

**Okemah Limited (Formerly Duct & Access
Covers Limited)**

Directors' report and financial statements

For the year ended 30 September 1999
Registered number 79430

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Directors' report and financial statements

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Directors' report

The directors present their annual report and financial statements for the year ended 30 September 1999.

Change of name

On 5 January 1999 Duct and Access Covers Limited was renamed Okemah Limited.

Principal activity and business review

The principal activity of the company which was that of the manufacture of access covers which was discontinued during the previous year.

Dividends

The directors do not recommend a payment of a final dividend for the year ended 30 September 1999.

Freehold property

The company's freehold property was revalued on 30 September 1998 by the directors, to reflect their opinion of current market conditions. The property was transferred to the holding company this year.

Political contributions and charitable donations

The company made no charitable donations or political contributions during the year.

Directors and their interests

The directors serving during the year were as follows:

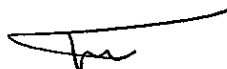
DL Grove	(appointed 21 June 1999)
HC Everett	
AJ Pensom	
W Heaven	(resigned 31 October 1998)
R Tinkler	(resigned 30 June 1999)

Mr DL Grove and Mr HC Everett are directors of the ultimate holding company, Hill & Smith Holdings PLC, and their interests in the shares and share options of that company are shown in its financial statements.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



HC Everett
Secretary

Springvale Business and Industrial Park
Bilston
West Midlands
WV14 0QL

1 December 1999

Statement of 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Auditor's report to the members of Okemah Limited

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of 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 state of affairs of the company as at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

1 December 1999

Profit and loss account
for the year ended 30 September 1999

	<i>Note</i>	1999 £	1998 £
Turnover	<i>2</i>	-	2,104,369
Cost of sales		-	(1,717,237)
Gross profit		-	387,132
Distribution costs		-	(67,516)
Administrative expenses		-	(792,435)
Other operating income		15,721	-
Operating profit/(loss)		15,721	(472,819)
Reorganisation cost		-	(342,091)
Interest payable and similar charges	<i>7</i>	-	(25,516)
Profit/(loss) on ordinary activities before taxation	<i>3</i>	15,721	(840,426)
Tax on profit/(loss) on ordinary activities	<i>8</i>	75,000	232,000
Retained profit/(loss) for the year	<i>15</i>	90,721	(608,426)

All of the company's activities were discontinued during the year.

Balance sheet
as at 30 September 1999

	Note	1999 £	1998 £
Current assets			
Property held for realisation	9	-	460,000
Debtors	10	853,451	625,579
Cash at bank and in hand		-	79,479
		<u>853,451</u>	<u>1,165,058</u>
Creditors: amounts falling due within one year	11	(13,809)	(341,137)
Net current assets		<u>839,642</u>	<u>830,421</u>
Provisions for liabilities and charges	12	-	(75,000)
Net assets		<u>839,642</u>	<u>748,921</u>
Capital and reserves			
Called up share capital	13	133,000	133,000
Revaluation reserve	14	-	69,226
Profit and loss account	14	706,642	546,695
Equity shareholders' funds		<u>839,642</u>	<u>748,921</u>

These financial statements were approved by the board of directors on 1 December 1999 and signed on their behalf by:



HC Everett
 Director

Statement of total recognised gains and losses
for the year ended 30 September 1999

	1999 £	1998 £
Profit/(loss) for the year	15,721	(608,426)
Unrealised deficit on revaluation of properties	-	(256,689)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	15,721	(865,115)
	<hr/>	<hr/>

Note of historical cost profits and losses
for the year ended 30 September 1999

	1999 £	1998 £
Reported profit/(loss) on ordinary activities before taxation	15,721	(840,426)
Realisation of property revaluation gains of previous years	69,226	-
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	-	3,456
	<hr/>	<hr/>
Historical cost profit/(loss) on ordinary activities before taxation	84,947	(836,970)
	<hr/>	<hr/>
Historical cost profit/(loss) for the year retained after taxation and dividends	159,947	(604,970)
	<hr/>	<hr/>

Reconciliation of movements in shareholders' funds
for the year ended 30 September 1999

	1999 £	1998 £
Profit/(loss) for the financial year	90,721	(608,426)
Deficit on revaluation	-	(256,689)
	<hr/>	<hr/>
Net increase/(reduction) in shareholders' funds	90,721	(865,115)
Opening shareholders' funds	748,921	1,614,036
	<hr/>	<hr/>
Closing shareholders' funds	839,642	748,921
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings and in accordance with applicable Accounting Standards.

