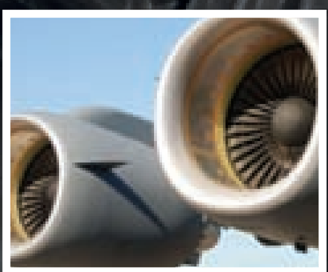
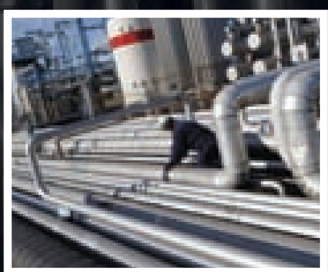
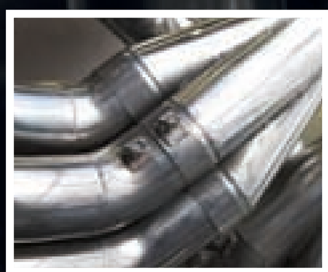
Tricorn Group plc

Annual Report and Accounts 2009



Global Tubular Solutions

Tricorn Group plc

Tricorn Group plc is the holding company for a group of companies that develop and manufacture pipe solutions to a growing and increasingly international customer base.

Each of the businesses is focussed on its targeted sectors and committed to world class operational performance within its area of expertise. With a strong emphasis placed on delivering value to their stakeholders the businesses are well positioned for further success.

Our Markets

Manipulated tubular assemblies in steel, plastic, stainless steel, titanium and plastic/steel hybrids for Power Generation, Oil and Gas, Marine, Civil aircraft, Military aircraft, Off highway, Niche automotive, Medical and Water.




Our Focus

To continue to drive for world class operational performance within individual businesses by:

- Developing local management expertise
- Cultivating close customer relationships
- Implementation of lean manufacture

To deliver value to our customers and shareholders through:

- Elimination of waste
- Overhead streamlining
- Low cost country sourcing of components

To ensure long-term growth through:

- Selective acquisitions
- Operating in sectors with strong underlying growth potential
- Maintaining a clear focus on pipe solutions

Global Tubular Solutions

The Year in Brief

- Results significantly impacted by market downturn in second half of the year
- The Group has acted decisively to reduce operating costs
- Improved cash flow from operating activities
- Cash and equivalents increased 80% to £713k
- Further reductions in gearing and net debt

"After a strong first half, the Group has acted decisively in reducing its operating costs in response to the sharp decline in trading conditions experienced in the later part of the year. With these actions nearing completion and with a strong focus on cash generation, the Group is well positioned to respond to the current challenging conditions and to take advantage of the upturn in demand when it occurs."

Nick Paul CBE
Chairman

Summary of Results

	2009 £'000	2008 £'000	change %
Sales revenue	**22,245**	20,829	6.8
Adjusted operating profit*	**1,430**	1,661	(13.9)
Adjusted profit before tax*	**1,234**	1,414	(12.7)
Adjusted earnings per share – basic*	**3.16p**	3.55p	(11.0)
Restructuring costs	**239**	–	–

* Before restructuring costs, intangible amortisation, share-based charges and interest rate swap charge.

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Chairman's and Chief Executive's Statement

Nick Paul and Mike Welburn

Performance in year ended 31 March 2009

After a strong performance in the first half of the year, the Group saw a significant deterioration in trading conditions through the later part of the year particularly impacting on its more profitable businesses. Even with decisive action to reduce costs, operating profit (before restructuring costs, intangible amortisation and share-based charges) decreased by 13.9% to £1,430k (2008: £1,661k) and adjusted basic earnings per share dropped 11.0% to 3.16p (2008: 3.55p). Notwithstanding the adverse economic conditions, the Group continues to strengthen its balance sheet and it is pleasing to report net debt reduced by 28% to £2,064k (2008: £2,870k) and interest cover* increased to 9.2 times (2008: 8.1 times). Cash in hand at the year end was £713k.

Malvern Tubular Components (MTC) had seen record sales and orders through the first half of the year which more than compensated for the weaker demand experienced at Redman Fittings (Redman). However, as the second half developed, orders at MTC dropped by some 30% and the weak housing market saw the run rate at Redman reduce further. Sales at Redman ended the year down nearly £1.5m impacting upon operating profits by approximately £400k.

Maxpower Automotive was acquired in June 2007. By the end of the first half of the current year, the vast majority of planned resourcing of components to low cost countries had been completed and significant gains had been made through improved productivity ensuring that the business was performing in line with expectations. Given that the final quarter saw markets drop by nearly 40% compared to earlier in the year, the business did well to return to underlying profitability by the close of the period.

At RMDG Aerospace, demand levels have held up relatively well with output up in the final quarter when compared to earlier in the year. Nonetheless, given the current lower operating margins within this business and some softening in demand anticipated, restructuring of the business took place toward the end of the period.

Focus for 2009

The Group highlighted in its interim results statement in December 2008 that it was starting to see some evidence of a slow down and its trading update of February 2009 and pre close statement in April 2009 confirmed that market conditions had deteriorated further. Whilst there is a degree of resilience in some markets, sales for the three months to the end of April 2009 are some 35% lower than the corresponding period last year and the Group is not anticipating any improvement in the near-term.

Swift and decisive steps were taken to respond to the challenges that this deterioration in the Group's end markets presented and the Group's actions continue to be focussed in three key areas:

1. Capacity alignment

The Group has rapidly re-sized the operations to reflect lower activity levels by a combination of headcount reduction, short time working arrangements and extended shutdowns. Order levels are reviewed on a weekly basis and hours adjusted accordingly. This approach has enabled productivity to be maintained and will enable the Group to respond quickly to any increase in demand.

2. Cost reduction

In addition to ensuring direct head count is fully aligned to demand, the Group has focussed on significant reductions in overheads. Plans to combine back office functions within the Group, introduce shared services and reduce overheads have been accelerated and are now largely complete. Short time working for staff has also been implemented at Maxpower, MTC and Redman with corresponding reductions in pay. Bonus plans/merit awards have been suspended across the Group and all other spend remains under close scrutiny. The Group enters the current year with indirect headcount reduced by over 20% and overheads reduced by 28%.

3. Cash optimisation

The Group is focussed on its balance sheet and has implemented even tighter controls around cash conversion. Significant inventory reduction across the Group is being targeted which, combined with capital expenditure targeted at less than 50% of depreciation, will ensure the retention of a strong balance sheet. Operating cash flow for the three months ended April 2009 was £240k, driven by the working capital reduction programme which is very much on track.

People

Phil Lee joined the Board as Group Finance Director in February 2009. Phil had previously been at Rolls-Royce for nine years working in a number of roles including Finance Director of Distributed Generation Systems.

Jeffrey Rubins who had been a non-executive Director resigned from the Board in March 2009. We would like to thank Jeffrey for his considerable contribution.

We would also like to thank all of our people for their continued hard work and enthusiasm. It is their energy, initiative and commitment that ensures Tricorn is able to respond effectively to the demanding environment we face.

Outlook

The global economic downturn has resulted in extremely challenging conditions across many of the Group's markets. However the Group has responded swiftly to reduce its cost base and this combined with its focus on further strengthening the balance sheet will ensure the Group is well placed as market conditions improve.

* Interest cover = Operating profit before amortisation, depreciation, share-based remuneration and restructuring costs divided by interest cost excluding derivatives charges.

"Our focus on further strengthening the balance sheet will ensure that we are well placed as market conditions improve.**"**

FINANCIAL REVIEW

Income statement

Despite the adverse market conditions, the Group delivered a good set of results with revenue increasing by £1,416k (6.8%) to £22,245k. The 2007/08 results did not include a full year's revenue from Maxpower following its acquisition in June 2007. Excluding Maxpower from both years, underlying turnover increased by £182k.

Operating profit was down £159k (12.9%) to £1,073k after taking account of restructuring costs, intangible asset amortisation and share-based charges. During the year, the Group undertook a strategic review of its operations and right sized its businesses in the light of economic conditions, which resulted in one-off restructuring costs of £239k.

Net interest charges for the year were £296k, which is £37k higher than the 2007/08 charge. However, included within this figure is £100k (2008: £12k) relating to an interest rate swap fair value adjustment on the Group's borrowing arrangements. This adjustment is a non-cash, accounting adjustment required under IAS 39 and does not, therefore, reflect the underlying trading performance of the Group. Excluding this adjustment, the Group's net interest charge reduced by £51k (20.6%) to £196k.

The resultant profit before tax finished the year at £777k (2008: £973k). Basic EPS fell to 1.77p (2008: 2.56p); after adjusting for one-off costs EPS stood at 3.16p (2008: 3.55p).

Balance sheet

Total fixed assets of the Group reduced £150k to £2,884k, largely as a result of the amortisation of intangible assets. The Group continues to invest in capital programmes that deliver improved operational efficiencies, and capital expenditure investment for 2008/09 totalled £347k including those funded by lease finance.

Net working capital increased £3k to £4,581k. Overall inventory increased in the year by £270k. However, the Group committed to reducing inventory levels during the second half of 2008/09, and throughout 2009/10, and this year on year increase masks an actual second half reduction of £271k.

The net debt position of the Group reduced by £806k in the year from £2,870k to £2,064k. With solid cash generation in the year cash and cash equivalents increased by £316k to £713k, whilst steady progress was made in reducing borrowing on the term loan and invoice discounting facility.

Gearing, measured as long-term debt to equity, reduced to 16.0% from 26.6% in 2007/08.

The Group's term loan is scheduled for final repayment in 2012, whilst the invoice discounting facility is due for renewal in November 2009, and the Directors do not expect any issues in renewing this facility. Both are subject to covenants within which the Group is comfortably performing.

Continued focus will be placed on generating strong cash flows during 2009/10, with good profit to cash conversion and significant inventory reductions being key to delivery.

Nick Paul CBE
Chairman
15 June 2009

Mike Welburn
Chief Executive
15 June 2009

The Management Team
Board of Directors

Executive Directors

Mike Welburn (Age 46)

Chief Executive Officer

Joined Tricorn in April 2003, appointed to the Board in March 2004 and as Chief Executive in November 2007. He had previously been with IMI plc for 18 years where he had held a number of senior roles within the Fluid Power Division. This included responsibility for European Operations and Global OEM Strategy.

Phil Lee (Age 38)

Group Finance Director

Joined Tricorn in January 2009 and appointed to the Board in February 2009. He had previously been at Rolls-Royce plc for 9 years working in a number of roles including Finance Director of Distributed Generation Systems (part of the Rolls-Royce Energy business). Prior to Rolls-Royce he had been with National Grid Plc.

Noel ("Nick") Silverthorne (Age 62)

Group Technical Director

Over 25 years of engineering experience with subsidiary companies MTC and Redman Fittings and had been Managing Director of MTC for over 20 years. He is leading the Group's development of material sourcing from low cost economies, a key element in the Board's strategy.

