Share pence		Net Assets per Share pence	
99	13.3	99	214.2
98	19.3	98	211.8
97	36.4	97	178.9
96	26.8	96	152.9
95	15.5	95	126.9

1999 was an eventful year. Our taxi business made encouraging progress and produced profits well ahead of the previous year. With more than 5,000 TX1s now operating up and down the country it is now well-established as the market's favourite taxi. Our Components businesses had mixed fortunes, with a considerable loss in our sintering business at Ipswich, where turnover was far below our expectations of a year ago. On the other hand Deans Powered Doors again did very well.

Summary of Results

Although Group turnover increased by 2.8% to £118.2m, our profit before tax, at £3.5m, was some 30% below the 1998 figure. Earnings per share were 13.25 pence, after 19.32 pence the previous year. A major item of cost was again our pension charge which, at £1.99m, was 30% higher than a year ago. With changes in taxation, annuity rates and actuarial assumptions, this level of charge is likely to be required for the next several years. Our cash management performance was again good and we reduced our gearing to 17.7%, after 22.9% in 1998. Our balance sheet remained strong and shareholders' funds edged forward to £39.1m, corresponding to net assets per share of 214.2 pence.

The Management Buy-Out Approach

At the end of April the executive directors, led by Jamie Borwick, indicated that they were considering offering a price in the range of 250-275 pence per share for the Company. After taking advice, the independent directors

told the executive directors that they would be unable to recommend a bid at that level, since they did not consider that the price fully reflected the long term value of the Company. The executive directors accepted the independent directors' view and the indicative offer was never formally made.

I received a number of letters and telephone calls from shareholders in the wake of these events. Most of these were supportive of the line taken by the independent directors, but some were critical of the executive directors as having been opportunist in seeking to buy the Company at a share price well below the levels reached in the previous year. I do not think that these criticisms were fair. When we had talked to a number of shareholders and analysts following our interim announcement in early March many of them had expressed great dissatisfaction both at the level of our share price (then about 180 pence) and at the lack of liquidity of our shares.

Smaller listed companies like us were clearly not appreciated by some shareholders and indeed, in the past year or so, many such companies have been taken private, usually at prices well below their peak levels. Against this background, I consider the approach made by Jamie Borwick and his executive colleagues perfectly proper. I would add finally that this approach was handled very punctiliously by both sides, relationships between directors have not been damaged and the Board is continuing to operate effectively.



Hugh Lang, Jamie Borwick and Ian Pickering

Review of Strategy

In the wake of this possible MBO, we carried out a thorough review of our strategy and we have confirmed that we intend to remain independent and to grow and develop both our core businesses. Clearly our taxi business is substantially bigger than our components business and it also has a much stronger market position. This gives it a lot of growth potential both through moving into new markets, particularly in other European Union countries, and through providing more services to the taxi industry exploiting our unique brand image. We recognise that last year the results from our sintering business were very disappointing, but we know that the automotive market for sintered components is set to grow strongly in the years ahead and we believe we can secure a profitable share.

Board Changes

Michael Williams, the Managing Director of our Components Division since 1987, left the Group on 30 April. We are grateful to him for his contribution to the Company over nearly 20 years and we send him our best wishes for the future.

Rod Turner is retiring from the Board at the Annual General Meeting. He served as Finance Director from 1987 to 1993 and since then he has been a non-executive director, as well as Chairman of our pension trustees. We would like to thank him warmly for all he has done for the Group and wish him continuing success with his other business interests. We are pleased that he has agreed to continue to chair our pension trustees after he leaves the Board.

Current Trading and Prospects

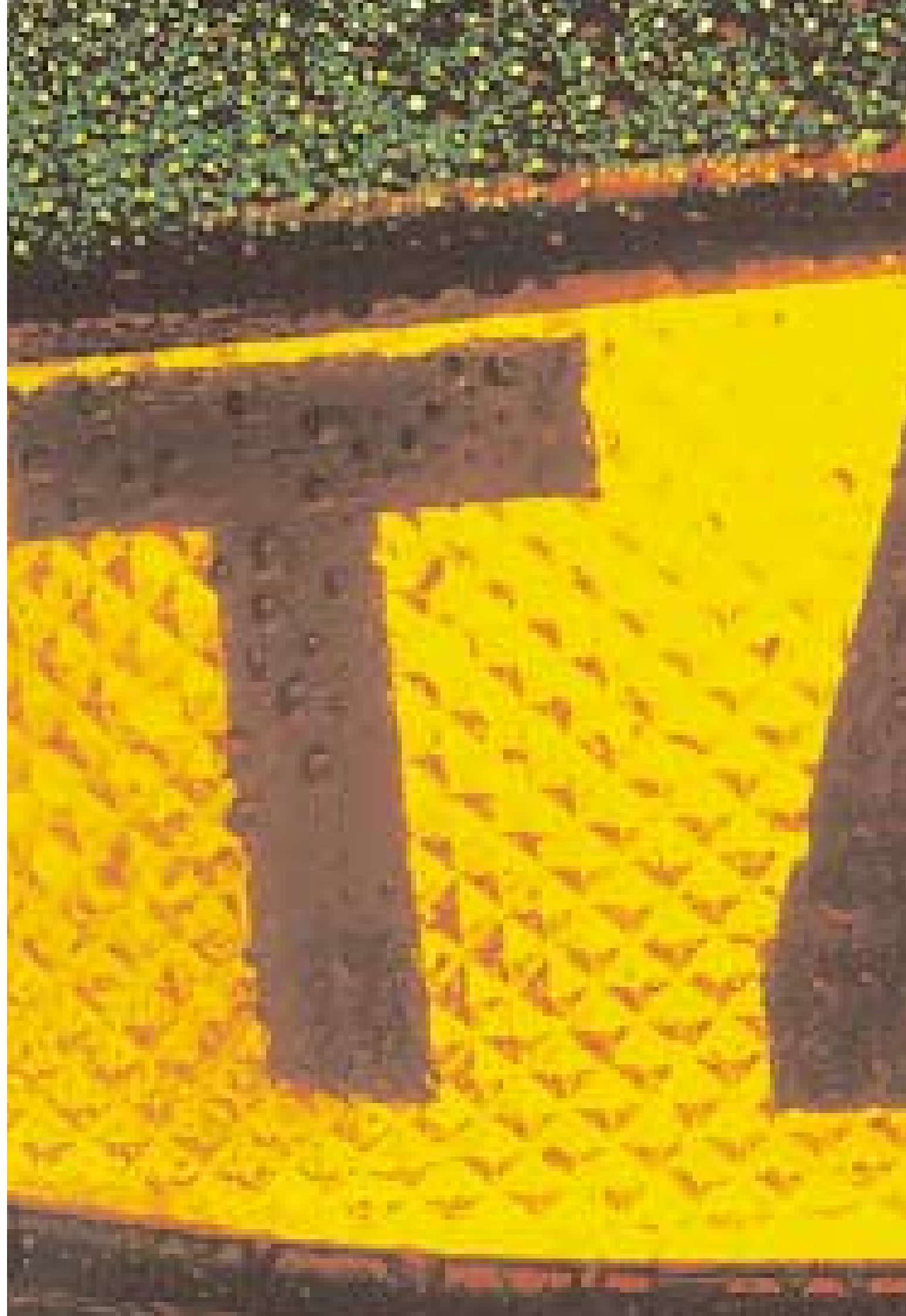
We are encouraged by demand for taxis in the UK and are actively exploring opportunities in other European countries. We therefore expect further progress by our Vehicles Division in the current year. After last year's setback, our Components Division is planning for improved results, recognising the importance of securing significant new orders both for sintered components and for precision castings during the year.

Overall, if market conditions remain as at present, we expect improved results for the Group as a whole in the current year and, looking further ahead, we have many opportunities to develop and grow both our core businesses.

Dividend

Despite disappointing results for 1999, we continue to generate cash and we have a very positive view of our prospects. We are therefore recommending an unchanged final dividend of 6.5 pence per share, which would make the total for the year again 10.5 pence per share. This total dividend would be covered 1.3 times and, if approved, the final dividend will be paid on 1 December 1999 to all shareholders on the register at 1 October 1999.

Hugh Lang





Our TX1 London Taxi firmly established itself during the year as the market's favourite taxi, not only among the drivers, our customers, but also particularly with passengers. No longer a rarity in London, it can now be found in more and more cities throughout the UK and, we are determined, in the future worldwide.

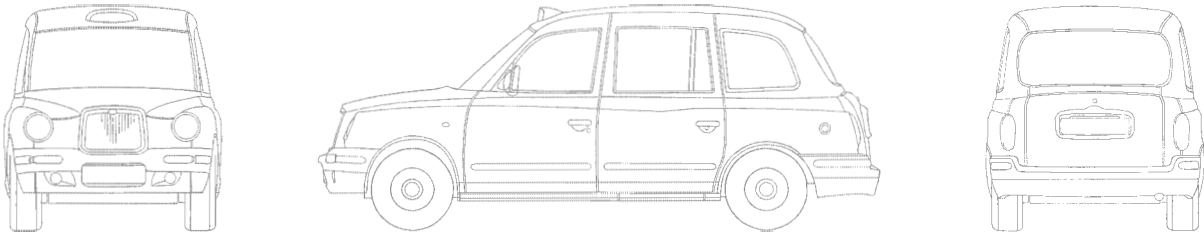
Divisional turnover rose by 12.6% to £89.4m, with operating profit at £5.4m, a margin of 6%, some 78% ahead of last year's post-exceptional figure.

Our Vehicles Division sold a total of 3,120 TX1s, an 8.3% increase on the year ended 31 July 1998, but with much more growth in the market outside London. This was a good result bearing in mind that in October 1998 there was a sudden and marked loss of confidence in the London market, caused by fears of recession, which made many of our customers postpone their purchases. If this had continued we would have been left with excessive stocks of finished taxis and we acted decisively to cut our production rate from 80 taxis per week to 64. This action was costly both because we had to make 68 of our employees redundant and in general disruption, but we were pleased that our workforce agreed to work flexible hours to mitigate the effects.

In the event, demand improved at the end of our financial year. Currently our vehicle stock is about 209 and, since we have some 400 orders outstanding, we have recently increased production to 72 per week. We hope to get back to 80 per week later in the financial year.

The number of vehicles sold each month is the clearest indication of the success of our business and we believe it would be helpful to have this information made more widely available. Accordingly we shall be announcing the figures each month on our websites, www.london-taxis.co.uk and www.manganese.com.

Last year we were active in expanding our dealer and service network, under the Mann & Overton banner, working closely with our successful finance operation LTI Finance. In London, our Holloway Road dealership has created a network of service agents around it to enable taxi drivers to get speedy help with minor problems. Our established dealerships in Manchester and Birmingham also did very well. In March we opened a new dealership in Bristol which has already become profitable and we plan to open up in Leeds during the current year. Other sites will follow thereafter as we seek to serve our customers by having well-equipped taxi centres close to as many drivers as possible.



