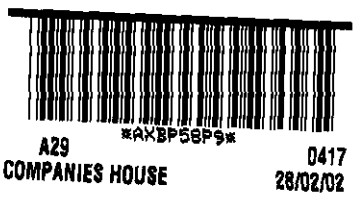
Company Registration No. 981555 (England and Wales)

STRUCTURE-FLEX LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2001



STRUCTURE-FLEX LIMITED

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STRUCTURE-FLEX LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2001

The directors present their report and financial statements for the year ended 31 August 2001.

Principal activities and review of the business

The principal activity of the company continued to be that of designing and manufacturing flexible plastic fabrications for the bulk materials industry as well as the manufacturing of "Big Bags" and of tension curtains for commercial vehicles.

Results and dividends

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

Interim dividends of £0.8578 and £5 per share (2000:£0.100 and £1.378) were paid during the year.

Future developments

The directors consider the state of the company's affairs to be satisfactory.

Directors

The following directors have held office since 1 September 2000:

H W Hemens
I S Doughty
J P Wallace-King
D K Dawber (Resigned 31 May 2001)

Directors' interests

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

	Ordinary shares of 50p each	
	31 August 2001	1 September 2000
H W Hemens	-	-
I S Doughty	1	1
J P Wallace-King	-	-

I S Doughty holds one share as trustee for Spanfax Limited, the ultimate parent company. The directors' interests in the ultimate parent company, Spanfax Limited, are disclosed in that company's financial statements.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Larking Gowen be reappointed as auditors of the company will be put to the Annual General Meeting.

STRUCTURE-FLEX LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

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.

By order of the board

Mrs E A Bourke
Secretary
13 December 2001

LARKING GOWEN

CHARTERED ACCOUNTANTS

STRUCTURE-FLEX LIMITED

AUDITORS' REPORT TO STRUCTURE-FLEX LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 17, together with the financial statements of the company for the year ended 31 August 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 17 are properly prepared in accordance with that provision.

.....Larking Gowen.....

Larking Gowen

Chartered Accountants
Registered Auditors
Norwich

14 December 2001

STRUCTURE-FLEX LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2001

	Notes	2001 £	2000 £
Gross profit		2,428,783	2,289,901
Administrative expenses		(2,294,293)	(1,959,928)
Operating profit	2	134,490	329,973
Interest payable and similar charges	3	(102,338)	(76,371)
Profit on ordinary activities before taxation		32,152	253,602
Tax on profit on ordinary activities	4	(12,642)	(66,899)
Profit on ordinary activities after taxation		19,510	186,703
Dividends	5	(117,156)	(59,137)
Retained (loss)/profit for the year	16	(97,646)	127,566

STRUCTURE-FLEX LIMITED

ABBREVIATED BALANCE SHEET
AS AT 31 AUGUST 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Tangible assets	7		1,170,307		1,097,595
Investments	8		58,852		58,852
			1,229,159		1,156,447
Current assets					
Stocks	9	599,964		508,467	
Debtors	10	2,637,964		2,907,525	
Cash at bank and in hand		10,583		943	
		3,248,511		3,416,935	
Creditors: amounts falling due within one year	11	(2,701,521)		(3,017,148)	
Net current assets			546,990		399,787
Total assets less current liabilities			1,776,149		1,556,234
Creditors: amounts falling due after more than one year	12		(593,798)		(284,237)
Provisions for liabilities and charges	13		(90,000)		(82,000)
			1,092,351		1,189,997
Capital and reserves					
Called up share capital	15		20,000		20,000
Revaluation reserve	16		26,867		31,609
Profit and loss account	16		1,045,484		1,138,388
Shareholders' funds	17		1,092,351		1,189,997