Non-executive Directors

Nick Paul CBE (Age 64)

Non-executive Chairman

Appointed to the Board as non-executive Chairman in October 2001. Member of the Remuneration and Audit Committees, and Chairman of the Nomination Committee. He has a wealth of international business experience and had previously been deputy Chief Executive of IMI plc. He is also Chairman of the Regional Development Agency, Advantage West Midlands, and Chairman of Midlands Expressway Limited. In the past he has been Chairman of the West Midlands CBI and non-executive Director of John Laing Homes plc and Sig plc.

Roger Allsop (Age 65)

Non-executive Director

Purchased MTC in 1984 and Chief Executive of Tricorn up to 2002 after which he became a non-executive Director. Chairman of the Audit and Remuneration Committees and a member of the Nomination Committee. He was previously managing Director of Westwood Dawes plc and is currently a non-executive Director of Netcall plc.

Committees

Audit Committee
Roger Allsop – Chairman
Nick Paul
Michael Greensmith – Secretary

Nomination Committee
Nick Paul – Chairman
Roger Allsop
Michael Greensmith – Secretary

Remuneration Committee
Roger Allsop – Chairman
Nick Paul
Michael Greensmith – Secretary

Report of the Directors

The Directors present their annual report together with the audited financial statements for the Group for the year ended 31 March 2009.

Principal activity

Tricorn Group plc is the parent company of a group of specialist engineering subsidiaries ("Group") whose activities incorporate high precision tube manipulation, systems engineering and specialist fittings.

Business review

A review of the progress of the Group during the year and its prospects for the future are included in the Chairman's report. There was a profit for the year after taxation amounting to £585k (2008: £799k). The Directors do not recommend the payment of a dividend.

Financial risks and management

The Group's principal financial instruments comprise a bank loan, an invoice discounting facility, hire purchase and finance lease contracts, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, commodity price risk, foreign currency risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities. The Group finances specific large plant acquisitions via hire purchase or finance lease contracts. An interest rate swap has been entered into to fix the interest rate on the Group's borrowings.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of deposits, bank loans, overdrafts, invoice discounting and finance lease and hire purchase contracts. Money on deposit is held on treasury reserve, partly to finance working capital and also to help finance future acquisitions.

Commodity price risk

The Group's exposure to the price of steel is high, therefore selling prices are monitored regularly to reduce the impact of such risk and opportunities to reduce material costs are explored constantly. The Group has partly responded to this risk by sourcing materials in low cost countries. The Group would also look to recharge any increased cost of commodities to customers.

Foreign currency risk

Certain purchases and sales are made in foreign currencies. In order to minimise the impact of currency movements the Group utilises short-term forward currency contracts. Foreign exchange differences on retranslation of foreign currency assets and liabilities are taken to the Group income statement.

Credit risk

The Group trades with only recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Report of the Directors

continued

Directors

The present membership of the Board is set out below.

N C Paul CBE
R Allsop
M I Welburn
P Lee (Appointed 25 February 2009)
N Silverthorne
J Rubins (Resigned 31 March 2009)

Share capital

Details of the Tricorn Group plc ("Company") share capital, are given in note 25 to the financial statements. The Group's policy for managing capital and financing to support the activities of the Group is detailed in note 23 to the financial statements.

Substantial shareholdings

The only interests in excess of 3% of the issued share capital of the Company, which have been notified as at 31 May 2009, were as follows:

	Ordinary shares of 10p each Number	Percentage of capital %
R Allsop	11,220,000	33.98
Hargreave Hale Limited	6,714,000	20.33
Standard Life Investment Limited	2,128,229	6.45
J Rubins	1,500,000	4.54
Rock Nominees Limited (account 500112)	1,370,150	4.15
Octopus Investment Limited	1,350,000	4.09
J Cooper	1,200,000	3.63

Health and safety

The Group recognises its responsibility to ensure that its employees work in as safe a working environment as possible. Checks are implemented to ensure its clients comply with Health and Safety legislation.

Payment to suppliers

It is the Group's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and to pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Group does not have a standard or code which deals specifically with the payment of suppliers.

Group trade payables at the year end amount to 43 days of average supplies (2008: 76 days). The Company trade payables are 41 days (2008: 60 days).

Directors' responsibilities for the Group financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union (IFRSs).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 489 of the Companies Act 2006.

On behalf of the Board

M I Welburn
Director
15 June 2009

Corporate Governance

Directors

The Directors support the concept of an effective Board leading and controlling the Group. The Board is responsible for approving the Group's policy and strategy. It meets on a regular basis and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from the Company Secretary and independent professional advice at the Company's expense.

The Board consists of three executive Directors, who hold the key operational positions in the Group and two non-executive Directors, who bring a breadth of experience and knowledge. This provides a balance whereby the Board's decision making cannot be dominated by an individual. The Chairman of the Board is N C Paul and the other non-executive Director is R Allsop. The Board approve the strategic decisions of the Group. The Group's business is run on a day to day basis by M I Welburn, P Lee and N Silverthorne, with M I Welburn having overall responsibility as the Chief Executive.

Relations with shareholders

The Group values the views of its shareholders and recognises their interest in the Group's strategy and performance. The Annual General Meeting will be used to communicate with private investors and they are encouraged to participate. The Directors will be available to answer questions. Separate resolutions will be proposed on each issue so that they can be given proper consideration and there will be a resolution to approve the annual report and accounts.

Internal control

The Board is responsible for maintaining a strong system of internal control to safeguard shareholders' investment and the Group's assets and for reviewing its effectiveness. The system of internal control is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

An audit committee has been established comprising the non-executive Directors. Following the resignation of J Rubins as a non-executive Director, this is now chaired by R Allsop. The committee meets at least twice per annum and is responsible for ensuring that the financial performance of the Group is properly monitored and reported on as well as meeting the auditors and reviewing any reports from the auditors regarding accounts and internal control systems.

The Board has considered the need for an internal audit function but has decided the size of the Group does not justify it at present. However, it will keep the decision under annual review.

Board structure

The key features of the Group's system of governance are as follows:

- the Group is headed by an effective Board, which leads and controls the Group;
- there is a clear division of responsibilities in running the Board and running the Group's business;
- the Board includes a balance of executive and non-executive Directors; and
- the Board receives and reviews on a timely basis financial and operating information appropriate to be able to discharge its duties.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Detailed cash flow forecasts have been prepared which highlight that the Group has sufficient cash headroom to support its activities. The forecasts also highlight that the financial covenants included in the bank loan agreement will be fully complied with. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Directors' remuneration

The Board recognises that Directors' remuneration is of legitimate concern to the shareholders and is committed to following current best practice. The Group operates within a competitive environment, performance depends on the individual contributions of the Directors and employees and it believes in rewarding vision and innovation.

Policy on executive Directors' remuneration

Detail of individual Directors' remuneration is set out in note 5 to the financial statements. The policy of the Board is to provide executive remuneration packages designed to attract, motivate and retain Directors of the calibre necessary to maintain the Group's position and to reward them for enhancing shareholder value and return. It aims to provide sufficient levels of remuneration to do this, but to avoid paying more than is necessary and reflects the Directors' responsibilities. A separate remuneration committee has been established comprising the non-executive Directors and is chaired by R Allsop.

Basic annual salary

The Remuneration Committee reviews each executive Director's basic salary annually. In deciding upon appropriate levels of remuneration the Board believes that the Group should offer levels of base pay reflecting individual responsibilities and commensurate with similar jobs in other business sectors.

Annual bonus payments, benefits and pension arrangements

M I Welburn and P Lee participate in a performance related bonus arrangement through Tricorn Group plc.

N Silverthorne shares in a performance related bonus arrangement within Malvern Tubular Components Limited.

M I Welburn, P Lee and N Silverthorne benefit from the provision of private medical insurance, the provision of company cars and participate in a contributory pension scheme.

R Allsop and N C Paul receive no bonus, pension or benefits in kind.

Notice periods

M I Welburn and N Silverthorne have service agreements with the Group which are terminable on not less than 12 months written notice given by either party to the other at any time. P Lee has a service agreement with the Group which is terminable on not less than 6 months written notice given by either party to the other at any time.

N C Paul and R Allsop have letters of appointment with the Group which are terminable upon 6 months written notice being given by either party.

Corporate Governance

continued

Share option incentives

The Company has adopted a number of individual unapproved and enterprise management scheme share option agreements to motivate and retain key personnel of the Group. At 31 March 2009 the following options were held by the Directors:

	At beginning of period Number	Lapsed during the year Number	Granted during the year Number	Exercised during the year Number	**At end of year Number**	Exercise price £
Unapproved share options						
N C Paul CBE	200,000	–	–	–	**200,000**	0.30
M I Welburn	306,339	–	–	–	**306,339**	0.1775
M I Welburn	375,000	–	–	–	**375,000**	0.40
Enterprise management scheme (EMI) options						
M I Welburn	750,000	–	–	–	**750,000**	0.10
N Silverthorne	200,000	–	–	–	**200,000**	0.10
N Silverthorne	150,000	–	–	–	**150,000**	0.20
M I Welburn	193,661	–	–	–	**193,661**	0.1775
P Lee	–	–	500,000	–	**500,000**	0.10

Unapproved share options

N C Paul's option is exercisable between 1 January 2002 and 31 December 2009. The unapproved share options granted on 30 November 2006, over 306,339 shares for M I Welburn are to be exercisable at 17.75p per share once the mid-market price has been maintained at 30p per share or greater for ten consecutive working days – this has been attained. The unapproved options granted over 375,000 shares for M I Welburn are exercisable at 40p per share between 30 November 2007 and 29 November 2014.

EMI options

M I Welburn has three separate EMI share options. The first option is over 500,000 ordinary shares which is exercisable at 10p per share after 12 months continuous employment and will remain in force for ten years. The second option over 250,000 shares is to be exercisable at 10p per share once the mid-market price has been maintained at 20p per share or greater for ten consecutive working days. The third option, granted on 27 July 2006 over 193,661 shares is to be exercisable at 17.75p per share once the mid-market price has been maintained at 30p per share or greater for ten consecutive working days.

N Silverthorne was granted an EMI option on his appointment as a Director of the Company, effective 1 December 2004. This option is over 200,000 ordinary 10p shares and will remain in force for ten years. He also had 150,000 EMI options prior to his appointment as a Director which are exercisable at 20p per share. None of the options have performance conditions attached to them.

P Lee was granted an EMI option over 500,000 shares at 10p on commencement of his employment. The first 250,000 are exercisable after 3 months continuous employment. The second 250,000 are exercisable after a further 12 months continuous employment. This option is in force for 10 years and does not have performance conditions attached to it.

