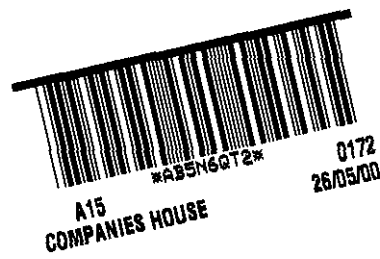


**AGS (ZINC ALLOYS) LIMITED**  
**REPORT AND ACCOUNTS**  
**YEAR ENDED 31 JULY 1999**



# REPORT AND ACCOUNTS

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**AGS (ZINC ALLOYS) LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 JULY 1999**

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The directors have pleasure in presenting their report and the accounts for the year ended 31 July 1999. This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ACTIVITIES**

The company's principal activity during the period was the manufacture of zinc alloy.

Despite the reduced turnover the directors consider the result for the year to be satisfactory.

**DIRECTORS AND THEIR INTERESTS**

The beneficial interests of the directors in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	1999	1998
A Garbett	9,350	9,350
N S Garbett	6,000	6,000
P A Garbett	8,000	8,000
M Garbett	6,000	6,000

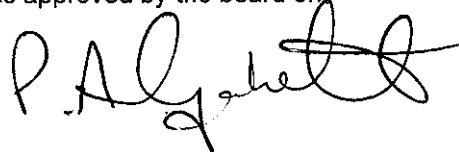
**AUDITORS**

In accordance with section 385 of the Companies Act 1985 a resolution to re-appoint Horwath Clark Whitehill as auditors will be put forward at the Annual General Meeting.

This report was approved by the board on

and signed on its behalf.

P A Garbett  
Secretary



19/5/2000

**AGS (ZINC ALLOYS) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The purpose of this statement is to distinguish the directors' responsibility for the accounts from those of the auditors as stated in their report.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of its profit or loss 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;
- prepare the accounts on the going concern basis unless it is inappropriate to assume 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 accounts 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' REPORT  
TO THE SHAREHOLDERS OF  
AGS (ZINC ALLOYS) LIMITED**

We have audited the accounts on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Unqualified opinion**

In our opinion, the accounts give a true and fair view of the state of the company's affairs as at 31 July 1999 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

**HORWATH CLARK WHITEHILL**  
Chartered Accountants and  
Registered Auditors

Norwich Union House  
17 Lichfield Street  
Walsall  
West Midlands  
WS1 1TU

Date: 19.5.00

**AGS (ZINC ALLOYS) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JULY 1999**

	Note	1999 £	1998 £
<b>TURNOVER</b>	1,2	<b>1,322,576</b>	<b>1,652,349</b>
Cost of sales		<u>(1,111,578)</u>	<u>(1,391,728)</u>
<b>GROSS PROFIT</b>		<b>210,998</b>	<b>260,621</b>
Administrative expenses		<u>(219,623)</u>	<u>(229,146)</u>
<b>OPERATING (LOSS)/PROFIT</b>	3	<b>(8,625)</b>	<b>31,475</b>
Interest payable		<u>(11,559)</u>	<u>(13,431)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(20,184)</b>	<b>18,044</b>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	4	<b>1,298</b>	<b>(5,629)</b>
<b>RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(18,886)</b>	<b>12,415</b>
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<b>106,714</b>	<b>94,299</b>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>87,828</b>	<b>106,714</b>

The notes on pages 6 to 9 form part of these accounts.

		1999	1998
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	103,405	123,768
<b>CURRENT ASSETS</b>			
Stocks		51,190	28,238
Debtors	6	212,143	304,598
Cash in hand		10	16
		<u>263,343</u>	<u>332,852</u>
<b>CREDITORS:</b> amounts falling due within one year	7	<u>(240,403)</u>	<u>(304,082)</u>
<b>NET CURRENT ASSETS</b>		<u>22,940</u>	<u>28,770</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>126,345</b>	<b>152,538</b>
<b>CREDITORS:</b> amounts falling due after more than one year	8	(1,517)	(8,824)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	9	<u>(7,000)</u>	<u>(7,000)</u>
<b>NET ASSETS</b>		<u><b>117,828</b></u>	<u><b>136,714</b></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	30,000	30,000
Profit and loss account		<u>87,828</u>	<u>106,714</u>
<b>SHAREHOLDERS' FUNDS</b>		<b>117,828</b>	<b>136,714</b>

and signed on its behalf

19.5.2000.