A feature of last year was the continuing growth in our sales of second hand taxis. In support of this trend our websites will also contain a link to a new way of selling second hand vehicles over the internet which we hope will aid taxi drivers to find the best market for their second hand vehicle. At the present time, most second hand taxis are sold by individual drivers to each other, without the help of the finance and extended warranty that we can provide. The websites will make it easier for a driver to get the best price for his second hand taxi and thus make it easier for him to trade up to a new TX1.

In the current year we expect to see the licensing of mini-cabs in London, while the new Mayor of London will be taking over responsibility for taxi regulation in the capital. Both these changes may bring opportunities.

In addition to coping with the disruption associated with changing the rate of output at our Coventry factory, we also put a lot of effort into tackling a range of warranty issues. This involved not only improving our own manufacturing practices, but also persuading our suppliers to raise their standards, while pulling out all the stops to help customers with problems. I believe our systematic approach is bearing fruit and, certainly, our quality indices are looking much better than they did a year ago.

We are also continuing our development efforts preparing for future improvements. Low emission engine options are being examined. We are also planning to step up our export volumes, starting by exhibiting our recently-developed left hand drive TX1 at the Frankfurt Motor Show in September.

In recent years, in our taxi business, we have established an open and progressive culture with a good team spirit. This is helping us to reduce costs and increase productivity, as well as improving quality and reducing warranty problems. Our aim this year is to restore output to 80 taxis per week, with improved quality and without increasing our numbers employed. If we can achieve this, it will be an important milestone on the road to world class performance.

At MEC Metal Powders we produce small particles of different alloys by striking a stream of molten metal with water or gas at high pressures. At MBC Advanced Sintering, metal powders are pressed into shape and then baked to form a strong sintered part. Large and complex parts are made using the lost wax method at MBC Precision Castings. At Deans Powered Doors we make aluminium doors, access ramps and control systems for buses which increase passenger safety.

Components Turnover £ m		Components Operating Profit/(Loss) £ m	
99	28.7	99	(1.0)
98	35.5	98	2.9
97	28.6	97	1.5
96	34.4	96	1.3
95	32.9	95	0.8

MBC Advanced Sintering made a substantial loss, but Deans again did very well and Metal Powders and Precision Castings each produced modest profits. Sales for the Division fell by 19.1% from £35.5m to £28.7m; and an operating profit of £2.9m in 1998 became an operating loss of some £986,000 last year.

We had a lot of problems at our sintering business in Ipswich. Schedules were cut on a number of existing contracts and we failed to secure important new orders into which we had been putting considerable effort over the past two years. As a result, our capacity was under-utilised and, although we cut our costs severely, we made a substantial loss. The trading problems were exacerbated by a number of non-recurring costs, including management changes, redundancies, writing off tooling and writing down the value of special purpose machine tools. Despite what was a very disappointing result, we are continuing to receive many substantial enquiries from automotive customers and we believe that in the medium term we will be able to restore profitable growth to this business, with our capacity well-utilised in 2001. We are encouraged in this by our excellent quality and delivery performance with existing customers, maintaining our zero parts per million defect record with two major automotive groups.

At our precision castings business market conditions were difficult throughout the year. Schedules were cut by some of our automotive customers, although we also started new contracts for heat exchanger end-caps and for turbocharger components. Our architectural castings orders continued to increase and now represent nearly a third of turnover. We had problems with changes in the specification of castings designed to support the roof of a prestigious new building in London, but we continue to get interesting new orders; for example, we are currently supplying castings for the Millennium Man sculpture being erected outside the Dome in Greenwich.

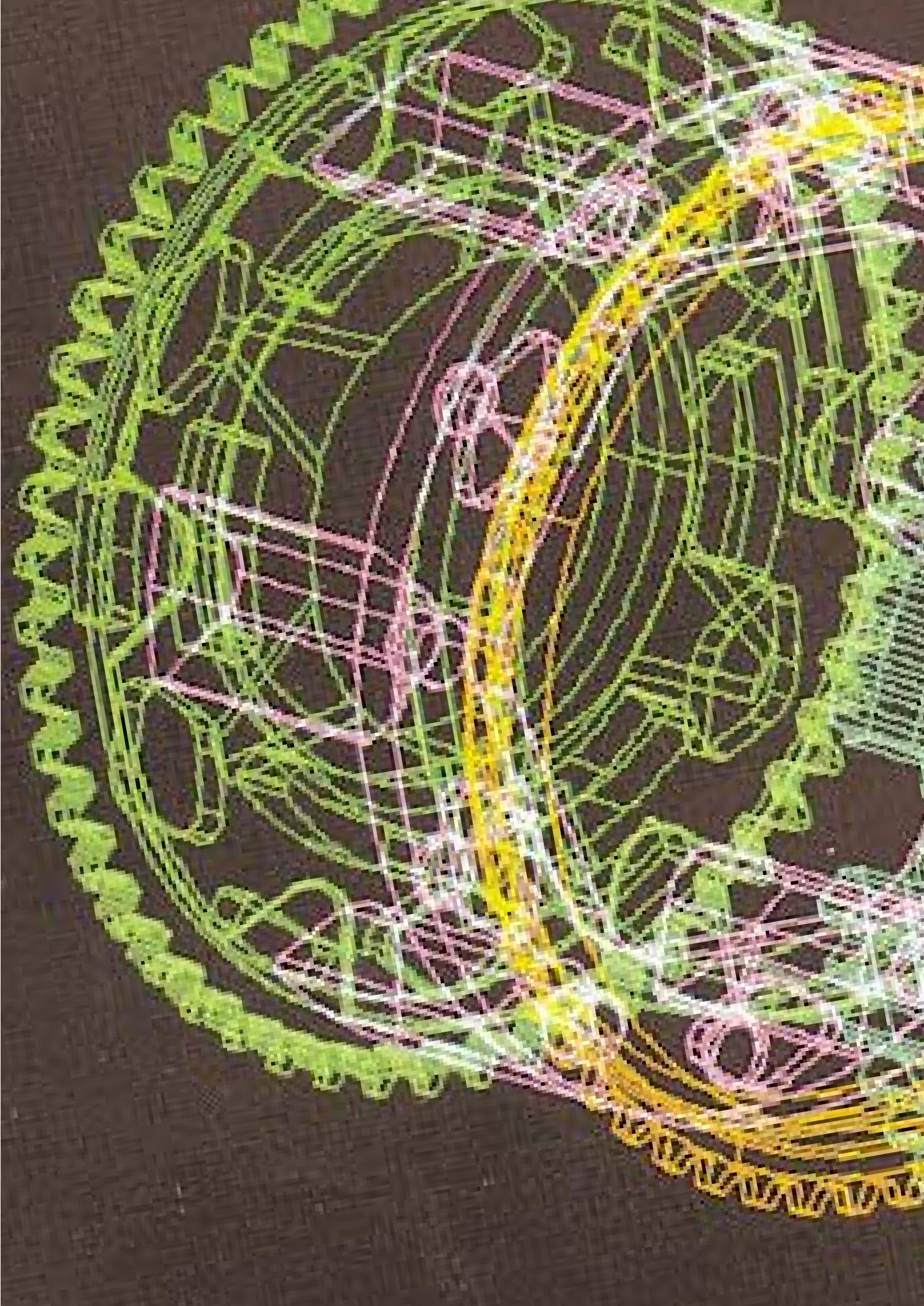
At Birmingham we atomise metal alloys to make powders which we sell around the world. Last year we continued to serve our established customers, albeit at lower levels. We also completed the installation of new gas atomising equipment from which we introduced a new range of very fine spherical powders for surface coating applications. Sales of this new product were slow, but orders are now beginning to pick up and we expect our investment to pay off in the years ahead.

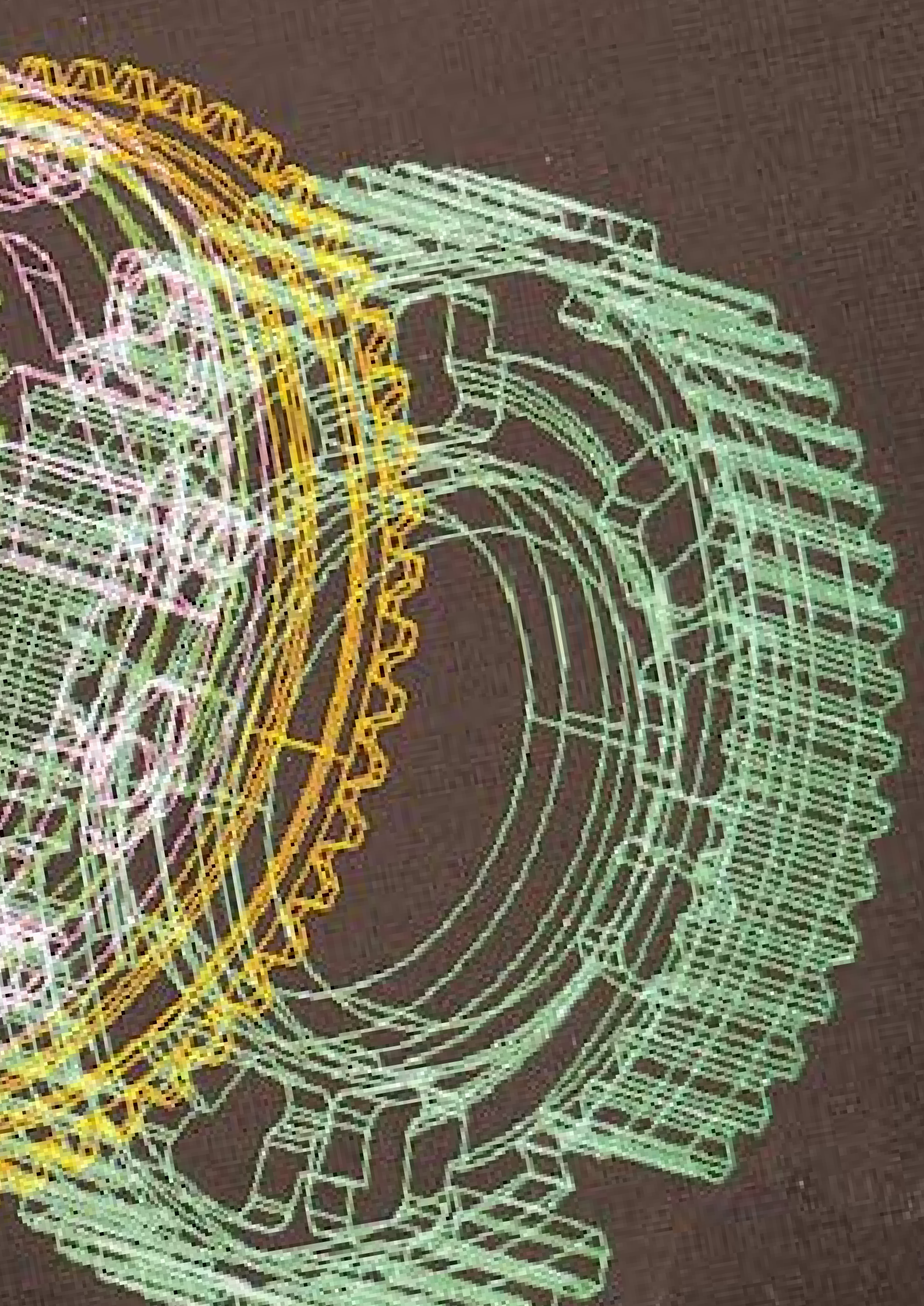
Finally, Deans Powered Doors had another highly successful year. We not only continued to supply our standard range of bus doors and ramps, but we have also moved into the grab handle business which has grown very rapidly. Last year we introduced an automatic door access ramp and in September we have just started deliveries of new flat ramps for the many low floor buses that are being put into service around the country.

