

930724

TIMLOC BUILDING PRODUCTS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 1994



TIMLOC BUILDING PRODUCTS LIMITED

DIRECTORS

AW Orr Chairman
P Reeder
TN Hauxwell
JDK Hewitt
M Mell

SECRETARY

JDK Hewitt

REGISTERED OFFICE

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

Registered Number: 930724

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1994

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 1994 was £608,517 (1993 - £386,972). The directors recommend the payment of a dividend of £400,000 (1993 - £500,000).

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 FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

DIRECTORS' INTERESTS

Mr TN Hauxwell and Mr AW Orr are directors of the ultimate parent undertaking and their interests in the share capital of that undertaking are shown in its directors' report. Mr P Reeder was appointed a director of the ultimate parent undertaking during the year. 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>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
JDK Hewitt	59,676	59,676	13,638	13,075
P Reeder	-	91,407	678	448
M Mell	-	-	1,024	735

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 12, 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.

TIMLOC BUILDING PRODUCTS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 1994 (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

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.

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



JDK Hewitt
Secretary

30 March 1995

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF TIMLOC BUILDING PRODUCTS LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

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 1994 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

30 March 1995

TIMLOC BUILDING PRODUCTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1994**

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
TURNOVER	2	3,272,281	2,369,927
Cost of sales		(1,393,286)	(973,938)
		<u> </u>	<u> </u>
GROSS PROFIT		1,878,995	1,395,989
Distribution costs		(103,302)	(65,609)
Administrative expenses		(890,861)	(731,709)
		<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	884,832	598,671
Tax on profit on ordinary activities	7	(276,315)	(211,699)
		<u> </u>	<u> </u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		608,517	386,972
Dividend	8	(400,000)	(500,000)
		<u> </u>	<u> </u>
PROFIT/(LOSS) FOR THE YEAR TRANSFERRED TO/(WITHDRAWN FROM) RESERVES	15	£208,517	£(113,028)
		<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.

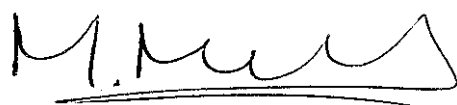
There is no material difference between the reported profits and the historical cost profits.

TIMLOC BUILDING PRODUCTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
FIXED ASSETS			
Tangible assets	9	198,599	167,678
CURRENT ASSETS			
Stock and work in progress	10	97,594	70,340
Debtors	11	1,027,319	966,238
Cash at bank and in hand		<u>51,964</u>	<u>268,919</u>
		1,176,877	1,305,497
CREDITORS: amounts falling due within one year	12	<u>(811,851)</u>	<u>(1,120,067)</u>
NET CURRENT ASSETS		<u>365,026</u>	<u>185,430</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		563,625	353,108
DEFERRED TAXATION	13	<u>(14,000)</u>	<u>(12,000)</u>
		£549,625	£341,108
CAPITAL AND RESERVES			
Called up share capital	14	3,000	3,000
Profit and loss account	15	<u>546,625</u>	<u>338,108</u>
		£549,625	£341,108

The accounts on pages 5 to 12 were approved by the directors on 30 March 1995 and are signed on their behalf by:



M Mell - Director

TIMLOC BUILDING PRODUCTS LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1994

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.

(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 Expamet 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.

TIMLOC BUILDING PRODUCTS LIMITED

NOTES TO THE ACCOUNTS (continued)

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>1994</u>	<u>1993</u>
	£	£
Staff costs:		
Wages and salaries	421,685	342,372
Social security costs	34,839	29,682
Other pension costs	-	-
Operating leases rentals for plant and machinery	40,690	2,464
Other operating lease rentals	30,000	31,680
Depreciation - owned assets	43,667	43,695
- leased assets	4,154	4,186
Auditors' remuneration	5,800	5,700
Non audit fees charged by auditors	2,300	2,250
	<u> </u>	<u> </u>

4 DIRECTORS' EMOLUMENTS

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

	<u>1994</u>	<u>1993</u>
Management remuneration (including benefits in kind)	£46,015	£38,940
	<u> </u>	<u> </u>

Emoluments of the directors (excluding pension contributions) were:

	£	£
Chairman	-	-
Highest paid director	46,015	25,424
	<u> </u>	<u> </u>

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

	<u>1994</u>	<u>1993</u>
	No	No
£0 - £5,000	4	3
£10,001 - £15,000	-	1
£25,001 - £30,000	-	1
£45,001 - £50,000	1	-

TIMLOC BUILDING PRODUCTS LIMITED

NOTES TO THE ACCOUNTS (continued)

5 PENSION COMMITMENTS

The majority of company employees are members of the Expamet 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 Expamet 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 (1993 - 28).