The exercise periods for share options were set by the Remuneration Committee in order to incentivise and retain key executives. All share disposals will be limited to one third of the option in any given year without prior Board approval. The market price of the Company's shares at 31 March 2009 was 6.5p (31 March 2008: 34.0p) and the range during the year was 6.5p to 35.5p (2008: 3.75p to 44.5p).

Report of the Independent Auditor to the Members of Tricorn Group plc

We have audited the Group financial statements of Tricorn Group plc for the year ended 31 March 2009 which comprise the Group income statement, the Group statement of changes in equity, the Group balance sheet, the Group cash flow statement and notes 1 to 29. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent Company financial statements of Tricorn Group plc for the year ended 31 March 2009.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities for the Group financial statements.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's and Chief Executive's Statement that is cross referred from the Business Review section of the Report of the Directors.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Chairman's and Chief Executive's Statement, the Report of the Directors and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

Report of the Independent Auditor to the Members of Tricorn Group plc continued

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 Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Group financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 March 2009 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Separate opinion in relation to IFRSs

As explained in Note 2 to the Group financial statements, the Group in addition to complying with its legal obligation to comply with IFRSs as adopted by the European Union, has also complied with the IFRSs as issued by the International Accounting Standards Board.

In our opinion the Group financial statements give a true and fair view, in accordance with IFRSs, of the state of the Group's affairs as at 31 March 2009 and of its profit for the year then ended.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Birmingham
15 June 2009

Group Income Statement

for the year ended 31 March 2009

	Notes	2009 £'000	Restated 2008 £'000
REVENUE	3	**22,245**	20,829
Cost of sales		**(14,750)**	(13,672)
GROSS PROFIT		**7,495**	7,157
Distribution costs		**(947)**	(912)
Administration costs		**(5,118)**	(4,584)
OPERATING PROFIT BEFORE AMORTISATION, SHARE-BASED REMUNERATION AND RESTRUCTURING COSTS	3	**1,430**	1,661
Amortisation	12	**(118)**	(94)
Share-based payment charge	6	**–**	(335)
Restructuring costs	4	**(239)**	–
OPERATING PROFIT	3/4	**1,073**	1,232
Finance income	8	**20**	10
Finance costs	8	**(316)**	(269)
PROFIT BEFORE TAX		**777**	973
Income tax expense	9	**(192)**	(174)
PROFIT FOR THE YEAR	3	**585**	799
ATTRIBUTABLE TO:			
Equity holders of the parent		**585**	799
EARNINGS PER SHARE:			
Basic earnings per share	10	**1.77**	2.56
Diluted earnings per share	10	**1.71**	2.27

All of the activities of the Group are classed as continuing.

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

Group Statement of Changes in Equity

for the year ended 31 March 2009

	Share capital £'000	Share premium £'000	Merger reserve £'000	Share-based payment reserve £'000	Profit and loss account £'000	Total £'000
BALANCE AT 1 APRIL 2007	3,102	1,371	1,388	52	(3,231)	2,682
Profit for the year	–	–	–	–	799	799
Total recognised income and expense for the year	–	–	–	–	799	799
Share-based payment charge	–	–	–	335	–	335
Share options exercised in year	–	–	–	(194)	194	–
Issue of new shares	200	77	–	–	–	277
BALANCE AT 31 MARCH 2008	3,302	1,448	1,388	193	(2,238)	4,093
Profit for the year	–	–	–	–	585	585
Total recognised income and expense for the year	–	–	–	–	585	585
BALANCE AT 31 MARCH 2009	**3,302**	**1,448**	**1,388**	**193**	**(1,653)**	**4,678**

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

Group Balance Sheet

at 31 March 2009

	Notes	2009 £'000	2008 £'000
ASSETS			
NON-CURRENT			
Goodwill	11	**591**	591
Other intangible assets	12	**911**	1,029
Property, plant and equipment	13	**1,382**	1,414
		2,884	3,034
CURRENT			
Inventories	15	**3,817**	3,547
Trade and other receivables	16	**3,661**	5,728
Cash and cash equivalents	17	**713**	397
		8,191	9,672
TOTAL ASSETS		**11,075**	12,706
LIABILITIES			
CURRENT			
Trade and other payables	19	**(2,897)**	(4,697)
Financial liabilities at fair value through the income statement	24	**(112)**	(12)
Borrowings	20	**(2,029)**	(2,180)
Corporation tax		**(292)**	(273)
		(5,330)	(7,162)
NON-CURRENT			
Borrowings	20	**(748)**	(1,087)
Deferred tax	18	**(319)**	(364)
		(1,067)	(1,451)
TOTAL LIABILITIES		**(6,397)**	(8,613)
NET ASSETS		**4,678**	4,093
EQUITY			
Share capital	25	**3,302**	3,302
Share premium account		**1,448**	1,448
Merger reserve		**1,388**	1,388
Share-based payment reserve		**193**	193
Profit and loss account		**(1,653)**	(2,238)
TOTAL EQUITY		**4,678**	4,093

The financial statements were approved by the Board of Directors on 15 June 2009.

M I Welburn
Director

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

Group Cash Flow Statement

for the year ended 31 March 2009

	2009 £'000	2008 £'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after taxation	**585**	799
Adjustment for:		
Depreciation	**379**	344
Net finance costs in income statement	**296**	259
Profit on sale of plant and equipment	**–**	(2)
Amortisation charge	**118**	94
Share-based charge	**–**	335
Taxation expense recognised in income statement	**192**	174
Decrease/(increase) in trade and other receivables	**1,889**	(918)
(Decrease)/increase in trade payables and other payables	**(1,600)**	1,064
Increase in inventories	**(270)**	(685)
Cash generated from operations	**1,589**	1,464
Interest paid	**(216)**	(257)
Income taxes paid	**(218)**	(208)
NET CASH FROM OPERATING ACTIVITIES	**1,155**	999
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiaries	**(195)**	(1,537)
Cash acquired with subsidiary undertaking	**–**	28
Purchase of plant and equipment	**(263)**	(148)
Proceeds from sale of plant and equipment	**–**	2
Interest received	**20**	10
NET CASH USED IN INVESTING ACTIVITIES	**(438)**	(1,645)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary share capital	**178**	100
Repayment of short-term borrowings	**(140)**	(244)
Proceeds from bank borrowing	**–**	1,400
Fees in relation to bank borrowings	**–**	(37)
Repayment of bank borrowings	**(300)**	(100)
Payment of finance lease liabilities	**(139)**	(111)
NET CASH (USED IN)/GENERATED BY FINANCING ACTIVITIES	**(401)**	1,008
NET INCREASE IN CASH AND CASH EQUIVALENTS	**316**	362
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**397**	35
CASH AND CASH EQUIVALENTS AT END OF YEAR	**713**	397

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

Notes to the Financial Statements

for the year ended 31 March 2009

1 GENERAL INFORMATION

Tricorn Group plc and subsidiaries' (the "Group") principal activities include the development and manufacturing of pipe solutions to a growing and increasingly international customer base.

The Group's customer base includes major blue chip companies with world-wide activities in key market sectors, including Pipefittings, Power Generation, Aerospace, Off Highway, and Niche Automotive. The products supplied to the last four sectors share common means of production and are classified as 'Tube Manipulation'. Refer to note 3 for further information about the Group's operating segments.

Tricorn Group plc is the Group's ultimate parent company. It is incorporated and domiciled in the United Kingdom. The address of Tricorn Group plc's registered office, which is also its principal place of business, is Spring Lane, Malvern, Worcestershire, WR14 1DA. Tricorn Group plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 15 June 2009. Amendments to the financial statements are not permitted after they have been approved.

2 ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared under the required measurement bases specified under International Financial Reporting Standards (IFRS) and in accordance with applicable IFRS as adopted by the European Union and IFRS as issued by the International Accounting Standards Board.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Detailed cash flow forecasts have been prepared which highlight that the Group has sufficient cash headroom to support its activities. The forecasts also highlight that the financial covenants included in the bank loan agreements will be fully complied with. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Overall considerations

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below.

The consolidated financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The accounting estimates and assumptions are consistent with the Group's latest approved budget forecast where applicable. Judgements are based on the information available at each balance sheet date. All estimates are based on the best information available to management.

Notes to the Financial Statements

continued

2 ACCOUNTING POLICIES continued

Standards and interpretations not yet applied by the Group

The following new Standards and Interpretations, which are yet to become mandatory, have not been applied in the Group's financial statements.

- IAS 1 Presentation of Financial Statements (revised 2007) – effective from 1 January 2009
- IAS 23 Borrowing Costs (revised 2007) – effective from 1 January 2009
- IAS 27 Consolidated and Separate Financial Statements (Revised 2008) – effective from 1 July 2009
- IFRS 3 Business Combinations (Revised 2008) – effective from 1 July 2009
- IFRS 8 Operating Segments – effective from 1 January 2009
- Amendment to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation – effective from 1 January 2009
- Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations – effective from 1 January 2009

Based on the Group's current operations and accounting policies, management does not expect material impacts on the Group's financial statements when the standards and interpretations become effective except for the presentational and reporting requirements of IAS 1 Presentation of Financial Statements (revised 2007) and IFRS 8 Operating segments, which the Directors are reviewing for disclosure in the 30 September 2009 interim financial statements.

Significant accounting estimates and judgements

Certain estimates and judgements need to be made by the Directors of the Group which affect the results and position of the Group as reported in the financial statements. Estimates and judgements are required for example as at the reporting date that all liabilities have been settled and certain assets/liabilities are recorded at fair value which requires a number of estimates and assumptions to be made.

The major areas for estimation within the financial statements are as follows:

- performance of impairment reviews to assess the carrying value of goodwill
- valuation of interest rate swaps
- estimates of debtor and inventory recoverability
- preparation and review of forecasts to support the going concern basis.

There are no major areas for judgements within the financial statements which are not covered by the accounting policies detailed.

Prior year adjustment

The income statement for 31 March 2008 has been restated to reduce cost of sales by £913,000 and increase administration costs by £913,000. This has been done to better reflect the direct costs of production of the Group. There has been no effect on retained profit or the net assets of the Group as at 31 March 2008 due to this adjustment.

Consolidation and investments in subsidiaries

Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through voting rights. The consolidated financial statements of the Group incorporate the financial statements of the parent Company as well as those entities controlled by the Group by full consolidation.

2 ACCOUNTING POLICIES continued

Acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Intra-group balances and transactions, and any unrealised gains or losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Segment reporting

A business segment is a group of assets and operations engaged in providing products and services that are subject to risks and returns that are different from those other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns which are different from those of segments operating in other economic environments.

Business combinations completed prior to date of transition to IFRS

The Group has elected not to apply IFRS 3 Business Combinations retrospectively to business combinations prior to the date of transition to IFRS, 1 April 2006.