Deans Powered Doors has turned from losses in the past to good levels of profitability. We must achieve this in our sintering business in Ipswich where our management team clearly understands the need to win new orders in the current year.



Jamie Borwick





Gearing %		Capital Spend £ m	
99	17.7	99	4.2
98	22.9	98	7.7
97	20.4	97	15.7
96	2.2	96	8.0
95	1.4	95	4.5

Review of Results

Taxi sales recovered in the second half of the year, but losses continued in the Components Division. Total sales for the year increased by 2.8% to £118.2m, but profit before tax was down 30% to £3.5m.

In the Vehicles Division sales increased by 12.6% to £89.4m as sales of taxis increased from 2,882 to 3,120. The Vehicles Division margin improved from 3.8% in 1998 to 6.0% in 1999, resulting in a 78% increase in operating profits to £5.4m. The profit of the Vehicles Division includes redundancy costs of £443,000, incurred in the first half when the rate of production was reduced from 80 to 64 vehicles per week, and increased warranty costs incurred during the year.

Our Components Division suffered a loss of £986,000 on sales which were significantly reduced to £28.7m. This was principally at our sintering operation due to a fall in demand from major customers. The loss of £986,000 was after exceptional costs of £723,000. These included severance costs for the Divisional Managing Director, provisions against tooling and other fixed assets and redundancy costs.

Pension Costs

In 1995 the Group closed its defined benefit pension scheme and a new defined contribution scheme was established to provide pension benefits for eligible employees from that time. Following the closure of the scheme £1.2m was paid into it, which at the time was expected to make the scheme fully funded. The actuarial valuation of the scheme as at April 1997

indicated a funding deficit at that time of £1.6m and a further contribution of £750,000 was made to the scheme this year (1998 £500,000). As set out in note 29 on page 45, the pension cost for the year in relation to this scheme has been assessed following a review of the scheme by the scheme actuary. This review has indicated that the deficit on the scheme has risen to £6.7m. This is principally as a result of the abolition of ACT and the reduction in long term interest rates, factors which will have affected the performance of all such schemes. A formal Minimum Funding Requirement valuation of the scheme will be required to be performed as at April 2000 in accordance with the terms of the Pensions Act 1995. As a result of this a schedule of contributions will be agreed with the scheme trustees to make the scheme fully funded by April 2007. The scheme actuary has advised that, under current circumstances, this would require annual contributions of approximately £1.2m to 2007.

Capital Expenditure

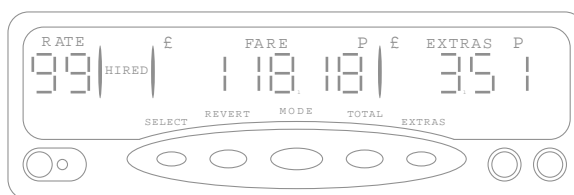
Capital expenditure for the year was £4.2m, which was less than the depreciation charge of £5.0m. In the Vehicles Division, the principal expenditures were on the new taxi dealership in Bristol and tooling for the left hand drive version of the TX1, initial deliveries of which have now been made to Germany. In the Components Division, we continued to invest in each business to maintain and modernise the facilities.

Research & Development

Expenditure on research and development increased to £1.03m, the major element of which was the cost of developing the left hand drive version of the TX1.

Financial Calendar

Financial year end	31 July 1999
100th Annual General Meeting	26 November 1999
Final Ordinary Dividend payable to shareholders registered on	1 December 1999
Preference Share Dividend payable	1 October 1999
Announcement of results- six months	31 December 1999, 30 June 2000
Announcement of results- full year	March 2000
	September 2000



Taxation

The Group's corporation tax liability continues to benefit from capital allowances on the high level of capital expenditure over the past few years and the effective rate of corporation tax payable is 29%. A number of outstanding issues relating to prior years were agreed with the tax inspector during the year, resulting in a prior year credit of £615,000. A further deferred tax provision has been made in accordance with SSAP15, reflecting the extent to which we estimate that the excess of capital allowances over depreciation will reverse in coming years. The total amount of deferred tax not provided at 31 July 1999 was £2.1m.

Returns to Shareholders

The directors have recommended an unchanged final dividend of 6.5 pence, which, if approved, will make the total for the year also unchanged at 10.5 pence. Dividend cover has reduced to 1.3 times (1998 1.8 times). Earnings per share reduced by 31% to 13.3 pence.

Shareholders' funds have increased during the year to £39.1m as set out in note 22 on page 42.

Treasury

The Group's principal bank facilities include short term overdraft and lending facilities totalling £8m which are renewable each year, together with a long term loan facility of £7m which matures in 2002. This was taken out to fund the development of the TX1 taxi. In addition there is a stocking facility to finance the stock of finished taxis held for sale. All of the Group's debt is maintained in sterling.

As in prior years the Group's exposure to foreign exchange risk has been hedged by forward foreign currency contracts. Further details are given in note 17 on pages 38 to 39.

The Group benefited from the reduction in UK base rates during the year and the interest charge reduced to £885,000 despite the increase in the average level of borrowings compared with the prior year. Interest cover was five times.

Cashflow

As reported in the interim statement, our borrowings increased during the first half of the year, principally as a result of an increase in the number of finished taxis which built up in the autumn when sales were affected by the prospect of a recession in 1999. Following the reduction in the production rate from 80 to 64 taxis per week and the recovery in sales, the finished stocks have reduced and the production rate has recently been increased to 72 per week to meet current levels of demand. At the end of the year the Group's net debt had reduced by £1.9m to £6.9m and the gearing ratio improved to 17.7% (1998 22.9%).

Ian Pickering

Directors

Hugh Lang CBE *¹†

Hugh Lang (66) is the Chairman of the Board. A Chartered Engineer, he has many years experience in commerce and industry. He is also chairman of Acertec Holdings Limited.

Jamie Borwick

Jamie Borwick (44) has been the Chief Executive for 13 years. He is also non-executive chairman of Finsbury Trust PLC, a non-executive director of Adam & Harvey Group PLC and a member of the Listing Authority Advisory Committee of the London Stock Exchange.

Ian Pickering

Ian Pickering (43) is the Group Finance Director. A Chartered Accountant, he joined the Group in 1998 from Dennis Group PLC, where he ran the Aircraft and Cargo Division. He acts as Chairman of our Group businesses LTI Finance, Deans Powered Doors, MBC Precision Castings and MBC Advanced Sintering.

Barry Widdowson

Barry Widdowson (56) is responsible for our Vehicles Division. He joined the Group in 1982, becoming a Divisional Managing Director 13 years ago.

Christopher Ross FREng *¹†

Christopher Ross (55) is a Chartered Engineer and a Fellow of the Royal Academy of Engineering. He has had a great deal of industrial experience, particularly in the engineering and automotive sectors and was previously chief executive of Molins PLC, Ricardo PLC and Wagon Automotive.

William Salomon *¹†

William Salomon (41) is a non-executive director of the Company. He is a non-executive director of Adam & Harvey Group PLC, a director of Ocean Wilsons Holdings Limited and Aberdeen Emerging Economies Investment Trust Plc. Until recently he was chairman of Rea Brothers Group PLC.

Rod Turner*¹†

Rod Turner (53) is a non-executive director of the Company and Chairman of the corporate trustees of the Group's pension schemes. He was finance director of the Group for six years before leaving in 1993 to join Whale Tankers Limited where he is managing director. He has announced his intention to retire from the Board of the Company at the end of the Annual General Meeting to be held on 26 November 1999.

Secretary

Amanda Walker, Solicitor

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Arthur Andersen

Bankers

HSBC
Lloyds TSB PLC

Merchant Bankers

N M Rothschild & Sons Limited

Stockbrokers

Merrill Lynch International Limited

Financial PR Consultants

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* Member of the Audit Committee ¹ Member of the Remuneration and Nominations Committees † Independent

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Manganese Bronze Holdings PLC

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Accounts

The directors present their report and the Group accounts for the year ended 31 July 1999.

Principal Activities

Manganese Bronze Holdings PLC is a UK based engineering group. Details of our activities, future prospects and research and development are given in the Chairman's Statement, the Chief Executive's Review and the Financial Review on pages 2 to 15.

Results and Dividends

The profit for the year before taxation was £3.5m. The directors are recommending a final dividend of 6.5p (1998 6.5p). The final dividend, if approved, will be paid on 1 December 1999 to all shareholders who are on the register at close of business on 1 October 1999.

Share Capital

Changes in the issued share capital during the year together with details of outstanding share options are set out in note 20 on page 41.

Directors

A full list of directors who have been in office throughout the year together with brief biographies are set out on page 16.

This year Hugh Lang retires by rotation and, being eligible, offers himself for re-election. His services as non-executive Chairman are terminable by the Company on 12 months' notice.

Directors' Interests

The interests of the directors in the Ordinary Share capital of the Company were as follows:

	31 July 1999 Shares	31 July 1999 Options	31 July 1998 Shares	31 July 1998 Options
Beneficial Interests				
Hugh Lang	25,000	-	25,000	-
Jamie Borwick	266,195	-	266,195	-
Family companies of Jamie Borwick	333,227	-	333,227	-
Ian Pickering	-	100,000	-	100,000
Barry Widdowson	15,732	101,922	15,732	101,922
Christopher Ross	-	-	-	-
William Salomon	-	-	-	-
Rod Turner	6,900	-	6,900	-
Non-beneficial Interests				
Jamie Borwick	1,168,316	-	1,168,316	-

Jamie Borwick has a non-beneficial interest in 1,106,652 Ordinary Shares by reason of his position as managing director of Love Lane Investments Ltd, the beneficial owner of these shares, and in 61,664 Ordinary Shares by reason of his position as a trustee of two charities. No director had any interest in the Preference Share capital of the Company or in the shares of any other company in the Group.

