

No. 9307240

Timloc Building Products Limited

Annual Report and Accounts

30 June 2005



Timloc Building Products Limited

Registered no. 930724

DIRECTORS

G P Hooper	Chairman
D Preston	
D R Sowerby	

SECRETARY

D R Sowerby

REGISTERED OFFICE

Station Road
Burton Latimer
Kettering
Northamptonshire
NN15 5JP

Telephone: 01536 383844
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ADVISERS

Auditors

Ernst & Young LLP
400 Capability Green
Luton
LU1 3LU

Bankers

Barclays Bank plc
PO Box 42
Spring Villas
Cliftonville
Northampton
NN1 5LD

Timloc Building Products Limited

DIRECTORS' REPORT

The directors present their report and accounts for the 18 months ended 30 June 2005.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activities of the company are the manufacture and marketing of plastic building products for the housebuilding industry. During the period the company grew its sales through investment in sales and marketing. The directors believe that this continuing investment will help to drive the business forward.

On 6 September 2004 the company was acquired by the parent company, The Alumasc Group plc, from Expanet International Limited.

POST BALANCE SHEET EVENT

On 1 July 2005 the assets, liabilities and trade of Timloc Building Products Limited were transferred into Alumasc Limited, a fellow subsidiary company.

RESULTS AND DIVIDENDS

The profit before tax for the 18 months to 30 June 2005 was £786,000 (12 months to 31 December 2003: £276,000). The directors approved the payment of a dividend of £250,000 for the year (2003: £nil).

FIXED ASSETS

Details of movements in fixed assets are set out in note 6 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were as follows:

G P Hooper	(appointed 6 September 2004)
D Preston	(appointed 6 September 2004)
D R Sowerby	(appointed 6 September 2004)
M Taylor	(resigned 6 September 2004)
R H Wilson	(resigned 6 September 2004)

Timloc Building Products Limited is a wholly owned subsidiary of The Alumasc Group plc. The interests of Mr Hooper and Mr Sowerby in The Alumasc Group plc, the ultimate parent company, are disclosed in its financial statements.

SHARE CAPITAL

The authorised and issued share capital of the company is set out in note 11.

CREDITOR PAYMENT POLICY

Whilst the company does not follow a specific code of practice, it has due regard to suppliers' payment terms and generally settles all undisputed accounts within 30 days (2003: 30 days) of the due date for payment.

RESEARCH AND DEVELOPMENT

The company continues to devote effort and resources to the research and development of new processes and products.

EMPLOYEES

Through company announcements employees are kept informed on the company's financial performance, future prospects and other matters affecting them.

It is the company's policy to give full and fair consideration to the employment of applicants who are disabled persons, to continue the employment of employees who become disabled persons and, as appropriate, to provide training for other positions.

Timloc Building Products Limited

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, 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 accounts;
- prepare the accounts 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 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

Following the resignation of the auditors PricewaterhouseCoopers LLP on 6 September 2004, Ernst & Young LLP were appointed as the company's auditor. Their reappointment will be put to the members at the forthcoming Annual General Meeting.

By order of the board



D.R. Sowerby

Secretary

19 April 2006

Timloc Building Products Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Timloc Building Products Limited

We have audited the company's financial statements for the 18 months ended 30 June 2005 which comprise Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 18. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 30 June 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
Luton

20 April 2006

Timloc Building Products Limited

PROFIT AND LOSS ACCOUNT for the 18 months ended 30 June 2005

		<i>18 months to 30 June 2005</i>	<i>Year to 31 December 2003</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
TURNOVER	2	7,338	4,302
Cost of sales		3,941	2,102
GROSS PROFIT		3,397	2,200
Selling and distribution costs		1,437	246
Administrative expenses		1,174	1,678
OPERATING PROFIT BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	786	276
Taxation charge	5	244	88
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		542	188
Equity dividends paid		250	-
PROFIT RETAINED FOR THE FINANCIAL YEAR		292	188

All items in the profit and loss account relate to discontinued activities. On 1 July 2005 the trade of the company was transferred at book value to a fellow subsidiary company.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses in the 18 months ended 30 June 2005 other than the profits attributable to the shareholders of the company of £292,000 (12 months to 31 December 2003: £188,000).

