

RIGIDIZED METALS EXPORT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1996

Company No. 1166375



FRASER RUSSELL
Chartered Accountants
4 London Wall Buildings
Blomfield Street
London EC2M 5NT

RIGIDIZED METALS EXPORT LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST AUGUST 1996

INDEX

	Page
Directors' Report	1 - 2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 - 13

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RIGIDIZED METALS EXPORT LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31st August 1996.

Principal activity

In September 1995 the company transferred its trade and assets apart from the freehold property and associated borrowings, to a fellow group undertaking Rigidized Metals Limited at book value, and subsequently ceased trading.

The freehold property was sold to the parent company, The Rimex Group Limited and the associated borrowings were taken over by the parent company.

Results and dividends

The company made a net profit on ordinary activities before taxation of £Nil (1995: £51,032). The directors recommend a proposed final dividend of £Nil (1995: £85,195) on the company's ordinary shares, leaving an amount of £Nil (1995: £(57,808)) after tax and dividends to be transferred (from)/to reserves. The profit and loss account is set out on page 4.

Fixed assets

All of the company's fixed assets were disposed of or transferred in September 1995.

Directors and their interests

The directors of the company who were in office during the year, none of whom had any disclosable interests in the share capital of the company or any other group companies, are set out below:

K. Childs
T.H. Ellison
A.A.H. Jessop
D.E. Stangroom
N.E.S. Barnes

The directors interest in the shares of the ultimate parent company the Rimex Group Limited were as follows:

	As at 31st August 1996	As at 31st August 1995
K. Childs	95,001	95,001

RIGIDIZED METALS EXPORT LIMITED**REPORT OF THE DIRECTORS**
(Continued)**Statement of directors' responsibilities**

Company law requires the directors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing those 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Messrs. Fraser Russell, Chartered Accountants and Registered Auditors, will be put to the Annual General Meeting.

ON BEHALF OF THE BOARD

G. P. Kieran

G P KIERAN
Secretary

Registered Office

The Old Rectory
Bramfield
Hertford
Herts SG14 2QJ

Dated: 17th January 1997

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
RIGIDIZED METALS EXPORT LIMITED**

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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.

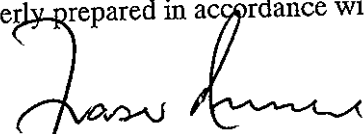
We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 August 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

4 London Wall Buildings,
Blomfield Street,
London EC2M 5NT

Dated: 17th January 1997


FRASER RUSSELL
Chartered Accountants
and Registered Auditors

RIGIDIZED METALS EXPORT LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31st August 1996

	<u>Notes</u>	<u>£</u>	<u>Discontinued Activities</u>		<u>1995</u>	<u>£</u>
			<u>1996</u>	<u>£</u>		
Turnover	2		-		4,715,793	
					4,715,793	
Other operating income			-		30,316	
			-		4,746,109	
Raw materials and consumables		-		3,935,372		
Other external charges		-		107,143		
			-		(4,042,515)	
			-		703,594	
Staff Costs	3	-		107,066		
Depreciation		-		9,015		
Other operating charges		-		465,789		
			-		(581,870)	
Operating profit	5		-		121,724	
Interest receivable and similar income					57	
Interest payable and similar charges	6		-		(70,749)	
Profit on ordinary activities before taxation			-		51,032	
Tax on ordinary activities	7		-		(23,645)	
Profit on ordinary activities after taxation			-		27,387	
Dividends	8		-		(85,195)	
Transferred (from)/to reserves	18		£ -		£ (57,808)	

There were no other recognised gains nor losses during the year other than those dealt with above.

The notes on pages 6 to 13 form an integral part of these financial statements.

