

1481054

HOLLAENDER RAINER LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1998



DIRECTORS AND OFFICERS

DIRECTORS

R. Clover
A.M. Clover

SECRETARY

P.O. Edwards

AUDITORS

Daw White Murrall
2 Mitre Court
Lichfield Road
Sutton Coldfield B74 2LZ

REGISTERED OFFICE

Leamore Close
Leamore Industrial Estate
Walsall WS2 7NL

BANKERS

Yorkshire Bank Plc
8 Peckingham Street
Halesowen
West Midlands B63 3BP

COMPANY NUMBER

1481054

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31st March 1998.

HOLDING COMPANY

The company is a wholly owned subsidiary of Fox Hollies Properties Limited, a company incorporated in England.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The principal activity of the company during the year was the manufacture and installation of specialist handrail equipment.

The results for the year and the year end financial position were satisfactory, and the level of activity is expected to be maintained for the foreseeable future.

On 1st April 1997 the Surespan trade was transferred to Surespan Limited, a fellow group company. Since that date direct costs of sale, overheads and payroll costs incurred within the company were recharged to Surespan Limited on a monthly basis.

FIXED ASSETS

Changes in the fixed assets are shown in note 8 to the financial statements.

DIRECTORS AND THEIR SHARE INTERESTS

The directors of the company during the year and their beneficial interests in the shares of the company were as follows:

	Ordinary shares of £1.00 each	
	1998	1997
R. Clover	-	-
A.M. Clover	-	-

The beneficial interests of the directors in the shares of the holding company are shown in that company's financial statements.

A.M. Clover retires in accordance with the company's articles of association and, being eligible, offers herself for re-election.

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

In accordance with section 385 of the Companies Act 1985 a resolution for the reappointment of Messrs Daw White Murrall as auditors of the company will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'P.O. Edwards', written over the text 'BY ORDER OF THE BOARD'.

P.O. Edwards

SECRETARY

Leamore Close
Leamore Industrial Estate
Walsall WS2 7NL

10th September 1998



DAW WHITE MURRALL
CHARTERED ACCOUNTANTS

1-2 GEORGE STREET
WOLVERHAMPTON
WV2 4DG

2 MITRE COURT
LICHFIELD ROAD
SUTTON COLDFIELD
B74 2LZ

**AUDITORS REPORT TO THE SHAREHOLDERS OF
HOLLAENDER RAINER LIMITED**

PAGE 4

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 8 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 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 affairs of the company at 31st March 1998 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

10th September 1998

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1998

	Notes	1998	1997
Turnover	3	675,890	1,043,983
Cost of sales		487,524	636,230
Gross profit		188,366	407,753
Administrative expenses		156,703	371,953
Operating profit		31,663	35,800
Other income		600	-
Interest payable		(7,275)	(15,726)
Profit on ordinary activities before taxation		24,988	20,074
Tax on ordinary activities	4	2,275	-
Profit on ordinary activities after taxation	5	22,713	20,074
Retained profit brought forward		31,789	11,715
Retained profit carried forward		<u>£54,502</u>	<u>£31,789</u>

There are no recognised gains and losses other than the profit for the year.



Turnover and operating profit derive wholly from continuing operations.

BALANCE SHEET

AS AT 31ST MARCH 1998

	Notes	1998	1997
FIXED ASSETS			
Tangible assets	8	<u>45,106</u>	<u>100,349</u>
CURRENT ASSETS			
Stocks	9	60,006	95,380
Debtors	10	460,433	297,798
Cash at bank and in hand		340	-
		<u>520,779</u>	<u>393,178</u>
CREDITORS - Amounts falling due within one year	11	<u>483,853</u>	<u>447,051</u>
NET CURRENT ASSETS/LIABILITIES		<u>36,926</u>	<u>(53,873)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>82,032</u>	<u>46,476</u>
CREDITORS - amounts falling due after more than one year	12	<u>27,430</u>	<u>14,587</u>
NET ASSETS		<u><u>£54,602</u></u>	<u><u>£31,889</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account		<u>54,502</u>	<u>31,789</u>
SHAREHOLDERS FUNDS	15	<u><u>£54,602</u></u>	<u><u>£31,889</u></u>

The financial statements were approved by the directors on 10th September 1998

.......... } R. Clover
..... } A.M. Clover

DIRECTORS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1998

1 ACCOUNTING POLICIES

- Basis of preparing the financial statements

The company meets part of its day to day working capital requirements through an overdraft facility which, in common with all such facilities, is repayable on demand.

The company is also dependent on the continued financial support of fellow group companies and creditors generally to meet the balance of its working capital requirements. The directors consider it reasonable to rely on the continuance of financial support for at least 12 months from the date of approval of the financial statements and consider it appropriate to prepare the financial statements on the going concern basis.

- Accounting convention

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

The directors have relied upon the exemption conferred by Financial Reporting Standard 1 to not prepare a cashflow statement.

- Depreciation

Depreciation of fixed assets is provided at rates calculated to write off the cost of the assets over the term of their useful lives. The rates in use for the various classes of assets are as follows :

Fixtures and fittings	20% on a straight line basis
Plant and machinery	16.67% on a straight line basis
Motor vehicles	25% on a straight line basis

- Stocks

Stocks, including work in progress, are stated at the lower of cost and net realisable value, after allowing for obsolete and slow moving items.

- Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

- Hire purchase

Additions to fixed assets purchased under hire purchase and lease purchase contracts are capitalised at cost. Interest payable during the accounting period is charged in the trading account.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 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 and profit or loss of the company. In preparing these financial statements the directors were required to:

- select suitable accounting policies and apply them consistently
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also required to safeguard the assets of the company and hence to take reasonable steps for the prevention and detection of fraud and other irregularities.