There were no changes in the interests of any of the directors between 31 July 1999 and 17 September 1999. On 17 September 1999 the Board, on the recommendation of the Remuneration Committee, resolved to grant to Ian Pickering by no later than 1 November 1999 options over a further 100,000 Ordinary Shares in the capital of the Company at market value on the date of grant.

Directors' Remuneration

Details of the remuneration of each of the directors is set out in the Remuneration Report on pages 20 and 21.

Annual General Meeting

This year's Annual General Meeting will be held at noon on Friday 26 November 1999. The notice of meeting together with details of the business to be conducted and form(s) of proxy are set out in the separate booklet enclosed with these accounts.

Policy on the Payment of Creditors

The Group's policy in respect of its suppliers is to attempt to agree terms of payment at or before entering into each transaction and to adhere to such terms, subject to satisfactory completion of the transaction concerned. Where prior agreement is neither practicable nor feasible invoices will be dealt with in a timely manner as part of a systematic payment process. The Company is a holding company and had no trade creditors at 31 July 1999 (1998 nil).

Health and Safety

The Group is committed to a safe working environment for all employees. The Chief Executive is responsible for health and safety issues at Board level, and Barry Widdowson and the factory managers are responsible for the implementation of Group policy on health and safety within their respective areas of responsibility.

Year 2000

The Group has completed the review of its critical business and computer systems to assess their ability to deal with the change of date from 1999 to 2000. Any necessary remedial work has been undertaken in conjunction with the normal maintenance of and investment in those systems. £19,000 of directly attributable year 2000 costs have been written off during the year under review. In addition, £188,000 is included in capital expenditure on computer systems upgrades which are deemed necessary and which eliminate the need to test and modify existing systems. Given the complexity of the problem, it is impossible to state with certainty that no problems will occur as we move into the next century. The Board is, however, confident that the Group has prepared properly for the date change and is ready to deal with any unforeseen problems which may arise.

Donations

The Group made donations for charitable purposes during the year ended 31 July 1999 of £8,431 (1998 £5,283). No political donations were made (1998 £nil).

Employees

The Group is committed to developing its employment policies in line with best practice and providing equal opportunities for all regardless of sex, marital status, ethnic origins, religion or disability. The importance of effective communication with employees is recognised and employees and their representatives are provided, on a regular basis, with information on matters of concern using such media as an in-house newsletter, information circulars and copies of press releases. Involvement in the achievements of the business is encouraged through locally based performance related bonus schemes.

Employment of Disabled Persons

The Group's policy is to offer disabled people the same opportunities as others in relation to recruitment and career development, provided that their disability does not prevent them from carrying out their required duties. Existing employees who become disabled will be retained wherever possible and, in appropriate cases, training is given where needed.

Auditors

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-election of Arthur Andersen as the auditors of the Company will be put to the Annual General Meeting.

Contracts of Significance

No director had any interest in any contract of significance with the Company during the year to 31 July 1999 other than their service contracts.

By order of the Board

Amanda Walker Secretary

22 September 1999

The Board has ultimate responsibility for remuneration policy but has delegated to the Remuneration Committee responsibility for its implementation.

The Remuneration Committee was established in 1993 and meets three or four times a year. Its members are Hugh Lang, the Group's non-executive Chairman, and the three non-executive directors, Christopher Ross, William Salomon and Rod Turner. Jamie Borwick sat on the Remuneration Committee until 15 July 1999 when he resigned. The Committee's terms of reference are to set the Group's overall remuneration policy, to determine the remuneration of the executive directors and to monitor the remuneration arrangements of senior executives throughout the Group.

Policy on Remuneration of Executive Directors

The Remuneration Committee aims to ensure that the remuneration packages offered can attract and retain individuals of the right calibre.

The overall remuneration of the executive directors consists of some or all of a basic salary, pension, car or car allowance and private healthcare benefits, share options and a performance related bonus. The Group's policy is to award options under its Executive Option Scheme as an incentive to executive directors and other senior managers as deemed appropriate by the Board on the recommendation of the Remuneration Committee. Basic salaries are reviewed annually having regard to individual performance, responsibilities and prevailing market practice. The executives receive a discretionary performance related bonus based on targets set by reference to Group and Divisional profits and the attainment of budgets. The targets are set at the start of the financial year following finalisation of the Group's forecasts and budgets for the next financial year. If targets are met bonuses of approximately 33% of salary may be awarded and these can be increased up to a maximum of 50% if targets are exceeded by a substantial margin. Bonus payments are not pensionable.

Service Contracts

Jamie Borwick and Barry Widdowson, whose services as directors commenced before the Board established a policy for one year's notice, each has a service contract with the Company which is terminable on two years' notice by the Company and six months' notice by the executive. The Company has agreed with Jamie Borwick and Barry Widdowson that the period of notice which the Company is required to give will reduce to 18 months with effect from 1 February 2000 and to 12 months with effect from 1 August 2000. Ian Pickering's service contract is terminable on one year's notice by the Company and six months' by him. The Chairman has an agreement with the Company which, though not for a fixed term, is terminable on 12 months' notice by either party, whilst the agreements with the other non-executive directors are not for fixed terms, but are each terminable on six months' notice.

Michael Williams

Michael Williams left the Group's employment on 30 April 1999.

Directors Remuneration

Details of the remuneration of individual directors is set out in the table below:

	Basic salary/fees 1999 £	Bonus 1999 £	Other ¹ benefits 1999 £	Compensation 1999 £	Total (excluding pension contributions) 1999 £	Pension contributions by the Company ² 1999 £	Total 1999 £	Total 1998 £
Executives								
Jamie Borwick	140,000	-	26,253	-	166,253	19,600	185,853	173,023
Ian Pickering	120,000	20,000	15,007	-	155,007	12,404	167,411	35,229
Barry Widdowson	100,000	10,000	15,166	-	125,166	18,000	143,166	131,793
Michael Williams	70,500	-	9,247	221,750*	301,497	8,773	310,270	115,504
Non-Executives								
Hugh Lang, Chairman	60,000	-	-	-	60,000	-	60,000	60,000
Christopher Ross	15,000	-	-	-	15,000	-	15,000	15,000
William Salomon	20,000	-	-	-	20,000	-	20,000	20,000
Rod Turner ³	20,000	-	-	-	20,000	-	20,000	20,000
Totals	545,500	30,000	65,673	221,750	862,923	58,777	921,700	570,549**

- 1 Other benefits represent amounts assessable to income tax in respect of the benefits provided.
- 2 All pension contributions were paid into the defined contribution pension scheme.
- 3 Includes fee for chairmanship of Group pension trustee companies.
- * Includes £128,000 pension augmentation payment.
- ** The actual total for 1998 was £663,418, including salary and benefits of £92,869 paid to Bill Gillespie, who resigned on 31 March 1998.

In addition to membership of the defined contribution scheme, the following directors have accrued entitlements under the defined benefit scheme (see note 29), as follows:

	Change in accrued benefit above inflation since 31 July 1998 ¹ £	Transfer value of change in accrued benefit ² £	Accrued benefit at 31 July 1999 £
Barry Widdowson	(832)pa	(12,465)pa	26,000pa
Rod Turner	-	-	12,067pa

- 1 This allows for the effect of inflation at 3.2% on the previous year's total accrued benefit.
- 2 This is based on market conditions applicable on 31 July 1999 and does not reflect any reduction for under-funding.

Directors Share Options

	Note	Held at 1 August 1998	Granted during the year	Held at 31 July 1999	Exercise price (pence)	Date from which first exercisable	Expiry date
Ian Pickering	1&4	100,000	-	100,000	428.0	8 May 2001	8 May 2008
Barry Widdowson	2	49,000	-	49,000	103.0	7 January 1994	7 January 2001
	2	51,000	-	51,000	87.5	29 March 1996	29 March 2003
	3	1,922	-	1,922	359.0	8 April 2003	8 October 2010
Total		101,922	-	101,922			

- 1 Options held under 1997 Share Option Schemes. It is a condition of exercise of the Company and Approved Share Option Schemes, which were approved by shareholders in 1997, that the growth in the Group's earnings per share must exceed by 10% the increase in RPI over any period of three consecutive years.
- 2 Options held under 1984 Executive Share Option Scheme. There are no performance criteria for the exercise of options under this scheme.
- 3 Options held under the Sharesave Scheme. There are no performance criteria for the exercise of options under this scheme.
- 4 On 17 September 1999 the Board, on the recommendation of the Remuneration Committee, resolved to grant to Ian Pickering by no later than 1 November 1999 options over a further 100,000 Ordinary Shares in the capital of the Company at market value on the date of grant.

Non-Executive Directors

The Chairman's remuneration is determined in his absence by the Board and reflects the nature and extent of his responsibilities. The level of non-executive directors' fees is also determined by the Board and no member takes part in the process of determining his own emoluments.

Neither the Chairman nor any of the other non-executive directors receives benefits in kind, nor do they participate in the Group's bonus, share option or pension schemes.

By order of the Board
 Amanda Walker Secretary
 22 September 1999

Statement of Directors Responsibilities

Company Law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and Group and the profit or loss for that period. In preparing those financial statements the directors are required to:

- 1 select appropriate accounting policies and apply them consistently;
- 1 make judgements and estimates that are reasonable and prudent;
- 1 state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- 1 prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business for the foreseeable future.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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 the detection of fraud and other irregularities.

The directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections they consider to be appropriate for the purposes of enabling them to give their audit report.

The directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this statement.

Going Concern

The directors are satisfied that the Company and the Group have access to adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts.

Corporate Governance

The Board is committed to high standards of Corporate Governance throughout the Group. The Board is accountable to the Company's shareholders for good governance and this statement describes how the principles of good governance and the provisions of the Code of Best Practice in the London Stock Exchange's Combined Code on Corporate Governance are applied by the Company.

The Board

As at 22 September 1999, the date of signing these accounts, the Board comprises three executive directors and four non-executive directors, of whom one is the Chairman. The posts of Chairman and Chief Executive are separate. Brief biographies of the Board members are shown on page 16.

The Board meets formally at least eight times a year and full access is given to the directors to enable the Board to function effectively and to allow the directors properly to fulfil their responsibilities. Board papers are usually distributed one week in advance of meetings and decisions may be deferred if directors require further information to be made available to them. The Company Secretary is responsible to the Board for the timeliness of the information given to it.

Board Committees

In furtherance of the principles of Corporate Governance the Board has appointed the following Committees, each of which has formal terms of reference. The membership of the Committees is shown on page 16.

