

REGISTRAR

ANOTRIM LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2002

Registered no. 1229447

MGI WENHAM MAJOR
CHARTERED ACCOUNTANTS
BIRMINGHAM



ANOTRIM LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

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COMPANY INFORMATION

DIRECTORS:

E S Moore (Chairman)
T S Waterhouse
A J Mackenzie
T R Jones
T Binks
A M Clifford
R E Arbuthnot (appointed 9/7/2002)

SECRETARY:

T R Jones

REGISTERED OFFICE:

Unit 44
Blakenhall Industrial Estate
Moorfield Road
Wolverhampton
WV2 4PG

AUDITORS:

MGI Wenham Major
89 Cornwall Street
Birmingham
B3 3BY

BANKERS:

Lloyds Bank plc
Queens Square
Wolverhampton
WV1 1TF

ANOTRIM LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2002

The Directors present their report together with the audited financial statements of the company for the year ended 31st December 2002.

PRINCIPAL ACTIVITIES

The principal activity of the company continued to be aluminium fabrication and anodisers, and timber product manufacturers.

REVIEW OF BUSINESS

The results for the year and the financial position at the year end were considered satisfactory by the directors.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £69,377. The Directors recommend that the figure of £43,377 be paid as a dividend.

DIRECTORS' INTERESTS

The directors set out below have held office during the whole of the year to 31st December 2002 unless otherwise stated. None of the Directors had any interest in the shares of the Company throughout the year. Their interest in the shares of the Ultimate Holding Company, Metalrax Group PLC, is:-

Ordinary Shares of 5 pence each						
		2002			2001	
		Owned	Under Option	Trustees	Owned	Under Option Trustees
Beneficial holding:						
E S Moore (Chairman)	684,856	-	-	-	681,133	-
T S Waterhouse	41,069	-	-	-	41,069	-
A J Mackenzie	432,048	-	-	179,261	429,272	-
T R Jones	195,103	-	-	-	181,510	159,000
T Binks	-	11,000	-	-	-	11,000
A M Clifford	-	5,500	-	-	-	5,500
R.E. Arbuthnot	60,714	-	-	-	-	-
(appointed 9/7/2002)						

DIRECTORS' RESPONSIBILITIES

Company law requires us as directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

ANOTRIM LIMITED

DIRECTORS' REPORT


YEAR ENDED 31ST DECEMBER 2002

AUDITORS

The auditors changed their name to MGI Wenham Major on 1st February 2003 and accordingly have signed the audit report using their new name.

A resolution to re-appoint MGI Wenham Major as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


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E S MOORE (CHAIRMAN)- DIRECTOR

Date: 5TH MARCH 2003

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

ANOTRIM LIMITED

We have audited the financial statements of Anotrim Limited, for the year ended 31st December 2002 which are set out on pages 4 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

As described on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

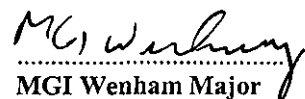
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

89 Cornwall Street
Birmingham
B3 3BY


MGI Wenham Major
Chartered Accountants and
Registered Auditors
Date: 5th March 2003

ANOTRIM LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31ST DECEMBER 2002

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

DEPRECIATION

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Freehold land	Nil
Freehold buildings	2% per annum of cost
Plant and machinery	10% per annum of cost
Fixtures and equipment	10% and 20% per annum of cost
Motor vehicles	25% per annum of cost

Depreciation has been charged on freehold buildings acquired since November 1987.

STOCKS AND WORK IN PROGRESS

Stocks have been valued at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and consists of material and direct labour costs, together with an appropriate proportion of production overheads.

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

PENSION COSTS

The company operates a pension scheme for the benefit of certain employees. The scheme is a defined contribution scheme, and the contributions are charged against profits as they are paid. Certain members of staff and directors are members of the Metalrax Group PLC pension scheme which is a defined benefits scheme.

TURNOVER

The company's turnover represents the value, excluding value added tax, of goods supplied to customers during the year.

RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 not to disclose related party transactions, since the company is a 100% subsidiary of Metalrax Group PLC and whose consolidated financial statements which include the results of Anotrim Limited are available to the general public.

ANOTRIM LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2002

		2002	2001
			(restated)
		£	£
TURNOVER	1	2,699,578	2,977,678
Cost of sales		<u>(2,232,917)</u>	<u>(2,342,946)</u>
GROSS PROFIT		466,661	634,732
Distribution and selling costs		(135,534)	(164,717)
Administrative expenses		<u>(238,428)</u>	<u>(274,389)</u>
OPERATING PROFIT		92,699	195,626
Profit on disposal of assets		5,344	-
Interest receivable	2	-	868
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	<u>98,043</u>	<u>196,494</u>
Taxation	6	<u>(28,666)</u>	<u>(59,125)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		69,377	137,369
Proposed dividends		<u>(43,377)</u>	<u>(137,369)</u>
RETAINED PROFIT FOR THE YEAR		26,000	-
Balance brought forward		<u>(26,000)</u>	-
Balance carried forward		<u><u>-</u></u>	<u><u>(26,000)</u></u>

