

INFAST GROUP LIMITED

Report and Financial Statements

For the 52 weeks ended 29 December 2006

TUESDAY



\*AJ10HZH8\*

A47

06/05/2008

21

COMPANIES HOUSE

# Infast Group Limited

---

Registered No 0030847

## **DIRECTORS**

W R Banks

A Vaizey

J A Dul

## **SECRETARY**

A Vaizey

## **AUDITORS**

Ernst & Young LLP

1 Colmore Square

Birmingham

B4 6HQ

## **REGISTERED OFFICE**

Anixter House

1 York Road

Uxbridge

Middlesex UB8 1RN

# Infast Group Limited

---

## DIRECTORS' REPORT

The directors present their report and financial statements for the 52 weeks ended 29 December 2006

### RESULTS AND DIVIDENDS

The results for the period are set out in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2006 – £nil)

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

On July 8<sup>th</sup> 2005, Infast Group plc was taken over by Eagerport Limited a direct subsidiary of Anixter International Limited

Prior to this date, Infast Group Plc acted as a head office for Infast operations in both the United Kingdom and the United States of America. Since July 8<sup>th</sup> 2005, the company has acted only as a holding company within the Anixter group of companies

With effect from 1 January 2006 the businesses of Infast Automotive Limited, GKS Centrepiece Limited and Industrial Fasteners Limited, other members of the Anixter group of companies, were transferred to Anixter Limited, as part of the rationalisation of the UK statutory structure

### DIRECTORS AND THEIR INTERESTS

The directors who served during the 52 weeks ended 29 December 2006 were as listed on page 1

There were no directors' interests requiring disclosure under The Companies Act 1985

### DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISION

The company has granted an indemnity to its directors against the liability in respect of proceedings brought by third parties, subject to conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report


### DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made inquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

### AUDITORS

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting

On behalf of the Board on



Director

18<sup>th</sup> April 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
FINANCIAL STATEMENTS

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INFAST GROUP LIMITED**

We have audited the company's financial statements for the 52 weeks ended 29 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 18. These financial statements have been prepared under 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 auditors' 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. 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 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 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 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.

---

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INFASST GROUP LIMITED**

**Opinion**

In our opinion

- the 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 for the 52 weeks ended 29 December 2006 and of its profit for the period then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the directors' report is consistent with the financial statements

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Birmingham

13th April 2008

# Infast Group Limited

## PROFIT AND LOSS ACCOUNT

For the 52 weeks ended 29 December 2006

	<i>Notes</i>	<i>2006</i> <i>£000</i>	<i>2005</i> <i>£000</i>
<b>TURNOVER</b>		-	4
Cost of sales		-	-
<b>GROSS PROFIT</b>		-	4
Administrative income/(expenses)		10,805	(77,946)
<b>OPERATING PROFIT/(LOSS)</b>	2	10,805	(77,942)
Net interest payable and similar charges	6	(164)	(461)
<b>EXCEPTIONAL ITEMS</b>	3		
Loss on disposal of investment		-	(303)
Loss on disposal of fixed assets		-	(1,941)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		10,641	(80,647)
Tax on profit/(loss) on ordinary activities	7	132	1,168
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		10,773	(79,479)
Dividends		-	-
<b>RETAINED PROFIT/(LOSS) FOR THE PERIOD</b>	16	10,773	(79,479)

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses other than those presented in the profit and loss account

All activities are continuing

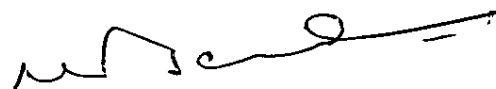
# Infast Group Limited

## BALANCE SHEET

As at 29 December 2006

	Notes	2006 £000	2005 £000
<b>FIXED ASSETS</b>			
Investments	8	7,875	7,875
		<u>7,875</u>	<u>7,875</u>
<b>CURRENT ASSETS</b>			
Debtors	9	64,768	22,969
Cash		-	164
		<u>64,768</u>	<u>23,133</u>
<b>CREDITORS: amounts falling due within one year</b>	10	(53,590)	(23,828)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>11,178</u>	<u>(695)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>19,053</u>	<u>7,180</u>
<b>CREDITORS: amounts falling due after one year</b>	11	(1,390)	(290)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	13	(160)	(160)
		<u>17,503</u>	<u>6,730</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	22,869	22,869
Share premium account	16	9,800	9,800
Capital contribution	16	4,054	4,054
Merger Reserve	16	28,491	28,491
Profit and loss account	16	(47,711)	(58,484)
	16	<u>17,503</u>	<u>6,730</u>

