

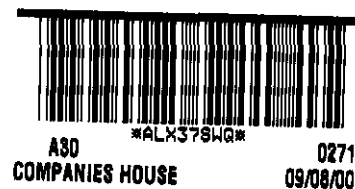
2185821

F&B Profiles Limited

Report and Accounts

31 March 2000

 ERNST & YOUNG



F&B Profiles Limited

Registered No 2185821

DIRECTORS

M P Harvey
R F Avery
J S Laycock

SECRETARY

Mrs L Harvey

AUDITORS

Ernst & Young
One Bridewell Street
Bristol
BS1 2AA

BANKERS

Bank of Scotland
21 Prince Street
Bristol
BS99 7JG

SOLICITORS

Burges Salmon
Narrow Quay House
Prince Street
Bristol
BS1 4AH

REGISTERED OFFICE

Unit 1
6-8 Dixon Road
Brislington
Bristol
BS4 5QW

The directors present their report and accounts for the year ended 31 March 2000.

RESULTS AND DIVIDENDS

The profit for the year, before taxation, amounted to £626,893 (1999 - £518,819). The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY

The principal activity of the company is to supply profile and plasma cut steel and stainless steel plate, engineering steels, cutting tools and fasteners to engineering companies in the South West of Britain.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Sales in the year to 31 March 2000 increased by 7% and profit before tax by 21%.

Emphasis continues to be placed on improving service and efficiency. The directors are confident that sales and profitability will increase further in the current year.

DIRECTORS AND THEIR INTERESTS

The directors at 31 March 2000, none of whom had any interests in the share capital of the company during the year, were as follows:

M P Harvey
R F Avery
J S Laycock

M P Harvey, R F Avery and J S Laycock are directors of the ultimate parent undertaking, F&B Profiles (Holdings) Limited, and their interests in the shares of that company are disclosed in the accounts of F&B Profiles (Holdings) Limited.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

YEAR 2000 COMPLIANCE

No adverse computer linked occurrences have been experienced as a result of the Year 2000 date change. Whilst there remains a theoretical possibility that difficulties may arise, the Board considers the likelihood is remote.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be proposed at the Annual General Meeting.

On behalf of the Board

Director

Date

M. P. Harvey
27.7.00

REPORT OF THE AUDITORS
to the members of F&B Profiles Limited

We have audited the accounts on pages 6 to 14, which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

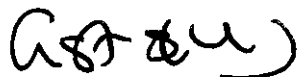
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2000 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditor
Bristol

Date 28/1/00

F&B Profiles Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2000

	Notes	2000 £	1999 £
TURNOVER	2	13,180,607	12,363,413
Cost of sales		(9,927,275)	(9,334,176)
GROSS PROFIT		<u>3,253,332</u>	<u>3,029,237</u>
Administrative expenses		(2,566,639)	(2,526,840)
OPERATING PROFIT	3	<u>686,693</u>	<u>502,397</u>
Interest receivable		222	-
Dividends receivable		-	30,117
Interest payable and similar charges	6	(60,022)	(13,695)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>626,893</u>	<u>518,819</u>
Tax on profit on ordinary activities	7	(139,569)	(56,580)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>487,324</u>	<u>462,239</u>
Dividends	8	-	(829,082)
PROFIT/(LOSS) RETAINED FOR THE FINANCIAL YEAR	18	<u><u>487,324</u></u>	<u><u>(366,843)</u></u>

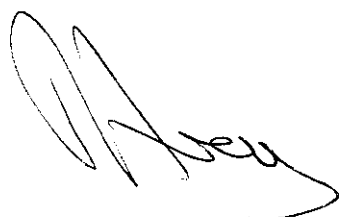
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2000

	2000 £	1999 £
Profit for the financial year	487,324	462,239
Unrealised surplus on revaluation of freehold land and buildings	141,344	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u><u>628,668</u></u>	<u><u>462,239</u></u>

F&B Profiles Limited

BALANCE SHEET at 31 March 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Intangible assets	9	-	2,000
Tangible assets	10	1,326,619	1,165,427
Investments	11	190,000	190,000
		<u>1,516,619</u>	<u>1,357,427</u>
CURRENT ASSETS			
Stocks	12	1,450,497	1,519,119
Debtors	13	3,219,581	2,760,971
Cash at bank and in hand		1,333,641	714,315
		<u>6,003,719</u>	<u>4,994,405</u>
CREDITORS: amounts falling due within one year	14	4,798,580	4,255,447
NET CURRENT ASSETS		<u>1,205,139</u>	<u>738,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,721,758</u>	<u>2,096,385</u>
CREDITORS: amounts falling due after more than one year	15	1,789,968	1,793,263
		<u>931,790</u>	<u>303,122</u>
CAPITAL AND RESERVES			
Called up share capital	17	456	456
Capital redemption reserve	18	544	544
Revaluation reserve	18	141,344	-
Profit and loss account	18	789,446	302,122
EQUITY SHAREHOLDERS' FUNDS		<u>931,790</u>	<u>303,122</u>



- Director

Date

28.7.00

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

Goodwill

Purchased goodwill is amortised through the profit and loss account over the directors' estimate of its useful life of 10 years.

