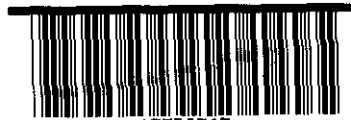


Company number: 02422319

MAIN MAN SUPPLIES LIMITED

ACCOUNTS  
31 December 2000



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MAIN MAN SUPPLIES LIMITED

COMPANY INFORMATION

Directors: D A Williams  
P J Howles  
A W Cook  
M A Brooker  
M W West

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 BSc FCA  
Chartered Accountant and  
Registered Auditor  
333 Hagley Road  
Pedmore  
Stourbridge  
DY9 0RF

ANNUAL REPORT AND ACCOUNTS  
31 December 2000

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

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

Detailed Profit and Loss Account 15 & 16

REPORT OF THE DIRECTORS

The directors present their report together with the accounts of the company for the year ended 31 December 2000.

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 years 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 interest in the issued ordinary share capital of the company were as follows:-

	31 December 2000	31 December 1999
D A Williams	9,800	9,800
P J Howles	100	100
A W Cook		
M A Brooker		
M W West		

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 8 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. Williams...*  
MRS E C WILLIAMS  
Secretary

Approved by the Board: 2 May 2001

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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



.....  
NORMAN C. SANDS FCA  
Chartered Accountant and  
Registered Auditor  
333 Hagley Road  
Pedmore  
Stourbridge  
DY9 0RF

2 May 2001

PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 2000

	Note	2000 £	1999 £
<u>GROSS PROFIT</u>	2	1,865,973	1,810,623
Administrative expenses		(1,287,778)	(1,247,838)
Distribution costs		(201,143)	(179,314)
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	3	377,052	383,471
Profit on disposal of assets		7,782	6,749
Interest payable	6	(131,505)	(115,708)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		253,329	274,512
Taxation	7	(65,004)	(56,401)
		<hr/>	<hr/>
<u>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION, RETAINED</u>	19	£188,325	£218,111
		<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

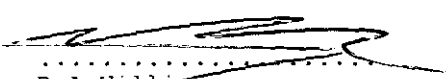
None of the company's activities were acquired or discontinued during the above two financial years.

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

BALANCE SHEET  
31 December 2000

	Note	2000		1999	
		£	£	£	£
<u>FIXED ASSETS</u>					
Tangible assets	8		344,044		259,312
Investments	9		155,762		-
			<hr/>		<hr/>
			499,806		259,312
<u>CURRENT ASSETS</u>					
Stocks	10	1,563,176		879,867	
Debtors	11	3,012,774		2,581,702	
Cash at bank and in hand		154		431	
		<hr/>		<hr/>	
		4,576,104		3,462,000	
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	12	(3,944,007)		(2,821,156)	
		<hr/>		<hr/>	
<u>NET CURRENT ASSETS</u>			632,097		640,844
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<hr/>		<hr/>
			1,131,903		900,156
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	13		(92,976)		(49,388)
<u>PROVISION FOR LIABILITIES AND CHARGES - deferred taxation</u>	14		-		(166)
			<hr/>		<hr/>
<u>NET ASSETS</u>			£1,038,927		£850,602
			<hr/>		<hr/>
<u>CAPITAL AND RESERVES</u>					
CALLED UP SHARE CAPITAL	18		10,000		10,000
PROFIT AND LOSS ACCOUNT	19		1,028,927		840,602
			<hr/>		<hr/>
<u>SHAREHOLDERS FUNDS</u>	20		£1,038,927		£850,602
			<hr/>		<hr/>

The accounts were approved by the board of directors on 2 May 2001 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 2000

	Note	2000		1999	
		£	£	£	£
<u>NET CASH (OUTFLOW)/INFLOW</u> <u>FROM OPERATING ACTIVITIES</u>	22		(6,365)		403,794
<u>RETURNS ON INVESTMENTS AND</u> <u>SERVICING OF FINANCE</u>					
Interest paid			(131,505)		(115,709)
<u>TAXATION</u>					
Corporation tax paid			(60,635)		(44,795)
<u>INVESTING ACTIVITIES</u>					
Payments to acquire tangible fixed assets			(215,513)		(113,791)
Payments to acquire fixed asset investment			(155,762)		
Receipts from sales of tangible fixed assets			23,350		43,400
<u>NET CASH OUTFLOW FROM INVESTING</u> <u>OPERATIONS</u>			(347,925)		(70,391)
<u>NET CASH (OUTFLOW)/INFLOW</u> <u>BEFORE FINANCING</u>			(546,430)		172,899
<u>FINANCING</u>					
Hire purchase			(10,158)		(31,337)
<u>NET CASH OUTFLOW FROM</u> <u>FINANCING</u>			(10,158)		(31,337)
<u>(DECREASE)/INCREASE IN CASH</u> <u>AND CASH EQUIVALENTS</u>			£(556,588)		£141,562
<u>CHANGES IN CASH AND CASH</u> <u>EQUIVALENTS DURING YEAR</u>					
Balance at 1 January 2000:					
Cash in hand			431		31
Bank overdraft and discounting account			(1,383,299)		(1,524,461)
<u>NET CASH (OUTFLOW)/INFLOW</u>			(1,382,868)		(1,524,430)
			(556,588)		141,562
Balance at 31 December 2000	23		£(1,939,456)		£(1,382,868)