Approved by the Board on 18th April 2008



Director



# Infast Group Limited

---

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. No cash flow statement has been presented in accordance with FRS 1 (revised) as the company is a wholly owned subsidiary of a company for which financial statements are publicly available (note 18).

The ultimate parent undertaking of the company is Anixter International Inc, a company registered in the United States, and copies of the group financial statements are available from 2301, Patriot Blvd, Glenview, Illinois 60025, USA. Accordingly consolidating accounts have not been prepared as permitted by s228A(2) of the Companies Act 1985. The accounts therefore present information about the company as an individual undertaking and not about its group.

#### *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 that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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*

HMH Pension Scheme, a defined benefit scheme was operated by the company prior to the takeover by Anixter International Ltd. The funds are held in separate trustee administered funds, managed by independent professional investment advisers.

All actuarial variances and differences in amounts funded are accounted for in the financial statements of Anixter Ltd.

It is not possible to identify the Company's share of the underlying assets and liabilities of the pension scheme. The net deficit in the Group scheme as at the 29<sup>th</sup> December 2006 was £1.8m (2005 £3.7m). Full disclosure can be found in the financial statements of Anixter Ltd. Accordingly, the Company accounts for its contributions to the schemes as if it were defined contribution schemes.

#### *Investments*

Fixed asset investments are stated at cost less amounts written off where, in the opinion of the directors, there has been an impairment in the value of an investment.

# Infast Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

### 2. OPERATING PROFIT/(LOSS)

This is stated after charging

	2006 £000	2005 £000
Depreciation	-	563
Auditors' remuneration – audit services	29	23
– non-audit services	16	12
Operating leases and rentals		
– land and buildings	101	105

In the prior year a provision of £12,493,000 was created against the inter-company balances of GKS Centrepeice Limited, Industrial Fasteners Limited, and Infast Automotive Limited. In 2006 the net assets of these companies were transferred to Anixter Limited. It was deemed in 2006 the inter-company balances would be recoverable. Therefore the provision has been written back through the profit and loss account.

### 3. EXCEPTIONAL ITEMS

There were no exceptional items in respect of 2006

Exceptional items in respect of 2005 are presented below

	£000	£000
Recognised in arriving at Operating loss		
Exchange gains on loans	(314)	
Net Provision against receivables/payables	5,457	
Legal costs	640	
Employee related reorganisation costs	1,050	
Pension costs	545	
Dilapidations	2	
Interest expense	33	
Provision against loan	101	
Legal Claim	100	
Other	22	
		7,636
Recognised below Operating profit		
Loss on disposal of investment	303	
Loss on disposal of fixed assets	1,941	
		2,244
		9,880

As a result of the restructuring of the company upon acquisition by the Anixter Group, the investment in Haden MacLellan Inc of £4,400,000 was sold, giving rise to a loss of £303,000

# Infast Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

### 4. DIRECTORS' EMOLUMENTS

	2006 £000	2005 £000
Emoluments (Directors within the group)	-	892
Highest paid director within the group	-	430
	<u>          </u>	<u>          </u>
Members of money purchase pension scheme	-	2
	<u>          </u>	<u>          </u>

Contributions of £nil were paid towards money purchase benefits in respect of the directors (2005 £88,485)

Two of the directors are paid by Anixter International Limited, one of the directors are paid by Anixter Belgium B V and the remaining two are paid by Anixter Inc

### 5. STAFF COSTS

	2006 £000	2005 £000
Wages and salaries	-	552
Social security costs	-	128
Other pension costs (note 14)	336	150
	<u>336</u>	<u>830</u>
	<u>          </u>	<u>          </u>

