

AXTER LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2001

Company Registration Number 1446923



ENSORS
Chartered Accountants & Registered Auditors
46 St Nicholas Street
IPSWICH

AXTER LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

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AXTER LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2001

The directors present their report and the financial statements of the company for the year ended 31 December 2001.

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 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:

	Ordinary Shares of £1 each	
	At	
	At 31 December 2001	1 January 2001
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 page 7, 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

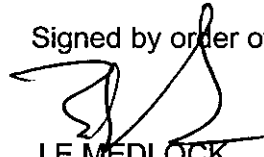
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2001

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 the printed name.

J E MEDLOCK
Company Secretary

- 3 MAY 2002

AXTER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 DECEMBER 2001

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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

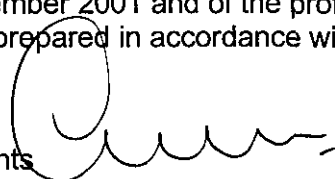
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

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 2001 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

ENSORS
Chartered Accountants
& Registered Auditors
IPSWICH



.....
- 3 MAY 2002

AXTER LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2001**

	Note	2001 £	2000 £
TURNOVER	2	1,915,371	2,108,239
Cost of sales		<u>1,172,060</u>	<u>1,262,420</u>
GROSS PROFIT		743,311	845,819
Distribution Costs		<u>225,480</u>	259,593
Administrative expenses		<u>505,896</u>	557,269
OPERATING PROFIT	3	11,935	28,957
Interest payable	6	<u>7,347</u>	8,208
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,588	20,749
Tax on profit on ordinary activities	7	<u>(3,933)</u>	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		655	20,749
Balance brought forward		<u>(73,332)</u>	(94,081)
Balance carried forward		<u>(72,677)</u>	(73,332)

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

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

The notes on pages 7 to 11 form part of these financial statements.

AXTER LIMITED

YEAR ENDED 31 DECEMBER 2001

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit for the financial year	655	20,749
Opening shareholders' equity funds	<u>76,668</u>	<u>55,919</u>
Closing shareholders' equity funds	<u>77,323</u>	<u>76,668</u>

The notes on pages 7 to 11 form part of these financial statements.

AXTER LIMITED**BALANCE SHEET****31 DECEMBER 2001**

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	9,539	13,073
CURRENT ASSETS			
Stocks	9	48,191	23,498
Debtors	10	494,377	468,889
Cash in hand		3,171	2,520
		<u>545,739</u>	<u>494,907</u>
CREDITORS: Amounts falling due within one year	12	<u>(477,955)</u>	<u>(431,312)</u>
NET CURRENT ASSETS		<u>67,784</u>	<u>63,595</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>77,323</u>	<u>76,668</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	150,000	150,000
Profit and Loss Account		(72,677)	(73,332)
SHAREHOLDERS' FUNDS		<u>77,323</u>	<u>76,668</u>

These financial statements were approved by the directors on the 3. May 2002, and are signed on their behalf by:


.....
J MEDLOCK

The notes on pages 7 to 11 form part of these financial statements.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

Basis of accounting

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

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% straight line
Computer Equipment	- 20% - 33% Straight Line
Motor Vehicles	- 33% Straight Line
Leasehold Improvements	- 7% straight line

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.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

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.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2001 £	2000 £
United Kingdom	<u>1,915,371</u>	<u>2,108,239</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2001 £	2000 £
Depreciation	5,705	6,939
Auditors Remuneration	3,000	3,000
Profit on disposal of fixed assets	(800)	-
Net profit on foreign currency translation	<u>(43,833)</u>	<u>-</u>

4. PARTICULARS OF EMPLOYEES

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

	2001 No.	2000 No.
Number of administrative staff	<u>9</u>	<u>8</u>

The aggregate payroll costs of the above were:

	2001 £	2000 £
Wages and salaries	222,630	189,521
Social security costs	31,634	34,099
Other pension costs	40,361	35,259
	<u>294,625</u>	<u>258,879</u>

5. DIRECTORS' EMOLUMENTS

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

	2001 £	2000 £
Emoluments receivable	<u>78,558</u>	<u>75,047</u>

The directors' remuneration above related to the only paid director. The amount above includes pension contributions, which amount to £16,025 (2000 : £13,482). There are no rights for directors to exercise share options or receive shares under long term incentive schemes.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

6. INTEREST PAYABLE

	2001 £	2000 £
Interest payable on bank borrowing	6,389	8,208
Other similar charges payable	958	-
	<u>7,347</u>	<u>8,208</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation Tax based on the results for the year at 30% (2000 -30%)	4,580	-
Decrease in deferred tax provision	(647)	-
	<u>3,933</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Equipment & Improvements £	Motor Vehicles £	Total £
COST			
At 1 January 2001	109,749	9,000	118,749
Additions	2,171	-	2,171
Disposals	-	(9,000)	(9,000)
At 31 December 2001	<u>111,920</u>	<u>-</u>	<u>111,920</u>
DEPRECIATION			
At 1 January 2001	96,676	9,000	105,676
Charge for the year	5,705	-	5,705
On disposals	-	(9,000)	(9,000)
At 31 December 2001	<u>102,381</u>	<u>-</u>	<u>102,381</u>
NET BOOK VALUE			
At 31 December 2001	<u>9,539</u>	<u>-</u>	<u>9,539</u>
At 31 December 2000	<u>13,073</u>	<u>-</u>	<u>13,073</u>

9. STOCKS

	2001 £	2000 £
Finished goods	<u>48,191</u>	<u>23,498</u>

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

10. DEBTORS

	2001 £	2000 £
Trade debtors	480,357	455,688
Other debtors	-	1,000
Deferred tax (Note 11)	647	-
Prepayments and accrued income	13,373	12,201
	<u>494,377</u>	<u>468,889</u>

11. DEFERRED TAXATION

	2001 £	2000 £
The movement in the deferred taxation account during the year was:		
Provision for year	647	-
Balance carried forward	<u>647</u>	<u>-</u>

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

	2001		2000	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of taxation allowances over depreciation on fixed assets	647	-	-	(264)
Tax losses available	-	-	-	4,424
	<u>647</u>	<u>-</u>	<u>-</u>	<u>4,160</u>

12. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	63,219	43,769
Trade creditors	316,371	295,213
Corporation Tax	4,580	-
Other taxation and social security	60,198	54,478
Accruals and deferred income	33,587	37,852
	<u>477,955</u>	<u>431,312</u>

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 £40,754 (2000 : £29,251), all of which was paid over at the year end and in accordance with the payment schedule.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2001

14. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2001	2000
	£	£
Operating leases which expire:		
Within 1 year	1,899	13,057
Within 2 to 5 years	37,901	25,992
	<u>39,800</u>	<u>39,049</u>

In addition, the company has an informal annual commitment of £7,579 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:

	2001	2000
	£	£
150,000 Ordinary shares of £1.00 each	<u>150,000</u>	<u>150,000</u>

Allotted, called up and fully paid:

	2001	2000
	£	£
Ordinary share capital	<u>150,000</u>	<u>150,000</u>