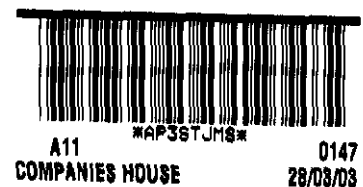


AXTER LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2002

Company Registration Number 1446923



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

AXTER LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

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AXTER LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2002

The directors present their report and the financial statements of the company for the year ended 31 December 2002.

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	1 January 2002
	2002	
J Medlock	—	—
P Roger	—	—
P Fleischmann	—	—
	<hr/>	<hr/>

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 2002

AUDITORS

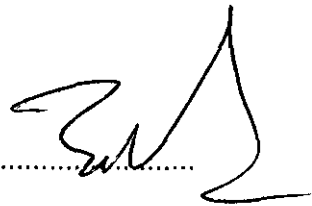
A resolution to re-appoint Ensors as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors

J E MEDLOCK
Company Secretary

Approved by the directors on

17 MAR 2003

A handwritten signature in black ink, appearing to be 'J E Medlock', written over the dotted line of the 'Approved by the directors on' text.

AXTER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 DECEMBER 2002

We have audited the financial statements on pages 5 to 14 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 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 auditor's 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 THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 1.

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. Our responsibilities do not extend to any other information.

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 (CONTINUED)

YEAR ENDED 31 DECEMBER 2002

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 2002 and of the loss of the company 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 MAR 2003
.....



ENSORS
Chartered Accountants
& Registered Auditors

AXTER LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2002**

	Note	2002 £	2001 £
TURNOVER	2	2,931,160	1,915,371
Cost of sales		<u>1,931,165</u>	<u>1,172,060</u>
GROSS PROFIT		999,995	743,311
Distribution Costs		319,179	225,480
Administrative expenses		<u>672,835</u>	<u>505,896</u>
OPERATING PROFIT	3	7,981	11,935
Interest payable	6	4,193	7,347
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,788	4,588
Tax on profit on ordinary activities	7	7,732	3,933
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(3,944)	655
Balance brought forward		<u>(72,676)</u>	<u>(73,331)</u>
Balance carried forward		<u>(76,620)</u>	<u>(72,676)</u>

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 8 to 14 form part of these financial statements.

AXTER LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2002

	2002	2001
	£	£
(Loss)/Profit for the financial year	(3,944)	655
Opening shareholders' equity funds	<u>77,324</u>	<u>76,669</u>
Closing shareholders' equity funds	<u>73,380</u>	<u>77,324</u>

The notes on pages 8 to 14 form part of these financial statements.

AXTER LIMITED**BALANCE SHEET****31 DECEMBER 2002**

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	8	8,212	9,539
CURRENT ASSETS			
Stocks	9	69,499	48,191
Debtors	10	761,589	494,377
Cash in hand		2,452	3,171
		<u>833,540</u>	<u>545,739</u>
CREDITORS: Amounts falling due within one year	11	<u>768,372</u>	<u>477,954</u>
NET CURRENT ASSETS		<u>65,168</u>	<u>67,785</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>73,380</u>	<u>77,324</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	150,000	150,000
Profit and Loss Account		(76,620)	(72,676)
SHAREHOLDERS' FUNDS		<u>73,380</u>	<u>77,324</u>

These financial statements were approved by the directors on the 17 March 2003 and are signed on their behalf by:



J MEDLOCK

The notes on pages 8 to 14 form part of these financial statements.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

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) 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:

Computer Equipment	- 20% - 33% Straight Line
Motor Vehicles	- 33% 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.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

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

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

An analysis of turnover is given below:

	2002 £	2001 £
United Kingdom	<u>2,931,160</u>	<u>1,915,371</u>

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation	3,502	5,705
Profit on disposal of fixed assets	—	(800)
Net profit on foreign currency translation	<u>(22,981)</u>	<u>(43,833)</u>

4. PARTICULARS OF EMPLOYEES

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

	2002	2001
	No.	No.
Number of distribution staff	7	8
Number of administrative staff	3	3
	<u>10</u>	<u>11</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	254,856	222,630
Social security costs	33,418	31,634
Other pension costs	49,182	40,361
	<u>337,456</u>	<u>294,625</u>

5. DIRECTORS' EMOLUMENTS

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

	2002	2001
	£	£
Emoluments receivable	<u>79,535</u>	<u>78,558</u>

The directors' remuneration above related to the only paid director. The amount above includes pension contributions, which amount to £18,247 (2001 : £16,025). There are no rights for directors to exercise share options or receive shares under long term incentive schemes.

6. INTEREST PAYABLE

	2002	2001
	£	£
Interest payable on bank borrowing	4,193	6,389
Other similar charges payable	—	958
	<u>4,193</u>	<u>7,347</u>

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002	2001
	£	£
Corporation Tax based on the results for the year	7,742	4,580
Origination and reversal of timing differences	(10)	(647)
	<u>7,732</u>	<u>3,933</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:

	2002	2001
	£	£
Profit/Loss on ordinary activities before taxation	<u>3,788</u>	<u>4,588</u>
Profit on ordinary activities multiplied by rate of Corporation Tax in the UK at 30% (2001 – 30%)	1,136	1,376
Effects of : Expenses not deductible for tax purposes	6,596	6,643
Effects of : Losses brought forward	-	(3,711)
Depreciation in excess of capital allowances	10	272
Current tax charge	<u>7,742</u>	<u>4,580</u>

8. TANGIBLE FIXED ASSETS

	Equipment & Improvements £
COST	
At 1 January 2002	111,920
Additions	2,175
Disposals	(52,540)
At 31 December 2002	<u>61,555</u>
DEPRECIATION	
At 1 January 2002	102,381
Charge for the year	3,502
On disposals	(52,540)
At 31 December 2002	<u>53,343</u>
NET BOOK VALUE	
At 31 December 2002	<u>8,212</u>
At 31 December 2001	<u>9,539</u>

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

9. STOCKS

	2002 £	2001 £
Finished goods	<u>69,499</u>	<u>48,191</u>

10. DEBTORS

	2002 £	2001 £
Trade debtors	745,966	480,357
Prepayments and accrued income	14,966	13,373
Deferred taxation (Note 13)	657	647
	<u>761,589</u>	<u>494,377</u>

13. DEFERRED TAXATION

	2002 £	2001 £
The movement in the deferred taxation account during the year was:		
Balance brought forward	(647)	-
Profit and Loss Account movement arising during the year	(10)	(647)
Balance carried forward	<u>(657)</u>	<u>(647)</u>

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

	2002 £	2001 £
Excess of taxation allowances over depreciation on fixed assets	(657)	(647)
	<u>(657)</u>	<u>(647)</u>

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

11. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	38,560	63,219
Trade creditors	599,724	316,370
Other creditors including taxation and social security:		
Corporation tax	7,982	4,580
Other taxation and social security	53,824	60,198
	<u>700,090</u>	<u>444,367</u>
Accruals and deferred income	68,282	33,587
	<u>768,372</u>	<u>477,954</u>

12. 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 £49,182 (2001 : 40,754), 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 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	Assets Other Than Land & Buildings	
	2002 £	2001 £
Operating leases which expire:		
Within 1 year	4,963	1,899
Within 2 to 5 years	43,790	37,901
	<u>48,753</u>	<u>39,800</u>

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.

AXTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

16. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
150,000 Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	<u>150,000</u>	<u>150,000</u>