

**TIMLOC BUILDING PRODUCTS LIMITED**  
(Registered Number: 930724)

**DIRECTORS' REPORT AND ACCOUNTS**

**YEAR ENDED 31 DECEMBER 1995**



## **TIMLOC BUILDING PRODUCTS LIMITED**

### **REPORT OF THE DIRECTORS**

#### **DIRECTORS**

A W Orr (resigned 31 March 1995)

P Reeder

T N Hauxwell

M Mell (resigned 1 February 1996)

#### **SECRETARY**

J D K Hewitt

#### **REGISTERED OFFICE**

Clifton House  
83/89 Uxbridge Road  
Ealing  
London  
W5 5TA

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the supply of cavity trays for the building industry.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The company performed well in the year in a depressed market. The directors are confident that the company is in a strong position to increase activity levels in the foreseeable future.

#### **PROFITS AND DIVIDENDS**

Profit after taxation for the year ended 31 December 1995 was £501,000 (1994 - £609,000). The directors do not recommend the payment of a dividend (1994 - £400,000).

#### **DIRECTORS**

The directors of the company during the year are listed above. They are appointed by the ultimate parent undertaking.

## **TIMLOC BUILDING PRODUCTS LIMITED**

### **REPORT OF THE DIRECTORS (CONTINUED)**

#### **DIRECTORS' INTERESTS**

Mr T N Hauxwell and Mr P Reeder are directors of the ultimate parent undertaking and their interests in the share capital of that undertaking are shown in its directors' report. The other directors' interests in the share capital of the ultimate parent undertaking are as follows:

	<u>Number of options</u>		<u>Number of ordinary shares</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
M Mell	-	-	1,585	1,024

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The parent undertaking has maintained insurance to cover Directors' and Officers' liability as defined in S310 (3) (a) of the Companies Act 1985.

#### **FIXED ASSETS**

The movements in tangible fixed assets are set out in note 9.

#### **AUDITORS**

The directors have dispensed with the annual appointment of auditors in accordance with the Companies Act 1985.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 5 to 14, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed. The financial statements have been prepared on a going concern basis which assumes that the company will continue in business for the foreseeable future.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

**TIMLOC BUILDING PRODUCTS LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

The directors 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.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J D K Hewitt', is positioned above the printed name and title.

J D K Hewitt  
Secretary

29 March 1996

*Price Waterhouse*



## **AUDITORS' REPORT TO THE MEMBERS OF TIMLOC BUILDING PRODUCTS LIMITED**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

### **Respective responsibilities of directors and auditors**

As described on pages 2 and 3 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 mis-statement, 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*  
PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors

29 March 1996

**TIMLOC BUILDING PRODUCTS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1995**

	<u>Notes</u>	<u>1995</u> £000	<u>1994</u> £000
<b>TURNOVER</b>	2	3,411	3,272
Cost of sales		(1,660)	(1,393)
<b>GROSS PROFIT</b>		1,751	1,879
Distribution costs		(110)	(103)
Administrative expenses		(1,049)	(891)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	592	885
Tax on profit on ordinary activities	7	(91)	(276)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		501	609
Dividend	8	-	(400)
<b>PROFIT FOR THE YEAR TRANSFERRED TO RESERVES</b>	15	501	209
		<u>      </u>	<u>      </u>

The company has no recognised gains or losses other than the profit for the period, and therefore a statement of total recognised gains and losses has not been prepared.

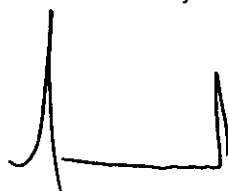
There is no difference between the reported profits and the historical cost profits.

# TIMLOC BUILDING PRODUCTS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1995

	Notes	1995 £000	1994 £000
<b>FIXED ASSETS</b>			
Tangible assets	9	331	199
<b>CURRENT ASSETS</b>			
Stock and work in progress	10	164	98
Debtors	11	989	1,027
Cash at bank and in hand		<u>41</u>	<u>52</u>
		1,194	1,177
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(471)</u>	<u>(812)</u>
<b>NET CURRENT ASSETS</b>		<u>723</u>	<u>365</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,054	564
<b>DEFERRED TAXATION</b>	13	<u>(3)</u>	<u>(14)</u>
		<u>1,051</u>	<u>550</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	3	3
Profit and loss account	15	<u>1,048</u>	<u>547</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16	<u>1,051</u>	<u>550</u>

The accounts on pages 5 to 14 were approved by the directors on 29 March 1996 and are signed on their behalf by:



T N Hauxwell - Director

## **TIMLOC BUILDING PRODUCTS LIMITED**

### **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995**

#### **1 ACCOUNTING POLICIES**

##### **(1) Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

##### **(2) Depreciation**

Tangible fixed assets are depreciated over their respective estimated useful lives at the following rates:

Leasehold improvements	over life of lease
Plant and equipment	3 to 20 years

##### **(3) Stocks**

Stocks and work-in-progress are stated at the lower of cost and net realisable value and include an appropriate proportion of labour and manufacturing overheads.

