

COMPANY REGISTRATION NUMBER 1446923

**AXTER LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2004**



**ENSORS**  
Chartered Accountants & Registered Auditors  
46 St Nicholas Street  
IPSWICH  
IP1 1TT

# **AXTER LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2004**

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# **AXTER LIMITED**

## **THE DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2004**

The directors present their report and the financial statements of the company for the year ended 31 December 2004.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year remained that of importers and distributors of roofing and waterproofing products and building materials.

#### **RESULTS AND DIVIDENDS**

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

#### **THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY**

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	<b>Ordinary Shares of £1 each</b>	
	<b>At</b>	<b>At</b>
	<b>31 December</b>	<b>1 January 2004</b>
	<b>2004</b>	
J Medlock	—	—
P Roger	—	—
P Fleischmann	—	—

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

**AXTER LIMITED**

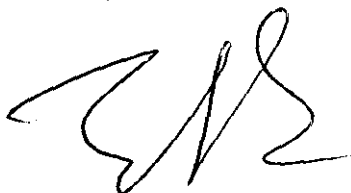
**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2004**

**AUDITORS**

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

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'J E Medlock', written over a horizontal line.

J E MEDLOCK  
Company Secretary

Approved by the directors on 16/5/05

## **AXTER LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AXTER LIMITED**

**YEAR ENDED 31 DECEMBER 2004**

We have audited the financial statements of Axter Limited for the year ended 31 December 2004 on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is 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 the 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.

# AXTER LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AXTER LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2004

### OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

46 St Nicholas Street  
IPSWICH  
IP1 1TT

*17 May 2005*



ENSORS  
Chartered Accountants  
& Registered Auditors

**AXTER LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>	<b>2</b>	<b>2,207,464</b>	<b>2,281,977</b>
Cost of sales		<u>1,375,669</u>	<u>1,450,332</u>
<b>GROSS PROFIT</b>		<b>831,795</b>	<b>831,645</b>
Distribution Costs		<u>223,704</u>	<u>240,030</u>
Administrative expenses		<u>585,504</u>	<u>580,968</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>22,587</b>	<b>10,647</b>
Interest payable and similar charges	<b>6</b>	<b>6,542</b>	<b>7,172</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>16,045</b>	<b>3,475</b>
Tax on profit on ordinary activities	<b>7</b>	<b>9,634</b>	<b>6,418</b>
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>6,411</b>	<b>(2,943)</b>
Balance brought forward		<u>(79,564)</u>	<u>(76,621)</u>
Balance carried forward		<u>(73,153)</u>	<u>(79,564)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 13 form part of these financial statements.

# **AXTER LIMITED**

## **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**YEAR ENDED 31 DECEMBER 2004**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit/(Loss) for the financial year	<b>6,411</b>	<b>(2,943)</b>
Opening shareholders' equity funds	<b>70,436</b>	<b>73,379</b>
Closing shareholders' equity funds	<b><u>76,847</u></b>	<b><u>70,436</u></b>

**The notes on pages 8 to13 form part of these financial statements.**

**AXTER LIMITED****BALANCE SHEET****31 DECEMBER 2004**

	Note	2004 £	£	2003 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		5,620		6,339
<b>CURRENT ASSETS</b>					
Stocks	9	12,297		19,565	
Debtors	10	667,386		574,768	
Cash at bank and in hand		19,140		2,266	
		<u>698,823</u>		<u>596,599</u>	
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>627,596</u>		<u>532,502</u>	
<b>NET CURRENT ASSETS</b>			<u>71,227</u>		64,097
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>76,847</u>		<u>70,436</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	16		150,000		150,000
Profit and loss account			(73,153)		(79,564)
<b>SHAREHOLDERS' FUNDS</b>			<u>76,847</u>		<u>70,436</u>

These financial statements were approved by the directors on the 16/5/05 and are signed on their behalf by:

  
.....  
J MEDLOCK

The notes on pages 8 to 13 form part of these financial statements.

# **AXTER LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2004**

### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office Equipment	20%
Computer equipment/software	33%
Leasehold Improvements	7%
Computer Hardware	20%

#### **Stocks**

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

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

# AXTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 1. ACCOUNTING POLICIES *(continued)*

#### 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.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### 2. TURNOVER

Turnover related wholly to the company's principal activity and originated in the UK. A geographical analysis of turnover by destination is as follows :

	2004 £	2003 £
United Kingdom	2,186,909	2,271,653
Europe	20,555	10,324
	<u>2,207,464</u>	<u>2,281,977</u>

The directors consider it impracticable to provide an analysis of operating profit and net assets per geographical sector.

