

# **Infast Automotive Limited**

## **Report and Financial Statements**

31 December 2005

*Registered No: 199318*



# Infast Automotive Limited

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## DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2005.

### PRINCIPAL ACTIVITY

The principal activity of the company continued to be inventory management and the distribution of industrial fasteners.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

In the luxury high-end vehicle sector the trends that first surfaced in 2004 have continued into 2005. Demand for all Jaguar models reduced, whilst our volumes increased for the successful new Land Rover models – Freelander, Range Rover And Discovery 3. The agricultural market reduced as a result of delays to new model introductions. In contrast, demand for construction related equipment was good with the timely introduction of new, higher specification vehicles fuelling demand.

The Company continues to operate within a highly competitive market and is subject to economic factors beyond its control. The industry however continues to show significant interest in just in time and direct line feed concepts. We continue to target the heavy equipment and luxury high-end vehicle sectors. New business was secured in 2005 with a number of existing UK customers in servicing their plants in mainland Europe – most notably in France, Belgium and Spain. We expect to expand our reach into these and other countries in the forthcoming year.

On July 8<sup>th</sup> 2005, Infast Group Limited was taken over by Eagerport Limited a direct subsidiary of Anixter International Limited. Anixter International Limited is the immediate parent undertaking in the United Kingdom, for which this company forms part of the figures. Copies of the financial statements for Anixter International Limited may be obtained at Anixter House, 1, York Road, Middlesex UB8 1RN, Uxbridge, United Kingdom.

Anixter International Limited is a wholly-owned subsidiary undertaking of Anixter International Inc., which is incorporated in the United States of America. Copies of the financial statements for Anixter International Inc. may be obtained from the corporate office at 2301, Patriot Blvd, Glenview, Illinois 60025, USA or through its website.

On 1 January 2006 the trade and assets of the Company were sold to Anixter Limited at net book value. Anixter Limited is wholly owned subsidiary of Anixter International Limited incorporated in the United Kingdom. Proceeds for this transaction remain outstanding on the inter-company account.

### RESULTS AND DIVIDENDS

The loss for the year amounted to £1,622,000 (2004: profit of £782,000). The directors do not recommend a dividend (2004: £nil). The retained loss of £993,000 (2004: profit of £782,000) has been transferred to reserves.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the period were:

F Thorpe	(resigned 22 <sup>nd</sup> July 2005)
P J Bytheway	(resigned 22 <sup>nd</sup> July 2005)
J R Kimber	(resigned 22 <sup>nd</sup> July 2005)
D J Nobes	(resigned 22 <sup>nd</sup> July 2005)
K Scarfe	(resigned 22 <sup>nd</sup> July 2005)
P Ballard	(resigned 22 <sup>nd</sup> July 2005)
S Rutherford	(resigned 22 <sup>nd</sup> July 2005)
D Harvey	(resigned 22 <sup>nd</sup> July 2005)
G Dixon	(appointed 1 March 2005, resigned 22 <sup>nd</sup> July 2005)
W R Banks	(appointed 22 <sup>nd</sup> July 2005)
A Vaizey (nee Holland)	(appointed 22 <sup>nd</sup> July 2005)

W R Banks and A Holland are also directors of the Company's ultimate parent company, Eagerport Limited, and their interests in the shares and options to subscribe for shares of that company are shown in its accounts.

**DIRECTORS' REPORT**

**DIRECTORS AND THEIR INTERESTS** *(continued)*

**CHARITABLE DONATIONS**

Charitable donations of £700 (2004: £1,667) have been made in the year .

**SUPPLIER PAYMENT POLICY**

It is generally the Company's policy to agree terms of payment with suppliers in advance, to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. At 31 December 2005 the Company had an average of 46 days of purchases outstanding in trade creditors (2004: 69 days).

**DISABLED EMPLOYEES**

Application for employment by disabled persons are always considered, bearing in mind the aptitude of the applicant concerned. In the event of existing employees becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

**EMPLOYEE INVOLVEMENT**

During the year the policy of providing employees with information about the Company through information bulletins has been continued and notification of Group results and activities circulated when appropriate. Regular meetings are held between management and employees to encourage exchange of ideas and information. Employees participate directly in the success of the business through incentive schemes.

**AUDITORS**

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.



On behalf of the board  
W R Banks  
Director

Dated

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INFASST AUTOMOTIVE LIMITED**

We have audited the company's financial statements for the year ended 31 December 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 25. These financial statements have been prepared on the basis of the accounting policies set out therein.