##### **(4) Deferred taxation**

No provision is made for deferred taxation unless a liability is expected with reasonable probability to arise in the foreseeable future.

##### **(5) Turnover**

Turnover represents the amounts invoiced by the company, excluding value added tax, for goods supplied and services provided to external customers.

##### **(6) Leased assets**

Operating lease rentals are charged to the profit and loss account as they fall due.

Assets subject to finance leases are capitalised at the present value of the minimum lease payments payable during the lease term, with the corresponding obligation to the lessor shown as a liability. Depreciation on these assets is charged to the profit and loss account using the same rates as for other tangible fixed assets. The finance element of the respective lease payments is accounted for as it falls due.



## **TIMLOC BUILDING PRODUCTS LIMITED**

### **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

#### **1 ACCOUNTING POLICIES (continued)**

##### **(7) Research and development**

Research and development expenditure is charged to profit in the year in which it is incurred.

##### **(8) Pension costs**

The expected cost of pensions in respect of the Expanet International PLC defined benefit pension scheme is charged so as to spread the cost of pensions over the average expected service lives of employees in the scheme.

#### **2 SEGMENT INFORMATION**

All turnover of the company arose in the United Kingdom.

#### **3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Profit on ordinary activities before taxation is stated after charging:

	<u>1995</u>	<u>1994</u>
	£000	£000
Staff costs:		
Wages and salaries	484	422
Social security costs	43	35
Other pension costs	-	-
Operating leases rentals for plant and machinery	41	41
Other operating lease rentals	39	30
Depreciation - owned assets	29	44
- leased assets	-	4
Auditors' remuneration	8	6
Non audit fees charged by auditors	3	2
	<u>          </u>	<u>          </u>

## **TIMLOC BUILDING PRODUCTS LIMITED**

### **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

#### **4 DIRECTORS' EMOLUMENTS**

Staff costs (Note 3) include the following amounts in respect of directors' emoluments.

	<u>1995</u>	<u>1994</u>
	£000	£000
Management remuneration (including benefits in kind)	69	46
	=====	=====

Emoluments of the directors (excluding pension contributions) were:

	<u>1995</u>	<u>1994</u>
	£000	£000
Highest paid director	69	46
	=====	=====

The emoluments of the directors (excluding pension contributions) fell into the following bands:

	<u>1995</u>	<u>1994</u>
	No	No
£0 - £5,000	3	4
£45,001 - £50,000	-	1
£65,001 - £70,000	1	-
	=====	=====

#### **5 PENSION COMMITMENTS**

The majority of company employees are members of the Examet group defined benefit pension scheme which is available for all eligible UK employees. The scheme is financed through separate trustee-administered funds.

The pension costs relating to the scheme are assessed in accordance with the advice of an independent qualified actuary using the projected unit method. Information on the results of the latest actuarial valuation is contained in the financial statements of Examet International PLC.

Contributions are assessed on the basis of pension costs over the group as a whole.

#### **6 EMPLOYEES**

The average number of employees during the year was 38 (1994 - 38).

**TIMLOC BUILDING PRODUCTS LIMITED**

**NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

**7 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<u>1995</u> £000	<u>1994</u> £000
Corporation tax on the profits for the year at 33% (1994 33%)	179	291
Deferred taxation movement	(11)	2
Adjustment for prior period	(77)	(17)
	91	276
	<u>          </u>	<u>          </u>

**8 DIVIDEND**

	<u>1995</u> £000	<u>1994</u> £000
Dividend paid on ordinary shares	-	400
	<u>          </u>	<u>          </u>