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 13 December 2001

I S Doughty
Director

J P Wallace-King
Director

STRUCTURE-FLEX LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2001

		2001 £		2000 £
Net cash inflow from operating activities		575,741		13,945
Returns on investments and servicing of finance				
Interest paid	(102,338)		(76,371)	
Net cash outflow for returns on investments and servicing of finance		(102,338)		(76,371)
Taxation		(24,451)		15
Capital expenditure				
Payments to acquire tangible assets	(208,864)		(373,989)	
Receipts from sales of tangible assets	8,345		8,099	
Net cash outflow for capital expenditure		(200,519)		(365,890)
Acquisitions and disposals				
Purchase of subsidiary undertakings (net of cash acquired)	-		(50,000)	
Net cash outflow for acquisitions and disposals		-		(50,000)
Equity dividends paid		(117,156)		(59,137)
Net cash inflow/(outflow) before management of liquid resources and financing		131,277		(537,438)
Financing				
New long term bank loan	402,777		-	
Other new short term loans	97,223		-	
Repurchase of debenture loan	(33,333)		(33,333)	
Repayment of long term bank loan	(29,491)		(35,514)	
Capital element of hire purchase contracts	(92,252)		99,587	
Net cash inflow from financing		344,924		30,740
Increase/(decrease) in cash in the year		476,201		(506,698)
Difference between opening & closing bank balances		476,201		(506,698)

STRUCTURE-FLEX LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2001

1 Reconciliation of operating profit to net cash inflow from operating activities

	2001	2000
	£	£
Operating profit	134,490	329,973
Depreciation of tangible assets	195,476	164,206
Profit on disposal of tangible assets	(1,428)	(4,905)
Increase in stocks	(91,497)	(36,751)
Decrease/(increase) in debtors	269,561	(919,443)
Increase in creditors within one year	69,139	480,865
Net cash inflow from operating activities	575,741	13,945

2 Analysis of net debt

	1 September 2000	Cash flow	Other non-cash changes	31 August 2001
	£	£	£	£
Net cash:				
Cash at bank and in hand	943	9,640	-	10,583
Bank overdrafts	(857,685)	466,561	-	(391,124)
	(856,742)	476,201	-	(380,541)
Debt:				
Finance leases	(171,853)	92,251	(66,241)	(145,843)
Debts falling due within one year	(62,564)	(85,993)	-	(148,557)
Debts falling due after one year	(188,006)	(351,182)	-	(539,188)
	(422,423)	(344,924)	(66,241)	(833,588)
Net debt	(1,279,165)	131,277	(66,241)	(1,214,129)

3 Reconciliation of net cash flow to movement in net debt

	2001	2000
	£	£
Increase/(decrease) in cash in the year	476,201	(506,698)
Cash inflow from increase in debt and lease financing	(344,924)	(30,740)
Change in net debt resulting from cash flows	131,277	(537,438)
New finance lease	(66,241)	-
Movement in net debt in the year	65,036	(537,438)
Opening net debt	(1,279,165)	(741,727)
Closing net debt	(1,214,129)	(1,279,165)

4 Major non-cash transactions

All non cash changes relate to the capital value of new hire purchase agreements taken out during the year.

STRUCTURE-FLEX LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2001

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1 Accounting policies

1.1 **Accounting convention**

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

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 small company.

1.2 **Compliance with accounting standards**

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

1.3 **Turnover**

Turnover represents the value of goods and services invoiced to customers less returns, excluding value added tax.

1.4 **Goodwill**

Amortisation of purchased goodwill is provided at a rate of 33 1/3% on the straight line method.

1.5 **Patents**

Patents are valued at cost less accumulated amortisation. The patents were fully amortised at the start of the year.

1.6 **Research and development**

All costs relating to research and development of the company's products are written off in the year.

1.7 **Tangible fixed assets and depreciation**

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

Freehold property	2.5% straight line
Short leasehold property improv'ts	20% reducing balance
Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance / 33% straight line
Motor vehicles	33% and 45% reducing balance

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.8 **Leasing and hire purchase commitments**

Where assets are acquired under the finance leasing agreements they are capitalised as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements and the interest is charged to the profit and loss account. Depreciation on the relevant assets is charged to the profit and loss account in the same manner as for owned assets.

All other leases are operating leases and the annual rentals are charged to the profit and loss account.

1.9 **Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

1 Accounting Policies (continued)

1.10 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production related overheads.

1.11 Pensions

The company contributes to employees individual pension plans. Contributions to the pension plans are charged to the profit and loss account as they fall due.

1.12 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.

