

Briggs Amasco Curtainwall Limited

Directors' report and financial statements

31 December 1997

Registered number 284505



Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1997.

Results and dividends

The loss for the financial year amounted to £176,000 (1996: profit of £272,000). The directors do not recommend the payment of a dividend (1996: £Nil).

Principal activities and business review

The company has not undertaken any new contracts during the year but retains ongoing obligations in respect of its previously completed contracts and its properties.

Directors and directors' interests

The directors who served during the year and subsequently were:

AC Smith
CMH Kemp

The interests of AC Smith and CMH Kemp in the share and loan capital of Tarmac plc are disclosed in the directors' report and financial statements of Tarmac Industrial Products Limited, the company's intermediate parent undertaking.

Neither director had any beneficial interest in the share or loan capital of any subsidiary undertaking of Tarmac plc.

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.

This report was approved by the board on 25 March 1998 and signed on its behalf by:



HW Goss
Secretary

Hilton Hall
Essington
Wolverhampton
WV11 2BQ

Statement of 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 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;
- 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 Briggs Amasco Curtainwall 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 the company's affairs as at 31 December 1997 and of its loss 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 Auditors

25 March 1998

Profit and loss account
 for the year ended 31 December 1997

| | Note | 1997 £000 | 1996 £000 |
|---|------|--------------|--------------|
| Turnover | | | |
| Cost of sales | 2 | 2 | 2 |
| | | 214 | 637 |
| Gross profit | | <hr/> | <hr/> |
| | | 216 | 639 |
| Administrative expenses | | (463) | (232) |
| Operating (loss)/profit | | <hr/> | <hr/> |
| Interest receivable | | (247) | 407 |
| | | 4 | 1 |
| (Loss)/profit on ordinary activities before taxation | 3 | <hr/> | <hr/> |
| | | (243) | 408 |
| Tax on (loss)/profit on ordinary activities | 6 | 67 | (136) |
| (Loss)/profit on ordinary activities after taxation | 12 | <hr/> | <hr/> |
| Accumulated losses brought forward | | (176) | 272 |
| | | (22,363) | (22,635) |
| Accumulated losses carried forward | | <hr/> | <hr/> |
| | | (22,539) | (22,363) |
| | | <hr/> | <hr/> |

A statement of movements in shareholders' funds is given in note 12 to the financial statements.

Turnover and results reported above all relate to discontinued activities.

Statement of recognised gains and losses

There are no recognised gains or losses other than the results reported above.

Balance sheet
 at 31 December 1997

| | Note | 1997 £000 | 1996 £000 | 1996 £000 |
|---|------|--------------|--------------|--------------|
| Current assets | | | | |
| Debtors | 7 | 301 | | 8,557 |
| Creditors: Amounts falling due within one year | 8 | (630) | | (759) |
| Net current assets | | | (329) | 7,798 |
| Creditors: Amounts falling due after more than one year | 9 | | (21,995) | (29,341) |
| Provisions for liabilities and charges | 10 | | (207) | (812) |
| Net liabilities | | | (22,531) | (22,355) |
| Capital and reserves | | | | |
| Called up share capital | 11 | | 8 | 8 |
| Profit and loss account | | | (22,539) | (22,363) |
| Equity shareholders' funds | | | (22,531) | (22,355) |

These financial statements were approved by the board of directors on 25 March 1998 and were signed on its behalf by:



CMH Kemp
 Director

Notes

(forming part of the financial statements)

Accounting policies

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

Basis of accounting

The financial statements have been prepared using the historic cost convention. The parent company has confirmed that it will continue to provide financial and other support to the company and will not seek repayments of amounts due to it for a period of at least twelve months and thereafter for the foreseeable future. For these reasons the going concern basis has been used in preparing the account.

Accounting standards

The financial statements have been prepared in accordance with applicable Accounting Standards.

Turnover

Turnover consists of external sales of manufactured goods and the value of work on contracts completed during the year. Turnover also includes the settlement of claims arising on contracts completed in prior years.

Operating leases

Rental payments under operating leases are charged to the profit and loss account as they are incurred.

Deferred taxation

Deferred taxation calculated using the liability method is included only where the effects of timing differences between results as stated in the financial statements and as computed for taxation purposes are likely to crystallise in the foreseeable future.

Related party transactions

Under Financial Reporting Standard 8, the company is exempt from the disclosure of transactions with other group undertakings on the grounds that it is a wholly owned subsidiary of Tarmac plc and its results are included in Tarmac plc's consolidated financial statements.