2 Turnover

The turnover of the company is derived from the following geographical markets:

	1999 £	1998 £
United Kingdom	-	2,036,815
Rest of Europe	-	9,354
Africa	-	18,700
Far East	-	39,500
	<hr/>	<hr/>
	-	2,104,369
	<hr/>	<hr/>

3 Loss on ordinary activities before taxation:

	1999 £	1998 £
<i>Loss on ordinary activities before taxation is stated</i>		
<i>after charging:</i>		
Depreciation of owned assets	-	69,008
Hire of equipment	-	23,729
Auditors remuneration	-	3,700
	<hr/>	<hr/>
<i>after crediting:</i>		
Amortisation of Regional Development Grant	6,500	5,815
	<hr/>	<hr/>

4 Reorganisation cost

	1999 £	1998 £
Redundancy costs	-	167,580
Restructuring costs	-	174,511
	<hr/>	<hr/>
	-	342,091
	<hr/>	<hr/>

Notes (continued)

5 Directors emoluments

Aggregate directors' remuneration for the year was as follows:

	1999 £	1998 £
Emoluments	-	49,424
Compensation for loss of office	-	10,000
	<u>-</u>	<u>59,424</u>
	<u>-</u>	<u>2</u>
Number of directors who are members of defined benefit pension schemes	-	2

6 Particulars of employees

The average number of persons employed by the company (including directors) all of whom were involved in the principal activity was:
Administration and production

1999	1998
-	62

7 Interest payable and similar charges

	1999 £	1998 £
On bank loans and overdrafts	-	25,516

8 Tax on profit/(loss) on ordinary activities

	1999 £	1998 £
UK corporation tax at 30.5% (1998: 31%)	-	245,000
Deferred tax - prior year	(75,000)	(13,000)
	<u>(75,000)</u>	<u>232,000</u>

9 Property held for realisation

	1999 £	1998 £
Property held for realisation	-	460,000

Notes (continued)

10 Debtors

	1999 £	1998 £
Amounts due from group undertakings	809,605	-
Other debtors	7,846	-
Trade debtors	-	282,301
Corporation tax recoverable	36,000	343,278
	<u>853,451</u>	<u>625,579</u>

11 Creditors: amounts due within one year

	1999 £	1998 £
Bank overdraft	13,809	-
Trade creditors	-	165,139
Amounts owed to group undertakings	-	63,628
Other tax and social security	-	25,492
Accruals	-	86,878
	<u>13,809</u>	<u>341,137</u>

Interest on bank borrowing is paid centrally by the holding company.

12 Provisions for liabilities and charges

	1999 £	1998 £
Deferred tax	-	75,000
	<u>-</u>	<u>75,000</u>

The movement in provisions in the year is as follows:

	Deferred tax £
At beginning of year	75,000
Transfer to profit and loss account	(75,000)
	<u>-</u>
At end of year	<u>-</u>

Notes (continued)

13 Share capital

	1999 £	1998 £
<i>Authorised</i>		
133,000 ordinary shares of £1 each	133,000	133,000
	<hr/>	<hr/>
<i>Allotted called up and fully paid</i>		
133,000 ordinary shares of £1 each	133,000	133,000
	<hr/>	<hr/>

14 Reserves

	Revaluation reserve £	Profit and loss account £	Total £
At beginning of year	69,226	546,695	615,921
Profit for the year	-	90,721	90,721
Realisation of revaluation reserve	(69,226)	69,226	-
	<hr/>	<hr/>	<hr/>
At end of year	-	706,642	706,642
	<hr/>	<hr/>	<hr/>

15 Contingent liabilities

The company is a party to guarantees given for bank loans and overdrafts of the parent company and certain fellow subsidiaries.

16 Pension scheme

The company did operate a defined contributions scheme, and the assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged to the profit and loss account of £Nil (1998: £44,747) represent contributions payable by the company.

17 Related party transactions

The company has taken advantage of the exemption available under FRS8 "Related Party Transactions" not to disclose transactions that have been made between the company and other fellow subsidiaries of Hill & Smith Holdings PLC.

18 Ultimate parent company

The company is a wholly owned subsidiary of Hill & Smith Holdings PLC, a company registered in England. Copies of the Group financial statements may be obtained from the registered office:

Springvale Business and Industrial Park
 Bilston
 West Midlands
 WV14 OQL