

**HMT RUBBAGLAS LIMITED**  
**FINANCIAL STATEMENTS**  
**30TH SEPTEMBER 1998**

**Company Registration Number 362957**

**SHEA & CO**  
Chartered Accountants & Registered Auditors  
105 Stanstead Road  
Forest Hill  
London  
SE23 1HH



**HMT RUBBAGLAS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

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**HMT RUBBAGLAS LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 30TH SEPTEMBER 1998**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th September 1998.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was the manufacture of vapour saving seals for above ground storage tanks together with floating roof drain systems.

The directors consider the profit for the year to be satisfactory.

**RESULTS AND DIVIDENDS**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

**THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY**

The directors who served the company during the year were as follows:

Mr.P.G. Hynds	
Mr.D.P. Fryer	
Mr.G.E. Tesch	
Mr R.T. Royko	(Retired 30 Jan 98)
Mr M.H. Jones	(Retired 27 Feb 98)

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the accounts of the parent company.

The directors have no interest in the share capital of the company.

**AUDITORS**

A resolution to re-appoint Shea & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
105 Stanstead Road  
London  
SE23 1HH

Signed by order of the directors



MARK CALLAN  
Company Secretary

Approved by the directors on 8th December 1998

**HMT RUBBAGLAS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 30TH SEPTEMBER 1998**

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 8, 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; and

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. The directors 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.

**HMT RUBBAGLAS LIMITED**  
**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

As described on page 2, 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 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 company's state of affairs as at 30th September 1998 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

105 Stanstead Road  
Forest Hill  
London  
SE23 1HH

8th December 1998



SHEA & CO  
Chartered Accountants  
& Registered Auditors

**HMT RUBBAGLAS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30TH SEPTEMBER 1998**

	Note	1998 £	1997 £
<b>TURNOVER</b>	<b>2</b>	3,140,434	2,877,924
Cost of sales		1,906,843	1,785,388
<b>GROSS PROFIT</b>		<u>1,233,591</u>	<u>1,092,536</u>
Distribution costs		69,190	51,278
Administrative expenses		786,079	849,118
<b>OPERATING PROFIT</b>	<b>3</b>	<u>378,322</u>	<u>192,140</u>
Profit/(Loss) on disposal of fixed assets	<b>6</b>	162	(1,424)
		<u>378,484</u>	<u>190,716</u>
Income from other fixed asset investments	<b>7</b>	24	29
Interest receivable		11,549	8,221
Interest payable	<b>8</b>	(1,593)	(3,004)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>388,464</u>	<u>195,962</u>
Tax on profit on ordinary activities	<b>9</b>	124,092	66,252
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>264,372</u>	<u>129,710</u>
Balance brought forward		635,278	505,568
Balance carried forward		<u>899,650</u>	<u>635,278</u>

The company has no recognised gains or losses other than the results for the  
year as set out above.

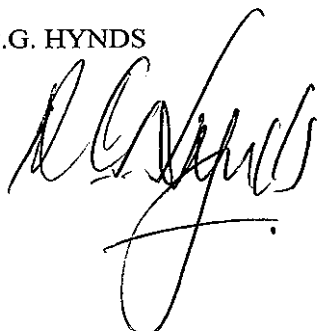
All of the activities of the company are classed as continuing.

**HMT RUBBAGLAS LIMITED****BALANCE SHEET****30TH SEPTEMBER 1998**

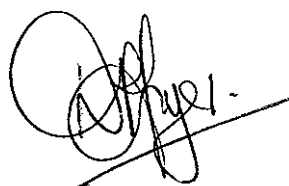
	Note	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	10	247,800	284,889
Investments	11	389	392
		<u>248,189</u>	<u>285,281</u>
<b>CURRENT ASSETS</b>			
Stocks	12	264,620	335,957
Debtors due within one year	13	776,764	559,488
Debtors due after one year	13	150,000	-
Cash at bank and in hand		166,951	196,939
		<u>1,358,335</u>	<u>1,092,384</u>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(613,953)</u>	<u>(602,518)</u>
<b>NET CURRENT ASSETS</b>		<u>744,382</u>	<u>489,866</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>992,571</u>	<u>775,147</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>(1,295)</u>	<u>(48,243)</u>
		<u>991,276</u>	<u>726,904</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	19	91,626	91,626
Profit and loss account	20	899,650	635,278
<b>SHAREHOLDERS' FUNDS</b>	21	<u>991,276</u>	<u>726,904</u>

These financial statements were approved by the directors on the 8th December 1998 and are signed on their behalf by:

MR.P.G. HYNDS



MR.D.P. FRYER



The notes on pages 8 to 15 form part of these financial statements.

