

**D.N.T. COMPANY LIMITED**  
**FINANCIAL STATEMENTS**  
**30TH NOVEMBER 1996**

Company Registration Number 2860600

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



# **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  
Warley West Midlands  
B64 5JS

### **BANKERS**

Barclays Bank PLC  
Stratford-Upon-Avon  
Warwickshire  
CV37 6AP

**D.N.T. COMPANY LIMITED**  
**THE DIRECTORS' REPORT**  
**YEAR ENDED 30TH NOVEMBER 1996**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th November 1996.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activities of the company during the year were those of buying and selling steel.

Turnover for the year fell by 4% to £469,541. Gross profit margins however, rose slightly and overall profitability was increased.

**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 £1.00 each	
	At 30 Nov 96	At 1 Dec 95
Mr D Babic	1	1
Mr A S Feek	1	1
	<hr/>	<hr/>

**RETIREMENT OF DIRECTORS**

In accordance with the Articles of Association, Mr D Babic 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.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# D.N.T. COMPANY LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30TH NOVEMBER 1996

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

  
Mr D Babie  
Director

Approved by the directors on 25th February 1997

**D.N.T. COMPANY LIMITED**  
**AUDITORS' REPORT TO THE SHAREHOLDERS**  
**YEAR ENDED 30TH NOVEMBER 1996**

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 in the directors' report, the directors of the company 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 circumstances of the company, consistently applied and adequately disclosed.

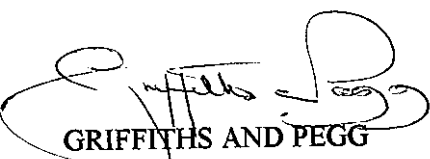
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 affairs of the company as at 30th November 1996 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  
Warley West Midlands  
B64 5JS

25th February 1997

  
**GRIFFITHS AND PEGG**  
Accountants  
& Registered Auditors

**D.N.T. COMPANY LIMITED****PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH NOVEMBER 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b>	2	469,541	489,537
Cost of sales		(421,618)	(442,135)
<b>GROSS PROFIT</b>		<u>47,923</u>	<u>47,402</u>
Administrative expenses		(28,312)	(36,785)
<b>OPERATING PROFIT</b>	3	19,611	10,617
Interest receivable and similar income	6	112	-
Interest payable and similar charges	7	(22)	(86)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>19,701</u>	<u>10,531</u>
Tax on profit on ordinary activities	8	(5,028)	(2,827)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>14,673</u>	<u>7,704</u>
Balance brought forward		19,356	11,652
<b>BALANCE CARRIED FORWARD</b>		<u>34,029</u>	<u>19,356</u>

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 1996

	Note	1996	1995
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	1,454	1,939
<b>CURRENT ASSETS</b>			
Debtors	10	164,126	108,658
Cash at bank and in hand		22	22,060
		<u>164,148</u>	<u>130,718</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>(131,571)</u>	<u>(113,299)</u>
<b>NET CURRENT ASSETS</b>		32,577	17,419
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>34,031</u>	<u>19,358</u>
<b>CAPITAL AND RESERVES</b>			
Equity share capital	14	2	2
Profit and loss account		34,029	19,356
<b>SHAREHOLDERS' FUNDS</b>	15	<u>34,031</u>	<u>19,358</u>

These financial statements were approved by the directors on the 25th February 1997 and are signed on their behalf by:



MR D BABIC

**D.N.T. COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH NOVEMBER 1996**

**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:

Office Equipment            25% per annum - reducing balance

**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:

	1996 £	1995 £
Depreciation	485	648
Auditors' remuneration		
- as auditors	750	500
Audit underprovision-prior year	200	-
	<u>          </u>	<u>          </u>

**4. PARTICULARS OF EMPLOYEES**

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

	1996 No.	1995 No.
Administration	2	-
Sales	2	2
	<u>          </u>	<u>          </u>
	4	2



**D.N.T. COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH NOVEMBER 1996**

**4. PARTICULARS OF EMPLOYEES** *(continued)*

The aggregate payroll costs of the above were:

	1996 £	1995 £
Wages and salaries	15,453	5,675
Social security costs	<u>1,494</u>	<u>170</u>
	<u>16,947</u>	<u>5,845</u>

**5. DIRECTORS' EMOLUMENTS**

The directors' emoluments were:

	1996 £	1995 £
Remuneration as directors	<u>10,615</u>	<u>5,675</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	1996 £	1995 £
Bank interest receivable	<u>112</u>	<u>-</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	1996 £	1995 £
Interest payable on bank borrowing	<u>22</u>	<u>86</u>

**8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	1996 £	1995 £
Corporation tax based on the results for the year at 24% (1995 - 25%)	5,025	2,827
Adjustment to provision in previous years	<u>3</u>	<u>-</u>
	<u>5,028</u>	<u>2,827</u>

**D.N.T. COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 30TH NOVEMBER 1996**

**9. TANGIBLE FIXED ASSETS**

	Office Equipment £
<b>COST</b>	
At 1st December 1995 and 30th November 1996	<u>3,206</u>
<b>DEPRECIATION</b>	
At 1st December 1995	1,267
Charge for the year	<u>485</u>
At 30th November 1996	<u>1,752</u>
<b>NET BOOK VALUE</b>	
At 30th November 1996	<u>1,454</u>
At 30th November 1995	<u>1,939</u>

**10. DEBTORS**

	1996 £	1995 £
Trade debtors	164,126	104,649
VAT recoverable	-	4,009
	<u>164,126</u>	<u>108,658</u>

**11. CREDITORS: Amounts falling due within one year**

	1996 £	1995 £
Bank loans and overdrafts	15,775	-
Trade creditors	45,077	74,583
Other creditors including taxation and social security:		
Corporation Tax	5,025	2,827
PAYE and social security	5,107	1,842
VAT	19,796	-
Amounts owed to related companies	29,200	28,450
Other creditors	3,217	-
Directors' current accounts	<u>7,528</u>	<u>5,071</u>
	69,873	38,190
Accruals and deferred income	846	526
	<u>131,571</u>	<u>113,299</u>

# D.N.T. COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH NOVEMBER 1996

### 12. CONTINGENCIES

There were no contingent liabilities known to or anticipated by the directors at 30th November 1996 (1995 NIL). There were no legal actions in progress against the company or pending.

### 13. TRANSACTIONS WITH THE DIRECTORS

During the year the company paid Management fees of £7,000 (1995 £12,000) to DNB Trading Company Limited, a company in which D Babic, a director, has a material interest.

### 14. SHARE CAPITAL

#### Authorised share capital:

	1996 £	1995 £
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

#### Allotted, called up and fully paid:

	1996 £	1995 £
Ordinary share capital	<u>2</u>	<u>2</u>

### 15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	14,673	7,704
Opening shareholders' equity funds	<u>19,358</u>	<u>11,654</u>
Closing shareholders' equity funds	<u>34,031</u>	<u>19,358</u>

**D.N.T. COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH NOVEMBER 1996****16. CAPITAL COMMITMENTS**

	1996 £	1995 £
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>

**17. CASHFLOW STATEMENT**

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