NOTES

1. This account relates to continuing operations.

ANOTRIM LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES YEAR ENDED 31ST DECEMBER 2002

	2002	2001 (restated)
	£	£
Profit for the financial year attributable to shareholders	69,377	137,369
Total recognised gains and losses relating to the year	<u>69,377</u>	<u>137,369</u>
Prior year adjustment (note 12)	-	(26,000)
Total gains and losses recognised since last financial statements	<u><u>69,377</u></u>	<u><u>111,369</u></u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001 (restated)
	£	£
Profit for the financial year	69,377	137,369
Dividends	<u>(43,377)</u>	<u>(137,369)</u>
	26,000	-
Opening shareholders' equity adverse	(26,000)	-
Prior year adjustment (note 12)	<u>-</u>	<u>(26,000)</u>
	(26,000)	(26,000)
Closing shareholders' equity adverse	<u><u>-</u></u>	<u><u>(26,000)</u></u>

ANOTRIM LIMITED

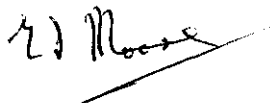
BALANCE SHEET

YEAR ENDED 31ST DECEMBER 2002

	Note	2002	2001
			(restated)
		£	£
FIXED ASSETS			
Tangible Assets	7	665,440	536,651
CURRENT ASSETS			
Stocks	8	495,107	403,972
Debtors	9	529,670	799,649
Cash at bank and in hand		10,609	56,985
		<u>1,035,386</u>	<u>1,260,606</u>
CREDITORS			
Amounts falling due within one year	10	<u>(1,133,976)</u>	<u>(1,266,407)</u>
NET CURRENT (LIABILITIES)		<u>(98,590)</u>	<u>(5,801)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>566,850</u>	<u>530,850</u>
PROVISION FOR LIABILITIES AND CHARGES			
	11	<u>(52,000)</u>	<u>(42,000)</u>
NET ASSETS		<u><u>514,850</u></u>	<u><u>488,850</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	3,000	3,000
Profit and loss account		-	(26,000)
Capital reserves		511,850	511,850
		<u><u>514,850</u></u>	<u><u>488,850</u></u>

Approved by the Board of Directors and signed on their behalf on 5th March 2003

E S MOORE (CHAIRMAN) - DIRECTOR



ANOTRIM LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	1	349,323	31,678
Returns on investments and servicing of finance	2	(137,369)	(250,359)
Taxation		(60,066)	(111,225)
Capital expenditure	3	<u>(198,264)</u>	<u>(88,218)</u>
(DECREASE) IN CASH	4	<u><u>(46,376)</u></u>	<u><u>(418,124)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

(Decrease) in cash in the year	<u>(46,376)</u>	<u>(418,124)</u>
Movement in net funds in year	<u>(46,376)</u>	<u>(418,124)</u>
Net funds at 31st December 2001	<u>56,985</u>	<u>475,109</u>
Net funds at 31st December 2002	<u><u>10,609</u></u>	<u><u>56,985</u></u>

ANOTRIM LIMITED

NOTES TO THE CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2002

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002	2001
	£	£
Operating profit	92,699	195,626
Depreciation charges	74,819	74,318
(Increase)/decrease in stocks	(91,135)	21,219
Decrease/(increase) in debtors	269,979	(98,546)
Increase/(decrease) in creditors	2,961	(160,939)
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>349,323</u>	<u>31,678</u>

2. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Interest received	-	868
Dividends paid	(137,369)	(251,227)
	<u>(137,369)</u>	<u>(250,359)</u>

3. CAPITAL EXPENDITURE

Payments to acquire tangible fixed assets	(207,864)	(88,218)
Receipts from sales of tangible fixed assets	9,600	-
	<u>(198,264)</u>	<u>(88,218)</u>

4. ANALYSIS OF CHANGES IN NET DEBT

	At 31st December 2001	Cash Flow	At 31st December 2002
	£	£	£
Cash at bank and in hand	<u>56,985</u>	<u>(46,376)</u>	<u>10,609</u>

ANOTRIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

1. TURNOVER

The turnover and pre-tax results for the year are attributable to the principal activity, that of aluminium fabrication and anodising, and hardwood product manufacturing.

