



ENVIROHOLD LIMITED

FINANCIAL STATEMENTS AND REPORTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

Company Number: 1664962



**A25
COMPANIES HOUSE**

AL61RZOX

**0561
26/10/04**

ENVIROHOLD LIMITED

CONTENTS

1	Report of the Directors
2	Auditors' Report
3	Profit and Loss Account
4	Balance Sheet
5 - 15	Notes to the Financial Statements

ENVIROHOLD LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2003

The directors present their report and the audited financial statements for the year ended 31st December 2003.

Principal Activity

The principal activity of the company is that of a holding company

Accounts and State of Affairs

Details of the results for the year are set out in the attached statements and reports. The directors consider the state of affairs of the company to be satisfactory.

Dividends

The directors do not recommend payment of a final dividend (2002 : £70,000).

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

		Ordinary £1 shares	
		31/12/03	01/01/03
W. Van de Spek	(Resigned 04/09/2003)	-	-
C. L. Van der Spek	(Resigned 04/09/2003)	-	-
M. de V. Roberts		-	-
D. R. Lewis	(Appointed 04/09/2003)	-	-

The directors' interests in the shares of the ultimate holding company are disclosed in that company's accounts.

Directors' responsibilities for the financial statements

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 and of the profit or loss of the company for that year. 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 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 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. 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.

Auditors

A resolution to re-appoint Messrs. Dutton Moore as auditors will be put to the members at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


M. de V. Roberts
DIRECTOR

22ND OCTOBER 2004

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
ENVIROHOLD LIMITED**

We have audited the financial statements of Envirohold Limited for the year ended 31st December 2003 on pages 3 to 15. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept nor 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 other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**HULL
22ND OCTOBER 2004**


**DUTTON MOORE
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS**

ENVIROHOLD LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2003

		2003	2002
	Notes	£	£
Turnover	2	273,482	392,001
Administrative expenses		(280,902)	(385,797)
Operating (loss)/profit	3	(7,420)	6,204
Investment income	4	-	90,000
Interest payable and similar charges	5	(1,447)	(8,117)
(Loss)/profit on ordinary activities before taxation		(8,867)	88,087
Tax on (loss)/profit on ordinary activities	7	14,888	(15,538)
Profit on ordinary activities after taxation		6,021	72,549
Dividends	8	-	(90,000)
Retained profit/(loss) for the financial year		6,021	(17,451)
Accumulated (loss)/profit brought forward		(276)	17,175
Retained profit/(loss) carried forward		<u>5,745</u>	<u>(276)</u>

All of the activities undertaken by the company during 2003 and 2002 are continuing activities.


The company has no recognised gains or losses for 2003 and 2002 other than those included in the profit and loss account; therefore no separate statement of total recognised gains and losses is required.

The notes on pages 5 to 15 form part of these accounts.

ENVIROHOLD LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 2003

		2003		2002	
	Notes	£	£	£	£
Fixed Assets					
Intangible assets	9		24,960		29,640
Tangible assets	10		2,271		13,471
Investments	11		44,896		60,614
			<u>72,127</u>		<u>103,725</u>
Current Assets					
Debtors	12	854,233		729,076	
Cash at bank and in hand		<u>7,253</u>		<u>4,633</u>	
		861,486		733,709	
Creditors: amounts falling due within one year	13	<u>(858,895)</u>		<u>(836,710)</u>	
Net Current Assets/(Liabilities)			<u>2,591</u>		<u>(103,001)</u>
Total Assets Less Current Liabilities			74,718		724
Creditors: amounts falling due after more than one year	14		<u>(67,973)</u>		<u>-</u>
			<u>6,745</u>		<u>724</u>
Capital and Reserves					
Called up share capital	16		1,000		1,000
Profit and loss account			<u>5,745</u>		<u>(276)</u>
Shareholders' Funds	17		<u>6,745</u>		<u>724</u>

Approved on behalf of the Board


M. de V. Roberts
 Director

DATED: 22ND OCTOBER 2004

The notes on pages 5 to 15 form part of these accounts.

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

1 Principal Accounting Policies

1.1 The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

1.2 Accounts

Accounts have been prepared under the historical cost convention.

1.3 Turnover

Turnover is the amount receivable by the company, exclusive of VAT, for management services supplied to group companies.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.5 Tangible fixed assets and depreciation

Fixed assets are stated at cost. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 10%/33% on cost
Motor vehicles	- 25% on cost

1.6 Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

1.7 Pensions

Pension costs in respect of employees who are members of the Envirohold Limited group pension scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees remaining working lives. The rate of contributions payable by the company is assessed every three years by an independent actuary.

1.8 Deferred taxation

Provision is made for taxation deferred in respect of all material timing differences.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the average rate of exchange over the period of trading.

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

1.10 Group accounts

The company claims exemption under Section 228(1) of the Companies Act 1985 from the obligation to prepare group accounts. The accounts presented are those of the holding company alone.

