

**MA RIB Limited**  
and subsidiary undertakings

Accounts 31 December 2000  
together with directors' and auditors' reports

Registered number: 2624592



## **Directors' report**

For the year ended 31 December 2000

The directors present their annual report on the affairs of the group, together with the accounts and auditors' report, for the year ended 31 December 2000.

### **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 group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Principal activity and business review**

The principal activity of the group is to act as a lessor of land and buildings to a fellow group undertaking and to provide loan finance to the ultimate parent company.

The directors expect the general level of activity to continue in the future.

### **Results and dividends**

The directors do not recommend a dividend and consequently the profit for the financial year of £890,585 has been transferred to reserves.

## Directors' report (continued)

### Directors and their interests

The directors who served during the year were as follows:

T.P. Putnam (USA)

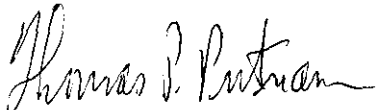
J.A. Putnam (USA)

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

### Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

By order of the Board,



T.P. Putnam

Director

Astor Road  
Eccles New Road  
Salford  
M5 2DA

30 March 2001

**To the Shareholders of MA RIB Limited:**

We have audited the accounts on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**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 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 circumstances of the company and the group, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group at 31 December 2000 and of the group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

Bank House  
9 Charlotte Street  
Manchester  
M1 4EU

30 March 2001

# Consolidated profit and loss account

For the year ended 31 December 2000

	Notes	2000 £	1999 £
<b>Turnover and gross profit</b>		-	120,000
Other operating expenses (net)	3	(25,067)	(106,251)
<b>Operating (loss) profit</b>		(25,067)	13,749
Interest receivable and similar income	4	1,336,072	869,225
Interest payable	5	-	(412)
<b>Profit on ordinary activities before taxation</b>	6	1,311,005	882,562
Tax on profit on ordinary activities	9	(420,420)	(273,714)
<b>Profit for the financial year transferred to reserves</b>	17	890,585	608,848

The group has no recognised gains or losses other than the profit for the financial year.

The accompanying notes are an integral part of this consolidated profit and loss account.

# Consolidated balance sheet

31 December 2000

	Notes	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	10	462,075	497,763
<b>Current assets</b>			
Debtors			
- due within one year	12	2,639,985	1,999,617
- due after one year	12	8,036,398	7,429,236
Cash at bank and in hand		373,065	360,789
		<u>11,049,448</u>	<u>9,789,642</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(425,900)</u>	<u>(92,367)</u>
<b>Net current assets</b>		<u>10,623,548</u>	<u>9,697,275</u>
<b>Net assets</b>		<u>11,085,623</u>	<u>10,195,038</u>
<b>Capital and reserves</b>			
Called-up share capital	15	60,002	60,002
Share premium account	16	9,678,176	9,678,176
Profit and loss account	16	<u>1,347,445</u>	<u>456,860</u>
<b>Equity shareholders' funds</b>		<u>11,085,623</u>	<u>10,195,038</u>

The accompanying notes are an integral part of this consolidated balance sheet.

# Balance sheet

31 December 2000

	Notes	2000 £	1999 £
<b>Fixed assets</b>			
Investment	11	9,738,176	9,738,176
<b>Current assets</b>			
Debtors	12	<u>2</u>	<u>2</u>
<b>Net assets</b>		<u>9,738,178</u>	<u>9,738,178</u>
<b>Capital and reserves</b>			
Called-up share capital	15	60,002	60,002
Share premium account	16	<u>9,678,176</u>	<u>9,678,176</u>
<b>Equity shareholders' funds</b>		<u>9,738,178</u>	<u>9,738,178</u>

Signed on behalf of the Board



T.P. Putnam

Director

30 March 2001

The accompanying notes are an integral part of this balance sheet.

## Consolidated cash flow statement

For the year ended 31 December 2000

	Notes	2000 £	1999 £
Net cash inflow from operating activities	18	98,456	341,765
Returns on investments and servicing of finance	19	19,063	15,238
Taxation	19	(105,243)	(111,285)
Increase in cash in the year	20	<u>12,276</u>	<u>245,718</u>

The accompanying notes are an integral part of this consolidated cash flow statement.



