

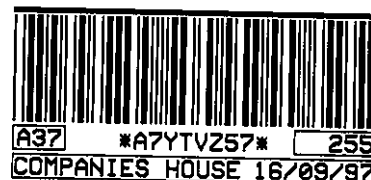
# **BRODERICK STRUCTURES LIMITED**

**Registered number 452935**

**Directors' report and financial statements**

**For the year ended**

**31 December 1996**



## **Broderick Structures Limited**

### **Directors' report and financial statements**

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## **Directors' report**

The Directors present their report together with the audited financial statements for the year ended 31 December 1996.

## **Principal activity and business review**

The principal activity of the company is the manufacture and installation of metal roofing and wall cladding. Future developments will be in the same area.

The beneficial interest in certain of the business, assets and liabilities of the metal business of Briggs Roofing and Cladding Limited was transferred to the company with effect from 1 July 1996, following the reorganisation of the business of Briggs Roofing and Cladding Limited.

On 31 December 1996 the Company transferred its investment in Briggs Roofing and Cladding (Scotland) Limited (formerly Ives Cladding Limited) to its parent company Briggs Roofing and Cladding Limited at net book value.

## **Share Capital**

On 31 December 1996 the Company issued 100,000 ordinary shares of £1 each to Briggs Roofing and Cladding Limited, a fellow subsidiary undertaking of Ruberoid PLC, in consideration for the sale of certain of the business, assets and liabilities of Briggs Roofing and Cladding Limited to the Company.

By a Special Resolution dated 22 June 1997 and confirmed by an Order of the High Court on 30 July 1997 registered by the Registrar of Companies on 31 July 1997 the company's issued share capital was reduced from £1,190,000 to £758,000 by the cancellation of 432,000 ordinary shares of one pound each.

## **Immediate parent company**

During February 1997 Briggs Roofing and Cladding Limited, a fellow subsidiary undertaking of Ruberoid PLC became the company's immediate parent company.

## **Results and dividends**

The profit and loss account is shown on page 7.

The loss for the year after taxation amounted to £804,000 (1995: £398,000). The Directors do not recommend the payment of a dividend (1995: £Nil).

## **Research and development**

The Company's policy is to enhance the performance of its products through continuous improvements and quality control in order to meet evolving building design criteria and expected European building standards.

## **Directors and Directors' interests**

The Directors who served during the year and subsequently were:

M A Clough	(resigned 7 February 1997)
F T Fuller	
E B McCann	
B Stock	(appointed 7 February 1997)
D T Watson	(resigned 31 March 1997)

## Broderick Structures Limited

The interests of Messrs E B McCann and D T Watson in the share capital of the Company's ultimate parent company, Ruberoid PLC, are disclosed in the report and financial statements of that company.

The declarable interests in the share capital of Ruberoid PLC of the remaining Directors who held office at 31 December 1996 were as follows:

	At 31 December 1996		At 31 December 1995		Share option movements in the year	
	Fully paid	Share options	Fully paid	Share options	Granted	Exercised
M A Clough	-	28,000	-	28,000‡	-	-

‡ Granted on 25 November 1993 under the Ruberoid PLC Executive Option Scheme and normally exercisable, subject to the achievement of performance targets, between November 1996 and November 2003 at 150 pence per share.

None of the Directors had any beneficial interest in the share or loan capital of any subsidiary undertaking of Ruberoid PLC during the year.

### Employees

The Directors recognise the benefits which accrue from keeping employees informed on the progress of their Company. It is the Company's policy to give fair consideration to the employment needs of disabled people.

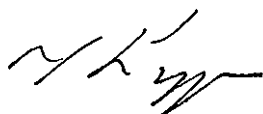
### Payment Practice

It is the Group's general policy to abide by the terms of payment agreed with its suppliers.

### Auditors

KPMG resigned as the Company's Auditors on 12 November 1996. KPMG Audit Plc was appointed as the Company's Auditor on 13 November 1996 in order to fill a casual vacancy.

This report was approved by the board on 2 September 1997 and signed on its behalf by:



**M L Kippen**  
Secretary

197 Knightsbridge  
London SW7 1RB

**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 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.

## **Auditors' report to the members of Broderick Structures Limited**

We have audited the financial statements on pages 7 to 21.