### 3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2004 £	2003 £
Auditors' remuneration	3,000	3,000
Depreciation of owned fixed assets	3,260	3,921
Net profit on foreign currency translation	<u>(28,464)</u>	<u>(26,136)</u>

# AXTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2004	2003
	No	No
Number of distribution staff	6	7
Number of administrative staff	5	4
	<u>11</u>	<u>11</u>

The aggregate payroll costs of the above were:

	2004	2003
	£	£
Wages and salaries	246,017	222,951
Social security costs	38,822	37,686
Other pension costs	55,281	55,089
	<u>340,120</u>	<u>315,726</u>

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2004	2003
	£	£
Emoluments receivable	<u>77,921</u>	<u>78,078</u>

The directors' remuneration above related to the only paid director. The amount above includes pension contributions, which amount to £21,098 (2003 : £20,491). There are no rights for directors to exercise share options or receive shares under long term incentive schemes.

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Interest payable on bank borrowing	<u>6,542</u>	<u>7,172</u>

# AXTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 7. TAXATION ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Corporation Tax based on the results for the year	9,721	6,660
Origination and reversal of timing differences	(87)	(242)
	<u>9,634</u>	<u>6,418</u>

#### Factors affecting the tax charge for the year

The tax assessed for the year is higher than the rate of Corporation Tax in the UK applicable to the Company for the year. The differences are explained below:

	2004	2003
	£	£
Profit/Loss on ordinary activities before taxation	<u>16,044</u>	<u>3,475</u>
Profit on ordinary activities multiplied by rate of Corporation Tax in the UK at 30% (2003 – 30%)	4,813	1,042
Effects of : Expenses not deductible for tax purposes	4,820	5,376
Depreciation in excess of capital allowances	88	242
Current tax charge	<u>9,721</u>	<u>6,660</u>

### 8. TANGIBLE FIXED ASSETS

	Equipment & Improvements £
<b>COST</b>	
At 1 January 2004	63,604
Additions	<u>2,540</u>
<b>At 31 December 2004</b>	<u>66,144</u>
<b>DEPRECIATION</b>	
At 1 January 2004	57,264
Charge for the year	<u>3,260</u>
<b>At 31 December 2004</b>	<u>60,524</u>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2004</b>	<u>5,620</u>
At 31 December 2003	<u>6,340</u>

### 9. STOCKS

	2004	2003
	£	£
Finished goods	<u>12,297</u>	<u>19,565</u>

# AXTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 10. DEBTORS

	2004	2003
	£	£
Trade debtors	643,413	538,785
Other debtors	– yy	7,000
Prepayments and accrued income	22,987	28,084
Deferred taxation (note 11)	986	899
	<u>667,386</u>	<u>574,768</u>

### 11. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2004	2003
	£	£
Included in debtors (note 10)	<u>986</u>	<u>899</u>

The movement in the deferred taxation account during the year was:

	2004	2003
	£	£
Balance brought forward	899	657
Profit and loss account movement arising during the year	87	242
Balance carried forward	<u>986</u>	<u>899</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2004	2003
	£	£
Excess of taxation allowances over depreciation on fixed assets	986	899
	<u>986</u>	<u>899</u>

### 12. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	–	69,611
Trade creditors	449,735	336,172
Other creditors including taxation and social security:		
Corporation tax	9,721	6,661
Other taxation and social security	92,084	60,096
	<u>551,540</u>	<u>472,540</u>
Accruals and deferred income	76,056	59,962
	<u>627,596</u>	<u>532,502</u>

# AXTER LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2004

### 13. PENSIONS

The company operated a defined contribution pension scheme, assets of which are held independently from those of the company. The pension cost charge was £55,281 (2003 : £55,089), all of which was paid over at the year end and in accordance with the payment schedule.

### 14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Assets Other Than Land &amp; Buildings</b>	
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	<b>5,334</b>	<b>2,058</b>
Within 2 to 5 years	<b>26,398</b>	<b>39,998</b>
	<b><u>31,732</u></b>	<b><u>42,056</u></b>

In addition, the company has an informal annual commitment of £6,000 in respect of its land and buildings.

### 15. RELATED PARTY TRANSACTIONS

The company's immediate parent company is Axter SA, a company incorporated in France. The company's ultimate parent company (for which group accounts are drawn up) is Bouygues SA, which is also a company incorporated in France.

Due to the fact that the company is 100% owned and that its accounts are consolidated into those of its ultimate parent company (copies of which are available to the public from the French Company Registry,) exemption is taken from disclosing transactions and balances with other group members.

### 16. SHARE CAPITAL

#### Authorised share capital:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
150,000 Ordinary shares of £1 each	<b><u>150,000</u></b>	<b><u>150,000</u></b>

#### Allotted, called up and fully paid:

	<b>2004</b>		<b>2003</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<b><u>150,000</u></b>	<b><u>150,000</u></b>	<b><u>150,000</u></b>	<b><u>150,000</u></b>