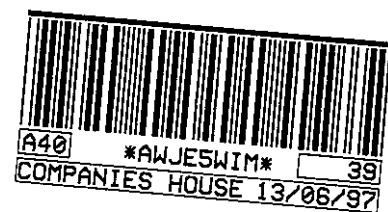


Company Number: 2422319

MAIN MAN SUPPLIES LIMITED

ACCOUNTS
31 December 1996



MAIN MAN SUPPLIES LIMITED

COMPANY INFORMATION

DIRECTORS: D A Williams
P J Howles (appointed 1 April 1996)
A W Cook (appointed 1 April 1996)
M A Brooker (appointed 1 April 1996)
M West (appointed 10 April 1996)

SECRETARY: Mrs E C Williams

REGISTERED OFFICE: Unit 15, Charlton Drive
Corngreaves Trading Estate
Cradley Heath
West Midlands
B64 7BJ

REGISTERED NUMBER: 02422319 England & Wales

AUDITOR: Norman C.Sands
Chartered Accountant and
Registered Auditor
333 Hagley Road
Pedmore
Stourbridge
DY9 0RF

ANNUAL REPORT AND ACCOUNTS
31 December 1996

Page	
1 & 2	Report of the Directors
3	Auditors Report
4	Profit and Loss Account
5	Balance Sheet
6	Cash Flow Statement
7 to 14	Notes to the Accounts

The following pages do not form part of the statutory accounts:

15 & 16	Detailed Profit and Loss Account
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REPORT OF THE DIRECTORS

The directors present their report together with the accounts of the company for the year ended 31 December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company is the sale of protective clothing and industrial consumables.

REVIEW OF THE BUSINESS

A summary of the results of the year's trading is given on page 4 of the accounts. The results for the year are considered to be satisfactory.

DIVIDEND

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the year and their interests in the share capital of the company were as follows:-

	<u>31 December</u> <u>1996</u>	<u>31 December</u> <u>1995</u>
D A Williams	9,800	9,900
P J Howles (appointed 1 April 1996)	100	
A W Cook (appointed 1 April 1996)		
M A Brooker (appointed 1 April 1996)		
M West (appointed 10 April 1996)		

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- 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 accounts 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.

REPORT OF THE DIRECTORS (continued)

FIXED ASSETS

Details of the movement in fixed assets is given in note 9 to the accounts.

AUDITOR

The auditor, Norman C.Sands, Chartered Accountant, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Board of Directors:

.....*E.C. Williams*.....

MRS E C WILLIAMS
Secretary

Approved by the Board: 3 April 1997

AUDITORS' REPORT TO THE SHAREHOLDERS OF
MAIN MAN SUPPLIES LIMITED

I have audited the accounts on pages 4 to 14 which have been prepared in accordance with the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is my responsibility to form an independent opinion, based on my audit, on those accounts and to report my opinion to you.

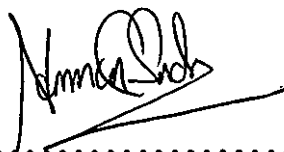
BASIS OF OPINION

I conducted my 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 accounts, It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In my opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



.....
NORMAN C.SANDS FCA
Chartered Accountant and
Registered Auditor

333 Hagley Road
Pedmore
Stourbridge
DY9 0RF

4 April 1997

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1996

	Note	<u>1996</u> £	<u>1995</u> £
<u>GROSS PROFIT</u>		1,032,268	785,181
Distribution costs		(92,781)	(78,358)
Administrative expenses		(708,827)	(506,117)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	3	230,660	200,706
Profit on disposal of fixed assets		907	621
Interest payable	6	(84,270)	(60,419)
Interest received	7	593	465
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		147,890	141,373
Taxation	8	(37,321)	(35,915)
		<hr/>	<hr/>
<u>PROFIT FOR THE FINANCIAL YEAR</u> <u>AFTER TAXATION, RETAINED</u>	18	£110,569	£105,458
		<hr/>	<hr/>

TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses either in the current year or the preceding year other than those recorded in the profit and loss account.