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's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' are responsible for preparing the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards as set out in the Statement of Directors' Responsibilities in relation to the financial statements.

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.

### **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 affairs of the company as at 31 December 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
Birmingham

Dated

*30/10/06*

# Infast Automotive Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2005

	<i>Notes</i>	<i>2005</i> <i>£000</i>	<i>2004</i> <i>£000</i>
<b>TURNOVER</b>	2	65,288	63,422
Cost of sales		(53,097)	(50,170)
<b>GROSS PROFIT</b>		12,191	13,252
Administrative expenses		(14,462)	(12,250)
<b>OPERATING (LOSS)/PROFIT</b>	5	(2,271)	1,002
Interest payable and similar charges	6	(13)	(9)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,284)	993
Taxation	7	662	(211)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR</b>	18	(1,622)	782

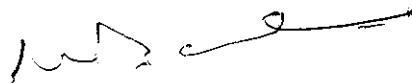
## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses for the year or for the previous year other than the loss for the year of £1,622,000 (2004: profit of £782,000).

# Infast Automotive Limited

## BALANCE SHEET at 31 December 2005

	Notes	2005 £000	2004 £000
<b>FIXED ASSETS</b>			
Investments	8	-	-
Tangible assets	9	2,955	2,580
		<u>2,955</u>	<u>2,580</u>
<b>CURRENT ASSETS</b>			
Stocks	10	8,277	8,946
Debtors	11	17,044	14,534
Cash at bank and in hand		20	19
		<u>25,341</u>	<u>23,499</u>
<b>CREDITORS: amounts falling due within one year</b>	12	(23,075)	(19,142)
<b>NET CURRENT ASSETS</b>		<u>2,266</u>	<u>4,357</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,221	6,937
<b>CREDITORS: amounts falling due after more than one year</b>	13	(75)	(143)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred tax	14	(83)	(109)
		<u>5,063</u>	<u>6,685</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	17	2,075	2,075
Share premium account	18	413	413
Profit and loss account	18	2,575	4,197
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	19	<u>5,063</u>	<u>6,685</u>



W R Banks  
Director

Dated 26/10/06

## NOTES TO THE ACCOUNTS at 31 December 2005

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards. The company has taken advantage of the exemption under S228 of the Companies Act 1985 not to prepare Group accounts as it is included in the consolidated accounts of Infast Group plc. These financial statements present information about the company as an individual undertaking and not about its group.

#### *Depreciation*

Depreciation is provided on a straight line basis, to write off the cost of fixed assets, over their estimated useful lives, at the following annual rates:

Plant and machinery	10%
Fixtures and fittings	10%
Office equipment	20%
Motor vehicles	33%
Computer equipment	33%

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.

#### *Leasing and hire purchase commitments*

The company enters into operating leases and hire purchase contracts.

Assets held under hire purchase contracts, which transfer to the company substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The capital element of the hire purchase commitment is categorised appropriately under creditors due within and after one year. The interest element is charged against profit in proportion to the reducing capital element outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### *Stocks*

Stocks are stated in the balance sheet at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Investments*

The carrying values of fixed asset investments are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Taxation*

Corporation tax is provided on taxable profits at the rate ruling for the accounting year.

Deferred taxation 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 which will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.



# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 1. ACCOUNTING POLICIES *(continued)*

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantially enacted at the Balance Sheet date.

#### *Foreign currencies*

Assets and liabilities recorded in foreign currencies have been translated into sterling at the rate ruling at 31 December 2005. Any trading profits or losses arising from exchange movements have been dealt with in the profit and loss account.

#### *Pension scheme arrangements*

Infast Money Purchase Pension Scheme

The cost of providing pensions and related benefits under this defined contribution scheme is charged to the profit and loss account in accordance with the contributions payable to the scheme.

### 2. TURNOVER

The turnover represents the value of sales invoiced to customers less value added tax arising from the primary continuing activity, inventory management and the distribution of industrial fasteners.

