

Company Registration No. 1173014 (England and Wales)

ALNO (UNITED KINGDOM) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1999



A20
COMPANIES HOUSE

A216TOHH

0289
03/03/00

ALNO (UNITED KINGDOM) LIMITED

COMPANY INFORMATION

Directors	J Bauerle A Nothdurft R Meier
Secretary	I McKeown
Company number	1173014
Registered office	Hampton Farm Industrial Estate, Hampton Road West Hanworth Middlesex Great Britain TW13 6DB
Auditors	Saffery Champness Fairfax House Fulwood Place Gray's Inn London WC1V 6UB
Business address	Hampton Farm Industrial Estate, Hampton Road West Hanworth Middlesex Great Britain TW13 6DB
Solicitors	Gregory, Rowcliffe & Milners 1 Bedford Row London WC1R 4BZ

ALNO (UNITED KINGDOM) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 13

ALNO (UNITED KINGDOM) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999

The directors present their report and financial statements for the year ended 31 December 1999.

Principal activities and review of the business

The principal activity of the company continued to be that of the marketing of built-in kitchens to the retail and contract markets.

The results for the year and the financial position at the year end were considered satisfactory by the directors. The directors intend to increase market presence which should result in increased turnover and profitability, although pressure on margins is also increasing.

Results and dividends

The results for the year are set out on page 4.

Year 2000

Since the year end the company has not experienced any problems as a result of the date change. The company continues to monitor the situation to ensure its computer systems continue to operate effectively into the year 2000.

Directors

The following directors have held office since 1 January 1999:

J Bauerle	(Appointed 25 August 1999)
A Nothdurft	
R Meier	
K Stiegeler	(Resigned 25 August 1999)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 December 1999	1 January 1999
A Nothdurft	-	-
R Meier	-	-
J Bauerle	-	-

The directors' beneficial interests in the shares of the parent undertaking are disclosed in the financial statements of that company.

Auditors

Saffery Champness were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

ALNO (UNITED KINGDOM) LIMITED

**DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999**

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 period. 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;
- 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.

On behalf of the board



J Bauerle

Director

15 February 2000

ALNO (UNITED KINGDOM) LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF ALNO (UNITED KINGDOM) LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 the company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Saffery Champness

Chartered Accountants
Registered Auditors

15 February 2000

Fairfax House
Fulwood Place
Gray's Inn
London
WC1V 6UB

ALNO (UNITED KINGDOM) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1999**

	Notes	1999 £	1998 £
Turnover	2	7,296,155	5,785,608
Cost of sales		(5,774,548)	(4,438,729)
Gross profit		1,521,607	1,346,879
Distribution costs		(58,132)	(38,350)
Administrative expenses		(1,386,833)	(1,219,705)
Operating profit	3	76,642	88,824
Other interest receivable and similar income	4	5,640	8,219
Interest payable and similar charges	5	(59,982)	(70,667)
Profit on ordinary activities before taxation		22,300	26,376
Tax on profit on ordinary activities	6	(13,480)	(12,628)
Profit on ordinary activities after taxation	14	8,820	13,748

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

ALNO (UNITED KINGDOM) LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 1999**

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	7		118,623		118,502
Current assets					
Stocks	8	241,595		246,732	
Debtors	9	1,349,939		1,316,376	
Cash at bank and in hand		306,814		42,586	
		<u>1,898,348</u>		<u>1,605,694</u>	
Creditors: amounts falling due within one year	10	<u>(1,900,786)</u>		<u>(1,610,411)</u>	
Net current liabilities			<u>(2,438)</u>		<u>(4,717)</u>
Total assets less current liabilities			116,185		113,785
Creditors: amounts falling due after more than one year	11		<u>(9,647)</u>		<u>(16,067)</u>
			<u>106,538</u>		<u>97,718</u>
Capital and reserves					
Called up share capital	13		30,000		30,000
Profit and loss account	14		76,538		67,718
Shareholders' funds - equity interests	15		<u>106,538</u>		<u>97,718</u>

The financial statements were approved by the Board on 15 February 2000



J Bauerle
Director

ALNO (UNITED KINGDOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the period of the lease
Fixtures, fittings & equipment	20% on cost per annum
Motor vehicles	20% on cost per annum

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

ALNO (UNITED KINGDOM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999****1 Accounting policies****(continued)****1.8 Deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit**1999****1998****£****£**

Operating profit is stated after charging:

Depreciation of tangible assets

35,471

25,307

Operating lease rentals

136,751

137,501

Auditors' remuneration

8,000

9,060

4 Other interest receivable and similar income**1999****1998****£****£**

Bank interest

5,640

8,219

5 Interest payable**1999****1998****£****£**

On bank loans and overdrafts

59,281

70,104

Lease finance charges

701

563

59,982

70,667

6 Taxation**1999****1998****£****£****U.K. current year taxation**

U.K. corporation tax at 31% (1998 - 27%)

