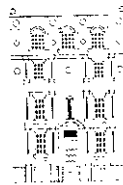


**ANOTRIM LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 1997**

Registered No. 1229447



**Wenham Major**  
CHARTERED ACCOUNTANTS

# ANOTRIM LIMITED

## REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

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## COMPANY INFORMATION

### DIRECTORS:

E S Moore (Chairman)  
T S Waterhouse  
Mrs E Jones (Resigned 31.5.97)  
A J Mackenzie  
T R Jones  
T Binks

### SECRETARY:

T R Jones

### REGISTERED OFFICE:

Unit 44  
Blakenhall Industrial Estate  
Moorfield Road  
Wolverhampton  
WV2 4PG

### AUDITORS:

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 1997

The Directors present their report together with the audited financial statements of the company for the year ended 31st December 1997.

## 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 £75,021. The Directors recommend that the figure of £75,021 be paid as a dividend.

## DIRECTORS' INTERESTS

The directors set out below have held office during the whole of the period from the 1st January 1997 to the date of this report unless otherwise stated. None of the Directors has 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					
		1997			1996	
Beneficial holding:	Owned	Under Option	Trustees	Owned	Under Option	Trustees
E S Moore (Chairman)	464,397	260,679	-	421,734	236,982	-
T S Waterhouse	41,069	11,462	-	37,336	10,420	-
Mrs E Jones (Resigned 31.5.97)	-	-	-	-	-	-
A J Mackenzie	298,344	220,416	179,261	271,223	200,379	162,965
T R Jones	82,070	301,322	-	74,161	273,930	-
T Binks	-	11,000	-	-	10,000	-

## 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 1997**

**AUDITORS**

The auditors, Wenham Major, are willing to continue in office.

**ON BEHALF OF THE BOARD**

  
.....

**E S MOORE (CHAIRMAN)- DIRECTOR**

**Date: 11TH MARCH, 1998**

## **AUDITORS' REPORT TO THE MEMBERS OF ANOTRIM LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

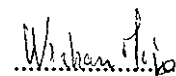
### **BASIS OF OPINION**

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

We planned 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 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
.....  
**Wenham Major**  
Chartered Accountants and  
Registered Auditors  
Date: 11th March, 1998

89 Cornwall Street  
Birmingham  
B3 3BY

# **ANOTRIM LIMITED**

## **ACCOUNTING POLICIES**

**YEAR ENDED 31ST DECEMBER 1997**

### **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared 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.

### **TAXATION**

The charge for taxation is based on the result for the year, at current rates of tax and takes into account full provision for deferred taxation on all timing differences between the treatment of certain items for accounts purposes and their treatment for corporation tax purposes, except for industrial buildings allowances.

### **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 1997

	Note	1997 £	1996 £
<b>TURNOVER</b>	1	2,857,676	2,745,864
Cost of sales		(2,391,006)	(2,341,566)
<b>GROSS PROFIT</b>		466,670	404,298
Distribution and selling costs		(155,180)	(140,951)
Administrative expenses		(222,669)	(210,565)
<b>OPERATING PROFIT</b>		88,821	52,782
Profit on disposal of assets		5,397	3,079
Interest receivable	2	10,233	20,640
Interest payable	3	-	(4,936)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	104,451	71,565
Taxation	7	(29,430)	(22,998)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		75,021	48,567
Proposed dividends		(75,021)	(48,567)
<b>RETAINED PROFIT FOR THE YEAR</b>		-	-

## NOTES

1. This account relates to continuing operations.
2. Profit after taxation equals total recognised gains and losses for the year.
3. There was no movement in shareholders funds in the year.