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1994</u>	<u>1993</u>
Corporation tax on the profits for the year at 33% (1993 33%)	291,766	200,950
Deferred taxation	2,000	6,000
Adjustment for prior period	(17,451)	4,749
	<u>£276,315</u>	<u>£211,699</u>

8 DIVIDEND

	<u>1994</u>	<u>1993</u>
Dividend paid on ordinary shares	<u>£400,000</u>	<u>£500,000</u>

9 TANGIBLE ASSETS

	<u>Short leasehold improvements</u>	<u>Motor vehicles</u>	<u>Fixtures and fittings</u>	<u>Plant and machinery</u>	<u>Total</u>
<u>Cost</u>					
At 1 January 1994	41,541	6,468	89,449	572,770	710,228
Additions	-	-	17,715	61,027	78,742
	<u>41,541</u>	<u>6,468</u>	<u>107,164</u>	<u>633,797</u>	<u>788,970</u>
<u>Depreciation</u>					
At 1 January 1994	11,081	6,468	82,460	442,541	542,550
Provided in the year	4,154	-	6,531	37,136	47,821
	<u>15,235</u>	<u>6,468</u>	<u>88,991</u>	<u>479,677</u>	<u>590,371</u>
<u>Net book amount</u>					
At 31 December 1994	£26,306	£-	£18,173	£154,120	£198,599
	<u>£26,306</u>	<u>£-</u>	<u>£18,173</u>	<u>£154,120</u>	<u>£198,599</u>
At 31 December 1993	£30,460	£-	£6,989	£130,229	£167,678
	<u>£30,460</u>	<u>£-</u>	<u>£6,989</u>	<u>£130,229</u>	<u>£167,678</u>

TIMLOC BUILDING PRODUCTS LIMITED

NOTES TO THE ACCOUNTS (continued)

10	STOCKS		<u>1994</u>	<u>1993</u>
		Raw materials and consumables	51,290	32,000
		Work in progress	3,000	1,000
		Finished goods and goods for resale	<u>43,304</u>	<u>37,340</u>
			£97,594	£70,340
11	DEBTORS		<u>1994</u>	<u>1993</u>
		Trade debtors	528,388	419,931
		Amounts owed by group undertakings	426,577	528,256
		Prepayments and accrued income	<u>72,354</u>	<u>18,051</u>
			£1,027,319	£966,238
12	CREDITORS: amounts falling due within one year		<u>1994</u>	<u>1993</u>
		Trade creditors	393,884	204,299
		Amounts owed to group undertakings	93,849	554,410
		Corporation tax	195,932	200,950
		Other taxation and social security	81,186	71,118
		Accruals and deferred income	<u>47,000</u>	<u>89,290</u>
			£811,851	£1,120,067
13	DEFERRED TAXATION			
		At 1 January 1994	12,000	12,000
		Transfers to profit and loss account	<u>2,000</u>	<u>-</u>
		At 31 December 1994	£14,000	£12,000

Deferred tax provided at 31 December 1994 comprised accelerated tax depreciation and other timing differences and represents the full potential liability.

TIMLOC BUILDING PRODUCTS LIMITED

NOTES TO THE ACCOUNTS (continued)

14 CALLED UP SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
Authorised: 3000 ordinary shares of £1 each	£3,000	£3,000
	<hr/>	<hr/>
Allotted and fully paid: 3000 ordinary shares of £1 each	£3,000	£3,000
	<hr/>	<hr/>

15 PROFIT AND LOSS ACCOUNT

At 1 January 1994		338,108
Profit for year		208,517
		<hr/>
At 31 December 1994		£546,625
		<hr/>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1994</u>	<u>1993</u>
Profit for the financial year	608,517	386,972
Dividends	<u>(400,000)</u>	<u>(500,000)</u>
Increase/(Decrease) in shareholders' funds	208,517	(113,028)
Opening shareholders' funds	341,108	454,136
	<hr/>	<hr/>
Closing shareholders' funds	£549,625	£341,108
	<hr/>	<hr/>

17 CAPITAL COMMITMENTS

	<u>1994</u>	<u>1993</u>
Contracted for but not provided in the accounts	-	-
Authorised but not contracted for	<hr/>	<u>6,884</u>
	£-	£6,884
	<hr/>	<hr/>

18 LEASE COMMITMENTS

The minimum rental commitments at 31 December 1994 in respect of non-cancellable operating leases expiring in the following years, for which provision has not been made, were:

	<u>1994</u>	<u>1993</u>
Between one and two years	£9,564	-
Between two and five years	£45,483	-
In more than five years	£30,000	£66,400
	<hr/>	<hr/>

TIMLOC BUILDING PRODUCTS LIMITED

NOTES TO THE ACCOUNTS (continued)

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 1994, borrowings subject to this guarantee amounted to £9,800,000 (31 December 1993 - £11,977,000).

20 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Expanet 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.