### **Respective responsibilities of Directors and auditors**

As described on page 5 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 1996 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

The financial statements include a proforma balance sheet on page 8 prepared to illustrate the effects of the events referred to in note 20 on the state of affairs of the company if these events had taken place on 31 December 1996. In our opinion, the proforma balance sheet has, so far as the calculations are concerned, been properly compiled on the bases set out in note 20.



**KPMG Audit Plc**  
**Chartered Accountants**  
**Registered Auditor**

2 September 1997  
2 Cornwall Street  
Birmingham  
B3 2DL

# Broderick Structures Limited

## Profit and loss account

for the year ended 31 December 1996

	Note	1996 £'000	1996 £'000	1995 £'000	1995 £'000
<b>Turnover</b>					
Continuing operations		4,804		7,332	
Acquisitions		<u>1,786</u>		<u>-</u>	
	2		6,590		7,332
Cost of sales	3		<u>(6,747)</u>		<u>(6,245)</u>
<b>Gross (loss)/profit</b>			<u>(157)</u>		<u>1,087</u>
Other expenses	4		<u>(990)</u>		<u>(1,457)</u>
<b>Operating loss</b>					
Continuing operations		(764)		(370)	
Acquisitions		<u>(383)</u>		<u>-</u>	
			(1,147)		(370)
Interest payable	5		<u>(173)</u>		<u>(214)</u>
<b>Loss on ordinary activities</b>					
<b>before taxation</b>	8		<u>(1,320)</u>		<u>(584)</u>
Tax on loss on ordinary activities	9		<u>516</u>		<u>186</u>
<b>Retained loss for the financial</b>					
<b>year transferred from reserves</b>	18		<u><u>(804)</u></u>		<u><u>(398)</u></u>

There is no difference between the result as disclosed in the profit and loss account and the result calculated on an unmodified historical cost basis.

Movements in reserves are set out in note 18 on page 18.

## Statement of total recognised gains and losses

There were no recognised gains or losses other than those disclosed in the profit and loss account.

# Broderick Structures Limited

## Balance sheet

at 31 December 1996

	Note	Proforma (note 21) 1996 £'000	Actual 1996 £'000	Actual 1995 £'000
<b>Fixed assets</b>				
Tangible assets	10	1,329	1,329	1,341
<b>Current assets</b>				
Stocks	12	884	884	337
Debtors	13	5,472	5,472	2,738
Cash		2	2	1
		<hr/> 6,358	<hr/> 6,358	<hr/> 3,076
<b>Creditors: amounts falling due within one year</b>	14	(4,949)	(4,949)	(1,758)
<b>Net current assets</b>		<hr/> 1,409	<hr/> 1,409	<hr/> 1,318
<b>Total assets less current liabilities</b>		<hr/> 2,738	<hr/> 2,738	<hr/> 2,659
<b>Creditors: amounts falling due after more than one year</b>	15	(1,441)	(2,746)	(3,135)
<b>Provisions for liabilities and charges</b>	16	(39)	(39)	-
<b>Net assets/(liabilities)</b>		<hr/> 1,258	<hr/> (47)	<hr/> (476)
<b>Capital and reserves</b>				
Called up share capital	17	758	1,190	1,090
Share premium	18	-	1,133	-
Revaluation reserve	18	500	500	500
Profit and loss account	18	-	(2,870)	(2,066)
<b>Equity shareholders' funds</b>		<hr/> 1,258	<hr/> (47)	<hr/> (476)

These financial statements were approved by the board of Directors on 2 September 1997 and were signed on its behalf by:



B Stock  
Director



## **Broderick Structures Limited**

### **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 Company's financial statements.

##### **Basis of preparation**

The financial statements are prepared in accordance with applicable accounting standards using the historic cost accounting rules adjusted for the revaluation of certain tangible assets. The application of the going concern concept is based on the support given by other Group undertakings.

##### **Consolidated financial statements**

These financial statements present information about the Company as an individual Company and not about its Group. The Company is exempt under section 228 of the Companies Act 1985 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary of another body corporate.

Investments in subsidiary undertakings are shown at cost less amounts written off. In the opinion of the Directors, the valuation of investments at 31 December 1996 is not less than the amount at which they are stated in the balance sheet.