CONTINUING OPERATIONS


None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 7 to 14 form part of these accounts.

BALANCE SHEET
31 December 1996

	Note	£	1996	£	1995	£
<u>FIXED ASSETS</u>						
Tangible assets	9		225,166		134,915	
<u>CURRENT ASSETS</u>						
Stocks	10	698,354		365,428		
Debtors	11	1,918,328		1,291,593		
Cash at bank and in hand		690		-		
			2,617,372		1,657,021	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	12	(2,451,733)		(1,548,006)		
<u>NET CURRENT ASSETS</u>			165,639		109,015	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			390,805		243,930	
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	13	(58,516)		(22,104)		
<u>PROVISION FOR LIABILITIES AND CHARGES - deferred taxation</u>	16	(1,463)		(1,569)		
<u>NET ASSETS</u>			£330,826		£220,257	
<u>CAPITAL AND RESERVES</u>						
CALLED UP SHARE CAPITAL	17	10,000		10,000		
PROFIT AND LOSS ACCOUNT	18	320,826		210,257		
<u>SHAREHOLDERS FUNDS</u>	19		£330,826		£220,257	

The accounts were approved by the board of directors on 3 April 1997 and were signed on its behalf by:


D A WILLIAMS
Director

The notes on pages 7 to 14 form part of these accounts.

CASH FLOW STATEMENT
for the year ended 31 December 1996

	Note	£	1996	£	1995	£
<u>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</u>	21		(374,601)		(149,396)	
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>						
Interest received		593		465		
Interest paid		(84,270)		(60,419)		
			(83,677)		(59,954)	
<u>TAXATION</u>						
Corporation tax paid			(36,598)		(16,606)	
<u>INVESTING ACTIVITIES</u>						
Payments to acquire tangible fixed assets		(173,120)		(79,725)		
Receipts from sales of tangible fixed assets		16,201		20,183		
<u>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</u>			(156,919)		(59,542)	
<u>NET CASH OUTFLOW BEFORE FINANCING</u>			(651,795)		(285,498)	
<u>FINANCING</u>						
Hire purchase		36,412		(4,898)		
<u>NET CASH IN/(OUT)FLOW FROM FINANCING</u>			36,412		(4,898)	
<u>DECREASE IN CASH AND CASH EQUIVALENTS</u>			£(615,383)		£(290,396)	
<u>CHANGES IN CASH AND CASH EQUIVALENTS DURING YEAR</u>						
Balance at 1 January 1996:						
Cash in hand		-		787		
Bank overdraft and discounting account		(758,811)		(469,202)		
			(758,811)		(468,415)	
<u>NET CASH OUTFLOW</u>			(615,383)		(290,396)	
Balance at 31 December 1996	22		£(1,374,194)		£(758,811)	

NOTES TO THE ACCOUNTS31 December 19961 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

(a) BASIS OF ACCOUNTING

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

(b) TURNOVER

Turnover comprises the invoiced value of goods sold to third parties, excluding VAT.

(c) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:-

Leasehold improvements	- over the remaining period of the lease
Fixtures, fittings and equipment	- 20% on cost
Motor vehicles	- 25% on cost

(d) STOCKS

Stock is valued at the lower of weighted average cost and net realisable value, after making due allowance for obsolete and slow moving items.

(e) TAXATION

The charge for taxation is based on the profit for the year and takes into account timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

(f) LEASED ASSETS

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

Assets held under finance leases and hire purchase contracts are capitalised and depreciated in accordance with the company policy. The lease or hire purchase obligation is treated in the balance sheet as a liability. The interest element of these obligations is charged to profit and loss on a straight line basis over the period of the agreement.

NOTES TO THE ACCOUNTS
31 December 1996

2 TURNOVER

The turnover and profit on ordinary activities before taxation is attributable to the one principal activity of the company.

All income arose in the United Kingdom.