Audit Committee

This Committee is chaired by Hugh Lang and normally meets three or four times a year with the Group Chief Executive and the Group Finance Director and representatives of the auditors in attendance as required. The Committee assists the Board in the discharge of its duties concerning the announcements of results and the Annual Report and Accounts and the maintenance of proper internal controls; it reviews the scope and planning of the audit and the auditors' findings and considers Group Accounting policies and the compliance of those policies with applicable legal and accounting standards.

Remuneration Committee

The Remuneration Committee, which sets the Group's overall remuneration policy and determines the remuneration and other benefits of the executive directors and monitors the remuneration of certain other senior managers, is chaired by Hugh Lang and it meets on a regular basis, usually three times a year and additionally whenever required. The Remuneration Report is set out on pages 20 and 21.

Nominations Committee

The Chairman of the Nominations Committee is Hugh Lang. This Committee is responsible for formulating and reviewing proposals for the appointment of directors and making recommendations thereon to the Board.

Any director appointed during the year is required under the Company's Articles of Association to retire and seek re-appointment by the shareholders at the next Annual General Meeting. It is also the practice of the Company that one third of the directors retires by rotation each year and seeks re-appointment at the Annual General Meeting.

Relationships with Shareholders

The directors recognise the importance of dialogue with investors. Meetings with institutional investors are arranged regularly and we are always ready to answer questions from shareholders.

At the Annual General Meeting in November 1999 and all future General Meetings of the Company, proxy votes received will be disclosed to those attending the meeting after the votes of those present have been dealt with by a show of hands. It has been the practice of the Company for many years to give more than 20 days' notice of the Annual General Meeting and for the Chairman, Chief Executive and other Board members to be present to answer questions relating to their responsibilities.

Internal Controls

The directors are responsible for the Group's system of internal financial control and have put in place an organisational structure and framework of financial controls which is periodically reviewed for its effectiveness. The key procedures within the Group's systems of internal financial control are as follows:

- 1 There is a comprehensive budgeting system with the annual budget being approved by the Board. Actual results and updated forecasts are prepared regularly and compared against budget. Cash-flows are controlled in comparison with budget and forecast;
- 1 The annual capital investment budget is approved by the Board together with significant individual items prior to commitment;
- 1 Each operating unit is required to comply with defined policies and procedures and authorisation levels are clearly defined and communicated. Regular internal control reviews and investigations are carried out by Group staff and followed up by management and a programme of risk assessment and control is being developed.

Operations throughout the Group are subject to the overall Group internal financial control framework, but such a system can provide only reasonable and not absolute assurance against material mis-statement or loss. The directors confirm that they have carried out a review of the effectiveness of the system of internal financial controls as operated during the year ended 31 July 1999 and intend to review controls at least annually and more frequently should the need arise.

Compliance

In addition to the Principles of Good Governance the Combined Code also contains a Code of Best Practice which contains some 45 provisions. The Board confirms that the Company has complied with all these provisions throughout the financial year except:

- 1 Provision B.1.7 of the Code, although, as stated on page 16 above, all executive directors will have one year notice periods with effect from 1 August 2000;
- 1 Provision A.2.1 in that it has no senior independent director who can be identified in this Annual Report. The Board intends to consider this matter during the current year;
- 1 Provision B.2.2 as Jamie Borwick was a member of the Remuneration Committee until 15 July 1999;
- 1 Provision A.6.1 as the non-executive directors were not appointed for a fixed term, although they are subject to re-election every three years.

By order of the Board

Amanda Walker Secretary

22 September 1999

We have audited the accounts on pages 26 to 45, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 30 and 31. We have also examined the amounts disclosed relating to the emoluments, share options, long term incentive scheme interests and pension benefits of the directors which form part of the Remuneration Report on pages 20 and 21.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report including, as described on page 22, the accounts. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the London Stock Exchange, and by our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the Company and the Group is not disclosed.

We review whether the statement on page 24 reflects the Company's compliance with those provisions of the Combined Code specified for our review by the London Stock Exchange, and we report if it does not. We are not required to form an opinion on the effectiveness of the Company's corporate governance procedures or its internal controls.

We read the other information contained in the Annual Report, including the corporate governance statement, and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent mis-statements or material inconsistencies with the accounts.

Basis of Audit 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the Company and of the Group, 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 accounts are free from material mis-statement, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group at 31 July 1999 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Chartered Accountants and Registered Auditors
22 September 1999
20 Old Bailey
London EC4M 7AN

	Notes	Before exceptional costs 1999 £000	Exceptional costs (note 2d) 1999 £000	Total 1999 £000	1998 £000
Turnover	2	118,183	-	118,183	114,969
Cost of sales		(96,795)	(495)	(97,290)	(92,035)
Gross Profit		21,388	(495)	20,893	22,934
Net operating expenses	3	(16,267)	(228)	(16,495)	(17,013)
Operating Profit	4	5,121	(723)	4,398	5,921
Interest - net payable	5	(885)	-	(885)	(887)
Profit on Ordinary Activities before Taxation	2	4,236	(723)	3,513	5,034
Tax on profit on ordinary activities	7	(1,317)	222	(1,095)	(1,546)
Profit for the Financial Year	8	2,919	(501)	2,418	3,488
Dividends (including non-equity dividends)	10	(1,921)	-	(1,921)	(1,934)
Transfer to Reserves	21	998	(501)	497	1,554
Basic Earnings per Ordinary Share	9	16.05p	(2.80)p	13.25p	19.32p
Diluted Earnings per Ordinary Share	9	15.90p	(2.77)p	13.13p	19.06p

Historical Cost Profits and Losses

On an historical cost basis, the profit on ordinary activities before taxation and the retained profit after taxation and dividends would have increased by £195,000 (1998 £118,000) due to the difference between the historical cost depreciation charge and the actual charge calculated on the revalued amount.

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 July 1999

	1999 £000	1998 £000
Profit for the financial year	2,418	3,488
Unrealised surplus on revaluation of properties	-	4,337
Total recognised gains and losses	2,418	7,825

The accompanying notes form an integral part of these financial statements.

	Notes	1999 £000	1999 £000	1998 £000	1998 £000
Fixed Assets					
Tangible assets	11		44,944		45,902
Investments	12		300		200
			45,244		46,102
Current Assets					
Stocks	13	13,756		16,802	
Debtors	14	9,568		12,249	
Cash at bank and in hand		-		3,539	
		23,324		32,590	
Creditors Amounts falling due within one year	15	(22,820)		(29,697)	
Net Current Assets			504		2,893
Total Assets Less Current Liabilities					
			45,748		48,995
Creditors Amounts falling due after more than one year	16		(3,547)		(7,765)
Provisions for Liabilities and Charges	18		(3,121)		(2,697)
Net Assets			39,080		38,533
Capital and Reserves					
Called up share capital	20		5,168		5,154
Share premium account	21		3,560		3,524
Capital redemption reserve	21		914		914
Revaluation reserve	21		9,834		10,029
Profit and loss account	21		19,604		18,912
Shareholders Funds Including Non-Equity Interests	22		39,080		38,533
Net Assets per Ordinary Share			214.2p		211.8p

Approved by the Board
 Hugh Lang Chairman
 Jamie Borwick Director
 22 September 1999

The accompanying notes form an integral part of these financial statements.

	Notes	1999 £000	1999 £000	1998 £000	1998 £000
Fixed Assets					
Tangible assets	11		125		253
Investments	12		8,800		8,700
			8,925		8,953
Current Assets					
Debtors					
Cash at bank and in hand	14	18,101		24,059	
		2,576		979	
		20,677		25,038	
Creditors Amounts falling due within one year	15	(3,309)		(7,876)	
Net Current Assets			17,368		17,162
Total Assets Less Current Liabilities					
Creditors Amounts falling due after more than one year	16		(3,000)		(7,014)
Provisions for Liabilities and Charges	18		(87)		(226)
Net Assets			23,206		18,875
Capital and Reserves					
Called up share capital					
Called up share capital	20		5,168		5,154
Share premium account	21		3,560		3,524
Capital redemption reserve	21		914		914
Profit and loss account	21		13,564		9,283
Shareholders Funds Including Non-Equity Interests	22		23,206		18,875

Approved by the Board
 Hugh Lang Chairman
 Jamie Borwick Director
 22 September 1999

The accompanying notes form an integral part of these financial statements.

	Notes	1999 £000	1999 £000	1998 £000	1998 £000
Reconciliation of Operating Profit to Net Cash Inflow					
from Operating Activities:					
Operating profit			4,398		5,921
Depreciation			5,014		4,032
Amortisation of intangible fixed assets			-		30
Profit on sale of fixed assets			(37)		(71)
Pension charge - non cash			438		140
Decrease in properties held for disposal			-		230
Decrease/(increase) in stocks			3,046		(5,527)
Decrease/(increase) in debtors			1,953		(1,053)
(Decrease)/increase in creditors and provisions			(5,192)		6,311
Net Cash Inflow from Operating Activities			9,620		10,013
Returns on Investments and Servicing of Finance					
Interest received		112		3	
Interest paid		(937)		(819)	
Interest element of finance contract payments		(60)		(71)	
Preference dividend paid		(48)		(38)	
Net Cash Outflow from Returns on Investments and Servicing of Finance			(933)		(925)
Taxation					
UK corporation tax paid			(823)		(1,751)
Capital Expenditure					
Purchase of tangible fixed assets		(4,213)		(7,696)	
Proceeds from sale of tangible fixed assets		194		150	
Purchase of own shares		(100)		(200)	
Net Cash Outflow from Capital Expenditure			(4,119)		(7,746)
Equity Dividends Paid			(1,873)		(1,784)
Net Cash Outflow before Financing			1,872		(2,193)
Financing					
Issue of Ordinary Share capital		50		25	
Capital element of finance contract payments		(176)		(134)	
(Decrease)/increase in stocking loan		(1,489)		2,334	
(Decrease)/increase in bank loan		(4,000)		4,000	
Net Cash (Outflow)/Inflow from Financing			(5,615)		6,225
(Decrease)/Increase in Cash	23		(3,743)		4,032

The accompanying notes form an integral part of these financial statements.

1 ACCOUNTING POLICIES

Basis of accounting

- (i) The accounts are prepared under the historical cost convention except as stated below.
- (ii) The Group accounts incorporate the results of the Company and all its subsidiaries. New subsidiaries, if any, are consolidated from the effective date of acquisition. The results of former subsidiaries, based on management accounts, are consolidated to the date of disposal. Goodwill on the acquisition of subsidiaries prior to 31 July 1998 has been written off against reserves in the year in which it arose. Goodwill arising on future acquisitions will be capitalised and amortised over a period no longer than 20 years.
- (iii) The profit and loss account of the Company is not included in these accounts pursuant to the exemption contained in Section 230 of the Companies Act 1985.
- (iv) The accounts have been prepared in accordance with applicable accounting standards.