Investments

Investments in subsidiary undertakings are included in the accounts valued at the lower of cost and the directors' estimate of net realisable value.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 7 years
Motor vehicles	over 4 years
Office equipment	over 7 years
Fork lift trucks	over 5 years
Freehold property	over 50 years
Leasehold property	over term of the lease
Computers	over 4 years

Stocks

Stocks are stated at the lower of purchase cost on a first-in, first-out basis and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Leasing commitments

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

Pensions

The group contributes to a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

F&B Profiles Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 2000

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is wholly attributable to the continuing principal activity of the company.

An analysis of turnover by geographical market is given below:

	2000 £	1999 £
United Kingdom	13,134,035	12,275,023
Rest of Europe	-	41,525
Other	46,572	46,865
	<u>13,180,607</u>	<u>12,363,413</u>

3. OPERATING PROFIT

a) This is stated after charging/(crediting):

	2000 £	1999 £
Auditors' remuneration	13,950	13,400
Depreciation of owned fixed assets	169,222	198,224
Depreciation of assets held under finance leases and hire purchase contracts	65,978	60,427
Profit on sale of fixed assets	(3,159)	(26,375)
Operating lease rentals	170,140	150,423
	<u>307,031</u>	<u>396,099</u>

4. DIRECTORS' EMOLUMENTS

	2000 £	1999 £
Emoluments	89,832	90,230
	<u>89,832</u>	<u>90,230</u>
Company contributions paid to money purchase pension schemes	10,396	10,062
	<u>10,396</u>	<u>10,062</u>

	2000 No	1999 No
Members of money purchase pension schemes	1	1
	<u>1</u>	<u>1</u>

5. STAFF COSTS

	2000 £	1999 £
Wages and salaries	2,276,103	2,229,781
Social security costs	204,744	212,821
Other pension costs	25,750	27,933
	<u>2,506,597</u>	<u>2,470,535</u>

F&B Profiles Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 2000

5. STAFF COSTS (continued)

The average number of employees during the year was as follows:

	2000 No.	1999 No.
Production	68	60
Administration	66	70
	<u>134</u>	<u>130</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Invoice discounting fees	47,469	-
Finance charges payable under finance leases and hire purchase contracts	12,553	13,695
	<u>60,022</u>	<u>13,695</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
UK corporation tax	139,569	55,000
Corporation tax under provided in previous years	-	1,580
	<u>139,569</u>	<u>56,580</u>

8. DIVIDENDS

	2000 £	1999 £
Equity dividends:		
Interim paid	-	699,082
Final proposed	-	130,000
	<u>-</u>	<u>829,082</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £
Cost:	
At 1 April 1999 and 31 March 2000	<u>20,000</u>
Amortisation:	
At 1 April 1999	18,000
Provided during the year	2,000
	<u>20,000</u>
At 31 March 2000	<u>20,000</u>
Net book value:	
At 31 March 2000	<u>-</u>
At 1 April 1999	<u>2,000</u>

F&B Profiles Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 2000

10. TANGIBLE FIXED ASSETS

	<i>Freehold property £</i>	<i>Leasehold property £</i>	<i>Motor vehicles £</i>	<i>Office equipment £</i>	<i>Fork lift trucks £</i>	<i>Plant and machinery £</i>	<i>Total £</i>
Cost or valuation:							
At 1 April 1999	351,454	402,573	356,409	263,116	89,876	746,434	2,209,862
Additions	-	27,609	75,662	84,229	500	70,534	258,534
Surplus on revaluation	98,546	-	-	-	-	-	98,546
Disposals	-	-	(26,159)	(48,764)	-	(2,000)	(76,923)
At 31 March 2000	450,000	430,182	405,912	298,581	90,376	814,968	2,490,019
Depreciation:							
At 1 April 1999	33,824	74,571	201,753	177,885	63,767	492,635	1,044,435
Provided during year	8,974	9,419	69,669	44,700	12,062	90,376	235,200
Surplus on revaluation	(42,798)	-	-	-	-	-	(42,798)
Disposals	-	-	(26,157)	(47,155)	-	(125)	(73,437)
At 31 March 2000	-	83,990	245,265	175,430	75,829	582,886	1,163,400
Net book value:							
At 31 March 2000	450,000	346,192	160,647	123,151	14,547	232,082	1,326,619
At 31 March 1999	317,630	328,002	154,656	85,231	26,109	253,799	1,165,427

The freehold land and buildings were valued at their open market value for loan security purposes, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors, on 27 January 2000 by Osmond Tricks, Consultant Surveyors.