##### **Turnover**

Turnover represents the net amount receivable, excluding value added tax, for goods and services supplied to external customers, and, in respect of contracting activities, the value of contracts completed during the year.

##### **Depreciation**

Freehold land is not depreciated. Depreciation is provided to write off the cost of tangible assets less their estimated residual values, by equal annual instalments, over their estimated useful lives as follows:

Freehold buildings	- 50 years
Plant, machinery and vehicles	- 3 to 15 years

## **Broderick Structures Limited**

### **Leased assets**

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental charges are charged to the Profit and Loss Account on a straight line basis over the life of the lease.

### **Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes appropriate overheads.

### **Long term contracts**

Amounts recoverable on contracts, which are included in debtors, are stated at cost plus attributable profit less any foreseeable losses. The profit on each individual contract is the lower of profit earned to date and that forecast at completion. Payments received on account are deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors.

### **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.

### **Pensions**

The Group operates both money purchase and final salary pension schemes. The amount charged against profit in respect of the money purchase schemes represents the contributions payable to the schemes in respect of the accounting period. Contributions to the final salary schemes are charged to the Profit and Loss Account so as to spread the cost of pensions over employees' working lives with the Company.

## **2 Turnover**

Turnover arose from one class of business and in the United Kingdom, the Company's sole market.

# Broderick Structures Limited

## 3 Cost of sales and net operating expenses

	Continuing operations			
		Acquisitions	Total	Total
	1996	1996	1996	1995
	£'000	£'000	£'000	£'000
Cost of sales	4,646	2,101	6,747	6,245

## 4 Other expenses

	Continuing operations			
	Acquisitions		Total	Total
	1996	1996	1996	1995
	£'000	£'000	£'000	£'000
Distribution costs	70	-	70	53
Administrative expenses	852	68	920	1,404
	<hr/> 922	<hr/> 68	<hr/> 990	<hr/> 1,457

## 5 Interest payable

	1996 £'000	1995 £'000
On bank loans and overdrafts	57	2
Payable to group undertakings	100	186
Finance lease charges	16	26
	173	214

## 6 Employees

The average number of employees (including Directors) of the Company during the year comprised:

	1996 Number	1995 Number
Production	57	55
Selling and administration	9	6
Administration	45	31
	111	92

# Broderick Structures Limited

## 6 Employees (continued)

The aggregate employment costs were as follows:

	1996 £'000	1995 £'000
Wages and salaries	1,885	1,651
Social security costs	146	130
Other pension costs	114	80
	<hr/> 2,145	<hr/> 1,861

## 7 Directors' emoluments

	1996 £'000	1995 £'000
<b>Directors' emoluments comprised:</b>		
Remuneration	67	60
Pension contributions	7	8
	<hr/> 74	<hr/> 68

The emoluments of the Directors included:

	1996 £'000	1995 £'000
<b>Highest paid Director</b>		
Remuneration	67	45
Pension contribution	7	6
	<hr/> 74	<hr/> 51
Chairman	<hr/> -	<hr/> -

Excluding pension contributions, the emoluments of the Directors were within the following ranges:

	1996 Number	1995 Number
£0 - £5,000	3	3
£10,001 - £15,000	-	1
£45,001 - £50,000	-	1
£65,001 - £70,000	1	-
	<hr/>	<hr/>

# Broderick Structures Limited

## 8 Loss on ordinary activities before taxation

	1996	1995
	£'000	£'000
<b>The loss on ordinary activities before taxation has been arrived at after charging:</b>		
Operating leases:		
Plant and machinery	304	219
Depreciation on tangible assets (note 10)	116	112
Auditors' remuneration - audit	<u>15</u>	<u>15</u>

## 9 Tax on loss on ordinary activities

Taxation based on the loss for the year comprises:

	1996	1995
	£'000	£'000
Group relief receivable at 33%	579	80
Group relief receivable at 33% - prior year adjustment	70	-
Deferred taxation at 33% (note 16)	(150)	106
Deferred taxation at 33% - prior year adjustment (note 16)	<u>17</u>	<u>-</u>
	<u>516</u>	<u>186</u>

