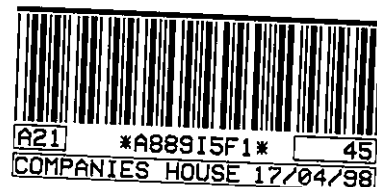


*By Extra S Co pgs  
please sign  
s. redman*

**D.N.T. COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**30TH NOVEMBER 1997**

Company Registration Number 2860600

**GRIFFITHS AND PEGG**  
Accountants & Registered Auditors  
42/43 Reddal Hill Road  
Cradley Heath  
West Midlands  
B64 5JS



# **D.N.T. COMPANY LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30TH NOVEMBER 1997**

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# **D.N.T. COMPANY LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **THE BOARD OF DIRECTORS**

Mr D Babic  
Mr A S Feek

### **COMPANY SECRETARY**

Mr D Babic

### **REGISTERED OFFICE**

The Red House  
Alveston  
Stratford-Upon-Avon  
Warwickshire  
CV37 7QA

### **AUDITORS**

Griffiths and Pegg  
Accountants & Registered Auditors  
42/43 Reddal Hill Road  
Cradley Heath  
West Midlands  
B64 5JS

### **BANKERS**

Lloyds Bank PLC  
23 Hagley Street  
Halesowen  
West Midlands  
B63 3AY

# D.N.T. COMPANY LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 30TH NOVEMBER 1997

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th November 1997.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the buying and selling of steel within Europe.

DNT has continued to expand its product range, supplier and customer base, which has resulted in the doubling of the turnover during 1997.

These results have been aided by DNT having taken the agency for a Spanish mill covering the United Kingdom, the factoring of invoices and the assurance of credit cover.

DNT is confident, despite a weaker market, that during 1998 there is room for further significant growth with the current resources available to the company.

#### 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 together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 Nov 97	At 1 Dec 96
Mr D Babic	1	1
Mr A S Feek	<u>1</u>	<u>1</u>

#### RETIREMENT OF DIRECTORS

In accordance with the Articles of Association, Mr A S Feek will retire from the board and, being eligible, will stand for re-appointment.

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

## D.N.T. COMPANY LIMITED

### THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH NOVEMBER 1997

#### DIRECTORS' RESPONSIBILITIES *(continued)*

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

select suitable accounting policies, as described on page 7, 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.

#### CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

#### AUDITORS

A resolution to re-appoint Griffiths and Pegg 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:  
The Red House  
Alveston  
Stratford-Upon-Avon  
Warwickshire  
CV37 7QA

Signed on behalf of the directors

A handwritten signature in black ink, consisting of a stylized 'D' followed by a horizontal line and a loop.

Mr D Babic  
Director

Approved by the directors on 31st March 1998.

## **D.N.T. COMPANY LIMITED**

### **AUDITORS' REPORT TO THE SHAREHOLDERS**

**YEAR ENDED 30TH NOVEMBER 1997**

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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

As described on pages 2 to 3, 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.

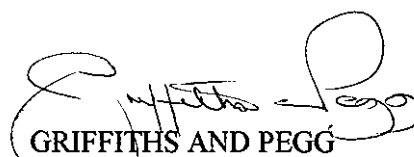
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 November 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

42/43 Reddal Hill Road  
Cradley Heath  
West Midlands  
B64 5JS

31st March 1998



**GRIFFITHS AND PEGG**  
Accountants  
& Registered Auditors

**D.N.T. COMPANY LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH NOVEMBER 1997**

	Note	1997 £	1996 £
<b>TURNOVER</b>	2	1,120,740	469,541
Cost of sales		(974,971)	(421,618)
<b>GROSS PROFIT</b>		145,769	47,923
Administrative expenses		(82,479)	(28,312)
<b>OPERATING PROFIT</b>	3	63,290	19,611
Interest receivable	6	-	112
Interest payable	7	(135)	(22)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		63,155	19,701
Tax on profit on ordinary activities	8	(14,258)	(5,028)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		48,897	14,673
Balance brought forward		34,029	19,356
Balance carried forward		82,926	34,029

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.

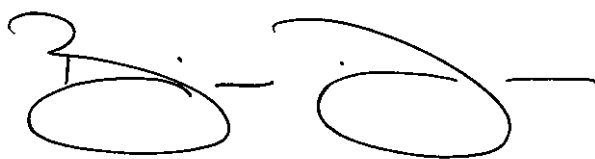
## D.N.T. COMPANY LIMITED

## BALANCE SHEET

30TH NOVEMBER 1997

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	9	6,544	1,454
<b>CURRENT ASSETS</b>			
Stocks	10	3,655	-
Debtors	11	428,886	164,126
Cash at bank and in hand		-	22
		<u>432,541</u>	<u>164,148</u>
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(356,157)</u>	<u>(131,571)</u>
<b>NET CURRENT ASSETS</b>		<u>76,384</u>	<u>32,577</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>82,928</u>	<u>34,031</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	15	2	2
Profit and loss account		<u>82,926</u>	<u>34,029</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u>82,928</u>	<u>34,031</u>

These financial statements were approved by the directors on the 31st March 1998 and are signed on their behalf by:



MR D BABIC



# D.N.T. COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH NOVEMBER 1997

### 1. ACCOUNTING POLICIES

#### Basis of accounting

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

#### Turnover

Turnover represents amounts receivable for goods and services excluding Value Added Tax.