The average monthly number of persons employed by the company, including executive directors, during the period is analysed as follows

	2006 No	2005 No
Administration	-	8
	<u>          </u>	<u>          </u>
	-	8
	<u>          </u>	<u>          </u>

### 6. NET INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £000	2005 £000
Interest receivable	43	95
Interest payable	(207)	(556)
	<u>(164)</u>	<u>(461)</u>
	<u>          </u>	<u>          </u>

NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the period

The tax assessed on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2005 - 30%) The differences are reconciled below

	2006 £000	2005 £000
Current tax		
UK corporation tax at 30% (2005 - 30%)	60	(848)
Total current tax (note 7 (b))	60	(848)
Deferred tax		
Origination and reversal of timing differences	71	(320)
Prior year adjustment	(263)	-
Tax on loss on ordinary activities	(132)	(1,168)

(b) Factors affecting current tax charge

The tax assessed for the period is lower (2005 higher) than the standard rate of corporation tax in the UK of 30 % (2005 30%) The differences are explained below

	2006 £'000	2005 £'000
Profit (Loss) on ordinary activities before tax	10,641	(80,647)
Profit (Loss) on ordinary activities multiplied by standard rate of corporation tax of 30% (2005 30%)	3,192	(24,194)
Expenses not deductible for tax purposes	(3,330)	22,825
Other timing differences	(3)	114
Adjustments in respect of prior periods	(2)	-
Depreciation in excess of capital allowances	203	407
Total current tax (note 7 (a))	60	(848)

# Infast Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

#### c) Deferred tax

The deferred taxation included in the balance sheet is as follows

	2006 £'000	2005 £'000
Included in debtors (note 9)		
Short term timing differences	(215)	(23)
	<u>          </u>	<u>          </u>
		2006 £000
At 1 January 2006		23
Deferred tax credit in the profit and loss account		(71)
Prior year adjustment		263
		<u>          </u>
At 29 December 2006		215

### 8. INVESTMENTS

	2006 £'000	2005 £'000
<b>Cost:</b>		
As at 1 January	43,800	47,800
Additions	1,040	(4,000)
Disposals	(1,040)	
As at 29 December	<u>43,800</u>	<u>43,800</u>
<b>Provision:</b>		
As at 1 January	35,925	24,465
Increase in provision	-	11,460
As at 29 December	<u>35,925</u>	<u>35,925</u>
<b>Net book value:</b>		
As at 29 December	<u>7,875</u>	<u>7,875</u>

# Infast Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

### 8. INVESTMENTS (continued)

The assets of Adesco Limited, A W (B & N) Limited, Automotive Fastener Solutions Limited, Budget Fasteners Limited, Centrepiece Distribution Limited, Earlydress Limited, Fastnaparts Limited, IFS Stainless Limited, IFS Distributors Limited, IFS Limited, Pastspeed Limited, Petrie & Mcnuaght Limited, Ross Screw Limited, and Sandiacre Limited were transferred to Infast Group Limited in 2006. These were immediately struck off, and the investment was therefore written down.

Infast Group Limited holds the following subsidiary undertakings

Name of company	Holding	Proportion of voting rights and shares held	Nature of Business
<b>Subsidiary undertakings</b>			
Industrial Fasteners Ltd	Ordinary shares	100%	Dormant company
Infast Automotive Ltd	Ordinary shares	100%	Dormant company
IP (Pontefract) Ltd	Ordinary shares	100% *	Dormant company
HMH Fasteners Ltd	Ordinary shares	100%	Dormant company
Fawndeck Ltd	Ordinary shares	100%	Dormant company
HMH Infast company Ltd (formally known as HMH Infast Plc)	Ordinary shares	100% *	Dormant company
Haden Drysys S A	Ordinary shares	100%	Dormant company
Ohta-Philidas Ltd	Ordinary shares	75%*	Dormant company
Centrepiece Engineering Ltd	Ordinary shares	100% *	Dormant company
Centrepiece Distributors Ltd	Ordinary shares	100% *	Dormant company
AW2 Ltd	Ordinary shares	100% *	Dormant company
Infast Subsidiary No 2 Ltd	Ordinary shares	100% *	Dormant company
Industrial Fastener Supplies Ltd	Ordinary shares	100% *	Dormant company
GKS (UK) Ltd	Ordinary shares	100% *	Dormant company
GKS Centrepiece Ltd	Ordinary shares	100% *	Dormant company
* Held by a subsidiary undertaking			