Values attributed to properties and investments

- (i) Freehold land and buildings shown in fixed assets at valuation are included at the open market valuation for existing use purposes by members of the Royal Institution of Chartered Surveyors at 31 July 1998.
- (ii) Investment properties shown in fixed assets are included at the open market valuation by members of the Royal Institution of Chartered Surveyors at 31 July 1998.
- (iii) Fixed asset investments, including own shares purchased by the Manganese Bronze Holdings PLC Employee Share Ownership Trust (ESOT), are shown at cost less provision made in those cases where it is believed that there has been a permanent diminution in value.

Tangible fixed assets and depreciation

No depreciation is provided on freehold land. All other tangible fixed assets are depreciated on a straight line basis at rates calculated to write down the cost to residual value over the estimated useful life of the asset. The estimated useful lives are:

- (i) Freehold buildings - 20 to 35 years as advised by members of the Royal Institution of Chartered Surveyors.
- (ii) Vehicles - 4 years.
- (iii) Computers and associated equipment - 4 years.
- (iv) Minor plant, machinery and equipment - 5 years.
- (v) Major plant, machinery and equipment - 10 years.

Financing of stocks

Stocks of taxis held by non-Group dealers and financed through stocking loans are included in the balance sheet as finished goods together with the related borrowing.

Stocks

Stocks are valued consistently at the lower of cost and net realisable value on a first-in-first-out basis. Finished goods and work in progress are valued at cost of raw material content plus labour and applicable overheads. Appropriate provisions are made for slow moving and obsolete items.

Taxation

Provision is made for deferred taxation to the extent that liabilities are expected to become payable within the foreseeable future.

Research and development

Research and development costs are written off in the year in which they are incurred.

Foreign currencies

Foreign currency transactions entered into are translated into sterling at the exchange rate current at the date of the transaction. Foreign currency monetary assets and liabilities in the balance sheet are translated into sterling at either the rate of exchange ruling at the balance sheet date or at related forward contract rates if applicable and any resulting exchange gains and losses are taken to the profit and loss account.

Finance contracts

Finance leases and hire purchase contracts (together "finance contracts") are recorded in the balance sheet as tangible fixed assets and as an obligation to pay future rentals. Finance charges are allocated to accounting periods so as to approximate to a constant periodic rate of charge on the outstanding obligation.

1 ACCOUNTING POLICIES *continued*

Operating leases

Rentals under operating leases are charged to the profit and loss account as incurred.

Pensions

The cost of the Group's defined benefit pension arrangements has been charged to the profit and loss account so as to spread the expected long term cost of pensions over the service lives of employees as calculated by a qualified actuary. Payments to the defined contribution scheme are charged to the profit and loss account as incurred.

2 ANALYSIS OF RESULTS

(a) By Division	1999 Turnover £000	1999 Profit before tax £000	1998 Turnover £000	1998 Profit before tax £000
Vehicles - ordinary activities	89,440	5,384	79,456	5,527
- exceptional costs of TX1 introduction		-		(2,505)
Components - ordinary activities	28,743	(263)	35,513	2,899
- exceptional costs of Ipswich reorganisation		(723)		-
Turnover/Operating profit	118,183	4,398	114,969	5,921
Interest payable - net		(885)		(887)
		3,513		5,034

All turnover and profit before tax are derived from continuing activities.

(b) By market area	1999 Turnover £000	1998 Turnover £000
Rest of Europe	3,636	4,590
Asia	641	624
North America	101	234
Other	157	828
Total exports	4,535	6,276
United Kingdom	113,648	108,693
Total turnover	118,183	114,969

All turnover originates in the United Kingdom.

(c) Segmental net assets	1999 £000	1998 £000
Vehicles	23,296	23,089
Components	22,691	24,273
	45,987	47,362
Less net borrowings	(6,907)	(8,829)
Total net assets	39,080	38,533

(d) Exceptional costs

The exceptional costs of £723,000 included severance costs for the Divisional Managing Director, provisions against tooling and other fixed assets and redundancy costs.

3 NET OPERATING EXPENSES

	1999 £000	1998 £000
Operating expenses:		
Distribution costs	3,878	5,115
Administration expenses	12,656	12,267
Other operating income	(39)	(369)
Net operating expenses	16,495	17,013

4 OPERATING PROFIT

The operating profit is arrived at after taking account of the following:

	1999 £000	1998 £000
Depreciation - Tangible fixed assets	5,014	4,032
Amortisation - Intangible fixed assets	-	30
Research and development	1,025	681
Directors' remuneration (note 26)	922	663
Auditor's remuneration - Audit	117	120
- Other	60	55
Operating lease rentals - Plant	392	455
- Land and buildings	437	433

5 INTEREST - NET PAYABLE

	1999 £000	1998 £000
Payable on:		
Bank overdrafts and loans	629	644
Finance contracts	60	71
Stocking loan	308	175
Total payable	997	890
Receivable	(112)	(3)
Net payable	885	887

6 STAFF NUMBERS AND COSTS

The average number of persons employed by the Group during the year was as follows:

	1999 Number	1998 Number
Administration and sales	265	292
Production	689	733
	954	1,025

The aggregate remuneration of these employees was as follows:

	1999 £000	1998 £000
Wages and salaries	19,772	21,356
Social security costs	1,850	2,098
Pension costs (note 29)	1,989	1,535
	23,611	24,989

7 TAXATION

The taxation charge which is based on the profit for the year comprises:

	1999 £000	1998 £000
Current Year:		
UK Corporation Tax payable at 30.67% (1998 31%)	1,035	824
Deferred taxation	313	640
Adjustments relating to prior years:		
Current taxation	(615)	187
Deferred taxation	362	(105)
Total taxation charge	1,095	1,546

8 HOLDING COMPANY PROFIT FOR THE FINANCIAL YEAR

The profit for the year of the Company before dividends was £6,202,000 (1998 £3,693,000).

9 EARNINGS PER ORDINARY SHARE

The calculations of earnings per share are based on the following profit and numbers of shares:

	1999 £000	1998 £000
Profit for the financial year	2,418	3,488
Preference dividends	(48)	(38)
	2,370	3,450
	1999 Number	1998 Number
Weighted average number of shares in issue	17,890,094	17,852,652
Potential exercise of share options	162,736	249,056
For diluted earnings per share	18,052,830	18,101,708

10 DIVIDENDS

	1999 £000	1998 £000
Non-equity - 8.25% Cumulative Preference Shares of £1 each		
Preference dividend paid to 31 December	20	19
Preference dividend paid to 30 June	28	19
Preference dividend	48	38
Equity - Ordinary Shares of 25p each		
Interim dividend - paid 4p per share (1998 4p)	711	734
Final dividend - proposed 6.5p per share (1998 6.5p)	1,162	1,162
Total dividends payable	1,921	1,934

11 TANGIBLE FIXED ASSETS

Consolidated	Freehold land and buildings (note(i)) £000	Investment property (note(ii)) £000	Plant, machinery and equipment: owned £000	Plant, machinery and equipment: finance contracts £000	Total £000
Cost or valuation (note (ii))					
At 1 August 1998	15,030	1,600	45,085	1,596	63,311
Additions	610	-	3,603	-	4,213
Disposals	-	-	(750)	(47)	(797)
At 31 July 1999	15,640	1,600	47,938	1,549	66,727
Comprising:					
At professional valuation 31 July 1998	15,030	1,600	-	-	16,630
At cost	610	-	47,938	1,549	50,097
	15,640	1,600	47,938	1,549	66,727

11 TANGIBLE FIXED ASSETS *continued*

	Freehold land and buildings (note(i)) £000	Investment property (note(ii)) £000	Plant, machinery and equipment: owned £000	Plant, machinery and equipment: finance contracts £000	Total £000
Depreciation					
At 1 August 1998	-	-	16,796	613	17,409
Provision for the year	367	-	4,502	145	5,014
On disposals	-	-	(632)	(8)	(640)
At 31 July 1999	367	-	20,666	750	21,783
Net book value at 31 July 1999	15,273	1,600	27,272	799	44,944
Net book value at 31 July 1998	15,030	1,600	28,289	983	45,902

Notes

(i) £5,422,000 (1998 £5,372,000) of the gross book value of land has not been depreciated. Had there been no valuations, the book amounts of land and buildings using the historical cost accounting convention, would have been:

	Consolidated 1999 £000	Consolidated 1998 £000
Cost	9,593	8,984
Depreciation	(2,555)	(2,383)
Net book value	7,038	6,601

(ii) The land and buildings let under full commercial leases and classified as investment properties were valued at 31 July 1998 by DTZ Debenham Thorpe, on an 'open market value' basis. The other land and buildings were revalued at 31 July 1998 by DTZ Debenham Thorpe, on an 'open market value for existing use' basis.

Company

	Plant, machinery and equipment: owned £000	Plant, machinery and equipment: finance contracts £000	Total £000
Cost			
At 1 August 1998	331	33	364
Additions	11	-	11
Disposals	(94)	(33)	(127)
At 31 July 1999	248	-	248
Depreciation			
At 1 August 1998	109	2	111
Provision for the year	64	5	69
On disposals	(50)	(7)	(57)
At 31 July 1999	123	-	123
Net book value at 31 July 1999	125	-	125
Net book value at 31 July 1998	222	31	253

12 FIXED ASSET INVESTMENTS

Consolidated

Ordinary Shares in Manganese Bronze Holdings PLC held by the ESOT:

	Own shares Number	Own shares £000
Cost		
At 1 August 1998	43,654	200
Additions	29,896	100
At 31 July 1999	73,550	300

Company

	Own shares Number	Own shares £000	Shares in subsidiaries £000	Total £000
Cost				
At 1 August 1998	43,654	200	8,500	8,700
Additions	29,896	100	958	1,058
Disposals	-	-	(958)	(958)
Net book value at 31 July 1999	73,550	300	8,500	8,800
Net book value at 31 July 1998		200	8,500	8,700

The above movements in subsidiaries derive from the rationalisation of certain dormant companies within the Group.

The Manganese Bronze Holdings ESOT was established in 1997 to hold shares for the Group's employee share schemes. The purpose of the ESOT is, inter alia, to purchase shares in Manganese Bronze Holdings PLC in the open market and to grant options over such shares in accordance with the rules of the Group's employee share schemes. At the year end the ESOT was financed principally by loans, repayable on demand, from the Company. Administration expenses of the Trust are charged to the Company's profit and loss account as they are incurred. Dividends receivable by the Trust are waived.

The market value of the shares in the ESOT at 31 July 1999 was £174,000 (1998 £182,000).

Group Companies

Principal subsidiary undertakings at 31 July 1999:

Company	Principal activities
LTI Limited	Taxi manufacture and retailing
LTI Finance Limited	Taxi finance
Manganese Bronze Components Limited	Engineering component manufacture
Old BSA Limited	Group property

All the four principal Group companies are wholly owned, registered and operating in England.