RIGIDIZED METALS EXPORT LIMITED
BALANCE SHEET
As at 31st August 1996

	<u>Notes</u>	£	<u>1996</u>	£	£	<u>1995</u>	£
Fixed assets							
Tangible assets	9	-		-		333,364	
Investments	10	-		-		1,125,021	
						1,458,385	
Current assets							
Stock	11	-		-	55,000		
Debtors	12	100		100	911,508		
Cash at bank and in hand		-		-	21,989		
			100		988,497		
Creditors: amounts falling due within one year	13	-		-	(2,231,597)		
Net current liabilities				100		(1,243,100)	
Total assets less current liabilities				100		215,285	
Creditors: amounts falling due in more than one year	14	-		-		(215,185)	
				£ 100		£ 100	
Financed by:							
Capital and reserves							
Called up share capital	17	100		100		100	
Profit and loss account	18	-		-		-	
Shareholders' Funds	19	£ 100		£ 100		£ 100	

Approved by the board on: 17th January 1997

K. CHILDS

Directors

T.H. ELLISON

The notes on pages 6 to 13 form an integral part of these financial statements.

RIGIDIZED METALS EXPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 1996

1. Accounting policies

a) Basis of Accounting

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

b) Consolidation

The company is a wholly owned subsidiary of The Rimex Group Limited and in accordance with section 228(1) of the Companies Act 1985 no consolidated financial statements have been prepared by the company.

c) Depreciation

Depreciation is provided in order to write off the cost of fixed assets over their estimated useful lives at the following principal rates per annum:

Freehold Buildings	- 1%	- straight line
Plant and Machinery	- 6.67%	- straight line
Fixtures and Fittings	- 10 to 20%	- straight line
Motor Vehicles	- 33.3%	- reducing balance

No depreciation is provided on land.

d) Stocks

Stocks are valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

e) Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

f) Leased Assets

Assets held under operating leases are not capitalised and leasing charges are allocated to accounting periods as they are incurred.

Assets held under finance leases and hire purchase contracts are capitalised at their cost or estimated fair values at the date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary periods of the leases in proportion to the capital element outstanding.

g) Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the date of transaction.

RIGIDIZED METALS EXPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 1996

2. **Turnover**

Turnover represents the invoiced value of goods sold exclusive of value added tax. The turnover and pre tax profit all relates to supplying and exporting metals with an embossed pattern and is derived from the continuing operations of the company.

An analysis of turnover by geographical area is not given as in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the company.

	<u>1996</u> £	<u>1995</u> £
3. Staff costs		
(a) Wages and salaries	-	94,546
Social security costs	-	5,044
Other pension costs	-	7,476
	£ -	£107,066
(b) The average monthly number of employees during the year was made up as follows:	No.	No.
Sales and distribution	-	3
	-	3
4. Directors' emoluments	£	£
Executive remuneration and benefits	-	71,114
Pension contributions	-	5,610
	£ -	£ 76,724
The emoluments of the directors (excluding pension contributions) were:		
Chairman and highest paid director	£ -	£ 33,000
Other directors	No.	No.
£ Nil - £ 5,000	-	3
£30,001 - £35,000	-	-
£35,001 - £40,000	-	1

RIGIDIZED METALS EXPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 1996

	<u>1996</u> £	<u>1995</u> £
5. Operating profit is after charging:		
Directors' remuneration	-	76,724
Auditors' remuneration	-	5,950
Depreciation of owned assets	-	2,367
Depreciation of assets held under finance lease and hire purchase contracts	-	6,648
6. Interest payable and similar charges		
On bank loans and overdrafts	-	64,255
Other loans	-	5,000
Finance charges on leases and hire purchase contracts	-	1,494
	£ -	£ 70,749
7. Tax on ordinary activities		
Corporation tax at 33% (1995: 33%)	-	29,000
Over provision in prior years	-	(5,355)
	£ -	£ 23,645
8. Dividends		
Equity dividends on ordinary shares:		
Final proposed £Nil (1995 : £851.95) per share	£ -	£ 85,195

RIGIDIZED METALS EXPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 1996
(Continued)

9. **Tangible fixed assets**

	Freehold Property £	Motor Vehicles £	Total £
Cost:			
At 1st September 1995	492,905	21,550	514,455
Additions	-	-	-
Disposals	(492,905)	-	(492,905)
Inter group transfer	-	(21,550)	(21,550)
At 31st August 1996	£ -	£ -	£ -
Depreciation:			
At 1st September 1995	170,105	10,986	181,091
Provision for year	-	-	-
Disposals	(170,105)	-	(170,105)
Inter group transfer	-	(10,986)	(10,986)
At 31st August 1996	£ -	£ -	£ -
Net Book Value:			
At 31st August 1996	£ -	£ -	£ -
At 1st September 1995	£322,800	£ 10,564	£333,364

Included in the net book value of tangible fixed assets are assets held under finance leases and hire purchase contracts of £Nil (1995 : £10,564).