Turnover

The analysis of turnover by geographical area is as follows:

| | 1997 £000 | 1996 £000 |
|----------------|--------------|--------------|
| United Kingdom | 2 | 2 |

Notes (continued)

(Loss)/profit on ordinary activities before taxation

| | 1997 £000 | 1996 £000 |
|---|--------------|--------------|
| <i>(Loss)/profit on ordinary activities before taxation is stated</i> | | |
| <i>after charging</i> | | |
| Operating leases: | | |
| Hire of other assets | - | 18 |
| <i>(after crediting)</i> | | |
| Release of provisions for remedial works on contracts | (116) | (254) |
| Insurance claim proceeds | - | (150) |
| | | |

Staff numbers and costs

The average number of persons employed by the company during the year was as follows:

| | Number of employees | |
|----------------|---------------------|------|
| | 1997 | 1996 |
| Administration | - | 1 |

The aggregate payroll costs during the year amounted to:

| | £000 | £000 |
|-----------------------|------|------|
| Wages and salaries | - | 27 |
| Social security costs | - | 3 |
| Other pension costs | - | 3 |
| | | |
| | - | 33 |

Directors' emoluments

None of the directors received any emoluments from any source in respect of their services to the company during the year ended 31 December 1997 (1996: £Nil).

Notes (continued)

Tax on (loss)/profit on ordinary activities

The tax charge based on the (loss)/profit for the year comprises:

| | 1997 £000 | 1996 £000 |
|--|--------------|--------------|
| Current year | | |
| Deferred taxation | 62 | 191 |
| Adjustments in respect of prior years | | |
| Group relief receivable | (139) | (55) |
| Deferred taxation | 10 | - |
| | <u>(67)</u> | <u>136</u> |

Debtors

| | 1997 £000 | 1996 £000 |
|--------------------------------|--------------|--------------|
| Trade debtors | 129 | 229 |
| Group relief receivable | 139 | 8,112 |
| Other debtors | - | 213 |
| Prepayments and accrued income | 33 | 3 |
| | <u>301</u> | <u>8,557</u> |

Creditors: Amounts falling due within one year

| | 1997 £000 | 1996 £000 |
|---------------------------------------|--------------|--------------|
| Trade creditors | 107 | 226 |
| Amounts owed to group undertakings | - | 2 |
| Other taxes and social security costs | - | 14 |
| Accruals and deferred income | 523 | 517 |
| | <u>630</u> | <u>759</u> |

Notes (continued)

9 Creditors: Amounts falling due after more than one year

| | 1997 £000 | 1996 £000 |
|-----------------------------------|--------------|--------------|
| Amount owed to group undertakings | 21,995 | 29,341 |

The amount owed to group undertakings is unsecured, is interest free and has no fixed repayment terms. The intermediate parent company has confirmed that it will continue to support the company by not requesting repayment of or charging interest on the amount owed whilst the company remains a subsidiary undertaking of Tarmac plc, or until such time as the company has sufficient funds.

10 Provisions for liabilities and charges

| | Deferred taxation £000 | Other provisions £000 | Total £000 |
|--|------------------------------|-----------------------------|---------------|
| At beginning of year | (165) | 977 | 812 |
| Utilised in the year | - | (181) | (181) |
| Transfer from/(to) profit and loss account | 72 | (116) | (44) |
| Other movements | - | (380) | (380) |
| At end of year | (93) | 300 | 207 |

Other provisions relate to losses on discontinuance of the business.

Deferred taxation relates to provisions for losses on discontinuance of the business. There is no unprovided deferred taxation.

11 Share capital

| | 1997 £ | 1996 £ |
|---|-----------|-----------|
| <i>Authorised:</i> | | |
| 4,000 ordinary shares of £1 each | 4,000 | 4,000 |
| 4,000 deferred shares of £1 each | 4,000 | 4,000 |
| 10,500 3.5% cumulative preference shares of £1 each | 10,500 | 10,500 |
| 10,500 4.2% cumulative preference shares of £1 each | 10,500 | 10,500 |
| | 29,000 | 29,000 |
| <i>Allotted, called up and fully paid:</i> | | |
| 4,000 ordinary shares of £1 each | 4,000 | 4,000 |
| 4,000 deferred shares of £1 each | 4,000 | 4,000 |
| | 8,000 | 8,000 |

Notes (continued)

12 Movement in shareholders' funds

| | 1997 £000 | 1996 £000 |
|--------------------------------------|--------------|--------------|
| (Loss)/profit for the financial year | (176) | 272 |
| Opening shareholders' funds | (22,355) | (22,627) |
| Closing shareholders' funds | (22,531) | (22,355) |

3 Financial commitments

The company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings 1997 £000 | 1996 £000 |
|--------------------------------|------------------------------------|--------------|
| Operating leases which expire: | | |
| In second to fifth years | - | 249 |

The annual commitment in 1996 related to certain leasehold properties which have been transferred during the year to another group undertaking.

4 Performance bonds

Performance bonds have been entered into in the normal course of business.

5 Ultimate parent undertaking

Tarmac plc is the company's ultimate parent undertaking and controlling party and is registered in England and Wales.

Copies of its annual report and financial statements are available from Hilton Hall, Essington, Wolverhampton, WV11 2BQ.