13,480

12,628

ALNO (UNITED KINGDOM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999**

7 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost				
At 1 January 1999	92,679	252,803	35,171	380,653
Additions	-	23,107	19,500	42,607
Disposals	-	-	(16,500)	(16,500)
At 31 December 1999	92,679	275,910	38,171	406,760
Depreciation				
At 1 January 1999	64,516	187,521	10,114	262,151
On disposals	-	-	(9,485)	(9,485)
Charge for the year	3,738	24,061	7,672	35,471
At 31 December 1999	68,254	211,582	8,301	288,137
Net book value				
At 31 December 1999	24,425	64,328	29,870	118,623
At 31 December 1998	28,163	65,282	25,057	118,502

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment £
Net book values	
At 31 December 1999	12,144
At 31 December 1998	21,242
Depreciation charge for the year	
31 December 1999	6,068
31 December 1998	3,030

ALNO (UNITED KINGDOM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999**

8	Stocks	1999	1998
		£	£
	Finished goods and goods for resale	241,595	246,732
		<u> </u>	<u> </u>

9	Debtors	1999	1998
		£	£
	Trade debtors	1,281,477	1,230,939
	Amounts owed by parent and fellow subsidiary undertakings	13,744	-
	Other debtors	8,114	13,869
	Prepayments and accrued income	46,604	71,568
		<u> </u>	<u> </u>
		1,349,939	1,316,376
		<u> </u>	<u> </u>

Amounts falling due after more than one year and included in the debtors above are:

	1999	1998
	£	£
Trade debtors	104,309	243,819
	<u> </u>	<u> </u>

ALNO (UNITED KINGDOM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999**

10 Creditors: amounts falling due within one year	1999	1998
	£	£
Bank loans and overdrafts	1,142,467	1,091,503
Net obligations under finance lease and hire purchase contracts	5,885	6,420
Trade creditors	349,562	369,441
Amounts owed to parent and fellow subsidiary undertakings	-	1,847
Corporation tax	13,100	12,684
Other taxes and social security costs	75,452	38,337
Other creditors	55,505	16,750
Accruals and deferred income	258,815	73,429
	<u>1,900,786</u>	<u>1,610,411</u>

The bank overdraft is secured by a guarantee given by the ultimate parent undertaking.

Trade creditors includes an amount of approximately £249,000 (1998 - £111,000) in respect of goods for which ownership is not passed until payment is made.

11 Creditors: amounts falling due after more than one year	1999	1998
	£	£
Net obligations under finance leases and hire purchase agreements	<u>9,647</u>	<u>16,067</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	5,885	6,420
Repayable between one and five years	9,647	16,067
	<u>15,532</u>	<u>22,487</u>
Included in liabilities falling due within one year	(5,885)	(6,420)
	<u>9,647</u>	<u>16,067</u>

ALNO (UNITED KINGDOM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 1999

12 Pension costs

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 8.5% per annum, that salary increases would average 7% per annum and that present and future pensions would increase at the rate of 5% per annum.

The most recent actuarial valuation showed that the market value of the scheme's assets was £373,979 and that the actuarial value of those assets represented 150% of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The company also operates a defined contribution scheme in respect of certain of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension charge for the year was £15,870 (1998 - £16,850).

13 Share capital	1999 £	1998 £
Authorised		
30,000 Ordinary shares of £ 1 each	30,000	30,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
30,000 Ordinary shares of £ 1 each	30,000	30,000
	<u> </u>	<u> </u>

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 1999	67,718
Retained profit for the year	8,820
	<u> </u>
Balance at 31 December 1999	76,538

ALNO (UNITED KINGDOM) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999**

15 Reconciliation of movements in shareholders' funds	1999	1998
	£	£
Profit for the financial year	8,820	13,748
Opening shareholders' funds	97,718	83,970
Closing shareholders' funds	<u>106,538</u>	<u>97,718</u>

16 Contingent liabilities

At the 31 December 1999 the company had entered into foreign exchange contracts to purchase currency to the value of £2,115,861.

17 Financial commitments

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1999	1998
	£	£
Expiry date:		
Between two and five years	19,750	19,750
In over five years	101,400	101,400
	<u>121,150</u>	<u>121,150</u>

18 Directors' emoluments	1999	1998
	£	£
Emoluments for qualifying services	71,317	68,646
Company pension contributions to money purchase schemes	4,185	6,267
	<u>75,502</u>	<u>74,913</u>

ALNO (UNITED KINGDOM) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 1999**

19 Employees

Number of employees

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

	1999 Number	1998 Number
Marketing and administration	<u>18</u>	<u>18</u>
Employment costs		
	£	£
Wages and salaries	384,734	365,041
Social security costs	52,768	37,437
Other pension costs	15,870	16,849
	<u>453,372</u>	<u>419,327</u>

20 Control

The ultimate parent company is ALNO A.G., a company registered in Germany.

Exemption has been taken of related party disclosures in respect of transactions with the parent undertaking on the basis that details are included in publicly available group financial statements.