NOTES TO THE ACCOUNTS  
31 December 2000

## 1 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 represents 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:-

No depreciation is provided on freehold property.

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 taxation deferred because of timing difference between the treatment of certain items for taxation and accounting purposes. Full provision is made for deferred taxation.

## (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 corresponding lease or hire purchase obligation is treated in the balance sheet as a liability. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding liability in the balance sheet.

NOTES TO THE ACCOUNTS31 December 20002 GROSS PROFIT

Gross profit comprises turnover and other operating income, less cost of sales.

3 OPERATING PROFIT

The operating profit is arrived at after charging:-

	2000 £	1999 £
Depreciation - owned assets	33,883	42,430
Depreciation - assets held under hire purchase or finance leases	81,330	77,252
Staff costs (see note 4)	912,194	846,393
Operating lease rentals - property	80,360	77,198
- vehicles/equipment	9,600	7,580
Auditors remuneration	2,500	2,400
	<hr/>	<hr/>

4 STAFF COSTS

	2000 £	1999 £
Wages and salaries	825,555	765,330
Social security costs	74,910	69,772
Other pension costs	11,729	11,291
	<hr/>	<hr/>
	£912,194	£846,393
	<hr/>	<hr/>

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

	Number of employees	
Office and management	18	17
Warehouse and sales	41	38
	<hr/>	<hr/>
	59	55
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS31 December 20005 DIRECTORS REMUNERATION

	2000 £	1999 £
Fees as directors	198,786	200,274
Other emoluments including pension contributions	43,024	37,029
	<hr/>	<hr/>
	£241,810	£237,303
	<hr/>	<hr/>

The emoluments of the chairman, excluding pension contributions, were £48,681 (1999 £40,156). The emoluments of the highest paid director were £51,184.

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

	Number of directors	
£40,001 ~ £45,000	2	2
£45,001 ~ £50,000	1	1

6 INTEREST PAYABLE

	2000 £	1999 £
Bank overdraft and bank discounting account interest	116,435	102,747
Finance lease interest	10,716	12,961
Bank loan interest	4,354	-
	<hr/>	<hr/>
	£131,505	£115,708
	<hr/>	<hr/>

7 TAXATION

	2000 £	1999 £
Corporation tax at 25.2% (1999 20.25%) on the adjusted profit for the year	65,170	60,635
Transfer from deferred taxation	(166)	(4,234)
	<hr/>	<hr/>
	£65,004	£56,401
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS  
31 December 2000

8 TANGIBLE FIXED ASSETS

<u>COST</u>	Freehold property £	Leasehold improvements £	Vehicles and equipment £	Total £
At 1 January 2000	-	8,632	520,469	529,101
Additions	94,673	-	120,840	215,513
Disposals	-	-	(78,360)	(78,360)
At 31 December 2000	94,673	8,632	562,949	666,254
<u>DEPRECIATION</u>				
At 1 January 2000	-	7,073	262,716	269,789
Charge for year	-	1,236	113,977	115,213
On disposals	-	-	(62,792)	(62,792)
At 31 December 2000	-	8,309	313,901	322,210
<u>NET BOOK VALUE</u>				
At 31 December 2000	94,673	323	249,048	£344,044
At 31 December 1999	-	1,559	257,753	£259,312

The net book value of motor vehicles includes £165,196 (1999 £191,990) in respect of assets held under finance leases. The depreciation charge for the year in respect of these assets was £81,330 (1999 £77,252).

9 FIXED ASSET INVESTMENT

	2000 £	1999 £
Shares in subsidiary company	£155,762	£-

The company's investment in its subsidiary represents the cost of acquisition of the whole of the ordinary share capital of Industrial Protective & Safetywear Limited, a company registered in England and Wales, which supplies protective clothing and engineering consumables.

At 31 December 2000, the aggregate of the share capital and reserves of Industrial Protective & Safetywear Limited amounted to £42,148, and the profit for the period to that date was £5,028.