3 TURNOVER

Turnover represents the amounts derived from the provision of goods and services within the company's ordinary activities after deducting value added tax.

Turnover arose in the following geographical locations:

	1998	1997
United Kingdom	599,721	1,001,090
Middle East	42,040	38,841
Other EEC countries	34,129	4,052
	<u>£675,890</u>	<u>£1,043,983</u>

4 TAXATION

	1998	1997
Tax on ordinary activities based on the results for the year:		
Corporation tax at 21% (1997 24%)	<u>£2,275</u>	<u>Nil</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

	1998	1997
This is stated after the following amounts:		
Depreciation and amortisation	21,843	23,007
Profit on disposals of fixed assets	(5,150)	(2,546)
Auditors remuneration	2,000	3,000
Staff costs:		
Wages and salaries	247,784	321,568
Social Security costs	<u>17,465</u>	<u>31,635</u>

6 EMPLOYEE INFORMATION

The average weekly number of employees, including directors, employed by the company during the year was 24 (1997 23), made up as follows:

	1998	1997
Production	17	17
Administrative	5	4
Directors	2	2
	<u>24</u>	<u>23</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 TRANSACTIONS WITH RELATED PARTIES

During the year the company:

- recharged £426,768 on a monthly basis to Surespan Limited for direct costs, overheads and payroll costs.

- incurred management charges as follows:

Fox Hollies Properties Limited	£40,000	£48,000
Surespan Limited	-	£1,000
	<u>£40,000</u>	<u>£49,000</u>

- paid property rent to R. Clover and A.M. Clover of £9,500 £12,000

- sold a vehicle to R. Clover at market value of £2,500.

and the following balances were due from:

Surespan Limited	<u>£156,519</u>	<u>Nil</u>
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and were due to:

Fox Hollies Properties Limited	£35,726	£36,915
Surespan Limited	Nil	£3,169
	<u>£35,726</u>	<u>£40,084</u>

Other than the above there were no transactions with related parties.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
Cost				
At 1st April 1997	47,574	41,500	142,397	231,471
Additions	2,859	6,639	15,250	24,748
Disposals	-	-	(95,743)	(95,743)
At 31st March 1998	<u>50,433</u>	<u>48,139</u>	<u>61,904</u>	<u>160,476</u>
Depreciation				
At 1st April 1997	45,441	29,920	55,762	131,123
Charge for year	1,318	5,677	14,848	21,843
On disposals	-	-	(37,596)	(37,596)
At 31st March 1998	<u>46,759</u>	<u>35,597</u>	<u>33,014</u>	<u>115,370</u>
Net book value				
At 31st March 1998	<u>£3,674</u>	<u>£12,542</u>	<u>£28,890</u>	<u>£45,106</u>
At 31st March 1997	<u>£2,133</u>	<u>£11,580</u>	<u>£86,635</u>	<u>£100,348</u>
The net book value at 31st March 1998 of assets held under hire purchase and finance lease contracts was:	<u>Nil</u>	<u>£2,470</u>	<u>£26,056</u>	<u>£28,526</u>
The depreciation charged during the year on assets held under hire purchase and finance lease contracts was:	<u>Nil</u>	<u>£380</u>	<u>£7,785</u>	<u>£8,165</u>

9 STOCKS

	1998	1997
Raw materials	40,056	53,908
Work in progress	19,950	41,472
	<u>£60,006</u>	<u>£95,380</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 DEBTORS

	1998	1997
Trade debtors	296,203	267,258
Amounts owed by group companies	156,519	-
Other debtors	1,806	4,020
Prepayments and accrued income	5,905	26,520
	<u>£460,433</u>	<u>£297,798</u>

11 CREDITORS:- Amounts falling due within one year

	1998	1997
Directors loan accounts	22,964	-
Bank loans and overdrafts	78,524	124,513
Trade creditors	294,113	183,603
Amounts owed to group companies	35,726	40,084
Taxation and Social Security	24,443	59,361
Other creditors	3,556	2,656
Obligations due under hire purchase and finance leases	8,571	23,235
Accruals and deferred income	15,956	13,599
	<u>£483,853</u>	<u>£447,051</u>

12 CREDITORS:- Amounts falling due after more than one year

	1998	1997
Bank loans	22,706	-
Obligations due under hire purchase and finance leases	4,724	14,587
	<u>£27,430</u>	<u>£14,587</u>

13 PROVISION FOR LIABILITIES AND CHARGES

There is no liability to deferred tax, potential or otherwise.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 CALLED UP SHARE CAPITAL

	Authorised	Allotted issued and fully paid
Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

15 SHAREHOLDERS FUNDS

Reconciliation of movement on shareholders funds	1998	1997
Profit for the financial year after taxation	22,713	20,074
Opening shareholders funds	<u>31,889</u>	<u>11,815</u>
Closing shareholders funds	<u>£54,602</u>	<u>£31,889</u>

16 CAPITAL COMMITMENTS

There were no capital commitments at 31st March 1998 (1997 £Nil).

17 CONTINGENT LIABILITIES

The company is a member of the Fox Hollies Properties Limited VAT group registration. At 31st March 1998 the joint and several liability was £20,961 (1997 £47,674).

18 SECURED CREDITORS

The debts due to Yorkshire Bank Plc have been secured by the creation of fixed and floating charges over the companys assets and personal guarantees from the directors.