#### 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:

Motor Vehicles	25% per annum - reducing balance
Office Equipment	25% per annum - reducing balance

#### Stocks

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

### 2. TURNOVER

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

### 3. OPERATING PROFIT

Operating profit is stated after charging:

	1997 £	1996 £
Depreciation	2,182	485
Auditors' remuneration	1,200	750
Audit underprovision-prior year	250	200
	<u>          </u>	<u>          </u>

### 4. PARTICULARS OF EMPLOYEES

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

	1997 No.	1996 No.
Administration	2	2
Sales	2	2
	<u>          </u>	<u>          </u>
	4	4

## D.N.T. COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH NOVEMBER 1997

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	1997 £	1996 £
Wages and salaries	38,633	15,453
Social security costs	3,457	1,494
Other pension costs	4,000	-
	<u>46,090</u>	<u>16,947</u>

## 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	1997 £	1996 £
Emoluments receivable	<u>34,333</u>	<u>10,615</u>

## 6. INTEREST RECEIVABLE

	1997 £	1996 £
Bank interest receivable	<u>-</u>	<u>112</u>

## 7. INTEREST PAYABLE

	1997 £	1996 £
Interest payable on bank borrowing	<u>135</u>	<u>22</u>

## D.N.T. COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30TH NOVEMBER 1997

## 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
In respect of the year:		
Corporation tax based on the results for the year at 22% (1996 - 24%)	14,258	5,025
Adjustment in respect of previous years:		
Corporation tax	-	3
	<u>14,258</u>	<u>5,028</u>

## 9. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office Equipment £	Total £
<b>COST</b>			
At 1st December 1996	-	3,206	3,206
Additions	6,200	1,072	7,272
At 30th November 1997	<u>6,200</u>	<u>4,278</u>	<u>10,478</u>
<b>DEPRECIATION</b>			
At 1st December 1996	-	1,752	1,752
Charge for the year	1,550	632	2,182
At 30th November 1997	<u>1,550</u>	<u>2,384</u>	<u>3,934</u>
<b>NET BOOK VALUE</b>			
At 30th November 1997	<u>4,650</u>	<u>1,894</u>	<u>6,544</u>
At 30th November 1996	<u>-</u>	<u>1,454</u>	<u>1,454</u>

## 10. STOCKS

	1997 £	1996 £
Stock	<u>3,655</u>	<u>-</u>

## D.N.T. COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## YEAR ENDED 30TH NOVEMBER 1997

## 11. DEBTORS

	1997	1996
	£	£
Trade debtors	422,007	164,126
Directors' current accounts	6,771	-
Prepayments and accrued income	108	-
	<u>428,886</u>	<u>164,126</u>

Trade debtors includes factored debts of £328,313 (1996 NIL). The directors' loan account was repaid in February 1998.

## 12. CREDITORS: Amounts falling due within one year

	1997		1996	
	£	£	£	£
Bank loans and overdrafts		2,040		15,775
Trade creditors		237,608		45,077
Other creditors including taxation and social security:				
Corporation Tax	14,258		5,025	
PAYE and social security	4,487		5,107	
VAT	23,670		19,796	
Amounts owed to related companies	19,025		29,200	
Amounts owed to factoring company	48,925		-	
Other creditors	-		3,217	
Directors' current accounts	3,543		7,528	
		<u>113,908</u>		<u>69,873</u>
Accruals and deferred income		2,601		846
		<u>356,157</u>		<u>131,571</u>

## 13. CONTINGENCIES

There were no contingent liabilities known to or anticipated by the directors at 30th November 1997 (1996 NIL). There were no legal actions in progress against the company or pending.

## 14. TRANSACTIONS WITH THE DIRECTORS

During the year the company paid Management fees of £NIL (1996 £7,000) to DNB Trading Company Limited, a company in which D Babic, a director, has a material interest.

## D.N.T. COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH NOVEMBER 1997

## 15. SHARE CAPITAL

## Authorised share capital:

	1997 £	1996 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

## Allotted, called up and fully paid:

	1997 £	1996 £
Ordinary share capital	<u>2</u>	<u>2</u>

## 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	48,897	14,673
Opening shareholders' equity funds	<u>34,031</u>	<u>19,358</u>
Closing shareholders' equity funds	<u>82,928</u>	<u>34,031</u>

## 17. CAPITAL COMMITMENTS

	1997 £	1996 £
Contracted for but not provided in the financial statements	<u>NIL</u>	<u>NIL</u>
Authorised but not contracted for	<u>NIL</u>	<u>NIL</u>

## 18. CASHFLOW STATEMENT

The company has relied on the exemption conferred by Financial Reporting Standard 1 and not prepared a cash flow statement.