NOTES TO THE ACCOUNTS  
31 December 2000

10 STOCKS

	2000 £	1999 £
Goods for resale	£1,563,176	£879,867

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

11 DEBTORS

	2000 £	1999 £
Trade debtors	2,969,248	2,534,875
Prepayments	43,526	46,827
	<hr/> £3,012,774	<hr/> £2,581,702

12 CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	1,710,658	1,131,618
Social security and other taxes	122,840	109,934
Obligations under finance leases (note 15)	65,429	74,207
Other creditors	1,000	1,000
Accruals	36,485	60,463
Amounts owed to subsidiary company	43,304	-
Directors loan accounts	13,257	-
	<hr/> 1,992,973	<hr/> 1,377,222
Bank overdraft and discounting account	1,876,353	1,383,299
Corporation tax	65,170	60,635
Bank loan (note 16)	9,511	-
	<hr/> £3,944,007	<hr/> £2,821,156

13 CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Obligations under finance leases (note 15)	39,230	49,388
Bank loan (note 16)	53,746	-
	<hr/> £92,976	<hr/> £49,388

NOTES TO THE ACCOUNTS  
31 December 2000

14 PROVISION FOR LIABILITIES AND CHARGES - deferred taxation

	2000 £	1999 £
Accelerated capital allowances	£-	£166

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

15 OBLIGATIONS UNDER HIRE PURCHASE AND FINANCE LEASES

	2000 £	1999 £
Gross obligations repayable:		
- within one year	73,753	83,772
- between one and five years	44,826	55,212
	<hr/> £118,579	<hr/> £138,984
Finance charges repayable:		
- within one year	8,324	9,565
- between one and five years	5,596	5,824
	<hr/> £13,920	<hr/> £15,389
Net obligations repayable:		
- within one year	65,429	74,207
- between one and five years	39,230	49,388
	<hr/> £104,659	<hr/> £123,595

16 BANK LOAN

	2000 £	1999 £
Amount falling due within one year	9,511	-
Amount falling due between two and five years	38,045	-
Amounts falling due after five years	15,701	-
	<hr/> £63,257	<hr/> £-

The bank loan is repayable over 10 years and bears interest at 1.25% over bank base rate.

NOTES TO THE ACCOUNTS31 December 200017 SECURED DEBTS

The following secured debts are included within creditors:

	2000 £	1999 £
Bank overdraft and discounting account	1,876,353	1,383,299
Obligations under hire purchase and finance leases	104,659	123,595
Bank loan	63,257	-
	<hr/>	<hr/>
	£2,044,269	£1,506,894
	<hr/>	<hr/>

18 CALLED UP SHARE CAPITAL

	2000 £	1999 £
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/>

19 PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Balance at 1 January 2000	840,602	622,491
Retained profit for the year	188,325	218,111
	<hr/>	<hr/>
Balance at 31 December 2000	£1,028,927	£840,602
	<hr/>	<hr/>

20 RECONCILIATION OF MOVEMENT ON SHAREHOLDERS FUNDS

	2000 £	1999 £
Profit for the year after taxation	188,325	218,111
Opening shareholders funds at 1 January 2000	850,602	632,491
	<hr/>	<hr/>
Closing shareholders funds at 31 December 2000	£1,038,927	£850,602
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS31 December 200021 COMMITMENTS - OPERATING LEASES

	2000 £	1999 £
Annual commitments at 31 December 2000 for land and buildings are as follows:-		
Expiring between two and five years	85,695	80,030
Annual commitments at 31 December 2000 for vehicles and equipment are as follows:-		
Expiring between two and five years	6,042	6,042

22 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	384,834	390,220
Depreciation charges	115,213	119,682
Profit on sale of tangible fixed assets	(7,782)	(6,749)
(Increase)/decrease in stocks	(683,309)	93,756
Increase in debtors	(431,072)	(203,701)
Increase in creditors	615,751	10,586
<u>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</u>	<u>£(6,365)</u>	<u>£403,794</u>

23 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	2000 £	1999 £
Cash in hand	154	431
Bank overdraft and discounting account	(1,876,353)	(1,383,299)
Bank loan	(63,257)	-
Balance at 31 December 2000	<u>£(1,939,456)</u>	<u>£(1,382,868)</u>

24 RELATED PARTY TRANSACTIONS

During the year the company sold goods to the value of £61,406 to Industrial Protective & Safetywear Ltd which became a wholly owned subsidiary on 14 March 2000. All transactions were carried out on normal commercial terms. At 31 December 2000 the company owed £43,304 to Industrial Protective & Safetywear Ltd.