13 STOCKS

	Consolidated 1999 £000	Consolidated 1998 £000
Raw materials and bought out items	4,297	5,911
Work in progress	3,361	3,173
Finished goods	6,098	7,718
Total stocks	13,756	16,802

14 DEBTORS

	Consolidated 1999 £000	Consolidated 1998 £000	Company 1999 £000	Company 1998 £000
Trade debtors	8,240	9,691	-	-
Amounts owed by subsidiary companies	-	-	16,941	22,324
Other debtors	543	485	23	6
Corporation Tax recoverable	-	290	784	978
Prepayments	495	1,055	63	23
Pension Fund prepayment (see note 29)	290	728	290	728
	9,568	12,249	18,101	24,059

At 31 July 1998 Corporation Tax recoverable of £203,000 and pension fund prepayments of £588,000 were recoverable after one year.

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated 1999 £000	Consolidated 1998 £000	Company 1999 £000	Company 1998 £000
Bank overdraft	204	-	-	-
Stocking loan (note)	2,925	4,414	-	-
Finance contracts (note)	231	189	-	14
Trade creditors	13,823	17,339	-	-
Amounts owed to subsidiary companies	-	-	1,322	5,550
Corporation Tax	725	1,418	-	290
Social security, payroll and other taxes	1,205	1,814	105	227
Other creditors	889	1,028	501	323
Accruals	1,656	2,333	219	310
Proposed dividend	1,162	1,162	1,162	1,162
	22,820	29,697	3,309	7,876

Note

The finance contracts and stocking loan are secured on certain assets of individual subsidiaries and finished taxes held by non-group dealers.

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated 1999 £000	Consolidated 1998 £000	Company 1999 £000	Company 1998 £000
Bank loan	3,000	7,000	3,000	7,000
Finance contracts	547	765	-	14
	3,547	7,765	3,000	7,014

17 FINANCIAL INSTRUMENTS AND DERIVATIVES

The disclosures in this note describe the Group's financial assets and liabilities as required by Financial Reporting Standard 13 Derivatives and other financial instruments: disclosures (FRS13). An explanation of Group policy regarding the use of financial instruments to manage the financial exposures facing the Group is also given. Certain financial assets such as investments in subsidiary companies are excluded from the scope of these disclosures. For this purpose non-equity shares issued by the Company are dealt with in the same way as the Group's financial liabilities, but separately disclosed.

As permitted by FRS13 short term debtors and creditors have been excluded from the disclosures, other than the currency disclosures.

Treasury Operations

Cash deposits arise from time to time, principally denominated in sterling, which are part of the financing arrangements of the Group and are placed with the Group's bankers on call. At 31 July 1999, the Group had cash deposits of £nil (1998 £3,539,000). The Group's financial liabilities are all sterling denominated and comprise various fixed and floating rate instruments detailed below. A maturity profile is also provided, together with information regarding debt management.

	Fixed 1999 £000	Floating 1999 £000	Total 1999 £000	Fixed 1998 £000	Floating 1998 £000	Total 1998 £000
Borrowings						
Bank overdraft	-	204	204	-	-	-
Bank loan	-	3,000	3,000	-	7,000	7,000
Stocking loan	-	2,925	2,925	-	4,414	4,414
Finance contracts	778	-	778	954	-	954
	778	6,129	6,907	954	11,414	12,368
Non-equity shares						
Preference Shares	686	-	686	686	-	686
	1,464	6,129	7,593	1,640	11,414	13,054

Obligations under bank loans and finance contracts are repayable as follows:

	Consolidated 1999 £000	Consolidated 1998 £000
Within one year or less	231	189
In the first and second years inclusive	257	201
In the third to fifth years inclusive	3,290	7,539
Over five years	-	25
	3,778	7,954

FINANCIAL INSTRUMENTS AND DERIVATIVES *continued*

The Group has an uncommitted overdraft facility of £3m which is linked to base rate. A further uncommitted money-market dealing line of £5m is also available and is linked to LIBOR. A committed bank loan facility of £7m, of which £4m was undrawn at 31 July 1999, is also linked to LIBOR and is available until February 2002. Group policy is to fix borrowings under these facilities for periods of up to one year.

The uncommitted stocking finance facility of £10m, including non-group dealers, is linked to FHBR.

The finance contracts are fixed at an average rate of 6.9%.

The Preference Shares were issued at a rate of 8.25% without a repayment date.

Currency Management

The Group's main currency exposure is to the Japanese Yen, a consequence of the purchase of taxi engines and gear boxes. The Group's policy is to hedge material foreign currency commitments for six months forward using forward foreign currency contracts.

The unhedged exposures reflected in the Group's foreign currency monetary assets and liabilities are summarised below:

	1999 £000	1998 £000
Net Foreign Monetary Assets/(Liabilities)		
Euro and related currencies	86	65
US dollar	(71)	(37)
Swiss franc	32	-
	47	28

Fair Values

Set out below is a comparison of book values and fair values of the Group's financial assets and liabilities.

	Book value 1999 £000	Fair value 1999 £000	Book value 1998 £000	Fair value 1998 £000
Primary financial instruments to finance the Group's operations				
Cash	-	-	(3,539)	(3,539)
Overdraft	204	204	-	-
Bank loan	3,000	3,000	7,000	7,000
Stocking loan	2,529	2,529	4,414	4,414
Finance contracts	778	778	954	954
Preference share capital	686	706	686	672
Derivative financial instruments held to manage the currency profile				
Forward foreign currency contracts gain/(loss)	-	117	-	(1,104)

Gains and losses on hedges

Hedge accounting is used when forward currency contracts have been entered into to stabilise the Group's imported material costs. This means that any gains or losses on these contracts are recognised in the Group's profit and loss account at the same point in time as the hedged items are accounted for.

An unrecognised loss of £1,104,000 was carried forward at 31 July 1998 and recognised during the course of the year ended 31 July 1999.

An unrecognised gain of £117,000 was carried forward at the end of the year ended 31 July 1999 and is expected to be recognised in the profit and loss account during the year ending 31 July 2000.

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PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £000	Warranty £000	Total £000
Consolidated			
At 1 August 1998	836	1,861	2,697
Transfer from/(to) profit and loss account	675	(251)	424
At 31 July 1999	1,511	1,610	3,121
Company			
At 1 August 1998	226	-	226
Transfer to profit and loss account	(139)	-	(139)
At 31 July 1999	87	-	87

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DEFERRED TAXATION

Consolidated

The balance at 31 July 1999 is made up as follows:

	Provided 1999 £000	Provided 1998 £000	Full potential liability 1999 £000	Full potential liability 1998 £000
Timing differences:				
Accelerated capital allowances	1,424	610	3,571	2,884
Other	87	226	34	159
	1,511	836	3,605	3,043

Any potential liabilities arising from the revaluation of land and buildings are expected to be covered by available capital losses.

Company

The balance at 31 July 1999 is made up as follows:

	Provided 1999 £000	Provided 1998 £000	Full potential liability 1999 £000	Full potential liability 1998 £000
Other timing differences	87	226	251	177

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SHARE CAPITAL

	Number	£000
Authorised Share Capital		
Ordinary Shares of 25p each	26,256,692	6,564
8.25% Cumulative Preference Shares of £1 each	685,827	686
Issued Share Capital		
Allotted fully paid Ordinary Shares of 25p each:		
At 1 August 1998	17,872,436	4,468
Issued during the year	55,000	14
At 31 July 1999	17,927,436	4,482
8.25% Cumulative Preference Shares of £1 each:		
Preference Shares in issue at 31 July 1999 and 1998	685,827	686
Total called up share capital		5,168

During the year 55,000 Ordinary Shares were issued for cash with a nominal value of £13,750 under the Executive Share Option Schemes, with a related share premium of £36,160. The Preference Shares have cumulative rights to dividends, limited voting rights and priority to the Ordinary Shares for repayment of capital on winding up.

As at 31 July 1999 the options outstanding under Executive, Company and Unapproved Share Option Schemes were as follows:

Date of grant	Exercise price	Outstanding
7 January 1991	103.0p	49,000
29 March 1993	87.5p	107,000
6 November 1993	113.0p	8,000
11 October 1996	360.5p	59,000
31 March 1998	412.0p	119,000
8 May 1998	428.0p	100,000
		442,000

Options outstanding under the Group's SAYE scheme at 31 July 1999 were as follows:

Date of grant	Exercise price	Outstanding
10 April 1997	420.0p	96,696
8 April 1998	359.0p	60,382
9 April 1999	157.2p	324,810
		481,888

The options are exercisable normally between three and ten years of the date of grant.

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RESERVES

	Share premium account £000	Capital redemption reserve £000	Revaluation reserve £000	Profit and loss account £000	Total £000
Consolidated					
At 1 August 1998	3,524	914	10,029	18,912	33,379
Shares issued	36	-	-	-	36
Transfer to profit and loss	-	-	(195)	195	-
Retained profit for the year	-	-	-	497	497
At 31 July 1999	3,560	914	9,834	19,604	33,912

£665,000 of the revaluation reserve is in respect of investment property.

	Share premium account £000	Capital redemption reserve £000	Profit and loss account £000	Total £000
Company				
At 1 August 1998	3,524	914	9,283	13,721
Shares issued	36	-	-	36
Retained profit for the year	-	-	4,281	4,281
At 31 July 1999	3,560	914	13,564	18,038

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SHAREHOLDERS FUNDS

	Consolidated 1999 £000	Consolidated 1998 £000
Reconciliation of Movements in Shareholders Funds		
Profit for the financial year	2,418	3,488
Dividends	(1,921)	(1,934)
	497	1,554
Surplus on revaluation	-	4,337
New share capital subscribed	50	25
Net addition to Shareholders' Funds	547	5,916
Opening Shareholders' Funds	38,533	32,617
Closing Shareholders' Funds	39,080	38,533

	Consolidated 1999 £000	Consolidated 1998 £000	Company 1999 £000	Company 1998 £000
Analysis of Shareholders Funds				
Equity interests	38,394	37,847	22,520	18,189
Non-equity interests: Preference Shares	686	686	686	686
	39,080	38,533	23,206	18,875

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ANALYSIS OF CASH, DEBT AND GEARING

Consolidated	1999 £000	1998 £000
Reconciliation of Net Cash Flow to Movement in Net Debt		
(Decrease)/increase in cash in the period	(3,743)	4,032
New finance contracts	-	(55)
Capital element of finance contracts payments	176	189
Decrease/(increase) in stocking loan	1,489	(2,334)
Decrease/(increase) in bank loan	4,000	(4,000)
Change in net debt	1,922	(2,168)
Net debt brought forward	(8,829)	(6,661)
Net debt carried forward	(6,907)	(8,829)
Shareholders' Funds	39,080	38,533
Gearing	17.7%	22.9%
Analysis of Net Debt		
Cash at bank and in hand	-	3,539
Overdrafts	(204)	-
Bank loan	(3,000)	(7,000)
Stocking loan	(2,925)	(4,414)
Finance contracts due within one year	(231)	(189)
Finance contracts due after more than one year	(547)	(765)
Net Debt	(6,907)	(8,829)

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CAPITAL COMMITMENTS

Consolidated	1999 £000	1998 £000
Expenditure authorised and contracted at 31 July	213	895

The Company had no capital commitments at 31 July 1999 (1998 £Nil).

