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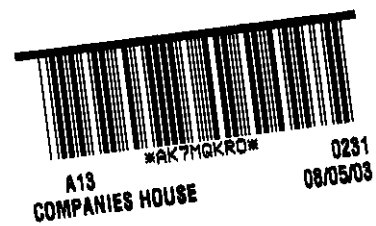
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**Masterfix Products UK Limited**

Report and Financial Statements

Year Ended

31 December 2002



**BDO**

BDO Stoy Hayward  
Chartered Accountants

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**Directors**

K A Troman  
J M E L Aarts

**Secretary and registered office**

K A Troman, Units 201 - 204 Anglesey Business Park, Littleworth Road, Hednesford,  
Cannock, Staffordshire, WS12 5NR

**Company number**

03649805

**Auditors**

BDO Stoy Hayward, Tameway Tower, PO Box 30  
Bridge Street, Walsall  
West Midlands, WS1 1QX

**Report of the directors for the year ended 31 December 2002**

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The directors present their report together with the audited financial statements for the year ended 31 December 2002.

**Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

Interim dividends of £1,000 per share were paid on the ordinary shares during the year. The directors do not recommend the payment of a final dividend.

**Principal activities, review of business and future developments**

The company's principal activity during the year was the distribution of specialist fasteners and associated tools.

The directors are satisfied with the result for the year and the company's position at the year end. They anticipate continued profitability in the year to 31 December 2003.

**Directors**

The directors of the company during the year were:

	31 December 2002	1 January 2002
K A Troman	-	-
J M E L Aarts	-	-
R S Edgar (Resigned 12 September 2002)	-	-

The directors have no interests in the ultimate parent company, Van Herk Groep K.N.G. B.V., or any other group undertaking.

**Euro**

The company is managing the impact of the single currency and has reviewed its commercial and accounting transactions.

Report of the directors for the year ended 31 December 2002 (*Continued*)

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**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 and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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. 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.

**Auditors**

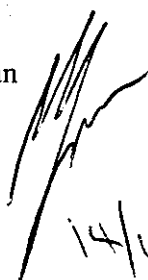
BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**On behalf of the board**

K A Troman

Director

Date:

  
14/4/03

Report of the independent auditors

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To the shareholders of Masterfix Products UK Limited

We have audited the financial statements of Masterfix Products UK Limited for the year ended 31 December 2002 on pages 5 to 14 which have been prepared under the accounting policies set out on pages 7 to 8.

*Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

*Basis of audit opinion*

We conducted our audit in accordance with United Kingdom 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.

Report of the independent auditors (*Continued*)

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*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

**BDO STOY HAYWARD**

*Chartered Accountants*

*and Registered Auditors*

Walsall

Date: 17 April 2003

**Masterfix Products UK Limited**

**Profit and loss account for the year ended 31 December 2002**

	Note	2002 £	2001 £
<b>Turnover</b>	2	3,600,024	3,253,005
Cost of sales		2,297,224	2,022,945
		<hr/>	<hr/>
<b>Gross profit</b>		1,302,800	1,230,060
Distribution costs		170,889	135,160
Administrative expenses		754,486	645,384
		<hr/>	<hr/>
<b>Operating profit</b>	3	377,425	449,516
Other interest receivable and similar income		-	571
Interest payable and similar charges	6	(2,026)	(15,914)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		375,399	434,173
Taxation on profit on ordinary activities	7	78,095	139,934
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		297,304	294,239
Dividends	8	100,000	-
		<hr/>	<hr/>
<b>Retained profit</b>		197,304	294,239
Retained profit brought forward		915,961	621,722
		<hr/>	<hr/>
<b>Retained profit carried forward</b>		1,113,265	915,961
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