Accordingly the classification of the combination (acquisition, reverse acquisition or merger) remains unchanged from that used under UK GAAP. Assets and liabilities are recognised at date of transition if they would be recognised under IFRS, and are measured using their UK GAAP carrying amount immediately post-acquisition as deemed cost under IFRS, unless IFRS requires fair value measurement. Deferred tax and minority interest are adjusted for the impact of any consequential adjustments after taking advantage of the transitional provisions.

Revenue recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied and services provided, excluding VAT and trade discounts. Revenue is recognised upon the performance of services or transfer of risk to the customer.

The Group recognises revenue when persuasive evidence of an arrangement exists; delivery has occurred or services have been rendered; the fee fixed and determinable; and collectability is reasonably assured. Amounts received are recognised immediately as revenue where there are no substantial risks, there are no ongoing performance obligations and amounts received are not refundable. Amounts are deferred over an appropriate period where these conditions are not met.

Restructuring costs

Restructuring costs which have been incurred in the current year which the Group does not expect to incur in a normal year have been separately disclosed on the face of the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Cost of work in progress and finished goods includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

Provisions are made against inventories where there is evidence that the carrying amount has fallen below recoverable amount.

Notes to the Financial Statements

continued

2 ACCOUNTING POLICIES continued

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Impairment

The Group's goodwill, other intangible assets and plant and equipment are subject to impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management controls the related cash flows.

Goodwill with an indefinite useful life is tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets or cash-generating units carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Intangible assets acquired as part of a business combination

In accordance with IFRS 3 Business Combinations, an intangible asset acquired in a business combination is deemed to have a cost to the Group of its fair value at the acquisition date. The fair value of the intangible asset reflects market expectations about the probability that the future economic benefits embodied in the asset will flow to the Group. Where an intangible asset might be separable, but only together with a related tangible or intangible asset, the Group of assets is recognised as a single asset separately from goodwill where the individual fair values of the assets in the Group are not reliably measurable. Where the individual fair value of the complementary assets are reliably measurable, the Group recognises them as a single asset provided the individual assets have similar useful lives.

Intangible amortisation

Intangible assets are amortised over the following periods:

– Brand names	15 years
– Customer relationships	5 years

Foreign currencies

These financial statements are presented in UK Sterling which is the presentational currency of the Group.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with through the income statement.

2 ACCOUNTING POLICIES continued

Plant and equipment

Plant and equipment and motor vehicles are carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is charged on these assets, after adjusting for their residual values, on a straight line basis over the estimated useful economic life of each asset.

The useful lives of plant, equipment and motor vehicles can be summarised as follows:

Plant and equipment	3 to 10 years
Motor vehicles	5 years

Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a finance leasing liability, irrespective of whether some of these lease payments are payable up-front at the date of inception of the lease.

Subsequent accounting for assets held under hire purchase and finance lease agreements, i.e. depreciation methods and useful lives, correspond to those applied to comparable acquired assets. The corresponding hire purchase and finance leasing liability is reduced by lease payments less finance charges, which are expensed to finance costs. Finance charges represent a constant periodic rate of interest on the outstanding balance of the hire purchase and finance lease liability.

All other leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis. Associated costs, such as maintenance and insurance, are expensed as incurred. The Group does not act as a lessor.

Taxation

Current income tax assets and/or liabilities comprise those obligations to, or claim from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with the initial recognition of goodwill on acquisitions. This applies also to temporary differences associated with shares in subsidiaries if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Notes to the Financial Statements

continued

2 ACCOUNTING POLICIES continued

Employee benefits

Defined contribution pension scheme

Pensions to employees are provided through contributions to individual personal pension plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The contributions recognised in respect of personal pension plans are expensed as they fall due. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

Other employee benefits

Short-term employee benefits, including holiday entitlement are included in current pension and other employee obligations at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Financial assets

The Group's financial assets include cash, cash equivalents and trade and other receivables.

All financial assets are recognised when the entity becomes party to the contractual provisions of an instrument. All financial assets are initially recognised at fair value, plus transaction costs, and are subsequently measured at amortised cost using the effective interest rate.

Interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

Trade receivables are provided against when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows. No general provisions are made against trade receivables.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and overdrafts as well as short-term highly liquid investments such as bank deposits.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

The merger reserve represents the difference between the issue price and the nominal value of shares issued as consideration for the acquisition of a subsidiary undertaking when the Company has taken advantage of merger relief.

The profit and loss account includes all current and prior period results as disclosed in the income statement.

Share-based employee remuneration

All share-based payment arrangements are recognised in the consolidated financial statements. The Group operates equity-settled share-based remuneration plans for remuneration of its employees.

2 ACCOUNTING POLICIES continued

All employee services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in the income statement with a corresponding credit to the share-based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Financial liabilities

The Group's financial liabilities include trade and other payables, bank borrowings, invoice discounting facilities and finance lease and hire purchase agreements.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest related charges are recognised as an expense in "finance cost" in the income statement. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective rate of interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Derivative contracts

All derivatives are recognised at fair value through the income statement. The value of the derivative is reassessed and fair valued at each reporting date.

The only material derivative contract in existence during the period relates to an interest swap on the Group's bank borrowings. The Group, from time to time, enters into forward currency swap agreements which are classified as derivative contracts. However, the value of these contracts throughout the period and at the year end are immaterial and as such they have not been valued at 31 March 2009 or 2008.

Research costs

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Notes to the Financial Statements

continued

3 SEGMENTAL REPORTING

The Group operates two main business segments:

- Tube Manipulation: the activities undertaken by Tube Manipulation comprise the supply of steel, plastic, titanium, and hybrid tube fabrications and fittings for, amongst others areas, diesel engine, generator set, jet engine and niche automotive applications.
- Pipefittings: the Pipefittings sector produces innovative jointing systems for polyethylene pipes, typically within the utility industry.

These activities may be analysed as follows:

Year to 31 March 2009	**Tube Manipulation £'000**	**Pipefittings £'000**	**Total £'000**
Revenue	**21,068**	**1,177**	**22,245**
Operating profit before amortisation and restructuring costs	**1,171**	**259**	**1,430**
Amortisation			**(118)**
Share-based charge			**–**
Restructuring costs			**(239)**
Operating profit			**1,073**
Finance charge, net			**(296)**
Tax charge			**(192)**
Profit for the year			**585**

Year to 31 March 2008			
Revenue	18,164	2,665	20,829
Operating profit before amortisation and share-based payment remuneration	994	667	1,661
Amortisation			(94)
Share-based remuneration			(335)
Restructuring costs			–
Operating profit			1,232
Finance charge, net			(259)
Tax charge			(174)
Profit for the year			799

3 SEGMENTAL REPORTING continued

Further information on the segments are given below:

31 March 2009	**Tube Manipulation £'000**	**Pipefittings £'000**	**Total £'000**
Segment assets	**10,890**	**145**	**11,035**
Unallocated assets			**40**
Consolidated total assets			**11,075**
Segment liabilities	**4,606**	**53**	**4,659**
Unallocated liabilities			**1,738**
Consolidated total liabilities			**6,397**
Capital expenditure	**330**	**17**	**347**
Depreciation	**362**	**17**	**379**
Amortisation	**118**	**–**	**118**

31 March 2008			
Segment assets	11,399	858	12,257
Unallocated assets			449
Consolidated total assets			12,706
Segment liabilities	5,608	703	6,311
Unallocated liabilities			2,302
Consolidated total liabilities			8,613
Capital expenditure	177	66	243
Depreciation	332	12	344
Amortisation	94	–	94

Notes to the Financial Statements

continued

3 SEGMENTAL REPORTING continued

Segment details by geographic segments are as follows:

31 March 2009	**United Kingdom £'000**	**Europe £'000**	**Rest of the World £'000**	**Total £'000**
Revenue	**17,702**	**2,758**	**1,785**	**22,245**
Assets	**11,075**	**–**	**–**	**11,075**
Liabilities	**(6,397)**	**–**	**–**	**(6,397)**
Net assets	**4,678**	**–**	**–**	**4,678**
Capital additions	**347**	**–**	**–**	**347**
31 March 2008				
Revenue	16,919	2,744	1,166	20,829
Assets	12,706	–	–	12,706
Liabilities	(8,613)	–	–	(8,613)
Net assets	4,093	–	–	4,093
Capital additions	243	–	–	243

4 PROFIT BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging/(crediting):

	2009 £'000	2008 £'000
Auditors' remuneration:		
Audit of parent and Group consolidation	**12**	14
Audit of Group subsidiaries	**25**	33
Non-audit services:		
Corporate taxation	**11**	11
Tax advisory	**–**	3
Operating lease charges:		
Land and buildings	**385**	310
Plant and equipment	**41**	27
Motor vehicles	**77**	66
Restructuring costs	**239**	–
Depreciation and amortisation:		
Intangible assets	**118**	94
Plant and equipment – owned	**312**	292
Plant and equipment – leased	**67**	52
Profit on sale of plant and equipment	**–**	(2)

During the year the auditors also received remuneration of £Nil (2008: £52k) in respect of transaction support services. This cost was borne by the parent Company.

The restructuring costs are redundancy costs incurred to reduce the Group's costs in line with forecast sales orders.

5 DIRECTORS' EMOLUMENTS

	2009 Basic £'000	2009 Bonus £'000	2009 Benefits in kind £'000	2009 Pension £'000	2009 Total £'000	2008 Basic £'000	2008 Bonus £'000	2008 Benefits in kind £'000	2008 Pension £'000	2008 Total £'000
N C Paul CBE	**30**	**–**	**–**	**–**	**30**	25	–	–	–	25
J Rubins	**15**	**–**	**–**	**–**	**15**	12	–	–	–	12
R Allsop	**15**	**–**	**–**	**–**	**15**	15	–	–	–	15
S W Cooper	**–**	**–**	**–**	**–**	**–**	82	–	–	–	82
M I Welburn*	**119**	**–**	**17**	**8**	**144**	111	32	11	8	162
P Lee*	**17**	**–**	**3**	**1**	**21**	–	–	–	–	–
N Silverthorne*	**56**	**–**	**6**	**4**	**66**	54	16	6	4	80
	252	**–**	**26**	**13**	**291**	299	48	17	12	376

P Lee was appointed as a Director on 25 February 2009. However, his emoluments disclosed above are from commencement of his employment which is 19 January 2009.

* The executive Directors are classified as the key management personnel of the Group as defined in IAS 24 Related Party Disclosures.

6 EMPLOYEE COSTS

	2009 Number	2008 Number
The average number of persons (including Directors) employed by the Group during the year was:		
Production	**256**	228
Sales, distribution and administration	**61**	50
	317	278

Staff costs during the year were as follows:

	2009 £'000	2008 £'000
Wages and salaries	**5,643**	5,391
Social security costs	**452**	483
Other pension costs	**141**	164
Share-based payment charge	**–**	335
	6,236	6,373

Notes to the Financial Statements

continued

7 SHARE-BASED EMPLOYEE REMUNERATION

There are two share-based remuneration schemes in operation:

- Approved Enterprise Management Incentive (EMI) scheme.
- Unapproved share options.

