

Directors

CHAIRMAN	Mr J.A.N. Prens	(Appointed 4 April 1997)
DIRECTORS	Mr P.D. Holt	(Appointed 4 April 1997)
	Mr R.S. Papp	(Appointed 4 April 1997)
	Mr P.C. Marsh	
	Mr M.L. Levy	(Resigned 4 April 1997)
	Mrs L. Levy	(Resigned 4 April 1997)

Secretary and Registered Office

Mr J.P. Smith
58 Broadwick Street
London, W1V 1FF

Auditors

Moore Stephens
Chartered Accountants
St. Paul's House, Warwick Lane, London, EC4P 4BN

REPORT OF THE DIRECTORS

The Directors present their Report and audited Financial Statements for the Year ended 30 September 1997.



TREWAX MANUFACTURING LIMITED
REPORT OF THE DIRECTORS

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 affairs of the company, and of the profit or loss of the company for that period. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to assume 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.

TREWAX MANUFACTURING LIMITED

REPORT OF THE DIRECTORS

Activities

The Company designs, manufactures and markets floor maintenance equipment. The company's future development and research are directly related to existing activities.

Business Review

During the year agreement was reached to sell the company to Truvox International Limited, based in Southampton.

Subsequently it was decided that the manufacturing and administration should move to Southampton, and that the lease on the Luton premises should be sold.

This transfer happened smoothly at the end of the year, and Trewax effectively ceased trading on 30 September 1997.

Truvox International Limited, in its enlarged form, is trading profitably in line with management expectations.

Profit and Loss Account

The Net Profit after Taxation for the year ended 30 September 1997 amounted to:

Balance brought forward at 1 October 1996	53,326
Profit for the year ended 30 September 1997	19,764
Resulted in retained profits of	£ <u>73,090</u>

Directors

Interests in the Company

Fully Paid Shares of £1 Each
30 Sep 97 1 Oct 96

Mr M.L. Levy	0	199,980
Mrs L. Levy	0	20

An option approved at a Director's Meeting on 24 December 1992 in favour of Peter Christopher Marsh of 22,500 Ordinary £1 shares at par, was exercised during the year.

No director had any interest in any of the Share Capital of Trewax Manufacturing Limited other than shown above.

The shareholdings of directors who are also directors of Truvox International Limited are shown in the accounts of that company.

Holding Company

Truvox International Limited is considered to be the ultimate holding company of Trewax Manufacturing Limited.

TREWAX MANUFACTURING LIMITED
REPORT OF THE DIRECTORS

Retirement of Directors

On 4 April 1997 Mr M.L. Levy and Mrs L. Levy resigned as Directors.

On the same date the following Directors were appointed:

Mr J.A.N. Prenn

Mr P.D. Holt

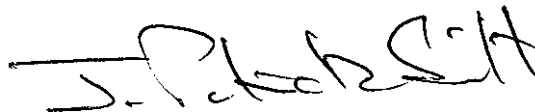
Mr R.S. Papp

In accordance with the Articles of Association Mr P.C. Marsh will retire at the forthcoming Annual General Meeting, and, being eligible, will offer himself for re-election.

Auditors

Following the acquisition Moore Stephens were appointed as auditors of Trewax. They are willing to continue in office. A resolution for their re-appointment and authorising the Directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'J.P. Smith', written over a horizontal line.

J.P. Smith
24 April 1998

Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF TREWAX MANUFACTURING LIMITED

We have audited the financial statements on Pages 6 to 12 which have been prepared under the historic cost convention and accounting policies set out on page 8.

Respective responsibilities of Directors and Auditors

As described on Page 2 the company's Directors are responsible for the preparation of 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 statement. 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 30 September 1997, and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



MOORE STEPHENS

Chartered Accountants
Registered Auditor

St. Paul's House
London EC4P 4BN

24 April 1998

TREWAX MANUFACTURING LIMITED

BALANCE SHEET

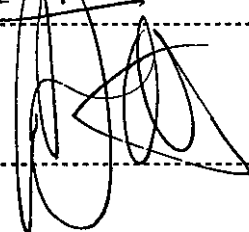
At 30 September 1997

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	7		86,537		115,730
CURRENT ASSETS					
Stocks	8	377,436		556,953	
Debtors	9	477,917		590,202	
Cash in Hand		<u>1,163</u>		<u>1,440</u>	
		856,516		1,148,595	
CREDITORS					
Amounts falling due within 1 year	10	<u>573,818</u>		<u>827,398</u>	
NET CURRENT ASSETS					
			<u>282,698</u>		<u>321,197</u>
			369,235		436,927
LONG TERM LIABILITIES					
Amounts falling due after more than 1 year:					
Intercompany Loan		62,624		0	
Director's Current Account		0		150,000	
Hire Purchase Contracts	11	<u>11,021</u>		<u>33,601</u>	
			<u>73,645</u>		<u>183,601</u>
NET ASSETS					
			<u>£ 295,590</u>		<u>£ 253,326</u>
CAPITAL AND RESERVES					
Issued and Fully Paid Share Capital	12		222,500		200,000
Profit and Loss Account			<u>73,090</u>		<u>53,326</u>
			<u>£ 295,590</u>		<u>£ 253,326</u>