**HMT RUBBAGLAS LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 30TH SEPTEMBER 1998**

	1998		1997
	£	£	£
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		39,611	39,831
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
Income from other fixed asset investments	24		29
Interest received	11,549		8,221
Interest paid	(134)		(1,104)
Interest element of finance lease rental payments	(1,459)		(1,900)
	—	9,980	5,246
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			
<b>TAXATION</b>		(66,246)	(66,831)
<b>CAPITAL EXPENDITURE</b>			
Payments to acquire tangible fixed assets	(7,800)		(50,752)
Receipts from sale of fixed assets	162		10,524
	—	(7,638)	(40,228)
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>			
<b>ACQUISITIONS AND DISPOSALS</b>			
Disposal of other trades and businesses	3		-
	—	3	-
<b>NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS</b>			
<b>CASH OUTFLOW BEFORE FINANCING</b>		(24,290)	(61,982)
<b>FINANCING</b>			
Capital element of finance lease rental payments	(5,698)		7,317
	—	(5,698)	7,317
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</b>			
<b>DECREASE IN CASH</b>		(29,988)	(54,665)

The notes on pages 8 to 15 form part of these financial statements.



**HMT RUBBAGLAS LIMITED****CASH FLOW STATEMENT** *(continued)***YEAR ENDED 30TH SEPTEMBER 1998****RECONCILIATION OF OPERATING PROFIT TO  
NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1998 £	1997 £
Operating profit	378,322	192,140
Depreciation	44,889	48,578
Decrease/(Increase) in stocks	71,337	(17,447)
(Increase)/Decrease in debtors	(367,276)	39,399
Decrease in creditors	(87,661)	(222,839)
<b>Net cash inflow from operating activities</b>	<u>39,611</u>	<u>39,831</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	1998 £	1997 £
Decrease in cash in the period	(29,988)	(54,665)
Net cash outflow/(inflow) in respect of finance leases	5,698	(7,317)
<b>Change in net funds</b>	<u>(24,290)</u>	<u>(61,982)</u>
<b>Net funds at 1st October 1997</b>	<u>142,997</u>	<u>204,979</u>
<b>Net funds at 30th September 1998</b>	<u>118,707</u>	<u>142,997</u>

**ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 Oct 1997 £	Cash flows £	At 30 Sep 1998 £
Net cash:			
Cash in hand and at bank	<u>196,939</u>	<u>(29,988)</u>	<u>166,951</u>
Debt:			
Debt due within 1 year	-	(41,250)	(41,250)
Debt due after 1 year	(41,250)	41,250	-
Finance leases	<u>(12,692)</u>	<u>5,698</u>	<u>(6,994)</u>
	<u>(53,942)</u>	<u>5,698</u>	<u>(48,244)</u>
<b>Net funds</b>	<u>142,997</u>	<u>(24,290)</u>	<u>118,707</u>

The notes on pages 8 to 15 form part of these financial statements.

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

**Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	2% Freehold or lease life.
Plant and machinery	-	10% on cost
Motor vehicles	-	2% per month reducing balance
Equipment	-	20% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Hire purchase agreements**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

**Pension costs**

The company operates a defined contribution pension scheme for the two United Kingdom directors. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**2. TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
United Kingdom	74,322	129,369
European sales	828,246	706,987
Middle East sales	1,618,550	1,317,237
African sales	560,821	685,594
Other foreign sales	58,495	38,737
	<u>3,140,434</u>	<u>2,877,924</u>

**3. OPERATING PROFIT**

Operating profit is stated after charging:

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Depreciation	44,889	48,578
Auditors' remuneration		
- as auditors	6,700	17,838
- accountancy	-	8,625
Operating lease costs:		
Land and buildings	18,682	17,729
Vehicles	14,013	12,242
Net loss on foreign currency translation	<u>10,882</u>	<u>14,712</u>