### 9. DEBTORS

	2006 £000	2005 £000
Trade debtors	-	12
Deferred tax asset (note 7 (c))	215	23
Prepayments and accrued income	100	7
Pension cost prepayment	-	175
Corporation Tax	704	1,161
Amounts owed by fellow subsidiary undertakings	63,749	21,591
	<u>64,768</u>	<u>22,969</u>

# Infast Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

### 10. CREDITORS: amounts falling due within one year

	2006	2005
	£000	£000
Amounts owed to fellow subsidiary undertakings	41,616	22,867
Accruals and deferred income	441	581
Other creditors including taxation and social security	18	380
Bank overdraft	11,515	-
	<u>53,590</u>	<u>23,828</u>

### 11. CREDITORS: amounts falling due after more than one year

	2006	2005
	£000	£000
Obligation on HIG lease (note 12)	1,390	290
	<u>1,390</u>	<u>290</u>

### 12. OBLIGATION ON HADEN INTERNATIONAL GROUP (HIG) LEASE

Prior to the acquisition of Infast Group Ltd by Eagerport Ltd, the Company had guaranteed the liabilities of Haden International Group, Inc (HIG), the purchaser of the Group's Process Engineering division in 1999, under the terms of the lease of its main operating facility

In February 2006, HIG defaulted on their lease payments giving rise to an additional liability of £1,390,000 (Note 11) to be borne by Infast Group Ltd

### 13. PROVISION FOR LIABILITIES AND CHARGES

	<i>Deferred Tax £000</i>	<i>Dilapidations £000</i>	<i>Total £000</i>
At 1 January 2006	-	160	160
Arising during the period	-	-	-
	<u>-</u>	<u>160</u>	<u>160</u>
At 29 December 2006	-	160	160

# Infast Group Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

### 14. PENSIONS

#### *HMH Pension Scheme*

HMH Pension Scheme, a defined benefit scheme was operated by the company prior to the takeover by Anixter International Ltd. The funds are held in separate trustee administered funds, managed by independent professional investment advisers.

All actuarial variances and differences in amounts funded are accounted for in the financial statements of Anixter Ltd.

It is not possible to identify the Company's share of the underlying assets and liabilities of the pension scheme. The net deficit in the Group scheme as at the 29<sup>th</sup> December 2006 was £1.8m (2005 £3.7m). Full disclosure can be found in the financial statements of Anixter Ltd.

The pension cost charged to the profit and loss account represent contributions payable by the company to the fund, and amount to £336k (2005 £336k).

### 15. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>2006</i>	<i>2005</i>	<i>2006</i>	<i>2005</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Ordinary shares of 20p each	30,000	30,000	22,869	22,869

### 16. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £000</i>	<i>Share premium account £000</i>	<i>Merger reserve £000</i>	<i>Capital contribution £000</i>	<i>Profit and loss account £000</i>	<i>Total share- holders funds £000</i>
At 1 January 2006	22,869	9,800	28,491	4,054	(58,484)	6,730
Profit for the period	-	-	-	-	10,773	10,773
At 29 December 2006	22,869	9,800	28,491	4,054	(47,711)	17,503

### 17. RELATED PARTIES

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8 'Related Parties Disclosures'. As a 100%-owned subsidiary undertaking, disclosure of transactions with group undertakings and investees of the group, qualifying as related parties, is not required.



NOTES TO THE FINANCIAL STATEMENTS

For the 52 weeks ended 29 December 2006

**18. ULTIMATE PARENT UNDERTAKING**

The immediate parent company is Eagerport Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling party is Anixter International Inc, a company incorporated in the United States of America. This is the largest group to consolidate the results of the company and copies of the group financial statements can be obtained through its website <http://www.anixter.com>