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

**Masterfix Products UK Limited**

**Balance sheet at 31 December 2002**

	Note	2002 £	2002 £	2001 £	2001 £
<b>Fixed assets</b>					
Tangible assets	9		22,967		135,143
<b>Current assets</b>					
Stocks	10	474,420		511,569	
Debtors	11	1,024,083		1,208,666	
Cash at bank and in hand		42,295		194,456	
		<u>1,540,798</u>		<u>1,914,691</u>	
<b>Creditors: amounts falling due within one year</b>	12	450,400		1,045,493	
		<u></u>		<u></u>	
<b>Net current assets</b>			1,090,398		869,198
			<u></u>		<u></u>
<b>Total assets less current liabilities</b>			1,113,365		1,004,341
<b>Creditors: amounts falling due after more than one year</b>	13		-		88,280
			<u></u>		<u></u>
			1,113,365		916,061
			<u></u>		<u></u>
<b>Capital and reserves</b>					
Called up share capital	15		100		100
Profit and loss account			1,113,265		915,961
			<u></u>		<u></u>
<b>Equity shareholders' funds</b>			1,113,365		916,061
			<u></u>		<u></u>

The financial statements were approved by the Board on 14 April 2003

K A Troman  
Director



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

## 1 Accounting policies

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

The following principal accounting policies have been applied:

### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Van Herk Groep - K.N.G. B.V. and the company is included in consolidated financial statements.

### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, over their expected useful lives. It is calculated at the following rates:

Leasehold property improvements	- 25% reducing balance
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% 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.

### *Foreign currency*

Monetary assets and liabilities in foreign currencies are translated at the rates ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Exchange differences arising are written off to the profit and loss account.

### *Deferred taxation*

Following the introduction of FRS 19 the company has changed its accounting policy in respect of deferred tax.

Previously deferred tax was only provided to the extent that it was probable a liability or asset would crystallise. Now deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

The effect of this change in accounting policy is not material on either the current or previous period's results. Comparative figures have therefore not been restated.

**1 Accounting policies (*continued*)**

*Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

*Related party disclosures*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by Van Herk Groep - K.N.G. B.V. on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

*Group relief*

The benefit of any group relief is accounted for within the tax charge of the profit making undertaking. No payment is made between group undertakings.

**2 Turnover**

	2002 £	2001 £
Analysis by geographical market:		
United Kingdom	3,452,751	3,190,872
Europe	147,273	62,133
	<hr/>	<hr/>
	3,600,024	3,253,005
	<hr/>	<hr/>

Turnover is wholly attributable to the principal activity of the company.

**3 Operating profit**

	2002 £	2001 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	7,528	43,840
Loss on disposal of tangible fixed assets	18,256	1,896
Hire of plant and machinery - operating leases	10,893	673
Hire of other assets - operating leases	44,195	43,112
Audit services	7,650	7,500
Exchange differences	73,551	107,456
	<u>          </u>	<u>          </u>

**4 Employees**

Staff costs (including directors) consist of:

	2002 £	2001 £
Wages and salaries	376,157	267,839
Social security costs	26,903	21,842
	<u>          </u>	<u>          </u>
	403,060	289,681
	<u>          </u>	<u>          </u>

The average number of employees (including directors) during the year was as follows:

	2002 Number	2001 Number
Warehouse staff	6	6
Administration and sales staff	13	11
	<u>      </u>	<u>      </u>
	19	17
	<u>      </u>	<u>      </u>

**5 Directors' remuneration**

	2002 £	2001 £
Directors' emoluments	97,471	93,794
Compensation for loss of office	56,000	-
	<u>          </u>	<u>          </u>

6 Interest payable and similar charges

	2002 £	2001 £
Finance leases and hire purchase contracts	102	12,661
Other interest	1,924	3,253
	<u>2,026</u>	<u>15,914</u>

7 Taxation on profit on ordinary activities

	2002 £	2001 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	80,000	140,000
Adjustment in respect of previous periods	(1,905)	(66)
	<u>78,095</u>	<u>139,934</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>375,399</u>	<u>434,173</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2001 - 30%)	112,620	130,252
Effect of:		
Expenses not deductible for tax purposes	729	2,794
Capital allowances for period in excess of depreciation	(10,538)	6,954
Adjustment to tax charge in respect of previous periods	(1,905)	(66)
Group relief	(22,811)	-
	<u>78,095</u>	<u>139,934</u>

8 Dividends

	2002 £	2001 £
<i>Equity shares</i>		
Ordinary shares		
Interim paid of £1,000 (2001 - £nil) per share	<u>100,000</u>	<u>-</u>

**9 Tangible fixed assets**

	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 January 2002	14,316	75,526	182,928	272,770
Additions	-	1,464	-	1,464
Disposals	-	-	(165,352)	(165,352)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2002	14,316	76,990	17,576	108,882
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2002	11,647	57,311	68,669	137,627
Provided for the year	667	4,667	2,194	7,528
Disposals	-	-	(59,240)	(59,240)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2002	12,314	61,978	11,623	85,915
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2002	2,002	15,012	5,953	22,967
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2001	2,669	18,215	114,259	135,143
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £NIL (2001 - £114,259) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £NIL (2001 - £38,016).