On the historical cost basis, freehold land and buildings would have been included as follows:

	£
Cost:	
At 1 April 1999 and 31 March 2000	351,454
Cumulative depreciation based on cost:	
At 1 April 1999	33,834
At 31 March 2000	42,798

The net book value of fixed assets held under hire purchase agreements is as follows:

	2000 £	1999 £
Plant, machinery and office equipment	82,794	95,714
Motor vehicles	120,810	108,696
	203,604	204,410

F&B Profiles Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 2000

11. INVESTMENTS

	<i>Subsidiary undertaking £</i>
Cost:	
At 1 April 1999 and 31 March 2000	190,000

The wholly owned subsidiary undertaking is Whites Material Handling Limited, a manufacturer and distributor of specialist attachments for the construction and agricultural industry.

12. STOCKS

	<i>2000 £</i>	<i>1999 £</i>
Raw materials and consumables	124,823	98,510
Finished goods and goods for resale	1,325,674	1,420,609
	<u>1,450,497</u>	<u>1,519,119</u>

13. DEBTORS

	<i>2000 £</i>	<i>1999 £</i>
Trade debtors	2,757,445	2,421,850
Amounts due from subsidiary undertaking	419,045	270,886
Other debtors and prepayments	43,091	68,235
	<u>3,219,581</u>	<u>2,760,971</u>

14. CREDITORS: amounts falling due within one year

	<i>2000 £</i>	<i>1999 £</i>
Obligations under finance leases and hire purchase contracts (note 16)	72,400	84,603
Trade creditors	2,338,944	1,954,196
Amounts due to fellow subsidiary undertaking	1,589,910	1,589,910
Amounts due to parent undertaking	112,488	130,957
Current corporation tax	139,569	55,000
Other taxes and social security costs	291,813	241,224
Accruals and deferred income	253,456	199,557
	<u>4,798,580</u>	<u>4,255,447</u>

15. CREDITORS: amounts falling due after more than one year

	<i>2000 £</i>	<i>1999 £</i>
Loan from parent undertaking	1,722,576	1,722,576
Obligations under finance leases and hire purchase contracts (note 16)	67,392	70,687
	<u>1,789,968</u>	<u>1,793,263</u>

F&B Profiles Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 2000

16. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these amounts is as follows:

	2000 £	1999 £
Amounts payable:		
Within one year	83,790	98,657
In two to five years	76,860	82,613
	<u>160,650</u>	<u>181,270</u>
Less: finance charges allocated to future periods	20,858	25,980
	<u>139,792</u>	<u>155,290</u>
Current obligations (note 14)	72,400	84,603
Non-current obligations	67,392	70,687
	<u>139,792</u>	<u>155,290</u>

Changes in finance leases and hire purchase contracts during the year are as follows:

	£
At 1 April 1999	155,290
Inception of new contracts	75,680
Capital element of repayments in the year	(91,178)
At 31 March 2000	<u>139,792</u>

17. SHARE CAPITAL

	2000 £	1999 £	Authorised 2000 £	1999 £	Allotted, called up and fully paid 2000 £	1999 £
Ordinary shares of £1 each	1,000	1,000	456	456		

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Called up share capital £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total 2000 £	Total 1999 £
At 1 April	456	544	-	302,122	303,122	669,965
Retained profit/(loss) for the year	-	-	-	487,324	487,324	(366,843)
Surplus on revaluation of freehold land and buildings	-	-	141,344	-	141,344	-
At 31 March	<u>456</u>	<u>544</u>	<u>141,344</u>	<u>789,446</u>	<u>931,790</u>	<u>303,122</u>

F&B Profiles Limited

NOTES TO THE ACCOUNTS for the year ended 31 March 2000

19. FINANCIAL COMMITMENTS

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as follows:

	<i>Land and buildings</i>			<i>Other</i>
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	£	£	£	£
Operating leases which expire:				
Within two to five years	72,049	73,061	7,066	7,471
In over five years	89,400	74,740	-	-
	<u>161,449</u>	<u>147,801</u>	<u>7,066</u>	<u>7,471</u>

20. CONTINGENT LIABILITIES

Under the terms of an agreement with a retired director the company is committed to providing a pension and other benefits of £5,000 per annum until 31 December 2000.

The company has given a cross guarantee in respect of the bank borrowings of the group. The total borrowings guaranteed at 31 March 2000 were £3,072,779.

21. RELATED PARTY TRANSACTIONS

- The company has taken advantage of the exemption given by FRS 8 to subsidiary undertakings, 90% or more of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.
- During the year the company paid £78,276 rent to the pension fund of J S Laycock, a director of the company (1999 - £75,000).

22. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is F & B Profiles (Holdings) Limited, a company registered in England and Wales. The accounts of the parent undertaking can be obtained from Companies House.