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.14 Group accounts

The directors consider that the subsidiary undertaking is not material for the purpose of giving a true and fair view. Consequently, as allowed by Section 229 of the Companies Act 1985, no group accounts are required.

2 Operating profit	2001 £	2000 £
Operating profit is stated after charging:		
Depreciation of tangible assets	195,476	164,206
Research and development	9,651	6,379
Operating lease rentals	192,198	158,793
Auditors' remuneration	15,000	15,000

3 Interest payable	2001 £	2000 £
On bank loans and overdrafts	87,187	65,647
Hire purchase interest	15,151	10,724
	102,338	76,371

4 Taxation	2001 £	2000 £
Domestic current year taxation		
U.K. corporation tax	5,566	47,914
Adjustment for prior years	(924)	(15)
Deferred taxation	8,000	19,000
	12,642	66,899

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

5 **Dividends**

	2001	2000
	£	£
Ordinary interim paid	117,156	59,137

6 **Intangible fixed assets**

	Patents	Goodwill	Total
	£	£	£
Cost			
At 1 September 2000 & at 31 August 2001	34,202	48,000	82,202
Amortisation			
At 1 September 2000 & at 31 August 2001	34,202	48,000	82,202
Net book value			
At 31 August 2001	-	-	-

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

7 Tangible fixed assets

	Freehold property	Short leasehold property improv'ts	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 September 2000	381,411	108,857	1,085,893	440,719	90,662	2,107,542
Additions	-	31,128	155,439	74,382	14,156	275,105
Disposals	-	-	-	(3,445)	(11,916)	(15,361)
At 31 August 2001	381,411	139,985	1,241,332	511,656	92,902	2,367,286
Depreciation						
At 1 September 2000	56,566	34,439	608,311	279,607	31,024	1,009,947
On disposals	-	-	-	-	(8,444)	(8,444)
Charge for the year	6,639	19,901	83,619	63,526	21,791	195,476
At 31 August 2001	63,205	54,340	691,930	343,133	44,371	1,196,979
Net book value						
At 31 August 2001	318,206	85,645	549,402	168,523	48,531	1,170,307
At 31 August 2000	324,845	74,418	477,582	161,112	59,638	1,097,595

Comparable historical cost for plant and machinery included at valuation:

	£
Cost	
At 1 September 2000	962,160
Additions	155,439
At 31 August 2001	1,117,599
Depreciation based on cost	
At 1 September 2000	516,187
Charge for the year	78,877
At 31 August 2001	595,064
Net book value	
At 31 August 2001	522,535
At 31 August 2000	445,973

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

7 **Tangible fixed assets** **(continued)**

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

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 31 August 2001	178,668	47,815	226,483
At 31 August 2000	156,067	53,724	209,791
Depreciation charge for the year			
31 August 2001	29,484	20,065	49,549
31 August 2000	19,438	13,864	33,302

8 **Fixed asset investments**

	Shares in participating interests
	£
Cost or valuation	
At 1 September 2000 & at 31 August 2001	58,852

9 **Stocks and work in progress**

	2001	2000
	£	£
Raw materials and consumables	373,784	360,669
Work in progress	64,468	61,876
Finished goods and goods for resale	161,712	85,922
	599,964	508,467

10 **Debtors**

	2001	2000
	£	£
Trade debtors	2,487,552	2,785,150
Other debtors	-	622
Prepayments and accrued income	150,412	121,753
	2,637,964	2,907,525

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

11 Creditors: amounts falling due within one year	2001 £	2000 £
Debenture loans	33,334	33,333
Bank loans and overdrafts	506,347	886,916
Net obligations under hire purchase contracts	91,233	75,622
Trade creditors	1,425,498	1,503,821
Amounts owed to parent and fellow subsidiary undertakings	136,473	78,455
Corporation tax	5,566	25,375
Other taxes and social security costs	196,159	170,953
Other creditors	33,382	29,499
Accruals and deferred income	273,529	213,174
	2,701,521	3,017,148

In 1998 a bank loan for £200,000 was taken out. Interest is charged at 1.75% over base per annum. The loan is secured by a legal charge over the freehold premises of the company , and a floating charge over the current and future assets of the company. The loan is guaranteed by the parent company.