	At 31 March 2008 No. of shares	Granted in year No. of shares	Exercised in year No. of shares	Lapsed in year No. of shares	**At 31 March 2009 No. of shares**	Exercise price Pence	Life remaining on options at 31 March 2009 Months
Enterprise Management Incentive (EMI) scheme							
April 2002 – May 2007	210,000	–	–	–	**210,000**	20	–
June 2005 – August 2013	100,000	–	–	–	**100,000**	10	53
December 2004 – July 2012	200,000	–	–	–	**200,000**	10	40
November 2004 – June 2012	750,000	–	–	–	**750,000**	10	40
July 2006 – November 2015	193,661	–	–	–	**193,661**	17.75	70
March 2009 – March 2019	–	500,000	–	–	**500,000**	10	120
	1,453,661	500,000	–	–	**1,953,661**		

The weighted average exercise price of the EMI Scheme at 31 March 2009 was 11.8 p (2008: 12.5p). 1,453,661 of options were available for exercise at 31 March 2009 (2008: 1,453,661).

Unapproved share options							
January 2002 – December 2009	300,000	–	–	–	**300,000**	30	9
November 2006 – June 2013	306,339	–	–	–	**306,339**	17.75	51
November 2007 – Nov 2014	375,000	–	–	–	**375,000**	40	68
	981,339	–	–	–	**981,339**		
Total share options	**2,435,000**	**500,000**	–	–	**2,935,000**		

The weighted average exercise price of the unapproved share options at 31 March 2009 was 30p (2008: 30p). All options were available for exercise at 31 March 2009 (2008: All options).

All Group share options in existence at 31 March 2008 had vested by the year end. The charge for the share options granted in the current year to 31 March 2009 is immaterial; therefore, no charge has been recorded in the Group income statement.

In total £Nil of employee remuneration expense has been included in the Group income statement for 31 March 2009 (31 March 2008: £335,000) which gave rise to the share-based payment reserve.

8 FINANCE INCOME AND EXPENSE

	2009 £'000	2008 £'000
Bank interest receivable	**20**	10
Finance income	**20**	10
Invoice discounting interest	**100**	154
Fair value charge for interest rate swap (note 24)	**100**	12
Effective interest charge on borrowings	**92**	84
Interest on hire purchase agreements and finance leases	**24**	19
Finance expense	**316**	269

9 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax is based on the profit for the year and represents:

	2009 £'000	2008 £'000
UK corporation tax	**292**	256
Adjustments in respect of prior years	**(55)**	(32)
Current tax charge for the year	**237**	224
Deferred taxation (note 18)	**(45)**	(50)
Tax on profit on ordinary activities	**192**	174

The tax assessed is different than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained as follows:

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	**777**	973
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 30%)	**218**	292
Effect of:		
Expenses not deductible for tax purposes	**77**	144
Capital allowances in excess of depreciation	**14**	8
Unutilised tax losses	**(16)**	(58)
Other temporary differences	**(1)**	1
Share options exercised	**–**	(131)
Adjustments in respect of prior years	**(55)**	(32)
	237	224

At 31 March 2009 the Group had tax losses of £331,000 (2008: £331,000) to offset against future profits within the United Kingdom.

Notes to the Financial Statements

continued

10 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

		31 March 2009	
	Profit £'000	Weighted average number of shares Number '000	Earnings per share Pence
Basic earnings per share	**585**	**33,020**	**1.77p**
Dilutive shares	**–**	**1,198**	**–**
Diluted earnings per share	**585**	**34,218**	**1.71p**

		31 March 2008	
	Profit £'000	Weighted average number of shares Number '000	Earnings per share Pence
Basic earnings per share	799	31,228	2.56p
Dilutive shares	–	3,977	–
Diluted earnings per share	799	35,205	2.27p

10 EARNINGS PER SHARE continued

The Directors consider that the following adjusted earnings per share calculation is a more appropriate reflection of the Group performance.

		31 March 2009	
	Profit £'000	Weighted average number of shares Number '000	Earnings per share Pence
Basic earnings per share	**585**	**33,020**	**1.77p**
Amortisation	**118**	**–**	**–**
Restructuring costs	**239**	**–**	**–**
Interest rate swap loss	**100**	**–**	**–**
Adjusted earnings per share	**1,042**	**33,020**	**3.16p**
Dilutive shares	**–**	**1,198**	**–**
Diluted adjusted earnings per share	**1,042**	**34,218**	**3.05p**

		31 March 2008	
	Profit £'000	Weighted average number of shares Number '000	Earnings per share Pence
Basic earnings per share	799	31,228	2.56p
Amortisation	94	–	–
Interest rate swap loss	12	–	–
Share-based remuneration	335	–	–
Taxation credit on options exercised	(131)	–	–
Adjusted earnings per share	1,109	31,228	3.55p
Dilutive shares	–	3,977	–
Diluted adjusted earnings per share	1,109	35,205	3.15p

Notes to the Financial Statements

continued

11 GOODWILL

	Total £'000
Cost	
At 1 April 2008	200
Acquisition of Maxpower Automotive Limited	391
At 1 April 2008 and 31 March 2009	591
Impairment	
At 1 April 2007, 31 March 2008 and 31 March 2009	–
Net book value	
At 1 April 2007	200
At 31 March 2008	591
At 31 March 2009	**591**

Goodwill above relates to the following cash-generating units:

	Date of acquisition	Original cost £'000
Redman Fittings Limited	June 1999	60
RMDG Aerospace Limited	June 2006	140
Maxpower Automotive Limited	June 2007	391
		591

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and is tested annually for impairment.

The recoverable amount for the cash-generating units was determined based on a value-in-use calculation, covering a detailed 5 year forecast and applying a discount rate of 6.3%.

Apart from the considerations described in determining the value-in-use of the cash-generating unit above, the Group management does not believe that modest changes to the assumptions underlying the value-in-use calculation would have an impact on the carrying value of goodwill.

12 INTANGIBLE ASSETS

	Brand names £'000	Customer contracts £'000	Total £'000
Cost			
At 1 April 2007	380	–	380
Acquisition of Maxpower Automotive Limited	450	312	762
At 1 April 2008 and 31 March 2009	830	312	1,142
Amortisation			
At 1 April 2007	(19)	–	(19)
Charge for the year	(47)	(47)	(94)
At 1 April 2008	(66)	(47)	(113)
Charge for the year	(56)	(62)	(118)
At 31 March 2009	(122)	(109)	(231)
Net book value			
At 1 April 2007	361	–	361
At 31 March 2008	764	265	1,029
At 31 March 2009	**708**	**203**	**911**

All intangible asset amortisation is included in the Group income statement under amortisation of intangibles as detailed on the face of the Group income statement.

Notes to the Financial Statements

continued

13 PLANT AND EQUIPMENT

	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 April 2007	3,237	40	3,277
Additions	243	–	243
Acquisitions	673	3	676
Disposals	(14)	–	(14)
At 31 March 2008	4,139	43	4,182
Additions	347	–	347
At 31 March 2009	4,486	43	4,529
Depreciation			
At 1 April 2007	2,398	40	2,438
Charge for the year	342	2	344
Disposals	(14)	–	(14)
At 31 March 2008	2,726	42	2,768
Charge for the year	378	1	379
At 31 March 2009	3,104	43	3,147
Net book value			
At 1 April 2007	839	–	839
At 31 March 2008	1,413	1	1,414
At 31 March 2009	**1,382**	**–**	**1,382**

The net book value of fixed assets includes £492,000 (2008: £479,000) in respect of assets held under finance leases and hire purchase contracts.

14 PRINCIPAL SUBSIDIARIES

At 31 March 2009 the principal subsidiaries of the Group were as follows:

Name of subsidiary undertaking	Country of incorporation	Description of shares held	% of nominal value of shares held	Principal business activity
MTC Holdings Limited	United Kingdom	Ordinary	100	Intermediate holding company
Malvern Tubular Components Limited	United Kingdom	Ordinary	100	Manufacturer of tubular components
Redman Fittings Limited	United Kingdom	Ordinary	100	Sales and marketing company for specialist pipe fittings
RMDG Aerospace Limited	United Kingdom	Ordinary	100	Manufacturer of aerospace fittings
Maxpower Automotive Limited	United Kingdom	Ordinary	100	Manufacturer of highway and automotive tubular and pipe components
Robert Morton DG Limited	United Kingdom	Ordinary	100	Dormant
ISSquared Limited	United Kingdom	Ordinary	100	Dormant
Searchwell Limited	United Kingdom	Ordinary	100	Dormant
Intergrated Statistical Solutions Limited	United Kingdom	Ordinary	100	Dormant

15 INVENTORIES

	2009 £'000	2008 £'000
Raw materials	**2,173**	1,679
Work in progress	**1,182**	1,346
Finished goods	**462**	522
	3,817	3,547

In the year to 31 March 2009, a total of £9,746,000 of inventory (2008: £9,329,000) was included in the income statement as an expense.

Notes to the Financial Statements

continued

16 TRADE AND OTHER RECEIVABLES

	2009	2008
	£'000	£'000
Trade receivables	**3,475**	5,238
Other receivables	**9**	313
Prepayments and accrued income	**182**	231
Total	**3,666**	5,782
Impairment of trade and other receivables	**(5)**	(54)
	3,661	5,728

Included within other receivables is £Nil (2008: £177,750) of unpaid share capital.

At 31 March 2009, some of the unimpaired trade receivables are past their due date but all are considered recoverable. The age of financial assets past their due date but not impaired, is as follows:

	2009	2008
	£'000	£'000
Not more than one month	**1,123**	594
Not more than two months	**499**	116
Not more than three months	**91**	127
	1,713	837

Trade and other receivables are usually due within 30-60 days and do not bear any effective interest rate. All trade receivables are subject to credit risk exposure. However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables as the amounts recognised represent a large number of receivables from various customers.

The fair-value of these short-term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value.

17 CASH AND CASH EQUIVALENTS

	2009	2008
	£'000	£'000
Cash and cash equivalents	**713**	397

Cash and cash equivalents consist of cash on hand and balances with banks only. At the year end £219,000 (2008: £146,000) of cash on hand and balances with banks were held by the subsidiary undertakings; however, this balance is available for use by the Group.