# ANOTRIM LIMITED

## BALANCE SHEET

YEAR ENDED 31ST DECEMBER 1997

	Note	£	1997 £	£	1996 £
<b>FIXED ASSETS</b>					
Tangible Assets	8		589,241		654,607
<b>CURRENT ASSETS</b>					
Stocks	9	466,870		530,446	
Debtors	10	593,562		742,360	
Cash at bank and in hand		349,621		138,187	
		<u>1,410,053</u>		<u>1,410,993</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u>(1,452,444)</u>		<u>(1,509,750)</u>	
<b>NET CURRENT (LIABILITIES)</b>			<u>(42,391)</u>		<u>(98,757)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>546,850</u>		<u>555,850</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					
	12		<u>(32,000)</u>		<u>(41,000)</u>
<b>NET ASSETS</b>			<u><u>514,850</u></u>		<u><u>514,850</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		3,000		3,000
Capital reserves			511,850		511,850
			<u>514,850</u>		<u>514,850</u>

Approved by the Board of Directors and signed on their behalf on 11th March, 1998

E S MOORE (CHAIRMAN) - DIRECTOR





# ANOTRIM LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 1997

	1997	1996
	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (NOTE 1)	298,508	(167,018)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE (NOTE 2)	(38,334)	(45,185)
TAXATION	(32,030)	(37,998)
CAPITAL EXPENDITURE (NOTE 3)	(16,710)	(56,922)
	<u>211,434</u>	<u>(307,123)</u>
FINANCING (NOTE 4)	-	(100,000)
INCREASE/(DECREASE) IN CASH	<u>211,434</u>	<u>(407,123)</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (NOTE 5)		
Increase/(Decrease) in cash in the year	211,434	(407,123)
Cash outflow from decrease in EEC loan	-	100,000
Movement in net funds in year	<u>211,434</u>	<u>(307,123)</u>
Net funds at 31st December 1996	138,187	445,310
NET FUNDS AT 31ST DECEMBER 1997	<u>349,621</u>	<u>138,187</u>

# ANOTRIM LIMITED

NOTES TO THE CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 1997

## 1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	1997	1996
	£	£
Operating profit	88,821	52,782
Depreciation charges	87,473	104,138
Decrease/(increase) in stocks	63,576	(61,702)
Decrease/(increase) in debtors	148,798	(162,286)
(Decrease) in creditors	(90,160)	(99,950)
<b>NET CASH INFLOW/(OUTFLOW)/ FROM OPERATING ACTIVITIES</b>	<b><u>298,508</u></b>	<b><u>(167,018)</u></b>

## 2. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

Interest received	10,233	20,640
Interest paid	-	(6,686)
Dividends paid	(48,567)	(59,139)
	<b><u>(38,334)</u></b>	<b><u>(45,185)</u></b>

## 3. CAPITAL EXPENDITURE

Payments to acquire tangible fixed assets	(23,210)	(71,822)
Receipts from sales of tangible fixed assets	6,500	14,900
	<b><u>(16,710)</u></b>	<b><u>(56,922)</u></b>

## 4. FINANCING

Debt due within a year: repayment of EEC loan	<b><u>-</u></b>	<b><u>(100,000)</u></b>
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## 5. ANALYSIS OF CHANGES IN NET FUNDS

	At 31st December 1996	Cash Flow	At 31st December 1997
	£	£	£
Cash at bank and in hand	<b><u>138,187</u></b>	<b><u>211,434</u></b>	<b><u>349,621</u></b>

# ANOTRIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

### 1. TURNOVER

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

	1997	1996
	£	£
The analysis of turnover by geographical area is as follows:		
United Kingdom	<u>2,857,676</u>	<u>2,745,864</u>

### 2. INTEREST RECEIVABLE

Bank interest	<u>10,233</u>	<u>20,640</u>
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### 3. INTEREST PAYABLE

Interest on EEC loan wholly repayable within 5 years	<u>-</u>	<u>4,936</u>
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### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

Auditors' remuneration and expenses	7,000	6,600
Emoluments of directors (note 6)	95,981	105,792
Depreciation and amortisation of owned assets	<u>87,473</u>	<u>104,138</u>