1.11 Cash Flow

The directors have taken advantage of the exemption afforded subsidiary companies by FRS1 not to prepare a cash flow statement where consolidated financial statements are publicly available incorporating the subsidiary.

2 Turnover

The turnover as defined in note 1.3 above and loss before taxation are attributable to the principal activity as described in the directors report and derive from the following geographical regions:

Geographical market

UK	116,000	160,000
Other E. U. States	157,482	232,001
	<u>273,482</u>	<u>392,001</u>

3 Operating (loss)/profit

This is stated after charging:

	2003 £	2002 £
Directors' Emoluments (see below)	151,513	203,129
Amortisation and other amounts written off intangible assets	4,680	4,680
Depreciation and other amounts written off tangible assets	8,459	15,880
Auditors' remuneration	<u>10,500</u>	<u>10,000</u>

and after crediting:

Profit on disposal of tangible fixed assets	1,000	-
Profit on foreign currencies	<u>4,823</u>	<u>8,590</u>

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

3.1 Directors' emoluments	2003	2002
	£	£
Remuneration and other emoluments	112,829	149,525
Employer's NIC	12,877	13,917
Pension contributions	25,807	39,687
	<u>151,513</u>	<u>203,129</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>2</u>	<u>2</u>
3.2 Employees		
Number of employees		
The average monthly numbers of employees (including the directors) during the year were:	2003	2002
	Number	Number
Management & Administration	<u>4</u>	<u>6</u>
Employment costs	2003	2002
	£	£
Wages and salaries	155,814	204,590
Employer's NIC	16,587	18,474
Other pension costs	30,389	44,076
	<u>202,790</u>	<u>267,140</u>
4 Investment income	2003	2002
	£	£
Income from subsidiary undertakings	<u>-</u>	<u>90,000</u>
5 Interest payable and similar charges	2003	2002
	£	£
Bank interest	<u>1,447</u>	<u>8,117</u>

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

6 Pension costs

a) The company operates a defined benefit scheme for the benefit of the directors and certain senior employees in the company and in the UK subsidiaries.

b) The last full actuarial valuation was undertaken by an independent actuary on 1st October, 2001. For the purposes of reporting under FRS 17, a further report was obtained from the actuary as at 31st December, 2003, and is reflected in paragraphs d) to h) below.

c) During the year ended 31st December, 2003 the company contributed £59,146 to the scheme with a further £26,933 being contributed by the subsidiaries. £28,757 of the contributions were prepaid at the balance sheet date.

d) The assumptions applied in assessing the position of the scheme are as follows:-

At 31/12/03

Rate of inflation	2.5%
Rate of increase on pensions in payment	3.0%
Rate of increase in salaries	3.0%
Rate used to discount scheme liabilities	5.2%

e) The underlying assets as at 31st December, 2003 were split 95% fixed interest and 5% property. The expected long-term return on the assets is 6%.

f) All amounts charged to the profit and loss account represent current service costs.

g) In accordance with the requirements of FRS 17, the following amounts would be credited to other finance income:-

Expected return on pension scheme assets	78,991
Interest on pension scheme liabilities	83,044
Net return	<u>£ (4,053)</u>

h) Reconciliation of movement in surplus during the year:

Surplus in scheme at beginning of the year	129,800
Current service cost	(73,256)
Contributions	102,404
Other finance income	(4,053)
Actuarial gain	<u>194,605</u>
Surplus in scheme at the end of the year	<u>£ 349,500</u>

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

7	Tax on (loss)/profit on ordinary activities	2003	2002
		£	£
	UK current year taxation		
	UK Corporation Tax	-	15,138
	Adjustment in respect of prior periods	(14,888)	400
	Current tax charge for the period	(14,888)	15,538
		<u> </u>	<u> </u>
	Factors affecting tax charge for the year		
	(Loss)/profit on ordinary activities before tax	(8,867)	88,087
		<u> </u>	<u> </u>
	(Loss)/profit on ordinary activities at the applicable rate of UK corporation tax	(1,685)	26,426
	Effects of:		
	Disallowable expenses	1,299	1,199
	Capital allowances for period in excess of depreciation	(2,982)	-
	Depreciation for period in excess of capital allowances	-	1,884
	Group relief	3,368	(12,465)
	Marginal relief	-	(1,906)
	UK Corporation Tax	<u> </u>	<u> </u>
8	Dividends	2003	2002
		£	£
	Ordinary £1 shares - Interim paid £0 per share (2002 : £20)	-	20,000
	Ordinary £1 shares - Final proposed £0 per share (2002 : £70)	-	70,000
		<u> </u>	<u> </u>
		-	90,000
		<u> </u>	<u> </u>

ENVIROHOLD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

9 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2003 and 31 December 2003	<u>46,800</u>
Provision for diminution in value	
At 1 January 2003	17,160
Charge for year	<u>4,680</u>
At 31 December 2003	<u>21,840</u>
Net book values	
At 31 December 2003	<u>24,960</u>
At 31 December 2002	<u>29,640</u>