The company has a second bank loan of £500,000 which was taken out on 26 February 2001. Interest is charged at 1.75% over base per annum. The loan is secured on the assets of the company.

Bank overdrafts amounting to £391,124 (2000:£857,685) are partly secured by a fixed and floating charge over the assets of the company giving the bank first priority of £600,000.

The company has given an unlimited guarantee in favour of the parent company Spanfax Limited.

	2ndYr	2ndYr
12 **Creditors: amounts falling due after more than one year**	**2001**	**2000**
	£	**£**
Debenture loans	-	33,334
Bank loans	529,188	144,672
Other loans	10,000	10,000
Net obligations under hire purchase contracts	54,610	96,231
	593,798	284,237
Analysis of loans		
Not wholly repayable within five years by instalments:	144,411	162,671
Wholly repayable within five years	543,334	87,899
	687,745	250,570
Included in current liabilities	(148,557)	(62,564)
	539,188	188,006
Instalments not due within five years	-	-
Loan maturity analysis		
In more than one year but not more than two years	10,000	43,334
In more than two years but not more than five years	402,777	-
In more than five years	126,411	144,672

The loan from the parent company is interest free and not repayable without 366 days notice being given.

In 1996 a debenture loan of £100,000 was taken out. Interest is charged at a fixed rate of 11.5% per annum. The loan is wholly repayable by March 2002. The loan is secured by a fixed and floating charge over the assets of the company.

Net obligations under hire purchase contracts		
Repayable within one year	91,233	75,622
Repayable between one and five years	54,610	96,231
	145,843	171,853
Included in liabilities falling due within one year	(91,233)	(75,622)
	54,610	96,231

Obligations under finance leases and hire purchase contracts are secured by related assets.

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

13 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 September 2000	82,000
Profit and loss account	8,000
Balance at 31 August 2001	90,000

Deferred taxation provided in the financial statements is as follows:

	Fully provided 2001 £	2000 £
Accelerated capital allowances	90,000	82,000

14 Pension costs

The pension cost charge represents contributions payable by the company to the individual employees personal pension plans and amounted to £70,625 (2000: £58,512). Contributions totalling £8,851 (2000: £nil) were payable to the plans at the year end and are included in creditors.

15 Share capital

	2001 £	2000 £
Authorised		
40,000 Ordinary shares of 50p each	20,000	20,000
Allotted, called up and fully paid		
40,000 Ordinary shares of 50p each	20,000	20,000

16 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 September 2000	31,609	1,138,388
Retained loss for the year	-	(97,646)
Transfer from revaluation reserve to profit and loss account	(4,742)	4,742
Balance at 31 August 2001	26,867	1,045,484

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2001

17 Reconciliation of movements in shareholders' funds	2001	2000
	£	£
Profit for the financial year	19,510	186,703
Dividends	(117,156)	(59,137)
Net (depletion in)/addition to shareholders' funds	(97,646)	127,566
Opening shareholders' funds	1,189,997	1,062,431
Closing shareholders' funds	1,092,351	1,189,997

18 Financial commitments

At 31 August 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2001	2000	2001	2000
	£	£	£	£
Expiry date:				
Within one year	10,825	-	33,637	-
Between two and five years	56,500	58,325	78,870	59,123
In over five years	25,600	34,000	-	-
	92,925	92,325	112,507	59,123

19 Directors' emoluments	2001	2000
	£	£
Emoluments for qualifying services	150,197	145,624
Company pension contributions to money purchase schemes	13,414	11,174
	163,611	156,798

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2000 - 2).

20 Transactions with directors

During the year the company paid for management consultancy totalling £33,139. This was in connection with the services provided by two of the directors and consisted of £21,414 paid to Ashley Wood Limited, a company in which H Hemens is a shareholder, and £11,725 to J P Wallace-King.

21 Employees

Number of employees

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

	2001 Number	2000 Number
Production	131	129
Administration and sales	42	37
	173	166

Employment costs

	£	£
Wages and salaries	3,013,351	2,597,370
Other pension costs	70,625	58,512
	3,083,976	2,655,882