An analysis of turnover by geographical market is given below:

	2005 £000	2004 £000
United Kingdom	62,060	61,479
Rest of Europe	3,095	1,779
Rest of World	133	164
	<u>65,288</u>	<u>63,422</u>

### 3. DIRECTORS' EMOLUMENTS

	2005 £000	2004 £000
Emoluments	320	581
	<u>39</u>	<u>67</u>
Company contributions paid to money purchase pension schemes		
	<u>2005 No.</u>	<u>2004 No.</u>
Members of money purchase pension schemes	8	7

The amounts paid in respect of the highest paid director are as follows:

	2005 £000	2004 £000
Emoluments	75	144
	<u>14</u>	<u>24</u>
Company contributions paid to money purchase pension schemes		

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 4. EMPLOYEE INFORMATION

	2005	2004
	£000	£000
Wages and salaries	5,656	5,831
Social security costs	607	571
Other pension costs	226	218
	<u>6,489</u>	<u>6,620</u>

The average weekly number of persons (including executive directors) employed by the company during the year was:

	2005	2004
	No.	No.
Administration	148	154
Distribution	118	123
	<u>266</u>	<u>277</u>

### 5. OPERATING (LOSS)/PROFIT

	2005	2004
	£000	£000
Operating profit is stated after charging / (crediting):		
Depreciation charge for the period:		
Tangible owned fixed assets	519	515
Tangible fixed assets held under finance lease hire purchase contracts	52	54
Auditor's remuneration - audit services	30	21
Hire of plant and machinery - operating leases	369	414
Hire of other assets - operating leases	603	597
(Loss)/profit on sale of fixed assets	(25)	6
	<u></u>	<u></u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£000	£000
Finance charges payable under finance leases and hire purchase contracts	12	9
Bank loans and overdrafts	1	-
	<u>13</u>	<u>9</u>

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 7. TAXATION

<b>a. Charge</b>	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Current tax:		
UK Corporation tax on (losses)/profits of the year	(636)	335
Adjustments in respect of previous years	-	(228)
Total current tax (note 7b)	(636)	107
Deferred tax:		
Origination and reversal of timing differences (note 14)	(26)	2
Adjustments in respect of previous years	-	102
Tax on (loss)/profit on ordinary activities	(662)	211
<b>b. Reconciliation of current tax charge</b>	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
(Loss)/Profit on ordinary activities before tax	(2,284)	993
(Loss)/Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	(685)	298
Effect of:		
Disallowed expenses and non-taxable income	23	27
Depreciation in excess of capital allowances	(28)	(6)
Short term timing differences	54	4
Adjustments in respect of prior years	-	(228)
Accounting (profit)/loss on chargeable assets	-	12
Current tax charge for the year (Note 7a)	(636)	107

### 8. INVESTMENTS

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Shares in group undertakings	-	-

Shares in group undertakings are stated at cost of £1. The company owns 100% of the ordinary share capital of Automotive Fastener Solutions Limited, a company registered in England & Wales. At 31 December 2002, the company purchased the trade and assets of Automotive Fastener Solutions Limited. As a consequence that company is now dormant.

NOTES TO THE ACCOUNTS  
at 31 December 2005

9. TANGIBLE FIXED ASSETS

	<i>Plant and machinery £000</i>	<i>Fixtures and fittings £000</i>	<i>Motor vehicles £000</i>	<i>Totals £000</i>
Cost:				
At 1 January 2005	3,467	854	486	4,807
Reclassifications	537	(537)	-	-
Additions	141	46	13	200
Disposals	(268)	(58)	(221)	(547)
Transferred (to)/from group undertakings	2,065	17	-	2,082
At 31 December 2005	5,942	322	278	6,542
Depreciation:				
At 1 January 2005	1,512	253	462	2,227
Reclassifications	182	(182)	-	-
Charge for the year	481	74	16	571
Disposals	(259)	(37)	(214)	(510)
Transferred (to)/from group undertakings	1,294	5	-	1,299
At 31 December 2005	3,210	113	264	3,587
Net book value:				
At 31 December 2005	2,732	209	14	2,955
At 31 December 2004	1,955	601	24	2,580

The net book value of tangible fixed assets includes an amount of £144,543 (2004: £228,282) in respect of assets held under finance lease and hire purchase contracts.

10. STOCKS

	<i>2005 £000</i>	<i>2004 £000</i>
Finished goods and goods for resale	8,277	8,946

The difference between the purchase price and their replacement cost is not material.