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**AGS (ZINC ALLOYS) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 JULY 1999**

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**1. ACCOUNTING POLICIES**

**a) Basis of preparation of accounts**

The accounts have been prepared under the historical cost convention and in accordance with:

- (i) the Financial Reporting Standard for Smaller Entities (Effective March 1999); and
- (ii) the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**b) Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	15%	Reducing balance
Motor vehicles	-	20%	Reducing balance
Furniture and fittings	-	15%	Reducing balance

**c) Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

**d) Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**e) Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**f) Deferred taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, 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 near future.



**AGS (ZINC ALLOYS) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 JULY 1999**

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**2. TURNOVER**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of VAT and trade discounts.

The whole of the turnover and profit before taxation is attributable to the one principal activity of the company, the manufacture of zinc alloy.

2.35% of the company's turnover (1998 - 1.35%) is attributable to geographical markets outside the United Kingdom.

**3. OPERATING (LOSS)/PROFIT**

The operating (loss)/profit is stated after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets		
- owned by the company	16,185	19,390
- held under finance leases and hire purchase contracts	4,823	5,906
Auditors' remuneration	2,900	2,800
Directors' emoluments	<u>111,750</u>	<u>112,292</u>

**4. TAXATION**

	1999 £	1998 £
<b>Current year taxation</b>		
UK corporation tax at 21% (1998 - 21%)	(2,092)	3,127
<b>Prior years</b>		
UK corporation tax	794	2
Deferred taxation	-	2,500
	<u>(1,298)</u>	<u>5,629</u>

**AGS (ZINC ALLOYS) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 JULY 1999**

**5. TANGIBLE FIXED ASSETS**

	Plant & Machinery £	Furniture & Fittings £	Motor Vehicles £	Total £
<b>Cost or valuation</b>				
At 1 August 1998	161,177	19,619	62,412	243,208
Additions	-	645	-	645
At 31 July 1999	<u>161,177</u>	<u>20,264</u>	<u>62,412</u>	<u>243,853</u>
<b>Depreciation</b>				
At 1 August 1998	91,835	12,125	15,480	119,440
Charge for year	10,401	1,221	9,386	21,008
At 31 July 1999	<u>102,236</u>	<u>13,346</u>	<u>24,866</u>	<u>140,448</u>
<b>Net Book Value</b>				
At 31 July 1999	<u>58,941</u>	<u>6,918</u>	<u>37,546</u>	<u>103,405</u>
At 31 July 1998	<u>69,342</u>	<u>7,494</u>	<u>46,932</u>	<u>123,768</u>

Included above are assets held under finance leases or hire purchase contracts with net book values as follows:

	1999 £	1998 £
Plant and machinery	9,519	11,199
Motor vehicle	<u>12,574</u>	<u>15,717</u>
	<u>22,093</u>	<u>26,916</u>

**6. DEBTORS**

	1999 £	1998 £
<b>Due within one year</b>		
Trade debtors	194,013	289,778
Other debtors	<u>18,130</u>	<u>14,820</u>
	<u>212,143</u>	<u>304,598</u>

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

	1999 £	1998 £
Bank loans and overdrafts	122,019	119,419
Net obligations under finance lease and hire purchase contracts	7,307	7,307
Trade creditors	83,415	148,149
Corporation tax	-	2,945
Social security and other taxes	19,456	15,668
Other creditors	<u>8,206</u>	<u>10,594</u>
	<u>240,403</u>	<u>304,082</u>

**AGS (ZINC ALLOYS) LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 JULY 1999**

**8. CREDITORS:**

**Amounts falling due after more than one year**

	1999 £	1998 £
Net obligations under finance lease and hire purchase contracts	<u>1,517</u>	<u>8,824</u>
Included within the above are amounts falling due as follows:		
<b>In 1 - 5 years:</b>		
Finance lease and hire purchase obligations	<u>1,517</u>	<u>8,824</u>

**9. PROVISIONS FOR LIABILITIES AND CHARGES**

	1999 £	1998 £
<b>Deferred taxation</b>		
At 1 August 1998 and at 31 July 1999	<u>7,000</u>	<u>7,000</u>

**10. CALLED UP SHARE CAPITAL**

	1999 £	1998 £
<b>Authorised</b>		
30,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>
<b>Allotted, called up and fully paid</b>		
30,000 ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>