	2002	2001
	£	£
The analysis of turnover by geographical area is as follows:		
United Kingdom	2,617,515	2,938,553
Eire	82,063	39,125
	<u>2,699,578</u>	<u>2,977,678</u>

2. INTEREST RECEIVABLE

Bank interest	<u>-</u>	<u>868</u>
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3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:-

Auditors' remuneration and expenses	7,500	7,200
Emoluments of directors (note 5)	152,956	147,401
Depreciation and amortisation of owned assets	<u>74,819</u>	<u>74,318</u>

4. STAFF COSTS

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

	Number	Number
Management	3	3
Administration	4	5
Production	68	66
	<u>75</u>	<u>74</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	861,432	839,007
Social security	62,796	62,270
Other pension costs	57,556	72,666
	<u>981,784</u>	<u>973,943</u>

ANOTRIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

5. DIRECTORS REMUNERATION

	2002	2001
	£	£
Management services	133,343	129,640
Pension contributions	19,613	17,761
	<u>152,956</u>	<u>147,401</u>

Three of the management directors of the company are accruing benefits under the defined benefit group pension scheme (2001: 3)

6. TAXATION

	£	£
(a) Current Year:		
Corporation tax at 30% (2001: 30%)	19,000	60,400
Deferred tax at 30% (2001: 30%)	10,000	(1,000)
Prior Year:		
Corporation tax	(334)	(275)
	<u>28,666</u>	<u>59,125</u>

(b) Factors affecting current tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% (2001: 30%).

Profit on ordinary activities before taxation	<u>98,043</u>	<u>196,494</u>
Profit on ordinary activities by rate of tax	29,413	58,948
Expenses not deductible for tax	430	623
Capital allowances for period in excess of depreciation	(10,911)	495
Potential tax over provision to release next year	68	334
Total current tax (6(a))	<u>19,000</u>	<u>60,400</u>

ANOTRIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

7. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Plant and Machinery	Fixtures & Equipment	Motor Vehicles	Total
Cost	£	£	£	£	£
At 31st December 2001	405,241	1,436,029	127,514	70,790	2,039,574
Additions	17,370	161,395	-	29,099	207,864
Disposals	-	(18,500)	-	(35,180)	(53,680)
At 31st December 2002	<u>422,611</u>	<u>1,578,924</u>	<u>127,514</u>	<u>64,709</u>	<u>2,193,758</u>
Depreciation					
At 31st December 2001	106,436	1,239,450	109,194	47,843	1,502,923
Charge for the year	8,447	45,186	6,083	15,103	74,819
Eliminated on disposal	-	(15,880)	-	(33,544)	(49,424)
At 31st December 2002	<u>114,883</u>	<u>1,268,756</u>	<u>115,277</u>	<u>29,402</u>	<u>1,528,318</u>
Net book value					
At 31st December 2002	<u>307,728</u>	<u>310,168</u>	<u>12,237</u>	<u>35,307</u>	<u>665,440</u>
At 31st December 2001	<u>298,805</u>	<u>196,579</u>	<u>18,320</u>	<u>22,947</u>	<u>536,651</u>

8. STOCKS

	2002 £	2001 £
Raw materials and consumables	250,287	229,309
Work in progress	96,755	87,516
Finished goods	148,065	87,147
	<u>495,107</u>	<u>403,972</u>

9. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

Trade debtors	501,770	781,907
Prepayments and accrued income	27,900	17,742
	<u>529,670</u>	<u>799,649</u>

ANOTRIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

10. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2002	2001 (restated)
	£	£
Trade creditors	201,100	280,823
Amounts owed to holding company	798,038	663,021
Corporation tax	19,000	60,400
Other tax and social security	49,048	88,640
Accruals and deferred income	23,413	36,154
Proposed dividends	43,377	137,369
	<u>1,133,976</u>	<u>1,266,407</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 Amount Provided £	2001 Amount Provided £
Tax effect of timing differences arising on excess of tax allowances over depreciation	<u>52,000</u>	<u>42,000</u>

It is the Company's policy to provide in full for deferred taxation calculated under the liability method at 30% (2001: 30%) on all timing differences.

12. PRIOR YEAR ADJUSTMENT

Following the introduction of FRS 19, Deferred Tax, the company's accounting policy has changed from partial to full provision for deferred tax. The original provision for deferred tax in 2001 was £16,000, the impact of the restatement being an increase in the 2001 provision of £26,000 (note 11).

13. SHARE CAPITAL

	2002 £	2001 £
Authorised:		
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
Issued and fully paid:		
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

ANOTRIM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2002

14. CAPITAL COMMITMENTS

	2002	2001
	£	£
Commitments for capital expenditure at the end of the year were as follows:		
Authorised and contracted for	<u>153,667</u>	<u>Nil</u>

15. PENSION COSTS

The company operates a contributory pension scheme. It is a defined contribution scheme, the funds of which are administered independently of the Company's finances. The charge for the year amounted to £2,409 (2001: £2,317). Certain members of staff and Directors are members of the Ultimate Holding Company's pension scheme, full details of which are given in that Company's financial statements. Payments to this scheme in the year amounted to £55,147 (2001: £70,349)

16. HOLDING COMPANY & CONTROLLING PARTY

The Ultimate Holding Company is Metalrax Group PLC, a company registered in England and Wales.