RIGIDIZED METALS EXPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 1996
(Continued)

10.	Investments	Subsidiary Undertakings		Total
	Cost:	Shares	Loan	£
	At 1st September 1995	£	£	£
	At 1st September 1995	1,116,294	8,727	1,125,021
	Transferred to fellow subsidiary	(1,116,294)	(8,727)	(1,125,021)
	At 31st August 1996	£ -	£ -	£ -
11.	Stock		<u>1996</u>	<u>1995</u>
			£	£
	Boat held for re-sale		£ -	£ 55,000
12.	Debtors			
	Trade debtors		-	802,111
	Amounts owed by parent undertaking		-	13,175
	Amounts owed by subsidiary undertakings		-	51,729
	Amounts owed by group undertakings		100	-
	Other debtors		-	39,982
	Prepayments and accrued income		-	4,511
			£ 100	£ 911,508
13.	Creditors: amounts falling due within one year			
	Bank loan and overdrafts (Note 15)		-	350,361
	Net obligations under finance leases and hire purchase contracts		-	4,421
	Trade creditors		-	135,374
	Amounts owed to group undertakings		-	1,606,915
	Amounts owed to related parties		-	13,590
	Corporation tax payable		-	44,757
	Accruals		-	76,179
			£ -	£2,231,597

RIGIDIZED METALS EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 1996
(Continued)

14.	Creditors: amounts falling due after one year	<u>1996</u> £	<u>1995</u> £
	Bank loan (Note 15)	-	199,863
	Net obligations under finance		
	leases and hire purchase contracts	-	3,322
	Accruals	-	12,000
		£ -	£ 215,185
15.	Bank borrowings		
	Bank loan and overdrafts:		
	Instalments due - after five years	-	98,880
	- between two and five years	-	75,738
	- between one and two years	-	25,245
		-	199,863
	Due within one year or on demand	-	350,361
		£ -	£550,224
	Amounts repayable by instalments		
	part of which falls due after five years	£ -	£225,109

16. **Deferred taxation**

Deferred taxation provided for in the financial statements and the potential liability, including amounts for which provision has been made, are as follows:-

	Total Potential Liability		Amounts provided	
	<u>1996</u> £	<u>1995</u> £	<u>1996</u> £	<u>1995</u> £
Accelerated capital allowances	-	4,518	-	-
	£ -	£ 4,518	£ -	£ -

RIGIDIZED METALS EXPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 1996
(Continued)

17.	Share capital	<u>1996</u> £	<u>1995</u> £
	Authorised		
	5,000 Ordinary shares of £1 each	£ 5,000	£ 5,000
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	£ 100	£ 100
18.	Profit and loss account		
	At 1st September 1995	-	57,808
	Transferred (from)/to reserves	-	(57,808)
	At 31st August 1996	£ -	£ -
19.	Reconciliation of movements in shareholders' funds		
	Profit for the financial year	-	27,387
	Dividends	-	(85,195)
		-	(57,808)
	Opening equity shareholders' funds	100	57,908
	Closing equity shareholders' funds	£ 100	£ 100
20.	Contingent liabilities		

The company has given the following guarantees on behalf of another group undertaking, Rigidized Metals Limited:-

- i) An unlimited guarantee in respect of bank borrowings which at the balance sheet date amounted to £743,602 (1995: £1,620,843)
- ii) A guarantee in respect of the payment of a hire purchase contract. The amount of indebtedness guaranteed at the balance sheet date amounted to £122,623 (1995: £146,372)

RIGIDIZED METALS EXPORT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 1996
(Continued)

21. Leasing commitments

Finance leases and hire purchase contracts:	<u>1996</u>	<u>1995</u>
	£	£
The net obligations under finance leases and hire purchase contracts included in creditors are payable as follows:		
Within one year	-	4,421
Within two and five years	-	3,322
	£ -	£ 7,743

22. Ultimate parent company

The ultimate parent company is The Rimex Group Limited, a company registered in England.

The results of the company are incorporated in the consolidated financial statements of The Rimex Group Limited.