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FINANCIAL COMMITMENTS

Consolidated

At 31 July 1999 the Group had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 1999 £000	Other 1999 £000	Land and buildings 1998 £000	Other 1998 £000
Operating leases which expire:				
Within one year	-	51	27	68
In the second to fifth years inclusive	-	367	-	269
Over five years	481	-	409	-
	481	418	436	337

The Company had no financial commitments at 31 July 1999 (1998 £Nil).

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DIRECTORS

	1999 £000	1998 £000
Aggregate emoluments	641	604
Company pension contributions to money purchase schemes	59	59
Compensation	222	-
	922	663

Highest Paid Director

The highest paid director was Michael Williams (1998 Jamie Borwick).

Aggregate emoluments	79	154
Company pension contributions to money purchase schemes	9	19
Compensation	222	-
	310	173

Further details of the emoluments, share options, pension benefits and long term incentive scheme interests of the directors are disclosed in the Remuneration Report on pages 20 and 21.

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SUBSTANTIAL INTERESTS IN ORDINARY SHARES

At 1 September 1999 the Company had been notified under the provisions of the Companies Act 1985 of the following interests in its Ordinary Share capital:

	Holding	%
Rutland Investments Limited and its subsidiaries (note)	6,653,052	37.1
Schroder Investment Management Limited	2,333,400	13.0
Jupiter Asset Management	1,786,779	9.9
Scottish Widows Investment Management Limited	615,000	3.4
Jamie Borwick and family companies	599,422	3.3

Note

The Rutland shareholding includes 1,106,652 Ordinary Shares held by its subsidiary, Love Lane Investments Limited. These shares are included in the non-beneficial interests of Jamie Borwick as he is the managing director of that company, and are disclosed in the Report of the Directors on pages 18 and 19.

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CONTINGENT LIABILITIES

- (a) The Company has given a guarantee to its bankers in respect of any amounts outstanding on the Group's borrowing facilities. At 31 July 1999 the relevant Group net borrowings amounted to £204,000 (1998 nil).
- (b) Certain subsidiaries provide warranties and sometimes extended warranties in respect of their products. The directors review the position regularly and consider that appropriate provisions have been made to cover known and expected costs likely to arise under these warranties.

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PENSIONS

The Group continues to operate a defined benefit scheme in which benefits have ceased to accrue additional pensionable service but continue to be linked to salary or Limited Price Indexation (LPI).

The valuation position of the scheme was assessed at 5 April 1997 by a qualified actuary and reviewed at 31 July 1999 using the following assumptions:

	At 31 July 1999 Review	At 5 April 1997 Valuation
Value of assets	Market value	Market value
Rate of investment return:		
- pre retirement age	6.75%	8.5%
- post retirement age	5.75%	8.0%
Rate of salary increase	4.75%	6.0%
LPI	3.00%	4.0%

Future pension increases were allowed for at rates set out in the scheme rules.

The market value of the assets of the scheme at the valuation date was £20,071,000. The actuarial value of these assets represented 93% of the actuarial value of the accrued benefit liabilities.

A cash contribution of £750,000 (1998 £500,000) was paid into the scheme during the year. An actuarial review of the scheme was carried out in August 1999. This indicated that there had been a substantial increase in the scheme deficit due to the abolition of ACT and the reduction in long term interest rates. The deficit at 31 July 1999 is estimated to be £6.7m. The pension charge for the year in respect of the scheme calculated in accordance with SSAP 24 was £1,188,000 (1998 £640,000).

The Group also operates a defined contribution pension plan open to employees of companies in the Group. The pension charge for this scheme for the year was £801,000 (1998 £895,000). The total pension charge for the year was £1,989,000 (1998 £1,535,000). Both the plan and the scheme assets are held in funds separate from the Group.

	1995 £000	1996 £000	1997 £000	1998 £000	1999 £000
Turnover					
Vehicles	53,364	62,887	73,045	79,456	89,440
Components	32,933	34,446	28,632	35,513	28,743
	86,297	97,333	101,677	114,969	118,183
Operating profit					
Vehicles	4,119	5,006	6,842	5,527	5,384
Components	829	1,292	1,542	2,899	(263)
	4,948	6,298	8,384	8,426	5,121
Exceptional items	(736)	-	-	(2,505)	(723)
Profit on ordinary activities	4,212	6,298	8,384	5,921	4,398
Interest - net payable	(9)	(96)	(73)	(887)	(885)
Profit on ordinary activities before tax	4,203	6,202	8,311	5,034	3,513
Taxation charge	(1,588)	(1,645)	(1,835)	(1,546)	(1,095)
Dividends	(877)	(1,255)	(1,725)	(1,934)	(1,921)
Transfer to reserves	1,738	3,302	4,751	1,554	497
Capital expenditure	4,493	8,025	15,724	7,696	4,213
Net assets	21,870	27,640	32,617	38,533	39,080
Net debt	(308)	(597)	(6,661)	(8,829)	(6,907)
Gearing	1.4%	2.2%	20.4%	22.9%	17.7%
	1995	1996	1997	1998	1999
Earnings per Ordinary Share					
Basic	15.53p	26.81p	36.39p	19.32p	13.25p
Diluted	15.31p	26.22p	35.71p	19.06p	13.13p
Dividends per Ordinary Share					
Interim	2.0p	2.5p	3.5p	4.0p	4.0p
Final	3.0p	4.5p	6.0p	6.5p	6.5p
	5.0p	7.0p	9.5p	10.5p	10.5p
Vehicle sales					
UK	2,098	2,466	2,800	2,849	3,101
Export	23	99	138	33	19
	2,121	2,565	2,938	2,882	3,120

Vehicles Division

- | | | | |
|---|--|--|---|
| 1 | London Taxis International
Manufacture of the London Taxi | Holyhead Road
Coventry CV5 8JJ
Telephone (02476) 572000
Fax (02476) 572001 | Jamie Borwick - Chairman
Barry Widdowson - Managing Director
Alan Bray
Trevor Hattersley
Mike Lyott |
| 2 | London Taxis International - Export
Export Sales of the London Taxi | Holyhead Road
Coventry CV5 8JJ
Telephone (02476) 572000
Fax (02476) 572001 | Roy McMaster
Gareth Morgan
Ian Mullen
Ed Osmond
Andrew Overton |
| 3 | Mann & Overton London
Taxi Sales | 48-52 Holloway Road
London N7 8JL
Telephone 020-7700 0888
Fax 020-7700 6676 | Adrian Peake
Tony Pearman
Trevor Power
Updesh Ramnath
Peter Rigden |
| 4 | Mann & Overton Birmingham
Taxi Sales | 147-150 Charles Henry Street
Birmingham B12 0SD
Telephone 0121-622 7777
Fax 0121-622 7771 | Andrew Shaw
Mark Smith
Jevon Thorpe
Mark Whitehouse |
| 5 | Mann & Overton Bristol
Taxi Sales | 16-20 Fishponds Road
Bristol BS5 6SB
Telephone 0117-952 7777
Fax 0117-952 7778 | |
| 6 | Mann & Overton Manchester
Taxi Sales | Raynes Way, Cheetham
Manchester M8 8NN
Telephone 0161-831 3434
Fax 0161-831 3435 | |
| 7 | LTI Finance
Finance for Taxi Purchase | 7 Quayside Lodge
William Morris Way
London SW6 2UZ
Telephone 020-7371 9299
Fax 020-7371 9481 | Ian Pickering - Chairman
Barry Widdowson
Mike McRedmond
Liz Chadwick |



Group Head Of fice

Mike Durham
Andy Male

Components Division

- | | | | |
|----|---|--|---|
| 8 | MBC Precision Components
and MBC Advanced Sintering
Sintered Iron and Bronze Components | Hadleigh Road, Ipswich
Suffolk IP2 0HX
Telephone (01473) 233300
Fax (01473) 230424 | Jamie Borwick - Chairman
Ian Pickering
Phil Badger
John Brackpool
Alistair Brivey
Sandra Burt
David Chapman
John Cooke
Peter Farthing
Paddy Holt
Peter Jones
Richard King
Mark MacDougall
Phil Marsh
Peter Mayhew
Malcolm Mott
Mark Perry
Nigel Plant
Mavin Poole
David Power
Andy Riches
Ian Taylor
Mark Wall
Jim Welsh |
| 9 | MBC Metal Powders
Water and Gas Atomised Metal Powders
Birmingham B11 1DT | Montgomery Street

Telephone 0121-773 7386
Fax 0121-772 3587 | |
| 10 | MBC Precision Castings
and MBC Lightalloys
Lost Wax Stainless Steel
and Aluminium Castings | Shawbank Road
Lakeside, Redditch
Worcestershire B98 8YN
Telephone (01527) 527501
Fax (01527) 502533 | |
| 11 | Deans Powered Doors
Manufacture of Bus Door Systems | PO Box 8, Grovehill Road
Beverley, East Yorkshire
HU17 0JL
Telephone (01482) 868111
Fax (01482) 881890 | Ian Pickering - Chairman
Derrick Skidmore - Managing Director
Malcolm Phillips
Peter Spencer
Dave Thomas |



Group contact details
can be found on page

A brief history of Manganese Bronze Holdings PLC - and how we got our name. Manganese Bronze Holdings was founded in 1882 to manufacture ships propellers out of the revolutionary new alloy manganese bronze, which was very resistant to sea-water. The Company then expanded into the new industry of sintering metal powders to form bearings. In the early 1960s it disposed of the ships propeller business - before the downturn in shipbuilding - and purchased the Norton motorcycle business from receivership. When the Birmingham Small Arms Company (BSA) was in financial difficulties in 1973, Manganese Bronze sold its motorcycle business into Norton Villias Triumph and purchased several BSA businesses, which today form large parts of our present Components Division. In addition we acquired BSA Carbodies, coachbuilder of the traditional London Taxi, which formed the nucleus of our Vehicles Division. We then began to assemble the complete vehicle and the purchase of Mann & Overton Limited, the taxi retailer, in 1984 formed our Vehicles business which today operates as London Taxis International. In 1997 we launched the new London Taxi, the TX1.