### 5. 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	6	6
Production	78	82
	<u>87</u>	<u>91</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	790,718	763,590
Social security	56,866	51,916
Other pension costs	15,002	17,431
	<u>862,586</u>	<u>832,937</u>

# ANOTRIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

### 6. DIRECTORS REMUNERATION

	1997	1996
	£	£
Management services	89,669	100,975
Pension contributions	6,312	4,817
	<u>95,981</u>	<u>105,792</u>

Two of the management directors of the company are accruing benefits under the defined benefit group pension scheme (1996:2)

### 7. TAXATION

	£	£
<b>Current Year:</b>		
Corporation tax at 31.5% (1996: 33%)	38,900	32,500
Deferred tax at 31% (1996: 33%)	(9,000)	(9,000)
<b>Prior Year:</b>		
Corporation tax	(470)	(502)
	<u>29,430</u>	<u>22,998</u>

### 8. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Plant and Machinery	Fixtures & Equipment	Motor Vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 31st December 1996	402,684	1,279,731	99,662	63,774	1,845,851
Additions	-	3,962	3,718	15,530	23,210
Disposals	-	-	-	(21,780)	(21,780)
At 31st December 1997	<u>402,684</u>	<u>1,283,693</u>	<u>103,380</u>	<u>57,524</u>	<u>1,847,281</u>
<b>Depreciation</b>					
At 31st December 1996	66,078	1,025,031	69,140	30,995	1,191,244
Charge for the year	8,054	54,181	11,376	13,862	87,473
Eliminated on disposal	-	-	-	(20,677)	(20,677)
At 31st December 1997	<u>74,132</u>	<u>1,079,212</u>	<u>80,516</u>	<u>24,180</u>	<u>1,258,040</u>
<b>Net book value</b>					
At 31st December 1997	<u>328,552</u>	<u>204,481</u>	<u>22,864</u>	<u>33,344</u>	<u>589,241</u>
At 31st December 1996	<u>336,606</u>	<u>254,700</u>	<u>30,522</u>	<u>32,779</u>	<u>654,607</u>

# ANOTRIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

### 9. STOCKS

	1997	1996
	£	£
Raw materials and consumables	294,252	297,213
Work in progress	122,877	177,328
Finished goods	49,741	55,905
	<u>466,870</u>	<u>530,446</u>

### 10. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

Trade debtors	573,462	711,789
Prepayments and accrued income	20,100	30,571
	<u>593,562</u>	<u>742,360</u>

### 11. CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

Trade creditors	215,237	326,648
Amounts owed to holding company	1,004,644	1,007,381
Corporation tax	38,900	32,500
Other tax and social security	82,701	65,560
Accruals and deferred income	35,941	29,094
Proposed dividends	75,021	48,567
	<u>1,452,444</u>	<u>1,509,750</u>

### 12. PROVISIONS FOR LIABILITIES AND CHARGES

	1997	1997	1996	1996
	Amount	Total	Amount	Total
	Provided	Potential	Provided	Potential
	£	Liability	£	Liability
Tax effect of timing differences arising on excess of tax allowances over depreciation	<u>32,000</u>	<u>55,000</u>	<u>41,000</u>	<u>65,000</u>

It is the Company's policy to provide in full for deferred taxation calculated under the liability method at 31% (1996: 33%) on all timing differences with the exception of industrial buildings allowances and capital gains against which roll-over relief has been claimed.

# ANOTRIM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1997

### 13. SHARE CAPITAL

	1997	1996
	£	£
<b>Authorised:</b>		
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
<b>Issued and fully paid:</b>		
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

### 14. CAPITAL COMMITMENTS

Commitments for capital expenditure at the end of the year were as follows:

Authorised and contracted for	<u>4,500</u>	<u>Nil</u>
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### 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 £3,925 (1996: £8,095). 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 £11,077 (1996:£9,336)

### 16. HOLDING COMPANY & CONTROLLING PARTY

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