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 11. DEBTORS

	2005 £000	2004 £000
Trade debtors	11,408	10,664
Amount due from group undertakings	4,384	2,805
Other debtors	1	68
Prepayments	615	997
Corporation tax recoverable	636	-
	<u>17,044</u>	<u>14,534</u>

### 12. CREDITORS: Amounts falling due within one year:

	2005 £000	2004 £000
Obligations under finance leases and hire purchase contracts (Note 15)	68	81
Bank loans and overdrafts	2,119	1,147
Trade creditors	8,341	10,374
Amount owed to group undertakings	8,499	5,989
Other taxation and social security payable	465	517
Other creditors	1,882	385
Accruals and deferred income	1,701	649
	<u>23,075</u>	<u>19,142</u>

### 13. CREDITORS: Amounts falling due after one year:

	2005 £000	2004 £000
Obligations under finance leases and hire purchase contracts (Note 15)	75	143
	<u>75</u>	<u>143</u>

### 14. PROVISIONS FOR LIABILITIES AND CHARGES

The movements in deferred taxation during the current and previous years are as follows:

	2005 £000	2004 £000
At 1 January	109	5
Credit for the year (Note 7a)	(26)	104
At 31 December	<u>83</u>	<u>109</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	<i>Provided</i>		<i>Not provided</i>	
	2005 £000	2004 £000	2005 £000	2004 £000
Capital allowances in advance of depreciation	163	135	-	-
Short term timing differences	(80)	(26)	-	-
	<u>83</u>	<u>109</u>	<u>-</u>	<u>-</u>

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 15. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Net commitments under finance leases and hire purchase contracts are as follows:

	2005	2004
	£000	£000
Amounts payable:		
Within one year	68	81
In two to five years	75	143
	<u>143</u>	<u>224</u>

### 16. PENSION AND SIMILAR OBLIGATIONS

#### *Infast Money Purchase Pension Scheme*

As at 31 December 2005 certain employees were members of the Infast Money Purchase Pension Scheme, a defined contribution scheme operated by Infast Group Limited, an intermediary holding company. The funds are held in a separate trustee administered fund managed by independent professional advisers. Full disclosure can be found in the financial statements of the ultimate parent undertaking, Anixter International Limited. The pension cost charged to the profit and loss account represents contributions payable by the company to the fund and amounted to £225,280 (2004: £217,738). At 31 December 2005, other creditors included a balance of £31,792 owed to this scheme (2004: £33,920).

### 17. CALLED UP SHARE CAPITAL

	2005	2004
	£000	£000
Authorised, allotted, called up and fully paid: 8,300,000 ordinary shares of 25p each	2,075	2,075

### 18. RESERVES

	Share Premium £000	Profit and loss account £000
At 31 December 2003	413	3,415
Retained profit for the year	-	782
At 31 December 2004	413	4,197
Retained loss for the year	-	(1,622)
At 31 December 2005	413	2,575

### 19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005	2004
	£000	£000
Opening shareholders' funds	6,685	5,903
(Loss)/Profit for the financial year	(1,622)	782
Closing shareholders' funds	<u>5,063</u>	<u>6,685</u>

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 20. CONTINGENT LIABILITIES

There was no capital expenditure that had been contracted for but not provided for in the accounts.

### 21. CONTINGENT LIABILITIES

As at 31 December 2005, unlimited, multilateral guarantees in favour of the HSBC Bank plc and other providers of group facilities have been given.

### 22. OTHER FINANCIAL COMMITMENTS

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	2005		2004	
	<i>Land and Buildings</i>	<i>Other</i>	<i>Land and Buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Operating leases which expire:				
Within one year	7	51	128	35
In two and five years inclusive	93	129	123	160
In over five years	739	-	685	-
	<u>839</u>	<u>180</u>	<u>936</u>	<u>195</u>

### 23. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in paragraph 3(c) of FRS8 Related Party Disclosures, from disclosing transactions with related parties that are part of the Anixter International Inc. group or investees of the group.

### 24. ULTIMATE PARENT COMPANY

The company's immediate parent company is HMH Fasteners Ltd.

After its acquisition on 8th July 2005, by Eagerport Ltd., the parent company is Anixter International Limited, a company incorporated in the United Kingdom. Copies of the financial statements of Anixter International Limited, which consolidates the results of the company can be obtained from its registered office at Anixter House, 1 York Road, Uxbridge, Middlesex UB8 1RN, United Kingdom. The ultimate parent undertaking and controlling party is Anixter International Inc, a company incorporated in the United States of America. Copies of the group financial statements can be obtained from the corporate office at 2301, Patriot Blvd, Glenview, Illinois 60025, USA or through its website.

### 25. POST BALANCE SHEET EVENTS

On 1 January 2006 the trade and assets of the Company were sold to Anixter Limited at net book value. Anixter Limited is wholly owned subsidiary of Anixter International Limited incorporated in the United Kingdom. Proceeds for this transaction remain outstanding on the inter-company account.