18 DEFERRED TAXATION

The deferred tax included in the balance sheet arose in the following areas:

	Assets		Liabilities	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Intangible assets	**–**	–	**(273)**	(308)
Plant and equipment	**–**	–	**(87)**	(110)
Trade and other payables	**4**	17	**–**	–
Share-based payment charge	**37**	37	**–**	–
	41	54	**(360)**	(418)

The movement in the deferred taxation account during the year was:

	Assets		Liabilities	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Balance brought forward	**54**	24	**(418)**	(173)
On acquisition	**–**	–	**–**	(35)
On recognition of intangible assets	**–**	–	**–**	(230)
Group income statement movement arising during the year	**(13)**	30	**58**	20
Balance carried forward	**41**	54	**(360)**	(418)

As at 31 March 2009 the Group has unprovided deferred tax assets as follows:

	Unprovided	Unprovided
	2009	2008
	£'000	£'000
Accelerated capital allowances	**–**	(21)
Other temporary differences	**–**	(2)
	–	(23)
Trading losses	**(93)**	(129)
	(93)	(152)

This deferred tax asset is not recognised due to uncertainty over its recoverability.

Notes to the Financial Statements

continued

19 TRADE AND OTHER PAYABLES

	2009	2008
	£'000	£'000
Trade and other payables	**1,490**	3,161
Other taxation and social security	**382**	779
Accruals	**1,025**	757
	2,897	4,697

Due to the short-term duration of trade and other payables the carrying value in the balance sheet represents the fair value of the liabilities.

20 BORROWINGS

	2009	2008
	£'000	£'000
Current borrowings		
Bank borrowings	**292**	292
Invoice discounting facility	**1,620**	1,760
Hire purchase agreements and finance lease liabilities (note 21)	**117**	128
	2,029	2,180
Non current borrowings		
Bank borrowings	**677**	971
Hire purchase agreements and finance lease liabilities (note 21)	**71**	116
	748	1,087

The future contractual payments, including interest, for bank borrowings and invoice discounting facility are as follows:

	2009	2008
	£'000	£'000
In one year or less or on demand		
Bank loan	**382**	383
Invoice discounting facility	**1,620**	1,760
In more than one year but not more than two years:		
Bank loan	**373**	361
In more than two years but not more than three years:		
Bank loan	**365**	339
In more than three years but not more than four years:		
Bank loan	**116**	317
In more than four years but not more than five years:		
Bank loan	**–**	101
	2,856	3,261

20 BORROWINGS continued

Bank loan

The Group obtained a £1,400,000 term loan in 2007, repayable over 5 years. Interest is charged at 2.25% over bank base rate. The borrowings are recorded in the balance sheet with interest charged at an effective rate over the life of the borrowings. The bank borrowings are secured against the assets of the Group.

Invoice discounting facility

The invoice discounting facility is secured against the trade receivables to which it relates. Interest is paid at 1.6% over bank base rate per annum.

21 HIRE PURCHASE AGREEMENTS AND FINANCE LEASE LIABILITIES

The commitments under hire purchase agreements and finance lease liabilities are as follows:

	Within 1 year	Within 1-2 years	Within 2-5 years	Total
31 March 2009				
Payments	**129**	**66**	**12**	**207**
Discounting	**(12)**	**(6)**	**(1)**	**(19)**
	117	**60**	**11**	**188**
31 March 2008				
Payments	149	104	31	284
Discounting	(21)	(15)	(4)	(40)
	128	89	27	244

The hire purchase agreements and finance lease liabilities are secured against the assets to which they relate.

22 FINANCIAL INSTRUMENTS

The Group uses financial instruments comprising cash and short-term deposits, a bank loan, invoice discounting and hire purchase agreements and finance leases. The Group has items such as trade receivables and trade payables that arise directly from its operations.

Trade and other receivables and trade and other payables

The Group manages its trade receivables to ensure that credit risk is minimised by avoiding concentration with any one customer. All trade receivables have set credit terms which are monitored. See note 16 for details of the ageing profile.

The Group works to ensure that it receives acceptable trading terms from its suppliers. The invoice discounting facility provides immediate funds on approved trade receivables.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of deposits, bank loans, invoice discounting and finance lease and hire purchase contracts. Money on deposit is held on treasury reserve, partly to finance working capital and also to help finance future acquisitions.

Notes to the Financial Statements

continued

22 FINANCIAL INSTRUMENTS continued

Interest rate risk

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debt. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities. The Group finances specific large plant acquisitions via hire purchase or finance lease contracts. The Group pays interest on:

- bank loan at 2.25% over base rate
- invoice discounting at 1.6% over base rate
- finance leases at 3.0% to 3.5% over base rate

The exposure to interest rate risk on its bank loan is reduced by the use of an interest rate cap and collar arrangement (see note 24).

If the Group's interest rates were to rise/fall by 10% then the interest charge within the financial statements would increase/decrease by £7,000 (2008: £49,000), equity and reserves would reduce/increase by the same amount, and the charge would be £303,000/£289,000 (2008: £308,000/£210,000).

Foreign currency risk

The Group transacts certain purchase and sales in foreign currencies. At 31 March 2009 there were two (2008: Nil) foreign currency forward contracts in force. The value of these open contracts has been assessed as immaterial and as such no derivative asset or liability has been recognised for these contracts.

Foreign exchange differences on retranslation of foreign currency assets and liabilities are taken to the income statement of the Group.

If the US Dollar were to fall/rise by 10% on the closing rate and average annual rate at 31 March 2008 then Group profits would rise/fall by £87,000k at 31 March 2009 (2008: £115,000) and equity and reserves would increase/reduce by the same amount.

Commodity price risk

The Group's exposure to the price of steel is high, therefore selling prices are monitored regularly to reduce the impact of such risk and opportunities to reduce material costs are explored constantly. The Group has partly responded to this risk by sourcing materials in low cost countries. In addition, any increases in the cost of steel would be passed onto customers.

If steel prices were to fall/rise by 10% on the closing year end price, and the Group was unable to pass the increase onto customers, then Group profits would rise/fall by £168,000 at 31 March 2009 (2008: £102,000) and equity and reserves would increase/reduce by the same amount.

22 FINANCIAL INSTRUMENTS continued

Financial assets and liabilities

The IAS 39 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

	2009 **£'000**	2008 £'000
Non financial asset	**182**	231
Loans and other receivables	**4,192**	5,894
Total assets	**4,374**	6,125

The financial assets are included in the balance sheet in the following headings

Current assets		
Trade and other receivables	**3,661**	5,728
Cash and cash equivalents	**713**	397
	4,374	6,125

The IAS 39 categories of financial liabilities included in the balance sheet and the headings in which they are included are as follows:

	2009 **£'000**	2008 £'000
Non financial liability	**362**	514
Financial liabilities at fair value through the income statement	**112**	12
Financial liabilities measured at amortised cost	**5,312**	7,450
Total liabilities	**5,786**	7,976

The financial liabilities are included in the balance sheet in the following headings

Current liabilities		
Trade and other payables	**2,897**	4,697
Financial liabilities at fair value through the income statement	**112**	12
Borrowings	**2,029**	2,180
Non current liabilities		
Borrowings	**748**	1,087
	5,786	7,976

23 CAPITAL MANAGEMENT POLICIES PROCEDURES

The Group's capital management objectives are:

- to ensure that the Group can continue as a going concern:
- to ensure the Group has adequate resource to support the strategy of the Group: and
- to provide a return to the Group's shareholders.

The Group's capital equals total equity less cash and cash equivalents. The Group's financing includes total equity plus borrowings. The borrowings have been taken out to provide working capital for the Group.

Notes to the Financial Statements

continued

24 DERIVATIVES

In February 2008, the Group entered into an interest rate swap agreement with its bankers against its bank loan. Under the agreement, the interest payable by the Group under the loan cannot exceed 6.0% or drop below 4.4% of the bank loan balance. The fair value of this derivative has been assessed as at the 31 March 2009 and is £112,000 liability (2008: £12,000 liability). The derivative is classified as fair value through the income statement and is recorded in the income statement under finance costs (note 8) and within the balance sheet.

The fair value of the interest rate swap has been determined based on the discounted difference between the interest payable during the life of the swap discounted and the interest that would be payable at variable rates if the swap did not exist. The variable interest payable is based on a forecast long-term interest rate curve as at the year end.

25 SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised		
100,000,000 ordinary shares of 10p each	**10,000**	10,000
Allotted and issued		
33,020,000 (2008: 33,020,000) ordinary shares of 10p each	**3,302**	3,302

During the year ended 31 March 2008, 2,000,000 10p ordinary shares were issued by the Company at a price of 10p for 1,000,000 ordinary shares and 17.75p for 1,000,000 ordinary shares. At 31 March 2008, 1,000,000 of the shares issued at 17.75p remained unpaid. The shares were fully paid in the year to 31 March 2009. All 10p ordinary shares carry the same voting rights and rights to discretionary dividends.

26 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2009 or 31 March 2008.

27 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2009 or 31 March 2008.

28 LEASING COMMITMENTS

The Group's aggregate minimum operating lease payments for the remaining lives of the leases are as follows:

	2009 Land and buildings £'000	2008 Land and buildings £'000	**2009 Other £'000**	2008 Other £'000
In one year or less	**391**	391	**59**	19
One to five years	**1,555**	1,555	**70**	274
Greater than five years	**860**	1,251		–
	2,806	3,197	**129**	293

29 TRANSACTIONS WITH RELATED PARTIES

There are no transactions with related parties other than key management as disclosed in note 5 of the Group financial statements.

Tricorn Group plc

Company Statutory Annual Report Under UK GAAP

For the year ended 31 March 2009

Company number 1999619

Contents

Company Statement of Directors' Responsibilities

The Directors are responsible for preparing the Company only financial statements ("financial statements") in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

– select suitable accounting policies and then apply them consistently;

– make judgements and estimates that are reasonable and prudent;

– state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

– prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 detection of fraud and other irregularities.

In so far as the Directors are aware:

– there is no relevant audit information of which the Company's auditor is unaware; and

– the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Independent Auditor to the Members of Tricorn Group plc

We have audited the parent Company financial statements of Tricorn Group plc for the year ended 31 March 2009 which comprise the balance sheet and notes 1 to 16. These parent Company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Tricorn Group plc for the year ended 31 March 2009.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor
The Directors' responsibilities for preparing the Annual Report and the parent Company financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent Company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent Company financial statements give a true and fair view and whether the parent Company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's and Chief Executive's Statement that is cross referred from the Business Review section of the Report of the Directors.

In addition we report to you if, in our opinion, 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 regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent Company financial statements. The other information comprises only the Chairman's and Chief Executive's Statement, the Report of the Directors and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent Company financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the parent Company financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the parent Company financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the parent Company financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the parent Company financial statements.

