

# **Infast Automotive Limited**

## **Report and Financial Statements**

31 December 2004

*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 2004.

### 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

Year on year turnover has shown a significant reduction on 2003, reflecting the expiry of the BMW Mini contract in December 2003, together with the planned exit from Perkins Engines achieved in May 2004. These reductions more than offset additional business wins and necessitated the implementation of a cost reduction exercise in the first half of the year that gave rise to one-off costs of £0.2m and annualised cost savings of £0.7m.

In the luxury high-end vehicle sector we witnessed a change in the mix of business in 2004. Demand for the 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 has been secured for 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 plc was taken over by Eagerport Limited a direct subsidiary of Anixter International Limited. 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. The company 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 Inc. may be obtained from the corporate office at 2301, Patriot Blvd, Glenview, Illinois 60025, USA.

### RESULTS AND DIVIDENDS

The profit for the year amounted to £782,000 (2003: £277,000). The directors do not recommend a dividend (2003: £nil). Retained profit of £782,000 (2003: £277,000) 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)
G Tinsley	(resigned 1 October 2004)
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)

No director had any interest in the shares of the company at 31 December 2004 or during the year. There are no other directors' interests requiring disclosure under the Companies Act 1985.

# Infast Automotive Limited

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## DIRECTORS' REPORT

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

#### CHARITABLE DONATIONS

Charitable donations of £1,667 (2003: £270) 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 2004 the Company had an average of 69 days of purchases outstanding in trade creditors (2003: 69 days).

#### DISABLED EMPLOYEES

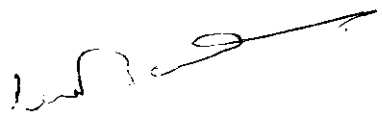
Application for employment by disabled persons are always considered, bearing in mind the aptitude of the applicant concerned. In the event of existing employees becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. 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 31 October 2005

## Infast Automotive Limited

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### 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 INFASAT AUTOMOTIVE LIMITED**

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 24. 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Birmingham

Dated 31 October 2005

## Infast Automotive Limited

### PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2004

	<i>Notes</i>	<i>2004</i> <i>£000</i>	<i>2003</i> <i>£000</i>
<b>TURNOVER</b>	2	63,422	81,116
Cost of sales		(50,170)	(66,859)
<b>GROSS PROFIT</b>		13,252	14,257
Administrative expenses		(12,250)	(13,815)
<b>OPERATING PROFIT</b>	5	1,002	442
Interest payable and similar charges	6	(9)	(18)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		993	424
Taxation	7	(211)	(147)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE YEAR</b>	18	782	277

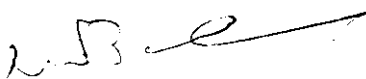
### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses for the year or for the previous year other than the profit for the year of £782,000 (2003: £277,000).

# Infast Automotive Limited

## BALANCE SHEET at 31 December 2004

	Notes	2004 £000	2003 £000
<b>FIXED ASSETS</b>			
Investments	8	-	-
Tangible assets	9	2,580	2,937
		<u>2,580</u>	<u>2,937</u>
<b>CURRENT ASSETS</b>			
Stocks	10	8,946	9,989
Debtors	11	14,534	15,299
Cash at bank and in hand		19	6
		<u>23,499</u>	<u>25,294</u>
<b>CREDITORS: amounts falling due within one year</b>	12	(19,142)	(22,314)
<b>NET CURRENT ASSETS</b>		<u>4,357</u>	<u>2,980</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,937	5,917
<b>CREDITORS: amounts falling due after more than one year</b>	13	(143)	(9)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred tax	14	(109)	(5)
		<u>6,685</u>	<u>5,903</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	4,197	3,415
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	19	<u>6,685</u>	<u>5,903</u>



W R Banks  
Director

Dated 31 October 2005

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS

at 31 December 2004

### 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 2004

### 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 2004. 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.

#### *Cash flow statement*

The company is a 100% subsidiary of Infast Group plc. Its cash flows are included in that company's consolidated cash flow statement. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement.

### 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:

	2004 £000	2003 £000
United Kingdom	61,479	79,553
Rest of Europe	1,779	1,407
Rest of World	164	156
	<u>63,422</u>	<u>81,116</u>

### 3. DIRECTORS' EMOLUMENTS

	2004 £000	2003 £000
Emoluments	581	552
	<u>67</u>	<u>49</u>
Company contributions paid to money purchase pension schemes		

	2004 No.	2003 No.
Members of money purchase pension schemes	7	7

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

	2004 £000	2003 £000
Emoluments	144	127
	<u>24</u>	<u>18</u>
Company contributions paid to money purchase pension schemes		

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2004

### 4. EMPLOYEE INFORMATION

	2004	2003
	£000	£000
Wages and salaries	5,831	7,147
Social security costs	571	705
Other pension costs	218	238
	<u>6,620</u>	<u>8,090</u>

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

	2004	2003
	No.	No.
Administration	154	193
Distribution	123	155
	<u>277</u>	<u>348</u>

### 5. OPERATING PROFIT

	2004	2003
	£000	£000
Operating profit is stated after charging / (crediting):		
Depreciation charge for the period:		
Tangible owned fixed assets	515	608
Tangible fixed assets held under hire purchase contracts	54	26
Auditor's remuneration - audit services	21	19
Hire of plant and machinery - operating leases	414	485
Hire of other assets - operating leases	597	710
Loss/(profit) on sale of fixed assets	6	(9)
	<u></u>	<u></u>

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£000	£000
Finance charges payable under finance leases and hire purchase contracts	9	1
Bank loans and overdrafts	-	17
	<u>9</u>	<u>18</u>