Timloc Building Products Limited

BALANCE SHEET at 30 June 2005

	Notes	£000	30 June 2005 £000	£000	31 Dec 2003 £000
FIXED ASSETS					
Tangible assets	6		1,161		1,335
CURRENT ASSETS					
Stocks	7	350		234	
Debtors	8	1,605		384	
Cash		-		375	
		1,955		993	
CREDITORS: amounts falling due within one year					
Trade and other creditors	9	1,296		1,044	
Corporation tax		248		-	
		1,544		1,044	
NET CURRENT ASSETS/ (LIABILITIES)			411		(51)
TOTAL ASSETS LESS CURRENT LIABILITIES			1,572		1,284
PROVISIONS FOR LIABILITIES AND CHARGES	10		153		157
NET ASSETS			1,419		1,127
CAPITAL AND RESERVES					
Called up share capital	11		3		3
Profit and loss account	12		1,416		1,124
EQUITY SHAREHOLDERS' FUNDS	13		1,419		1,127

D Preston
Director

19 April 2006

Timloc Building Products Limited

NOTES TO THE ACCOUNTS

at 30 June 2005

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a UK parent.

Depreciation of tangible fixed assets

The cost or valuation of tangible fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Short leasehold property	- over the period of the lease
Plant and equipment	- 4 to 10 years
Motor vehicles	- 4 to 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Operating leases

Rentals in respect of operating leases are charged to the profit and loss account as incurred.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads, based on a normal level of activity.

Pension costs

The company participates in a defined contribution pension scheme.

The pension cost charge of the company's defined contribution scheme represents the contributions payable by the company to the funds. The assets of the schemes are held separately from those of the company in independently administered funds.

The company has continued to account for defined contribution pensions in accordance with SSAP 24.

Timloc Building Products Limited

NOTES TO THE ACCOUNTS at 30 June 2005

1. ACCOUNTING POLICIES (Continued)

Deferred taxation

Provision is made for deferred taxation in accordance with FRS 19.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less, or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted, or substantively enacted at the balance sheet date.

2. TURNOVER

Turnover comprises the invoice value of goods and services supplied by the company exclusive of VAT. All items in the profit and loss account relate to continuing operations.

Geographical analysis

All business operations are located in the United Kingdom and all turnover is generated there.

3. OPERATING PROFIT

This is stated after charging:

		<i>18 months</i>	<i>12 months</i>
		<i>2005</i>	<i>2003</i>
		<i>£000</i>	<i>£000</i>
Depreciation	- owned tangible fixed assets	347	218
Operating lease rentals	- other	151	62
	- hire of plant and equipment	-	5
Auditors' remuneration	- audit	12	7
	- other services	4	3
		<hr/>	<hr/>

Timloc Building Products Limited

NOTES TO THE ACCOUNTS

at 30 June 2005

4. EMOLUMENTS OF DIRECTORS AND EMPLOYEES

Employee costs, including directors, during the year were:

	<i>18 months 2005 £000</i>	<i>12 months 2003 £000</i>
Wages and salaries	1,466	909
Social security costs	140	85
Other pension costs	60	48
	<u>1,666</u>	<u>1,042</u>

The average monthly number employed by the company during the period, including directors, was as follows:

	<i>18 months 2005 Number</i>	<i>12 months 2003 Number</i>
Works personnel	33	25
Executive and staff	22	25
	<u>55</u>	<u>50</u>

Directors' remuneration was as follows:

	<i>18 months 2005 £000</i>	<i>12 months 2003 £000</i>
Remuneration	99	-
Pension paid to a defined contribution pension scheme	6	-

During the period the company paid contributions into a personal pension scheme in respect of one of the remunerated directors.

Timloc Building Products Limited

NOTES TO THE ACCOUNTS

at 30 June 2005

5. TAXATION

a. Tax on profit on ordinary activities

The tax charge is made up as follows:

	<i>18 months</i>	<i>12 months</i>
	<i>2005</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>
Current tax:		
UK Corporation tax	248	82
	<u>248</u>	<u>82</u>
Deferred tax:		
Origination and reversal of timing differences	(4)	6
	<u>244</u>	<u>88</u>
Tax on profit on ordinary activities		

b. Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than (12 months to 31 December 2003: lower than) the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are reconciled below:

	<i>18 months</i>	<i>12 months</i>
	<i>2005</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>
Profit on ordinary activities before tax	786	276
Profit on ordinary activities multiplied by the standard rate of 30%	236	83
Expenses not deductible for tax purposes	3	5
Depreciation in excess of capital allowances	6	(6)
Short term timing differences	3	-
	<u>248</u>	<u>82</u>
Total current tax		