3 OPERATING PROFIT

The operating profit is arrived at after charging:-

	<u>1996</u> £	<u>1995</u> £
Depreciation - owned assets	29,535	16,735
Depreciation - assets held under hire purchase or finance leases	38,040	26,813
Staff costs (see note 4)	491,748	345,469
Operating lease rentals - property	39,726	32,637
- vehicles/equipment	11,468	13,353
Auditors remuneration	1,750	1,400
	<hr/>	<hr/>

4 STAFF COSTS

	<u>1996</u> £	<u>1995</u> £
Wages and salaries	441,710	307,705
Social security costs	41,703	29,590
Other pension costs	8,335	8,174
	<hr/>	<hr/>
	£491,748	£345,469
	<hr/>	<hr/>

The average weekly number of employees during the year was as follows:-

	Number of employees	
Office and management	11	6
Warehouse and sales	27	17
	<hr/>	<hr/>
	38	23
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
31 December 1996

5 DIRECTORS' REMUNERATION

	<u>1996</u> £	<u>1995</u> £
Fees as directors	108,984	51,173
Other emoluments including pension contributions	25,283	12,608
	<hr/>	<hr/>
	£134,267	£63,781
	<hr/>	<hr/>

The emoluments of the chairman, excluding pension contributions, who was also the highest paid director were £34,885 (1995 £36,012).

The emoluments, excluding pension contributions, of the other directors were within the following ranges:

	Number of directors	
	<u>1996</u>	<u>1995</u>
£15,001 - £20,000	1	
£20,001 - £25,000	2	1
£25,001 - £30,000	1	

6 INTEREST PAYABLE

	<u>1996</u> £	<u>1995</u> £
Bank overdraft and bank discounting account interest	76,983	53,740
Finance lease interest	7,287	6,679
	<hr/>	<hr/>
	£84,270	£60,419
	<hr/>	<hr/>

7 INTEREST RECEIVED

	<u>1996</u> £	<u>1995</u> £
Interest on bank deposit account	£593	£465
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
31 December 1996

8 TAXATION

	<u>1996</u> £	<u>1995</u> £
Corporation tax at 24.25% (1995 24.75%) on the adjusted profit for the year	37,427	36,598
Overprovision in previous year	-	(2)
Transfer from deferred taxation	(106)	(681)
	<hr/>	<hr/>
	£37,321	£35,915
	<hr/>	<hr/>

9 TANGIBLE FIXED ASSETS

<u>COST</u>	Motor vehicles £	Fixtures and equipment £	Leasehold improvements £	Total £
At 1 January 1996	175,432	29,935	8,633	214,000
Additions	115,659	57,461	-	173,120
Disposals	(29,425)	(2,083)	-	(31,508)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1996	261,666	85,313	8,633	355,612
	<hr/>	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>				
At 1 January 1996	64,973	11,982	2,130	79,085
Charge for year	53,729	12,610	1,236	67,575
On disposals	(14,131)	(2,083)	-	(16,214)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1996	104,571	22,509	3,366	130,446
	<hr/>	<hr/>	<hr/>	<hr/>
<u>NET BOOK VALUE</u>				
At 31 December 1996	157,095	62,804	5,267	£225,166
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1995	110,459	17,953	6,503	£134,915
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of motor vehicles includes £143,216 (1995 £90,993) in respect of assets held under finance leases. The depreciation charge for the year in respect of these assets was £38,040 (1995 £26,813).

NOTES TO THE ACCOUNTS
31 December 1996

10 STOCKS

	<u>1996</u> £	<u>1995</u> £
Goods for resale	£698,354	£365,428

The replacement cost of the above stocks would not be significantly different from the value stated.