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

10 Tangible fixed assets

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 January 2003	25,407	87,966	113,373
Additions	1,563	-	1,563
Disposals	(15,176)	(52,882)	(68,058)
At 31 December 2003	<u>11,794</u>	<u>35,084</u>	<u>46,878</u>
Depreciation			
At 1 January 2003	21,470	78,432	99,902
Charge for the year	1,741	6,718	8,459
On disposals	(13,688)	(50,066)	(63,754)
At 31 December 2003	<u>9,523</u>	<u>35,084</u>	<u>44,607</u>
Net book values			
At 31 December 2003	<u>2,271</u>	<u>-</u>	<u>2,271</u>
At 31 December 2002	<u>3,937</u>	<u>9,534</u>	<u>13,471</u>

11 Fixed Asset Investments

	Subsidiary Undertakings Shares £
Cost	
At 1 January 2003	60,614
Disposals	(15,718)
At 31 December 2003	<u>44,896</u>
Net book values	
At 31 December 2003	<u>44,896</u>
At 31 December 2002	<u>60,614</u>

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

11.1 Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of incorporation	Nature of business	% Ordinary shares held
Subsidiary undertaking			
Envirohold Walls Limited	England	Holding company for walls division	100%
Envirohold Doors Limited	England	Holding company for doors division	100%
Held by Envirohold Doors Limited			
Envirodoor Limited	England	Supplier of industrial doors	100%
Interdoor AB	Sweden	Manufacturer of industrial doors	100%
Held by Interdoor AB			
Enviro Sweden AB	Sweden	Property investment	100%
Held by Envirohold Walls Limited			
Dividers Modernfold Limited	England	Supplier of partitions	100%
Sesamverken i Linköping AB	Sweden	Manufacturer of partitions	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Profit for the year £
Envirohold Walls Limited	539,229	529,229
Envirohold Doors Limited	10,000	-
Envirodoor Limited	776,029	2,979
Interdoor AB	397,643	45,163
Enviro Sweden AB	220,280	26,289
Dividers Modernfold Limited	53,472	9,136
Sesamverken i Linköping AB	84,955	8,638
	<u> </u>	<u> </u>

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

12	Debtors		2003	2002
			£	£
	Amounts owed by group undertakings		824,402	701,407
	Other debtors		29,831	27,669
			<u>854,233</u>	<u>729,076</u>
13	Creditors: amounts falling due within one year		2003	2002
		Notes	£	£
	Other loans	20	51,724	-
	Amounts owed to group undertaking		734,632	707,927
	Corporation tax		-	15,138
	Other taxes and social security costs		9,040	10,884
	Other creditors		39,499	2,422
	Accruals and deferred income		24,000	30,339
	Proposed dividend		-	70,000
			<u>858,895</u>	<u>836,710</u>
14	Creditors: amounts falling due after more than one year		2003	2002
		Notes	£	£
	Other loans	20	<u>67,973</u>	<u>-</u>
15	Security			
	The company has granted its bankers a fixed and floating charge over all assets of the company, registered 20th September, 2003.			
16	Called up share capital		2003	2002
			£	£
	Authorised equity			
	1,000 Ordinary £1 shares		<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid equity			
	1,000 Ordinary £1 shares		<u>1,000</u>	<u>1,000</u>

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

17 Reconciliation of movements in shareholders' funds	2003	2002
	£	£
Profit for the year	6,021	72,549
Dividends	-	(90,000)
	<u>6,021</u>	<u>(17,451)</u>
Opening shareholders' funds	724	18,175
Closing shareholders' funds	<u>6,745</u>	<u>724</u>

18 Contingent liabilities

The company is party to a cross guarantee arrangement in respect of a debt purchase agreement. At the balance sheet date the amount of the exposure under this agreement stood at £587,414.

19 Transactions with directors

The following director had an interest free loan during the year. The details of this loan are as follows:

	Amount Owing	
	2003	2002
	£	£
W. Van de Spek	-	10,582
	<u>-</u>	<u>10,582</u>

ENVIROHOLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2003

20 Related party disclosures

a) Mr M de V. Roberts and Mr D. R. Lewis control the shares in the ultimate holding company, Bramrow Limited, although no one party has overall control.

b) Advantage has been taken under FRS8 not to disclose transactions with group companies as consolidated accounts are publicly available.

c) Included within Other loans is an amount of £119,697 due from Espero B. V., a company controlled by Mr W. Van der Spek, formerly a director of the company and controlling shareholder. The loan is unsecured, interest free and repayable by quarterly instalments over the next two years.

d) Included in other creditors is a loan for £37,500 granted by Mr W. Van der Spek, a former director of the company and former controlling shareholder of the group. The loan is interest free and repayable within one year.

21 Holding Companies

The immediate holding company is Envirohold Jersey Limited. The accounts of Envirohold Limited are included in the consolidated accounts of Bramrow Limited, a company incorporated in England and Wales and the ultimate holding company. All shareholdings are 100%.