Signed on behalf of the Directors 24 April 1998



J.A.N. Prenn
Chairman



P.D. Holt
Managing Director

TREWAX MANUFACTURING LIMITED

PROFIT AND LOSS ACCOUNT

For the Year ended 30 September 1997

		1997		1996	
	Notes	£	£	£	£
TURNOVER	2		2,617,711		2,876,413
Cost of Sales			1,642,577		1,976,347
GROSS PROFIT			<u>975,134</u>		<u>900,066</u>
Distribution Costs		396,240		328,728	
Administration Expenses		<u>536,229</u>		<u>587,605</u>	
			932,469		916,333
Operating Profit/(Loss)	3		42,665		(16,267)
Interest Payable	5		<u>(22,901)</u>		<u>(31,177)</u>
Profit/(Loss) before Taxation			19,764		(47,444)
Taxation	6		<u>0</u>		<u>13,186</u>
Profit/(Loss) after Taxation			19,764		(34,258)
Retained Profit Brought forward			<u>53,326</u>		<u>87,584</u>
RETAINED PROFIT / (LOSS)					
CARRIED FORWARD			<u>£ 73,090</u>		<u>£ 53,326</u>

TREWAX MANUFACTURING LIMITED

Notes to the Accounts

At 30 September 1997

1. ACCOUNTING POLICIES

Accounting Convention

The Accounts are prepared under the historical cost convention.

Depreciation

Depreciation of Fixed Assets is based upon cost, and is calculated on a straight line basis over the anticipated useful lives of the assets as follows:

Computer	Over 6 Years
Motor Vans	Over 4 Years
Motor Cars	Over 6 Years
Fixtures & Fittings	Over 4, 6 or 10 Years
Plant and Machinery	Over 4, 6 or 10 Years

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Raw Materials	Purchase Cost on a first-in, first-out basis.
Finished Goods	Cost of Direct Materials and Labour plus attributable overheads based upon normal level of activity.

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

Research and Development

Research and Development expenditure is written off in the period in which it is incurred.

Leasing and Hire Purchase Commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the Balance Sheet, and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the Profit and Loss Account evenly over the period of the lease, and represents a constant proportion of the balance of capital repayments outstanding.

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

Foreign Currencies

Assets and Liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Profit and Loss Account.

TREWAX MANUFACTURING LIMITED

Notes to the Accounts - Continued

At 30 September 1997

2. TURNOVER

	1997	1996
	£	£
UK	2,116,058	2,150,782
Overseas	501,653	725,631
	<u>£ 2,617,711</u>	<u>£ 2,876,413</u>

3. OPERATING PROFIT / (LOSS)

This is stated after charging:

	1997	1996
	£	£
Director's Emoluments	69,627	110,541
Director's Pension Contributions	10,640	23,853
Auditors Remuneration	18,969	7,108
Depreciation	38,056	27,214
Hire of Equipment	<u>3,897</u>	<u>3,670</u>

The emoluments of the Chairman, excluding pension contributions were £21,608 (1996: £38,568). The emoluments of the highest paid Director were £48,569 (1996: £42,841). Other Director's emoluments, excluding pension contributions fell within the following ranges:

	No	No
£0 - £5,000	1	0
£25,001 - £30,000	<u>0</u>	<u>1</u>

4. STAFF COSTS

	1997	1996
	£	£
Wages and Salaries	586,800	529,793
Social Security Costs	40,833	48,414
Other Pension Costs	25,374	40,676
	<u>£ 653,007</u>	<u>£ 618,883</u>

The average number of employees during the year was made up as follows:

	No	No
Office and Management	18	20
Manufacturing	11	14
	<u>29</u>	<u>34</u>

5. INTEREST PAYABLE

	1997	1996
	£	£
Bank Overdraft	16,644	12,669
Finance Charges payable under Hire Purchase Contracts	6,257	6,565
Other Interest Payable	0	11,943
	<u>£ 22,901</u>	<u>£ 31,177</u>

TREWAX MANUFACTURING LIMITED

Notes to the Accounts - Continued

At 30 September 1997

6. TAXATION

	1997	1996
	£	£
Corporation Tax Repayable at 25%	£ -	£ 13,186

No taxation arises on the results of the year, and no provision for timing differences has been set up as the company's business has been absorbed into that of its parent company.