# Broderick Structures Limited

## 10 Tangible assets

	Freehold land and buildings £'000	Plant, machinery & vehicles £'000	Total £'000
<b>Cost or valuation</b>			
At beginning of year	1,119	863	1,982
Additions	10	55	65
Disposals	-	(64)	(64)
Group Transfers	<u>80</u>	<u>6</u>	<u>86</u>
At end of year	<u>1,209</u>	<u>860</u>	<u>2,069</u>
 Gross book value of depreciable assets	 <u>503</u>	 <u>860</u>	 <u>1,363</u>
 <b>Depreciation</b>			
At beginning of year	71	570	641
Charge for the year	19	97	116
Disposals	--	(61)	(61)
Group Transfers	<u>30</u>	<u>14</u>	<u>44</u>
At end of year	<u>120</u>	<u>620</u>	<u>740</u>
 <b>Net Book Value</b>			
At 31 December 1996	<u>1,089</u>	<u>240</u>	<u>1,329</u>
At 31 December 1995	<u>1,048</u>	<u>293</u>	<u>1,341</u>

Land and buildings determined according to the historic cost accounting rules are as follows:

	1996 £'000	1995 £'000
At cost	843	753
Accumulated depreciation	(254)	(205)
Net book value	<u>589</u>	<u>548</u>

Included in plant, machinery and vehicles above are assets held under finance leases with a net book value of £159,000 (1995:£231,000). Depreciation charged on these assets during the year amounted to £72,000 (1995: £56,000).

# Broderick Structures Limited

## 11 Investments

	Shares in subsidiary undertaking £'000
<b>Cost</b>	
At beginning of year	51
Group transfer	(51)
At end of year	-
<b>Provision</b>	
At beginning of year	51
Group transfer	(51)
At end of year	-
<b>Net book value</b>	
At beginning and end of year	-

The investment comprised 9% of the issued ordinary share capital of Briggs Roofing and Cladding (Scotland) Limited (formerly Ives Cladding Limited), a company incorporated in Great Britain. The principal activity of Briggs Roofing and Cladding (Scotland) Limited from 1 July 1996 was that of roofing and cladding contracting. Prior to this the company was dormant. On 31 December 1996 the investment was transferred to Briggs Roofing and Cladding Limited at net book value.

## 12 Stocks

	1996 £'000	1995 £'000
Raw materials and consumables	241	281
Work in progress	11,565	2,720
Finished goods & goods for resale	-	6
	11,806	3,007
Payments received on account	(10,922)	(2,670)
	884	337

# Broderick Structures Limited

## 13 Debtors

	1996 £'000	1995 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	3,513	2,400
Amounts recoverable on contracts	554	-
Amounts owed by group undertakings	162	121
Other debtors	19	2
Prepayments and accrued income	67	29
Group relief receivable	579	92
	<u>4,894</u>	<u>2,644</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	578	-
Deferred taxation (see note 16)	-	94
	<u>5,472</u>	<u>2,738</u>

## 14 Creditors: amounts falling due within one year

	1996 £'000	1995 £'000
Finance leases	83	72
Bank overdraft	1,306	515
Trade creditors	1,947	515
Amounts owed to group undertakings	229	305
Other taxation and social security	112	222
Other creditors	21	18
Accruals and deferred income	1,251	111
	<u>4,949</u>	<u>1,758</u>



# Broderick Structures Limited

## 15 Creditors: amounts falling due after more than one year

	1996 £'000	1995 £'000
Finance leases due between 1 and 2 years	76	73
Finance leases due between 2 and 5 years	-	86
Amounts owed to group undertakings	2,670	2,976
	<u>2,746</u>	<u>3,135</u>

## 16 Provisions for liabilities and charges

The movement in deferred taxation during the year was as follows:

	£'000
At beginning of year	(94)
Current year charge	150
Prior year adjustment	(17)
At end of year	<u>39</u>

The deferred tax asset in 1995 is included in debtors (see note 13) and is calculated at 33%.

	1996 £'000	1995 £'000
The (assets)/liabilities provided for deferred taxation are as follows:		
Accelerated capital allowances	18	20
Other timing differences	21	(114)
	<u>39</u>	<u>(94)</u>

There was no unprovided deferred tax liability at 31 December 1996 (31 December 1995 : £Nil).