## Notes to accounts

31 December 2000

### 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

#### a) *Basis of accounting*

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

#### b) *Basis of consolidation*

The group accounts consolidate the accounts of MA RIB Limited and all its subsidiary undertakings made up to 31 December each year. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition.

The profit for the financial year dealt with in the accounts of MA RIB Limited was £nil (1999 - £151,988). No profit and loss account is presented for MA RIB Limited as permitted by section 230 of the Companies Act 1985.

#### c) *Tangible fixed assets*

Fixed assets are shown at cost net of depreciation and provision for impairment.

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life as follows:

Freehold buildings      4% per annum straight-line

Freehold land is not depreciated.

#### d) *Investments*

Fixed asset investments are shown at cost less provision for impairment.

#### e) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal.

Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

## Notes to accounts (continued)

### 1 Accounting policies (continued)

#### f) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the dates of the transaction is included as an exchange gain or loss in the profit and loss account.

#### g) Turnover

Group turnover represents amounts receivable for goods and services provided in the normal course of business net of trade discounts, VAT and other sales related taxes.

### 2 Segment information

The analysis of turnover and profit on ordinary activities before taxation has been omitted as the directors believe disclosure would be seriously prejudicial to the interests of the group.

### 3 Other operating expenses (net)

	2000	1999
	£	£
Administrative expenses	25,067	106,251

### 4 Interest receivable and similar income

	2000	1999
	£	£
Interest receivable on loan to group company	709,847	636,745
Other interest receivable and similar income	19,063	15,650
Exchange gains on foreign currency loan	607,162	216,830
	1,336,072	869,225

### 5 Interest payable

	2000	1999
	£	£
Bank loans and overdrafts		
- within 5 years not by instalments	-	412

## Notes to accounts (continued)

### 6 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging (crediting):

	2000 £	1999 £
Depreciation	35,688	35,681
Auditors' remuneration		
- audit	3,525	5,000
- non-audit	9,312	8,625
Exchange gains	(607,162)	(216,830)
Rentals receivable	-	(120,000)
	<hr/>	<hr/>

### 7 Staff costs

There were no staff employed in the year or preceding year except directors.

### 8 Directors' remuneration

The directors received no remuneration during the year (1999 - £nil).

### 9 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	2000 £	1999 £
UK corporation tax	<hr/> 420,420	<hr/> 273,714

## Notes to accounts (continued)

### 10 Tangible fixed assets

	Freehold land and buildings £
<b>Group</b>	
<b>Cost</b>	
At 1 January 2000 and 31 December 2000	<u>940,811</u>
<b>Depreciation</b>	
At 1 January 2000	443,048
Charge for the year	<u>35,688</u>
At 31 December 2000	<u>478,736</u>
<b>Net book value</b>	
At 31 December 1999	<u>497,763</u>
At 31 December 2000	<u>462,075</u>

Freehold land amounting to £48,683 (1999 - £48,683) has not been depreciated.

### 11 Fixed asset investment

	Subsidiary Undertaking £
<b>Company</b>	
<b>Cost and net book value</b>	
At 1 January 2000 and 31 December 2000	<u>9,738,176</u>

#### Company

The company's subsidiary undertaking is AU RIB Limited which is registered in England and Wales and is wholly owned. Its principal activity is to act as a lessor of land and buildings to a fellow group undertaking and to provide loan finance to the ultimate parent company.