Opinion
In our opinion:

- the parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009;
- the parent Company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Birmingham

15 June 2009

Company Balance Sheet

at 31 March 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Fixed assets		**4**	–
Investments	7	**6,196**	6,196
		6,200	6,196
Current assets			
Debtors: amounts due within one year	8	**1,857**	1,953
Cash at bank and in hand		**494**	251
		2,351	2,204
Creditors: amounts falling due within one year	9	**(2,750)**	(2,512)
Net current liabilities		**(399)**	(308)
Total assets less current liabilities		**5,801**	5,888
Creditors: amounts falling due after more than one year	10	**(677)**	(971)
		5,124	4,917
Capital and reserves			
Called up share capital	11	**3,302**	3,302
Share premium account	12	**1,448**	1,448
Share-based payment reserve	12	**193**	193
Merger reserve	12	**1,592**	1,592
Profit and loss account	12	**(1,411)**	(1,618)
Shareholders' funds		**5,124**	4,917

The financial statements were approved by the Board of Directors on 15 June 2009.

M I Welburn
Director

Notes to the Financial Statements

for the year ended 31 March 2009

1 BASIS OF PREPARATION

The separate financial statements of the Company have been prepared under the historical cost convention and in accordance with UK accounting standards.

The principal activity of the Company is that of a holding company which has remained unchanged from the previous year.

2 ACCOUNTING POLICIES

Investments

Investments held by the Company are included at cost less amounts written off. Where the consideration for the acquisition of a subsidiary undertaking includes shares in the Company to which the provisions of Section 131 of the Companies Act 1985 apply, cost represents the nominal value of shares issued together with the fair value of any additional consideration given and costs.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

Share-based payments

All share-based payment arrangements are recognised in the parent Company's financial statements. The Company operates equity-settled share-based remuneration plans for remuneration of employees of its subsidiaries. Options are issued by the parent to the employees of its subsidiaries. As such, the charge for the share-based remuneration is recognised in the parent Company profit and loss account.

All employee services received in exchange for the grant of any share-based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to the share-based payment reserve, net of deferred tax where applicable. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. No adjustment is made to the expense recognised in prior periods if fewer share options ultimately are exercised than originally estimated.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as share premium.

Notes to the Financial Statements

continued

3 PROFIT FOR THE FINANCIAL YEAR

The Company has taken advantage of section 230 (4) of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The Company's profit for the year was £207,000 (2008: £20,000).

Auditor's remuneration incurred by the Company during the year for audit services totalled £11,000 (2008: £19,000), and for tax compliance services totalled £2,000 (2008: £3,000).

4 DIRECTORS' AND EMPLOYEES' REMUNERATION

Staff costs during the year were as follows:	**2009 £'000**	2008 £'000
Wages and salaries	**633**	709
Social security costs	**68**	48
Other pension costs	**27**	21
Share-based charge	**–**	335
	728	1,113

The average number of persons (including Directors) employed by the Company during the year was 13 (2008: 13).

5 DIRECTORS' EMOLUMENTS

	2009					2008				
	Basic £'000	**Bonus £'000**	**Benefits in kind £'000**	**Pension £'000**	**Total £'000**	Basic £'000	Bonus £'000	Benefits in kind £'000	Pension £'000	Total £'000
N C Paul CBE	**30**	**–**	**–**	**–**	**30**	25	–	–	–	25
J Rubins	**15**	**–**	**–**	**–**	**15**	12	–	–	–	12
R Allsop	**15**	**–**	**–**	**–**	**15**	15	–	–	–	15
S W Cooper	**–**	**–**	**–**	**–**	**–**	82	–	–	–	82
M I Welburn	**119**	**–**	**17**	**8**	**144**	111	32	11	8	162
P Lee	**17**	**–**	**3**	**1**	**21**	–	–	–	–	–
N Silverthorne	**56**	**–**	**6**	**4**	**66**	54	16	6	4	80
	252	**–**	**26**	**13**	**291**	299	48	17	12	376

6 SHARE-BASED EMPLOYEE REMUNERATION

There are two share-based remuneration schemes in operation:

- Approved Enterprise Management Incentive (EMI) scheme.
- Unapproved share options.

	At 31 March 2008 No. of shares	Granted in year No. of shares	Exercised in year No. of shares	Lapsed in year No. of shares	**At 31 March 2009 No. of shares**	Exercise price Pence	Life remaining on options at 31 March 2009 Months
Enterprise Management Incentive (EMI) scheme							
April 2002 – May 2007	210,000	–	–	–	**210,000**	20	–
June 2005 – August 2013	100,000	–	–	–	**100,000**	10	53
December 2004 – July 2012	200,000	–	–	–	**200,000**	10	40
November 2004 – June 2012	750,000	–	–	–	**750,000**	10	40
July 2006 – November 2015	193,661	–	–	–	**193,661**	17.75	70
March 2009 – March 2019	–	500,000	–	–	**500,000**	10	120
	1,453,661	500,000	–	–	**1,953,661**		

The weighted average exercise price of the EMI Scheme at 31 March 2009 was 11.8p (2008: 12.5p). 1,453,661 of options were available for exercise at 31 March 2009 (2008: 1,453,661).

Unapproved share options							
January 2002 – December 2009	300,000	–	–	–	**300,000**	30	9
November 2006 – June 2013	306,339	–	–	–	**306,339**	17.75	51
November 2007 – November 2014	375,000	–	–	–	**375,000**	40	68
	981,339	–	–	–	**981,339**		
Total share options	**2,435,000**	**500,000**	**–**	**–**	**2,935,000**		

The weighted average exercise price of the unapproved share options at 31 March 2009 was 30p (2008: 30p). All were available for exercise at 31 March 2009 (2008: All).

All Group share options in existence at 31 March 2008 had vested by the year end. The charge for the share options granted in the current year to 31 March 2009 is highly immaterial therefore no charge has been recorded in the Group profit and loss account.

In total £Nil of employee remuneration expense has been included in the Company profit and loss account for 31 March 2009 (31 March 2008: £335,000) which gave rise to the share-based payment reserve.

Notes to the Financial Statements

continued

7 FIXED ASSET INVESTMENTS

	Total £'000
Cost	
At 1 April 2008 and 31 March 2009	7,478
Impairment	
At 1 April 2008 and 31 March 2009	(1,282)
Net book value	
At 31 March 2009	**6,196**
At 31 March 2008	6,196

At 31 March 2009 the Company holds 100% of the ordinary share capital of the following subsidiaries:

Name of subsidiary undertaking	Country of incorporation	Description of shares held	% of nominal value of shares held	Principal business activity
MTC Holdings Limited	United Kingdom	Ordinary	100	Intermediate holding company
Malvern Tubular Components Limited*	United Kingdom	Ordinary	100	Manufacturer of tubular components
Redman Fittings Limited	United Kingdom	Ordinary	100	Sales and marketing company for specialist pipe fittings
RMDG Aerospace Limited	United Kingdom	Ordinary	100	Manufacturer of aerospace fittings
Maxpower Automotive Limited	United Kingdom	Ordinary	100	Manufacturer of highway and automotive tubular and pipe components
Robert Morton DG Limited*	United Kingdom	Ordinary	100	Dormant
ISSquared Limited	United Kingdom	Ordinary	100	Dormant
Searchwell Limited	United Kingdom	Ordinary	100	Dormant
Intergrated Statistical Solutions Limited	United Kingdom	Ordinary	100	Dormant

* Held by a subsidiary undertaking.

8 DEBTORS

	2009 £'000	2008 £'000
Amounts owed by subsidiary undertakings	**1,780**	1,546
Other debtors	**5**	328
Prepayments and accrued income	**35**	42
Deferred tax	**37**	37
	1,857	1,953

Included within other debtors is £Nil (2008: £177,750) of unpaid share capital.

9 CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Bank borrowings	**292**	292
Other creditors	**2**	201
Trade creditors	**57**	54
Amounts due to subsidiary undertakings	**2,241**	1,775
Other taxes and social security	**6**	18
Corporation tax	**59**	–
Accruals and deferred income	**93**	172
	2,750	2,512

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £'000	2008 £'000
Bank borrowings	**677**	971
	677	971

Borrowings are repayable as follows:

	2009 £'000	2008 £'000
Within one year		
– bank borrowings	**292**	292
After one and within two years		
– bank borrowings	**292**	292
After two and within five years		
– bank borrowings	**385**	679
	969	1,263

The bank loan is secured against the assets of the Company and its subsidiaries. Interest is paid at base rate plus 2.25%.

Notes to the Financial Statements

continued

11 SHARE CAPITAL

	2009	2008
	£'000	£'000
Authorised		
100,000,000 ordinary shares of 10p each	**10,000**	10,000
Allotted and issued		
33,020,000 (2008: 33,020,000) ordinary shares of 10p each	**3,302**	3,302

During the year ended 31 March 2008, 2,000,000 10p ordinary shares were issued by the Company. At the 31 March 2008, 1,000,000 of the shares issued remained unpaid. The shares were fully paid in the year to 31 March 2009.

All the 10p ordinary shares carry the same voting rights and rights to discretionary dividends.

12 RESERVES

	Share premium £'000	**Merger reserve £'000**	**Share-based payment reserve £'000**	**Profit and loss account £'000**
At 1 April 2008	1,448	1,592	193	(1,618)
Retained profit for the year	–	–	–	207
Share-based charge	–	–	–	–
Share option exercised in year	–	–	–	–
Issue of share capital	–	–	–	–
At 31 March 2009	**1,448**	**1,592**	**193**	**(1,411)**

13 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009	2008
	£'000	£'000
Profit for the financial year	**207**	20
Share capital issued	**–**	200
Share premium on share capital issued	**–**	77
Share-based payment charge	**–**	335
Net increase to shareholders' funds	**207**	632
Opening shareholders' funds	**4,917**	4,285
Closing shareholders' funds	**5,124**	4,917

14 CONTINGENT LIABILITIES

The Company has given an unlimited guarantee against the bank borrowings of its subsidiaries. At 31 March 2009 the balances amounted to Nil (2008: Nil).

There were no further contingent liabilities at 31 March 2009 or 31 March 2008.

15 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2009 or at 31 March 2008.

16 RELATED PARTIES

The Company has taken advantage of the exemption under FRS 8 from disclosure of related party transactions with other Group companies, on the grounds that they are wholly owned subsidiaries.

Notice of Annual General Meeting

TRICORN GROUP plc

NOTICE IS HEREBY GIVEN that the eleventh annual general meeting of Tricorn Group plc (the "Company") will be held at Malvern Tubular Components Limited, Spring Lane, Malvern, Worcestershire, WR14 1DA on Thursday 17 September 2009 at 10.00 am, the business of which will be:

ORDINARY BUSINESS

1. To receive and consider the accounts for the financial year ended 31 March 2009, together with the reports of the Directors and auditor.