# Broderick Structures Limited

## 17 Share capital

	Number	£'000
<b>Authorised, allotted, called up and fully paid</b>		
As at 31 December 1996	<u>1,190,000</u>	<u>1,190</u>
As at 31 December 1995	<u>1,090,000</u>	<u>1,090</u>

Included in the above are 1,000,000 ordinary shares with a nominal value of £1 per share which are fully paid up. The balance of 90,000 ordinary shares with a nominal value of £1 each were issued at a price of £100 each and were paid up at £1 per share as at 31 December 1996.

On 31 December 1996 the Company issued 100,000 ordinary shares of £1 each to Briggs Roofing and Cladding Limited, a fellow subsidiary of Ruberoid PLC, in consideration for the transfer to it on 1 July 1996 of the Briggs Metal business, assets and liabilities.

## 18 Reserves

	Share Premium £000	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At beginning of year	-	500	(2,066)	(1,566)
Share premium subscribed	1,133	-	-	1,133
Retained loss	-	-	(804)	(804)
At end of year	<u>1,133</u>	<u>500</u>	<u>(2,870)</u>	<u>(1,237)</u>

## 19 Reconciliation of movements in equity shareholders' funds

	1996 £'000	1995 £'000
Share capital subscribed	1,233	-
Loss for the financial year	(804)	(398)
Equity shareholders' funds at beginning of year	(476)	(78)
Equity shareholders' funds at end of year	<u>(47)</u>	<u>(476)</u>

**20 Post balance sheet event**

On 19 June 1997:

- (i) £1,305,000 of intercompany debt owed by the company to its parent, Briggs Roofing and Cladding Limited was applied towards satisfaction of that company's outstanding liability in respect of the £99 premium per share unpaid on 90,000 ordinary shares of £1 in the capital of the company (see note 17), thereby increasing the amount standing to the credit of the Company's share premium account to £2,438,000;
- (ii) the deficit on the profit and loss account of the company as at 31 December 1996 of £2,870,000 was extinguished;
- (iii) the balance of £2,438,000 standing to the credit of the share premium account was written off;
- (iv) 432,000 of the company's 1,190,000 issued ordinary shares of one pound each were cancelled, thereby reducing the company's issued share capital to £758,000.

Items (ii) (iii) and (iv) were achieved by a Special Resolution of the sole member dated 19 June 1997, and confirmed by an Order of the High Court on 30 July 1997 registered by the Registrar of Companies on 31 July 1997, and thus effective from this date.

**21 Proforma balance sheet**

The proforma balance sheet reflects the impact on the company's net assets and reserves of the post balance sheet event set out in note 20 as if the transactions had taken place on 31 December 1996.

**22 Contingent Liabilities**

Performance bonds have been entered into in the normal course of business. The Company has guaranteed bank overdrafts and loans in respect of its parent company and fellow subsidiary undertakings. At 31 December 1995 these guarantees amounted to £18,242,865 (1995 : £16,938,006).

# Broderick Structures Limited

## 23 Commitments

The Company had annual commitments under non-cancellable operating leases which expire as follows:

	1996 Other £'000	1995 Other £'000
Within one year	-	11
In second to fifth year	14	36
	<u>14</u>	<u>47</u>

There were no capital commitments as at 31 December 1996 (1995: £100,000).

## 24 Acquisitions

On 1 July 1996 the Briggs Metal business, assets and liabilities of Briggs Roofing and Cladding Limited were transferred to the Company.

	£'000
<b>Book value of assets acquired</b>	
Stock	726
Debtors	2,909
Cash	(500)
Creditors due within one year	(1,902)
	<u>1,233</u>
Consideration	
Nominal value of shares issued	100
Share premium arising	1,133
	<u>1,233</u>

## **Broderick Structures Limited**

### **25 Pensions**

All monthly staff are entitled to contribute to a group final salary scheme. Operatives are entitled to contribute to a group money purchase scheme. Full disclosure is contained in the financial statements of the ultimate parent company, Ruberoid PLC.

### **26 Ultimate Parent Company**

The ultimate parent company is Ruberoid PLC, a company incorporated in Great Britain. Copies of the consolidated financial statements are available from the Secretary, Ruberoid PLC, 197 Knightsbridge, London SW7 1RB.

The financial statements of Ruberoid PLC are the only consolidated financial statements to incorporate Broderick Structures Limited.