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2004

### 7. TAXATION

<b>a. Charge</b>	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Current tax:		
UK Corporation tax on profits of the year	335	220
Adjustments in respect of previous years	(228)	(25)
Total current tax (note 7b)	107	195
Deferred tax:		
Origination and reversal of timing differences (note 14)	2	(63)
Adjustments in respect of previous years	102	15
Tax on profit on ordinary activities	211	147
<b>b. Reconciliation of current tax charge</b>	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	993	424
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	298	127
Effect of:		
Disallowed expenses and non-taxable income	27	30
Accelerated capital allowances	(6)	(36)
Short term timing differences	4	99
Adjustments in respect of prior years	(228)	(25)
Accounting loss on chargeable assets	12	-
Current tax charge for the year (Note 7a)	107	195

### 8. INVESTMENTS

	<b>2004</b>	<b>2003</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.

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2004

### 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 2004	4,005	913	600	5,518
Additions	279	122	12	413
Disposals	(817)	(181)	(126)	(1,124)
At 31 December 2004	<u>3,467</u>	<u>854</u>	<u>486</u>	<u>4,807</u>
Depreciation:				
At 1 January 2004	1,716	304	561	2,581
Charge for the year	468	74	27	569
Disposals	(672)	(125)	(126)	(923)
At 31 December 2004	<u>1,512</u>	<u>253</u>	<u>462</u>	<u>2,227</u>
Net book value:				
At 31 December 2004	<u>1,955</u>	<u>601</u>	<u>24</u>	<u>2,580</u>
At 31 December 2003	<u>2,289</u>	<u>609</u>	<u>39</u>	<u>2,937</u>

The net book value of tangible fixed assets includes an amount of £197,690 (2003: £144,542) in respect of assets held under hire purchase contracts.

### 10. STOCKS

	<i>2004 £000</i>	<i>2003 £000</i>
Finished goods and goods for resale	<u>8,946</u>	<u>9,989</u>

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

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2004

### 11. DEBTORS

	2004 £000	2003 £000
Trade debtors	10,664	12,185
Amount due from group undertakings	2,805	1,909
Other debtors	68	310
Prepayments	997	895
	<u>14,534</u>	<u>15,299</u>

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

	2004 £000	2003 £000
Obligations under finance leases and hire purchase contracts (Note 15)	81	50
Bank loans and overdrafts	1,147	654
Trade creditors	10,374	13,172
Amount owed to group undertakings	5,989	5,802
Corporation tax	-	232
Other taxation and social security payable	517	235
Other creditors	385	1,257
Accruals and deferred income	649	912
	<u>19,142</u>	<u>22,314</u>

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

	2004 £000	2003 £000
Obligations under finance leases and hire purchase contracts (Note 15)	143	9
	<u>143</u>	<u>9</u>

### 14. PROVISIONS FOR LIABILITIES AND CHARGES

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

	2004 £000	2003 £000
At 1 January	5	53
Charge/(Credit) for the year (Note 7a)	104	(48)
At 31 December	<u>109</u>	<u>5</u>

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

	Provided		Not provided	
	2004 £000	2003 £000	2004 £000	2003 £000
Capital allowances in advance of depreciation	135	120	-	-
Short term timing differences	(26)	(115)	-	-
	<u>109</u>	<u>5</u>	<u>-</u>	<u>-</u>

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2004

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

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

	2004 £000	2003 £000
Amounts payable:		
Within one year	81	50
In two to five years	143	9
	<u>224</u>	<u>59</u>

### 16. PENSION AND SIMILAR OBLIGATIONS

#### *Infast Money Purchase Pension Scheme*

As at 31 December 2004 certain employees were members of the Infast Money Purchase Pension Scheme, a defined contribution scheme operated by Infast Group plc, the ultimate holding company. The funds are held in a separate trustee administrated fund managed by independent professional advisers. Full disclosure can be found in the financial statements of the ultimate parent undertaking, Infast Group plc.

The pension cost charged to the profit and loss account represents contributions payable by the company to the fund and amounted to £217,738 (2003: £238,490). At 31 December 2004, other creditors included a balance of £33,920 owed to this scheme (2003: £23,591).

### 17. CALLED UP SHARE CAPITAL

	2004 £000	2003 £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 2002	413	3,138
Retained profit for the year	-	277
At 31 December 2003	413	3,415
Retained profit for the year	-	782
At 31 December 2004	<u>413</u>	<u>4,197</u>

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

	2004 £000	2003 £000
Opening shareholders' funds	5,903	5,626
Profit for the financial year	782	277
Closing shareholders' funds	<u>6,685</u>	<u>5,903</u>

# Infast Automotive Limited

## NOTES TO THE ACCOUNTS at 31 December 2004

### 20. CAPITAL COMMITMENTS

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

### 21. CONTINGENT LIABILITIES

As at 31 December 2004, 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 2004 the company had annual commitments under non-cancellable operating leases as set out below:

	2004		2003	
	<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	128	35	5	30
In two and five years inclusive	123	160	160	184
In over five years	685	-	771	-
	<u>936</u>	<u>195</u>	<u>936</u>	<u>214</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 Infast Group plc group or investees of the group.

### 24. ULTIMATE PARENT COMPANY

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

At 31 December 2004, the company's ultimate parent undertaking was Infast Group plc, a company incorporated in England and Wales. Copies of the annual report and accounts of Infast Group plc may be obtained from the Secretary, Infast Group plc, Waterwells Drive Quedgeley, Gloucester GL2 2FR.

After its acquisition on 8<sup>th</sup> July 2005, by Eagerport Ltd., the ultimate parent undertaking is now 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.