Timloc Building Products Limited

NOTES TO THE ACCOUNTS at 30 June 2005

6. TANGIBLE FIXED ASSETS

	<i>Short leasehold property £000</i>	<i>Plant and equipment Owned £000</i>	<i>Total £000</i>
Cost:			
At 1 January 2004	132	2,690	2,822
Additions	-	173	173
At 30 June 2005	<u>132</u>	<u>2,863</u>	<u>2,995</u>
Depreciation:			
At 1 January 2004	71	1,416	1,487
Charge for year	9	338	347
At 30 June 2005	<u>80</u>	<u>1,754</u>	<u>1,834</u>
Net book value:			
At 30 June 2005	<u>52</u>	<u>1,109</u>	<u>1,161</u>
Net book value:			
At 31 December 2003	<u>61</u>	<u>1,274</u>	<u>1,335</u>

7. STOCKS

	<i>2005 £000</i>	<i>2003 £000</i>
Raw materials	169	75
Work in progress	1	1
Finished goods	180	158
	<u>350</u>	<u>234</u>

Timloc Building Products Limited

NOTES TO THE ACCOUNTS at 30 June 2005

8. DEBTORS

	2005 £000	2003 £000
Trade debtors	1,065	328
Prepayments and accrued income	133	56
Amounts owed to group undertakings	407	-
	<u>1,605</u>	<u>384</u>

9. TRADE AND OTHER CREDITORS

	2005 £000	2003 £000
Bank overdraft	122	-
Trade creditors	559	411
Other taxes and social security	123	30
Accruals and deferred income	475	127
Other creditors	17	476
	<u>1,296</u>	<u>1,044</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £000
At 1 January 2004	157
Deferred tax credit in the profit and loss account	(4)
At 30 June 2005	<u>153</u>

The deferred tax included in the balance sheet is as follows:

	2005 £000	2003 £000
Accelerated capital allowances	157	157
Other timing differences	(4)	-
Deferred tax liability	<u>153</u>	<u>157</u>

Timloc Building Products Limited

NOTES TO THE ACCOUNTS at 30 June 2005

11. CALLED UP SHARE CAPITAL

	2005 £000	2003 £000
Authorised, allotted and fully paid : 3,000 (2003: 3,000) Ordinary shares of £1 each	3	3

12. RESERVES

	<i>Profit and loss account</i> £000
At 1 January 2004	1,124
Profit for the financial year	292
At 30 June 2005	1,416

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £000	2003 £000
Opening shareholders' funds	1,127	939
Profit attributable to the shareholders of the company	542	188
Dividends	(250)	-
Closing shareholders' funds	1,419	1,127

Timloc Building Products Limited

NOTES TO THE ACCOUNTS at 30 June 2005

14. FINANCIAL COMMITMENTS

Capital commitments

At 30 June 2005 £103,000 (2003: £nil) of capital expenditure had been authorised and contracted by the company.

Annual operating lease commitments

	<i>Other operating leases</i>		<i>Land and buildings</i>	
	<i>2005</i>	<i>2003</i>	<i>2005</i>	<i>2003</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire:				
within one year	-	-	20	-
within 2-5 years	53	39	-	18
in over 5 years	-	-	55	54
	<hr/>	<hr/>	<hr/>	<hr/>
	53	39	75	72
	<hr/>	<hr/>	<hr/>	<hr/>

15. CONTINGENT LIABILITIES

Cross guarantees are in existence between the company and other group undertakings in respect of a composite banking arrangement.

16. RELATED PARTIES

The company, being a wholly owned subsidiary of The Alumasc Group plc, takes advantage of the exemption under FRS 8, Related Party Transactions, from disclosure of transactions with entities within the group.

There are no other related party transactions.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Following the acquisition of the company by The Alumasc Group plc from Expamet International Limited on 6 September 2004, the company's immediate and ultimate holding company and controlling party is The Alumasc Group plc, a company registered in England. Copies of the consolidated accounts of The Alumasc Group plc can be obtained from The Group Secretary, The Alumasc Group plc, Station Road, Burton Latimer, Kettering, Northants NN15 5JP.

18. EVENTS AFTER THE BALANCE SHEET DATE

On 1 July 2005 the assets, liabilities and trade of the company, were transferred at book value to a fellow subsidiary, Alumasc Limited, a company which manufactures and markets industrial products and building products.