**10 Stocks**

	2002 £	2001 £
Finished goods and goods for resale	474,420	511,569
	<hr/>	<hr/>

**11 Debtors**

	2002 £	2001 £
Trade debtors	896,434	1,137,800
Amounts owed by related undertaking	22,942	19,800
Directors' loan accounts	1,444	1,444
Other debtors	96,687	43,641
Prepayments and accrued income	6,576	5,981
	<u>1,024,083</u>	<u>1,208,666</u>

All amounts shown under debtors fall due for payment within one year.

The directors' loan account represents the maximum overdrawn balance during the year.

**12 Creditors: amounts falling due within one year**

	2002 £	2001 £
Trade creditors	127,132	423,143
Amounts owed to group undertakings	200,304	355,445
Amounts owed to related undertaking	9,283	11,194
Corporation tax	28,046	146,587
Other taxation and social security	69,215	64,325
Obligations under finance lease and hire purchase contracts	-	22,972
Accruals and deferred income	16,420	21,827
	<u>450,400</u>	<u>1,045,493</u>

**13 Creditors: amounts falling due after more than one year**

	2002 £	2001 £
Obligations under finance lease and hire purchase contracts	-	88,280
	<u>-</u>	<u>88,280</u>

**13 Creditors: amounts falling due after more than one year (*Continued*)**

Maturity of debt:

	Finance leases 2002 £	Finance leases 2001 £
In one year or less, or on demand	-	22,972
In more than one year but not more than two years	-	22,888
In more than two years but not more than five years	-	65,392
	-	88,280

**14 Provision for liabilities and charges**

*Deferred taxation asset*

	2002 £	2001 £
Accelerated capital allowances	-	(10,457)

The deferred tax asset was not provided in 2001.

**15 Share capital**

	2002 £	Authorised 2001 £	Allotted, called up and fully paid 2002 £	2001 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	100	100	100	100

16 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the year	297,304	294,239
Dividends	(100,000)	-
	<hr/>	<hr/>
	197,304	294,239
Opening shareholders' funds	<hr/>	<hr/>
	916,061	621,822
Closing shareholders' funds	<hr/>	<hr/>
	1,113,365	916,061

17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2002 Land and buildings £	2002 Other £	2001 Land and buildings £	2001 Other £
Operating leases which expire:				
Within one year	22,314	-	-	-
In two to five years	-	12,693	44,195	-
	<hr/>	<hr/>	<hr/>	<hr/>

18 Related party disclosures

During the year the company made sales of £58,042 (2001 £107,561) to, and purchases of £54,660 (2001 £74,351) from, Fastener Pack Systems Limited, a company controlled by K A Troman and R S Edgar. K A Troman is a director of the company and R S Edgar was a director until 12 September 2002. At the year end the company owed £9,283 (2001 £11,194) to, and was owed £22,942 (2001 £19,800) by, Fastener Pack Systems Limited.

During the year the company sold motor vehicles with net book values of £51,277 to R S Edgar for £40,000 and sold a further motor vehicle with a net book value of £41,563 to K A Troman for £37,656.

19 Parent undertaking and ultimate parent undertaking and controlling party

The company's parent undertaking is Interfast UK Limited and its ultimate parent undertaking is Van Herk Groep K.N.G. B.V., incorporated in The Netherlands. Van Herk Groep K.N.G. B.V. prepares consolidated accounts which are available to the public and may be obtained from Adriaan Goekooplaan 3, Postbus 85818, 2508CM The Hague, The Netherlands. Van Herk Groep K.N.G. B.V. is not controlled by any single party.