7. TANGIBLE FIXED ASSETS

	Computers	Motor Vehicles	Fixtures & Fittings	Plant & Machinery	Total
	£	£	£	£	£
Cost					
At 1 October 1997	110,545	129,629	54,089	156,828	451,091
Additions	0	11,386	2,767	14,251	28,404
Disposals	0	(61,800)	0	0	(61,800)
At 30 September 1997	110,545	79,215	56,856	171,079	417,695
Depreciation					
At 1 October 1997	74,132	93,335	46,954	120,940	335,361
Charge for the Year	13,713	6,077	4,406	13,860	38,056
Disposals	0	(42,259)	0	0	(42,259)
At 30 September 1997	87,845	57,153	51,360	134,800	331,158
Net Book Value					
At 30 September 1997	£ 22,700	£ 22,062	£ 5,496	£ 36,279	£ 86,537
At 30 September 1996	£ 36,413	£ 36,294	£ 7,135	£ 35,888	£ 115,730

Included in the amounts for Computers, Fixtures and Fittings, Plant and Machinery and Motor Vehicles are the following amounts relating to assets acquired under hire purchase contracts and finance leases:

	Computers	Motor Vehicles	Fixtures & Fittings	Plant & Machinery
	£	£	£	£
Net Book Value				
At 30 September 1997	£ 21,450	£ 20,681	£ -	£ 19,762
At 30 September 1996	£ 33,097	£ 36,294	£ 4,687	£ 26,990
Depreciation provided during the year				
	£ 11,647	£ 5,951	£ 4,687	£ 7,228

TREWAX MANUFACTURING LIMITED

Notes to the Accounts - Continued

At 30 September 1997

8. STOCKS	1997	1996
	£	£
Raw Materials and Consumables	256,661	373,868
Finished Goods and Goods for Resale	120,775	183,085
	<u>£ 377,436</u>	<u>£ 556,953</u>
9. DEBTORS	1997	1996
	£	£
Trade Debtors	460,158	510,283
Prepayments	0	66,733
Other Debtors	17,759	13,186
	<u>£ 477,917</u>	<u>£ 590,202</u>
10. CREDITORS	1997	1996
	£	£
Bank Overdraft	77,892	225,920
Trade Creditors	304,792	506,892
Hire Purchase Contracts (See Note 11)	21,135	39,297
Other Creditors and Accruals	136,053	24,123
Other Taxes and Social Security Costs	33,946	31,166
Corporation Tax	0	0
	<u>£ 573,818</u>	<u>£ 827,398</u>
11. HIRE PURCHASE CONTRACTS	1997	1996
	£	£
Amounts Payable:		
Within 1 year	27,452	46,896
Between 2 - 5 years	13,382	40,189
	<u>40,834</u>	<u>87,085</u>
Less: Finance Charges allocated to future periods	8,678	14,187
	<u>£ 32,156</u>	<u>£ 72,898</u>
Hire Purchase contracts shown as:		
Current Obligations	21,135	39,297
Non-Current Obligations	11,021	33,601
	<u>£ 32,156</u>	<u>£ 72,898</u>

TREWAX MANUFACTURING LIMITED

Notes to the Accounts - Continued

At 30 September 1997

12. SHARE CAPITAL

	Authorised		Issued and Fully Paid	
	1997	1996	1997	1996
	No.	No.	No.	No.
Ordinary Shares of £1 each	500,000	500,000	£ 222,500	£ 200,000

13. RESERVES

	Profit and Loss Account £
At 1 October 1996	53,326
Profit for the Year	19,764
At 30 September 1997	<u>£ 73,090</u>

14. CAPITAL COMMITMENTS

There is no capital expenditure which has been authorised or contracted for as at 30 September 1997.

15. COMMITMENTS UNDER OPERATING LEASES

At 30 September 1997 the company had annual commitments under operating leases for its offices. The total rent payable under these leases is approximately £82,000 per annum.

16. PENSION

The company maintains only a contributory pension scheme for its full-time employees. Contributions by the company are charged against profits in the year in which they are paid.

17. SHARE OPTION

An option approved at a Director's Meeting on 24 December 1992 in favour of Peter Christopher Marsh of 22,500 Ordinary £1 shares at par, was exercised during the year.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1997	1996
	£	£
Profit / (Loss) for the year	19,764	(34,258)
Shareholders Funds at 1 October 1996	253,326	287,584
Shareholders Funds at 30 September 1997	<u>£ 273,090</u>	<u>£ 253,326</u>
Represented by:		
Equity Interests	<u>£ 273,090</u>	<u>£ 253,326</u>