# TIMLOC BUILDING PRODUCTS LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (CONTINUED)

### 9 TANGIBLE ASSETS

	Short leasehold <u>improvements</u> £000	Motor <u>vehicles</u> £000	Fixtures and <u>fittings</u> £000	Plant and <u>machinery</u> £000	<u>Total</u> £000
<u>Cost</u>					
At 1 January 1995	42	6	107	634	789
Additions	-	-	17	144	161
Disposals	-	-	(12)	-	(12)
At 31 December 1995	42	6	112	778	938
	-	-	-	-	-
<u>Depreciation</u>					
At 1 January 1995	15	6	89	480	590
Provided in the year	4	-	3	22	29
Disposals	-	-	(12)	-	(12)
At 31 December 1995	19	6	80	502	607
	-	-	-	-	-
<u>Net book amount</u>					
At 31 December 1995	23	-	32	276	331
	==	==	==	==	==
At 31 December 1994	27	-	18	154	199
	==	==	==	==	==

### 10 STOCKS

	<u>1995</u> £000	<u>1994</u> £000
Raw materials and consumables	90	52
Work in progress	7	3
Finished goods and goods for resale	<u>67</u>	<u>43</u>
	164	98
	==	==

# **TIMLOC BUILDING PRODUCTS LIMITED**

## **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

### **11 DEBTORS**

	<u>1995</u>	<u>1994</u>
	£000	£000
Trade debtors	433	528
Amounts owed by group undertakings	492	427
Prepayments and accrued income	<u>64</u>	<u>72</u>
	989	1,027
	<u>=====</u>	<u>=====</u>

### **12 CREDITORS: amounts falling due within one year**

	<u>1995</u>	<u>1994</u>
	£000	£000
Trade creditors	314	394
Amounts owed to group undertakings	1	94
Corporation tax	63	196
Other taxation and social security	71	81
Accruals and deferred income	<u>22</u>	<u>47</u>
	471	812
	<u>=====</u>	<u>=====</u>

### **13 DEFERRED TAXATION**

	<u>1995</u>	<u>1994</u>
	£000	£000
At 1 January 1995	14	12
Transfers (from)/to profit and loss account	<u>(11)</u>	<u>2</u>
At 31 December 1995	3	14
	<u>=====</u>	<u>=====</u>

Deferred tax provided at 31 December 1995 comprised accelerated tax depreciation and other timing differences and represents the full potential liability.

# **TIMLOC BUILDING PRODUCTS LIMITED**

## **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

### **14 CALLED UP SHARE CAPITAL**

	<u>1995</u> £000	<u>1994</u> £000
Authorised:		
3,000 ordinary shares of £1 each	3	3
	<u>      </u>	<u>      </u>
Allotted and fully paid:		
3,000 ordinary shares of £1 each	3	3
	<u>      </u>	<u>      </u>

### **15 PROFIT AND LOSS ACCOUNT**

At 1 January 1995	547	338
Profit for year	<u>501</u>	<u>209</u>
At 31 December 1995	1,048	547
	<u>      </u>	<u>      </u>

### **16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<u>1995</u> £000	<u>1994</u> £000
Profit for the financial year	501	609
Dividends	<u>-</u>	<u>(400)</u>
Increase in shareholders' funds	501	209
Opening shareholders' funds	<u>550</u>	<u>341</u>
Closing shareholders' funds	1,051	550
	<u>      </u>	<u>      </u>

### **17 CAPITAL COMMITMENTS**

The company had no capital commitments as at 31 December 1995 (1994: £Nil).

## **TIMLOC BUILDING PRODUCTS LIMITED**

### **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1995 (CONTINUED)**

#### **18 LEASE COMMITMENTS**

The minimum rental commitments at 31 December 1995 in respect of non-cancellable operating leases expiring in the following years, for which provision has not been made, were:

	<u>1995</u>	<u>1994</u>
	£000	£000
Within one year	2	-
Between one and two years	10	10
Between two and five years	29	45
In more than five years	39	30
	<u>      </u>	<u>      </u>

#### **19 CONTINGENT LIABILITY**

The company has executed a composite guarantee and debenture (secured by a fixed and floating charge on the company's assets) by which it guarantees the liabilities of certain other group undertakings. At 31 December 1995, borrowings subject to this guarantee amounted to £14,818,000 (31 December 1994 - £9,800,000).

#### **20 ULTIMATE PARENT UNDERTAKING**

The ultimate parent undertaking is Expamet International PLC which is registered in England. Copies of the group accounts may be obtained from Clifton House, 83/89 Uxbridge Road, London, W5 5TA.