## Notes to accounts (continued)

### 12 Debtors

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Amounts falling due within one year:				
Interest on loan owed by parent company	1,780,247	1,070,400	-	-
Amounts owed by fellow subsidiary undertakings	-	30,000	-	-
VAT	4,740	3,004	-	-
ACT recoverable	-	896,211	-	-
UK corporation tax recoverable	854,996	-	-	-
Other debtors and prepayments	2	2	2	2
	<u>2,639,985</u>	<u>1,999,617</u>	<u>2</u>	<u>2</u>
Amounts falling due after more than one year:				
Loan owed by parent company	8,036,398	7,429,236	-	-
	<u>10,676,383</u>	<u>9,428,853</u>	<u>2</u>	<u>2</u>

### 13 Creditors: Amounts falling due within one year

	2000 £	1999 £
<b>Group</b>		
UK corporation tax	325,956	51,994
Amounts owed to fellow subsidiary undertaking	60,000	-
Accruals and deferred income	39,944	40,373
	<u>467,115</u>	<u>92,367</u>

### 14 Deferred taxation

#### Group

Deferred taxation assets provided and not provided are as follows:

	Provided		Not provided	
	2000 £	1999 £	2000 £	1999 £
Accelerated capital allowances	-	-	25,000	32,000

## Notes to accounts (continued)

### 15 Called-up share capital

	2000 £	1999 £
<i>Authorised</i>		
64,000 ordinary shares of £1 each	64,000	64,000
<i>Allotted, called-up and fully paid</i>		
60,000 ordinary shares of £1 each	60,000	60,000
<i>Allotted and called-up</i>		
2 ordinary shares of £1 each	2	2
	<u>60,002</u>	<u>60,002</u>

### 16 Reserves

	Share premium account £	Profit and loss account £
<b>Group</b>		
At 31 December 1999	9,678,176	456,860
Retained profit for the year	-	890,585
At 31 December 2000	<u>9,678,176</u>	<u>1,347,445</u>
<b>Company</b>		
At 31 December 1999 and at 31 December 2000	<u>9,678,176</u>	<u>-</u>

The share premium account is non-distributable.

### 17 Reconciliation of movements in group shareholders' funds

	2000 £	1999 £
Opening shareholders' funds	10,195,038	9,586,190
Profit for the financial year	890,585	608,848
Closing shareholders' funds	<u>11,085,623</u>	<u>10,195,038</u>

# Notes to accounts (continued)

## 18 Reconciliation of operating (loss) profit to net cash inflow from operating activities

	2000 £	1999 £
Operating (loss) profit	(25,067)	13,749
Depreciation charges	35,688	35,681
Decrease in debtors	28,264	306,962
Increase (decrease) in creditors	59,571	(14,627)
<b>Net cash inflow from operating activities</b>	<b>98,456</b>	<b>341,765</b>

## 19 Analysis of cash flows

	2000 £	1999 £
<i>Returns on investments and servicing of finance</i>		
Interest received	19,063	15,650
Interest paid	-	(412)
<b>Net cash inflow</b>	<b>19,063</b>	<b>15,238</b>
<i>Taxation</i>		
UK corporation tax paid	(105,243)	(111,285)

## 20 Analysis and reconciliation of net funds

	2000 £	Cash flow £	1999 £
Cash at bank and in hand and net funds	360,789	12,276	373,065
		2000 £	1999 £
Increase in cash in the year		12,276	245,718
Net funds at 1 January		360,789	115,071
Net funds at 31 December		373,065	360,789

## Notes to accounts (continued)

### 21 Related party transactions

Related party transactions are as follows:

	2000 £	1999 £
Sales to group undertakings	-	120,000
Interest receivable on group loan	<u>709,847</u>	<u>636,745</u>

In 1998 the company loaned US\$12 million to its ultimate parent company. The loan is repayable on 1 April 2008, if not already paid, and interest is payable, at 8% per annum, in arrears on 1 March annually thereafter. No amounts of principal were repaid in the year (1999 - US\$ nil) and the loan balance at the year end exchange rate was £8,036,398 (1999 - £7,429,236). No amount of the total accrued interest of £1,780,247 (1999 - £1,070,400) was received in the year (1999 - £nil).

### 22 Ultimate parent company and ultimate controlling party

The company's ultimate parent company, and ultimate controlling party, is Markem Corporation, incorporated in the State of New Hampshire, USA whose principal place of business is 150 Congress Street, Keene, New Hampshire 03431, USA.

The company's immediate parent company is Astor Universal Corporation, incorporated in the State of New Hampshire, USA.

The largest and smallest group in which the results of MA RIB Limited are consolidated is that headed by the ultimate parent company.