2. To approve the Directors' Remuneration Report for the financial year ended 31 March 2009.

3. That Noel Silverthorne (who retires by rotation) be re-elected as a Director of the Company.

4. That Phillip Lee be elected as a Director of the Company.

5. To resolve as an ordinary resolution that Grant Thornton UK LLP be and are hereby reappointed as auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the audit committee of the Company to determine their remuneration.

SPECIAL BUSINESS

6. To resolve as an ordinary resolution:
   "That in substitution for all existing and unexercised authorities and in ratification of all previous allotments, for the purposes of and pursuant to section 80 of the Companies Act 1985 (the 'Act'), the Directors of the Company be and they are hereby generally and unconditionally authorised and empowered to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to a nominal amount, when aggregated with the nominal amount of the share capital of the Company in issue, of £4,302,000 to such persons at such times and upon such terms and conditions as they may determine (subject always to the articles of association of the Company) provided that this authority and power shall, unless previously renewed, varied or revoked, expire at the conclusion of the next annual general meeting of the Company or 15 months from the date of the passing of this resolution (whichever is the earlier) and provided further that the Directors of the Company may before the expiry of such period make any offer, agreement or arrangement which would or might require relevant securities to be allotted after the expiry of such period, and the Directors of the Company may then allot relevant securities pursuant to any such offer, agreement or arrangement as if the authority or power hereby conferred had not expired."

7. To resolve as a special resolution:
   "That, subject to the passing of the resolution numbered 6 in this notice, in substitution for all existing and unexercised authorities and powers, pursuant to section 95(1) of the Act the Directors of the Company be and they are hereby authorised and empowered to allot equity securities (within the meaning of section 94 of the Act) pursuant to the general authority and power conferred by the resolution numbered 6 in this notice as if section 89(1) of the Act did not apply to any such allotment provided that this authority and power shall, unless previously renewed, varied or revoked, expire at the conclusion of the next annual general meeting of the Company or 15 months from the date of the passing of this resolution (whichever is the earlier), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired and further all previous allotments of the Company be and are hereby ratified notwithstanding the provisions of section 89(1) of the Act or the provisions of the articles of association of the Company."

8. To resolve as a special resolution:
"That the Company be authorised generally and unconditionally, for the purposes of section 166 of the Act, to make market purchases of its ordinary shares provided that:
(a) the maximum number of ordinary shares that may be acquired is 3,302,000 being 10% of the Company's issued share capital as at 7 August 2009;

(b) the minimum price per share that may be paid for any such shares is 0.01 pence; and

(c) the maximum price that may be paid for any such shares is not more than the higher of (i) an amount equal to 105% of the average market value for an ordinary share, as derived from the London Stock Exchange Business List, for the five business days prior to the day on which the purchase is made; or (ii) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003; and (iii) such authority shall expire at the earlier of the close of the next annual general meeting or 17 December 2010 except that the Company shall be entitled, at any time prior to the expiry of this authority, to make a contract of purchase which would or might be executed wholly or partly after such expiry and to purchase shares in accordance with such contract as if the authority conferred had not expired".

9. To resolve as a special resolution:
"That the articles of association of the Company be amended by inserting the following sentence at the end of article 58:

'For the avoidance of any doubt any shares purchased by the Company may either be cancelled or held or dealt with as treasury shares pursuant to the provisions of sections 162A to 162F (inclusive) of the Act'."

10. To resolve as a special resolution:
"That the Directors be authorised, in accordance with the articles of association, to call a general meeting of the Company, other than an annual general meeting, on 14 clear days' notice."

The Directors believe that the proposals set out in Resolutions 1 to 10 are in the best interests of shareholders as a whole and they unanimously recommend that shareholders vote in favour of each of these resolutions as they intend to do in respect of their own holdings.

Registered Office:
Spring Lane
Malvern Link
Malvern
Worcestershire
WR14 1DA

Registered Number 1999619
Dated 7 August 2009

By Order of the Board

Michael Greensmith

Michael Greensmith
Secretary

Notice of Annual General Meeting

continued

NOTES:

(1) A member of the Company may appoint one or more proxies to attend and, on a poll, to vote instead of the member. A proxy of a member need not also be a member.

(2) The instrument appointing a proxy, and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be deposited with the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA not less than 48 hours before the time for holding the meeting. A Form of Proxy accompanies this document for use by members.

(3) Completion of the Form of Proxy will not preclude a member from attending and voting in person.

(4) Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "nominated person") does not have the right to appoint a Proxy. However, a nominated person may, under an agreement between him and the shareholder by whom he was nominated, have a right to be appointed (or have someone else appointed) as a Proxy. If a nominated person has no such Proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the person holding the shares as to the exercise of voting rights.

(5) Any corporation which is a member of the Company may authorise a person (who need not be a member of the Company) to act as its representative to attend, speak and vote (on a show of hands or a poll) on its behalf.

(6) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the Company specifies that only those shareholders registered in the Register of Members of the Company as at 10.00 am on 15 September 2009 (the "Specified Time") shall be entitled to attend or vote at the annual general meeting in respect of the number of shares registered in their names at that time. Changes to entries on the relevant register of members (the "Register") for certificated or uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the annual general meeting. Should the annual general meeting be adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of shareholders to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned annual general meeting. Should the annual general meeting be adjourned for a longer period, to be so entitled, shareholders must have been entered on the Register at the time which is 48 hours before the time fixed for the adjourned annual general meeting or, if the Company gives notice of the adjourned annual general meeting, at the time specified in the Notice.

(7) There are no Directors' service contracts of more than one year's duration.

(8) Copies of Contracts of Service and letters of appointment (including indemnities) between any Director and the Company or its subsidiaries are available for inspection at the registered office of the Company during normal business hours and will also be available for inspection at the place of the annual general meeting until the conclusion of the annual general meeting.

(9) CREST members who wish to appoint a Proxy or Proxies through the CREST electronic Proxy appointment service may do so for the annual general meeting and any adjournment thereof by using the procedures described in the CREST manual. CREST personal members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a Proxy or an instruction to a previously appointed Proxy must be transmitted so as to be received by Neville Registrars Limited (ID: 7RA11) no later than 10.00 am on 15 September 2009. Normal system timings and limitations will apply in relation to the input of CREST Proxy Instructions. It is therefore the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable their CREST sponsor(s) or voting service provider(s) are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(10) As at the date of this Notice there were 33,020,000 ordinary shares in issue, each with equal voting rights. Holders of ordinary shares are entitled to attend, speak and vote, either in person or by proxy, at general meetings of the Company. For further details relating to voting or participation rights of shareholders, please refer to the Company's articles of association, copies of which are available on our website at http://www.tricorn.uk.com.

Company Information

Company registration number:
1999619

Registered office:
Spring Lane
Malvern Link
Malvern
Worcestershire
WR14 1DA

Directors:
Nicholas Campbell Paul CBE (Chairman and non-executive Director)
Michael Ian Welburn (Chief Executive Officer)
Noel Silverthorne (Group Technical Director)
Phillip Lee (Group Finance Director)
Roger Allsop (Non-executive Director)

Secretary:
Michael Greensmith

Nominated adviser and Nominated broker:
Collins Stewart Limited
9th Floor
88 Wood Street
London
EC2V 7QR

Registrars:
Neville Registrars Limited
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

Bankers:
Bank of Scotland
55 Temple Row
Birmingham
B2 5LS

Solicitors:
Orme & Slade Limited
National Westminster Bank Chambers
The Homend
Ledbury
Herefordshire
HR8 1AB

Auditors:
Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Enterprise House
115 Edmund Street
Birmingham
B3 2HJ

Shareholder Notes

Tricorn Group plc

→ Power Generation
→ Aerospace
→ Off Highway
→ Niche Automotive

Shareholder Notes

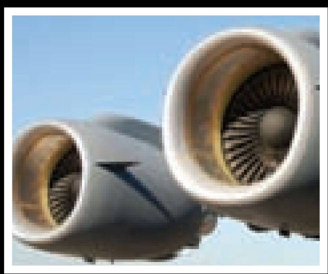
The Group

AIM listed in 2001 Tricorn Group has been significantly reshaped and refocussed over the last 5 years. With a strong management team in place and an increasingly global customer base the Group is well positioned for long-term growth both organically and through acquisition

Key Market Sectors

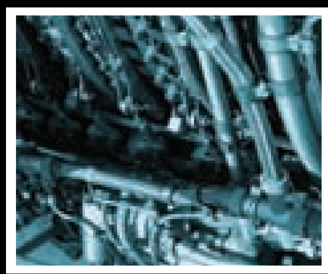
The customer base includes major blue chip companies with world-wide activities operating in key market sectors including:

→ Power Generation



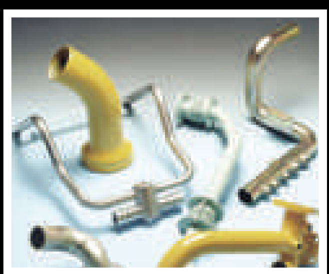
→ Aerospace

→ Off Highway



→ Automotive

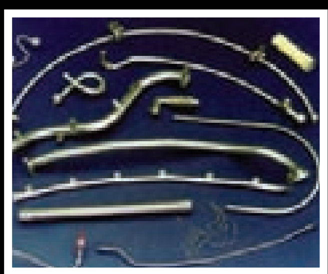
Our Subsidiaries



Malvern Tubular Components Limited

MTC is a specialist manufacturer of manipulated tubular assemblies supplying blue chip companies involved in power generation. This includes diesel engine, generator set and radiator manufacture.

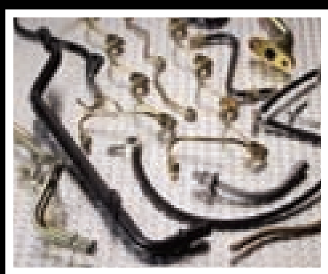
www.mtc.uk.com



RMDG Aerospace Limited

Acquired in June 2006 the company supplies specialised rigid pipe assemblies to meet the demanding needs of the aerospace sector. Its products are found in a wide range of aircraft and are recognised for their excellence worldwide.

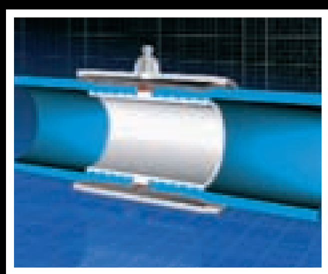
www.rmdg.co.uk



Maxpower Automotive Limited

Acquired in June 2007 the business manufactures a wide range of tubular assemblies in ferrous, non ferrous and nylon materials primarily for off highway and niche automotive applications.

www.maxaut.co.uk



Redman Fittings Limited

The business develops and supplies major OEM s with bespoke jointing systems for multi-layer polyethylene pipe systems.The innovative jointing system is patented worldwide and continues to attract considerable interest.

www.redmanfittings.com

Tricorn Group plc
Spring Lane
Malvern Link
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www.tricorn.uk.com