11 DEBTORS

	<u>1996</u> £	<u>1995</u> £
Trade debtors	1,887,375	1,271,890
Prepayments	30,953	19,703
	<u>£1,918,328</u>	<u>£1,291,593</u>

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1996</u> £	<u>1995</u> £
Trade creditors	921,919	676,061
Social security and other taxes	59,605	34,616
Obligations under finance leases (note 14)	51,018	28,902
Directors loan account	-	7,227
Other creditors	1,000	1,000
Accruals	5,880	4,791
	<u>1,039,422</u>	<u>752,597</u>
Bank overdraft and discounting account	1,374,884	758,811
Corporation tax	37,427	36,598
	<u>£2,451,733</u>	<u>£1,548,006</u>

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1996</u> £	<u>1995</u> £
Obligations under finance leases (note 14)	£58,516	£22,104

NOTES TO THE ACCOUNTS31 December 199614 OBLIGATIONS UNDER HIRE PURCHASE AND
FINANCE LEASES

	<u>1996</u> £	<u>1995</u> £
Gross obligations repayable:		
- within one year	58,646	33,390
- between one and five years	67,013	25,817
	<hr/>	<hr/>
	£125,659	£59,207
	<hr/>	<hr/>
Finance charges repayable:		
- within one year	7,628	4,488
- between one and five years	8,497	3,713
	<hr/>	<hr/>
	£16,125	£8,201
	<hr/>	<hr/>
Net obligations repayable:		
- within one year	51,018	28,902
- between one and five years	58,516	22,104
	<hr/>	<hr/>
	£109,534	£51,006
	<hr/>	<hr/>

15 SECURED DEBTS

The following secured debts are included within creditors:

	<u>1996</u> £	<u>1995</u> £
Bank overdraft and discounting account	1,374,884	758,811
Obligations under hire purchase and finance leases	109,534	51,006
	<hr/>	<hr/>
	£1,484,418	£809,817
	<hr/>	<hr/>

16 PROVISION FOR LIABILITIES AND
CHARGES - deferred taxation

	<u>1996</u> £	<u>1995</u> £
Accelerated capital allowances	£1,463	£1,569
	<hr/>	<hr/>

The above figures represent the potential liability. There are no amounts not provided.

NOTES TO THE ACCOUNTS31 December 199617 CALLED UP SHARE CAPITAL

	<u>1996</u> £	<u>1995</u> £
Authorised:		
20,000 Ordinary shares of £1 each	20,000	20,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
10,000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>

18 PROFIT AND LOSS ACCOUNT

	<u>1996</u> £	<u>1995</u> £
Balance at 1 January 1996	210,257	104,799
Retained profit for the year	110,569	105,458
	<hr/>	<hr/>
Balance at 31 December 1996	£320,826	£210,257
	<hr/>	<hr/>

19 RECONCILIATION OF MOVEMENT ON
SHAREHOLDERS FUNDS

	<u>1996</u> £	<u>1995</u> £
Profit for the financial year after taxation	110,569	105,458
Opening shareholders funds at 1 January 1996	220,257	114,799
	<hr/>	<hr/>
Closing shareholders funds at 31 December 1996	£330,826	£220,257
	<hr/>	<hr/>

20 COMMITMENTS - OPERATING LEASES

	<u>1996</u> £	<u>1995</u> £
Annual commitments at 31 December 1996 for land and buildings are as follows:-		
Expiring within one year	3,450	-
Expiring between two and five years	2,200	5,650
Expiring after five years	56,200	33,500
Annual commitments at 31 December 1996 for vehicles and equipment are as follows:-		
Expiring between two and five years	8,372	11,541

NOTES TO THE ACCOUNTS31 December 199621 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1996</u> £	<u>1995</u> £
Operating profit	231,567	201,327
Depreciation charges	67,575	43,548
Profit on sale of tangible fixed assets	(907)	(621)
Increase in stocks	(332,926)	(150,328)
Increase in debtors	(626,735)	(185,973)
Increase/(decrease) in creditors	286,825	(57,349)
<u>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</u>	<u>£(374,601)</u>	<u>£(149,396)</u>

22 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	<u>1996</u> £	<u>1995</u> £
Cash in hand	690	-
Bank overdraft and discounting account	(1,374,884)	(758,811)
 Balance at 31 December 1996	 <u>£(1,374,194)</u>	 <u>£(758,811)</u>