**4. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	<b>1998</b>	<b>1997</b>
	<b>No.</b>	<b>No.</b>
Number of production staff	16	17
Number of distribution staff	7	7
Number of administrative staff	6	8
	<u>29</u>	<u>32</u>

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**4. PARTICULARS OF EMPLOYEES** *(continued)*

The aggregate payroll costs of the above were:

	<b>1998</b> £	1997 £
Wages and salaries	614,868	633,818
Social security costs	66,227	67,020
Other pension costs	20,355	14,125
	<u>701,450</u>	<u>714,963</u>

**5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

	<b>1998</b> £	1997 £
Emoluments receivable	102,752	116,436
Value of company pension contributions to money purchase schemes	20,355	14,125
	<u>123,107</u>	<u>130,561</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	<b>1998</b> No.	1997 No.
Money purchase schemes	<u>2</u>	<u>2</u>

Included in the directors emoluments for 1997 is an amount of £14,565 paid to a former director.

**6. (LOSS)/PROFIT ON DISPOSAL OF FIXED ASSETS**

	<b>1998</b> £	1997 £
Loss/(Profit) on disposal of fixed assets (FRS3)	<u>(162)</u>	<u>1,424</u>

**7. INCOME FROM OTHER FIXED ASSET INVESTMENTS**

	<b>1998</b> £	1997 £
Dividend income	<u>24</u>	<u>29</u>

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**8. INTEREST PAYABLE**

	1998 £	1997 £
Interest payable on bank borrowing	134	1,104
Finance charges	1,459	1,900
	<u>1,593</u>	<u>3,004</u>

**9. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1998 £	1997 £
In respect of the year:		
Corporation tax based on the results for the year at 31% (1997 - 32%)	124,106	65,087
Adjustment in respect of previous years:		
Corporation tax	(14)	1,165
	<u>124,092</u>	<u>66,252</u>

**10. TANGIBLE FIXED ASSETS**

	Freehold Property £	Plant & Machinery £	Motor Vehicles £	Equipment £	Total £
<b>COST</b>					
At 1 October 1997	180,462	227,322	71,626	115,185	594,595
Additions	-	472	-	7,328	7,800
<b>At 30 September 1998</b>	<u>180,462</u>	<u>227,794</u>	<u>71,626</u>	<u>122,513</u>	<u>602,395</u>
<b>DEPRECIATION</b>					
At 1 October 1997	39,609	163,756	25,181	81,160	309,706
Charge for the year	10,488	12,735	9,999	11,667	44,889
<b>At 30 September 1998</b>	<u>50,097</u>	<u>176,491</u>	<u>35,180</u>	<u>92,827</u>	<u>354,595</u>
<b>NET BOOK VALUE</b>					
<b>At 30 September 1998</b>	<u>130,365</u>	<u>51,303</u>	<u>36,446</u>	<u>29,686</u>	<u>247,800</u>
At 30 September 1997	<u>140,853</u>	<u>63,566</u>	<u>46,445</u>	<u>34,025</u>	<u>284,889</u>

The net book value of land and buildings is comprised of Freehold Property of £101,815 (1997-£104,336) and short leasehold properties of £28,550 (1997-£36,517).

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**10. TANGIBLE FIXED ASSETS** *(continued)***Hire purchase agreements**

Included within the net book value of £247,800 is £15,045 (1997 - £18,379) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £3,334 (1997 - £3,599).

**11. INVESTMENTS**

	Total £
<b>COST</b>	
At 1st October 1997	392
Disposals	(3)
At 30th September 1998	<u>389</u>
<b>NET BOOK VALUE</b>	
At 30th September 1998	<u>389</u>
At 30th September 1997	<u>392</u>

**12. STOCKS**

	1998 £	1997 £
Raw materials	205,028	233,837
Finished goods	59,592	102,120
	<u>264,620</u>	<u>335,957</u>

**13. DEBTORS**

	1998 £	1997 £
Trade debtors	466,674	463,472
Amounts owed by group undertakings	400,235	-
Amounts owed by undertakings in which the company has a participating interest	700	5,476
Other debtors	26,057	50,272
Prepayments and accrued income	33,098	40,268
	<u>926,764</u>	<u>559,488</u>

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**13. DEBTORS** *(continued)*

The debtors above include the following amounts falling due after more than one year:

	1998 £	1997 £
Amounts owed by group undertakings	150,000	-
	<u>          </u>	<u>          </u>

**14. CREDITORS: Amounts falling due within one year**

	1998 £	1997 £
Debenture loans	41,250	-
Payments received on account	1,709	42,952
Trade creditors	176,275	168,782
Amounts owed to group undertakings	122,951	124,645
Other creditors including taxation and social security:		
Corporation tax	124,106	66,260
PAYE and social security	23,979	25,602
Hire purchase agreements	5,699	5,699
Other creditors	-	972
	<u>          </u>	<u>          </u>
	153,784	98,533
Accruals and deferred income	117,984	167,606
	<u>613,953</u>	<u>602,518</u>

**15. CREDITORS: Amounts falling due after more than one year**

	1998 £	1997 £
Debenture loans	-	41,250
Other creditors:		
Hire purchase agreements	1,295	6,993
	<u>1,295</u>	<u>6,993</u>
	<u>1,295</u>	<u>48,243</u>

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS**

Future commitments under hire purchase agreements are as follows:

	1998 £	1997 £
Amounts payable within 1 year	5,699	5,699
Amounts payable between 1 and 2 years	1,295	6,993
	<u>6,994</u>	<u>12,692</u>

**17. COMMITMENTS UNDER OPERATING LEASES**

At 30th September 1998 the company had annual commitments under non-cancellable operating leases as set out below.

	1998		1997	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	3,251	-	3,560
Within 2 to 5 years	20,087	-	17,729	7,970
	<u>20,087</u>	<u>3,251</u>	<u>17,729</u>	<u>11,530</u>

**18. RELATED PARTY TRANSACTIONS**

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

**19. SHARE CAPITAL****Authorised share capital:**

	1998 £	1997 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

**Allotted, called up and fully paid:**

	1998 £	1997 £
Ordinary share capital	<u>91,626</u>	<u>91,626</u>



**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**20. PROFIT AND LOSS ACCOUNT**

	1998 £	1997 £
Balance brought forward	635,278	505,568
Retained profit for the financial year	264,372	129,710
Balance carried forward	<u>899,650</u>	<u>635,278</u>

**21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £	1997 £
Profit for the financial year	264,372	129,710
Opening shareholders' equity funds	726,904	597,194
Closing shareholders' equity funds	<u>991,276</u>	<u>726,904</u>

**22. ULTIMATE PARENT COMPANY**

The company is a wholly owned subsidiary of HMT Inc of Houston, Texas, U.S.A. The ultimate parent company is Iteq.Inc. Copies of the parents consolidated financial statements may be obtained from the financial secretary of that company.

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**20. PROFIT AND LOSS ACCOUNT**

	1998 £	1997 £
Balance brought forward	635,278	505,568
Retained profit for the financial year	264,372	129,710
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	1998 £	1997 £
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Closing shareholders' equity funds	<u>991,276</u>	<u>726,904</u>

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**HMT RUBBAGLAS LIMITED**  
**MANAGEMENT INFORMATION**  
**YEAR ENDED 30TH SEPTEMBER 1998**

**The following pages do not form part of the statutory financial statements  
which are the subject of the auditors' report on page 3.**

**HMT RUBBAGLAS LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30TH SEPTEMBER 1998**

	1998		1997
	£	£	£
<b>TURNOVER</b>			
United Kingdom sales	74,322		129,369
European sales	828,246		706,987
Middle East sales	1,618,550		1,317,237
African sales	560,821		685,594
Other foreign sales	58,495		38,737
	<u>3,140,434</u>		<u>2,877,924</u>
<b>COST OF SALES</b>			
Opening stock - raw materials	233,837		214,883
Opening work-in-progress	-		14,405
Opening stock - finished goods	102,120		89,222
Purchases	1,221,753		1,229,362
Sales commissions	246,795		215,521
Site expenses	43,939		35,520
Direct travelling expenses	29,913		34,764
Direct motor expenses	8,426		13,911
Direct wages	284,680		273,757
	<u>2,171,463</u>		<u>2,121,345</u>
Closing stock - raw materials	(205,028)		(233,837)
Closing stock - finished goods	(59,592)		(102,120)
	<u>1,906,843</u>		<u>1,785,388</u>
<b>GROSS PROFIT</b>	<u>1,233,591</u>		<u>1,092,536</u>
<b>OVERHEADS</b>			
Distribution costs	69,190		51,278
Administrative expenses	786,079		849,118
	<u>855,269</u>		<u>900,396</u>
<b>OPERATING PROFIT</b>	<u>378,322</u>		<u>192,140</u>
Profit/(Loss) on disposal of fixed assets	162		(1,424)
	<u>378,484</u>		<u>190,716</u>
Dividend income	24		29
Bank interest receivable	11,549		8,221
	<u>390,057</u>		<u>198,966</u>
Interest payable	1,593		3,004
<b>PROFIT ON ORDINARY ACTIVITIES</b>	<u>388,464</u>		<u>195,962</u>

