

S NORTON & CO (EXPORTS) LIMITED
Registered number: 1995616

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1997

SIGNED COPY



S NORTON & CO (EXPORTS) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 1997.

ACTIVITIES

The company leases land at West Canada Dock, Liverpool to provide export services to its parent company. All of its costs have been recharged to the parent company so that the company has made neither profit nor loss.

DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company during the year were as follows:

J A Harry
C T Harry
M P Harry

The directors are also directors and shareholders of the parent undertaking, and their interests therein are disclosed in that company's directors' report.

YEAR 2000 AND INTRODUCTION OF THE EURO

The directors are carrying out a review of the potential impact of Year 2000 and the Euro on the company's operations. The present belief is that neither the impact nor the potential modification costs will be significant.

STATEMENT OF 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 the company's affairs and of its profit or loss for that period. In preparing those 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.

S NORTON & CO (EXPORTS) LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

Price Waterhouse merged with Coopers & Lybrand on 1 July 1998 and the directors appointed the new firm, PricewaterhouseCoopers, to fill the position as auditors. A resolution concerning the reappointment of PricewaterhouseCoopers will be proposed at the Annual General Meeting.

By Order of the Board

CT Harry
Secretary

A handwritten signature in dark ink, appearing to read 'CT Harry', is written over the printed name and title.

14 October 1998

**AUDITORS' REPORT TO THE MEMBERS OF S NORTON & CO (EXPORTS)
LIMITED**

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 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 judgments 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 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICEWATERHOUSECOOPERS
Chartered Accountants and
Registered Auditors

14 October 1998

S NORTON & CO (EXPORTS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997

	<u>1997</u> £	<u>1996</u> £
TURNOVER - provision of dock services to parent company	1,108,519	1,111,629
Dock costs	<u>(1,108,474)</u>	<u>(1,111,554)</u>
OPERATING PROFIT	45	75
Interest payable and similar charges	<u>(45)</u>	<u>(75)</u>
RESULT FOR THE FINANCIAL YEAR	<u>-</u>	<u>-</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

All recognised gains and losses are dealt with in the profit and loss account.

Notes

- 1) The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards.
- 2) No cash flow statement has been prepared as the company has taken advantage of the exemption under FRS1 as a wholly owned subsidiary undertaking established in Great Britain.
- 3) The directors did not receive any emoluments in respect of their services to the company.
- 4) The company is party, with its ultimate parent undertaking, to a cross-guarantee in respect of the group's indebtedness with its bankers.
- 5) The ultimate parent undertaking is S Norton & Co Limited, a company incorporated in Great Britain.

S NORTON & CO (EXPORTS) LIMITED

BALANCE SHEET AT 31 DECEMBER 1997

	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS		
VAT recoverable	14,401	16,505
Amounts owed by group undertaking	<u>115,884</u>	<u>131,659</u>
	130,285	148,164
CREDITORS (amounts falling due within one year)		
Trade creditors	<u>130,185</u>	<u>148,064</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>100</u>	<u>100</u>
Shareholders' Funds, wholly attributable to equity interests	<u>100</u>	<u>100</u>
CALLED UP SHARE CAPITAL		
Authorised - £1,000,000		
Allotted and fully paid - ordinary shares of £1 each	<u>100</u>	<u>100</u>

Approved by the Directors on 14 October 1998

JA Harry

JA Harry

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