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30TH SEPTEMBER 1998**

	1998		1997
	£	£	£
<b>DISTRIBUTION COSTS</b>			
Freight and carriage		54,534	39,270
Sales expenses		14,656	12,008
		<u>69,190</u>	<u>51,278</u>
<b>ADMINISTRATIVE EXPENSES</b>			
<b>Personnel costs:</b>			
Directors salaries	93,933		93,874
Directors pension contributions	20,355		14,125
Wages and salaries	236,255		266,187
Staff NIC	66,227		67,020
		416,770	441,206
<b>Establishment expenses:</b>			
Rent	18,682		17,729
Rent, rates and water	7,078		5,499
Rates and water	15,476		14,602
Light and heat	8,437		5,540
Insurance	32,527		37,881
Repairs and maintenance	9,329		13,460
		91,529	94,711
<b>General expenses:</b>			
Motor expenses	12,636		15,791
Travel and subsistence	79,503		82,957
Vehicle leasing charges	14,013		12,242
Telephone	18,935		15,256
Printing, stationery and postage	28,020		28,178
Staff training	6,041		3,998
Staff welfare	12,413		10,259
Sundry expenses	5,053		6,443
Advertising	3,133		12,454
Entertaining	7,314		4,629
Research and development	22		2,407
Legal and professional fees	1,868		12,850
Accountancy fees	3,076		10,295
Auditors remuneration	6,700		17,838
Depreciation	44,889		48,578
		243,616	284,175
<b>Financial costs:</b>			
Bank charges	23,282		14,314
Foreign currency gains/losses	10,882		14,712
		<u>34,164</u>	<u>29,026</u>
		<u>786,079</u>	<u>849,118</u>

**HMT RUBBAGLAS LIMITED**  
**NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30TH SEPTEMBER 1998**

	1998	1997
	£	£
<b>INTEREST PAYABLE</b>		
Bank interest payable	134	1,104
HP/Finance lease charges	1,459	1,900
	<u>1,593</u>	<u>3,004</u>

# HMT RUBBAGLAS LIMITED

REPORT PRODUCED AT 15:32 ON 8TH DECEMBER 1998

## ABBREVIATED FINANCIAL STATEMENTS

SEPTEMBER 1998

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The SI 2452 Report Option is set to "No". This format is for  
a "small" company. Ensure that this is the report you require.

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### AUDITORS REPORT INCLUSION

The full copy of the statutory auditors report is included in these abbreviated accounts although statutory instrument SI220/1997 applies and therefore it is only necessary if the report is qualified or if it contains a statement under section 237(2) (accounts, records or returns inadequate or accounts not agreeing with records or returns), or section 237(3) (failure to obtain necessary information and explanations).

Check the setting of report option acc.c.abb and change to "NotAtAll" if the full report does not need to be included.

### AUDITORS REPORT PAGE REFERENCES

The text of the copy of the auditors report included in these abbreviated accounts includes reference to certain page numbers from the full accounts. These are automatically generated at the time that the full accounts are run.

The full accounts were last run **TODAY AT 15:30** and you should ensure that there have been no postings or changes to the report options or database entries generally since that time as such changes could well have affected the pagination.

If changes have been made, or you have any doubts at all, exit this report and run the full accounts once before running this abbreviated set again. The page numbers will then be correct.

The page numbers currently utilised are as follows:

First and last Directors Responsibilities Page	2
First P & L Account Page	4
Last Balance Sheet Page	5
First Notes Page	8
End of Policies Page	8
Last Notes Page	15