

Timloc Building Products Limited  
Annual report  
for the year ended 31 December 2003

Registered Number 930724



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for the year ended 31 December 2003  
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# **Timloc Building Products Limited**

## **Directors' report for the year ended 31 December 2003**

The directors present their report and audited financial statements of the company for the year ended 31 December 2003.

### **Principal activity**

The principal activity of the company is the supply of plastic building products for the building industry.

### **Review of the business and future developments**

The company's profitability increased during the year due to increased volumes. The directors expect the level of activity to remain acceptable for the foreseeable future.

The company was required to contribute a total of £439,000 to the defined benefit pension scheme operated by the group following its discontinuance in 2002. The full amount of the contributions has been recognised in the profit and loss account for the preceding year.

### **Results and dividends**

The company's profit and loss account is set out on page 3. The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2003 (2002 : £Nil).

### **Directors and their interests**

The directors who held office during the year are given below:

M Taylor  
R H Wilson

The interests of M Taylor and R H Wilson, who are also directors of the ultimate parent company, Clifton House Acquisition Limited, are shown in the annual report of that company.

### **Statement of director's responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

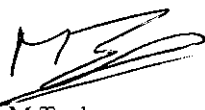
The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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**

Elective resolutions have been passed to dispense with obligations to appoint auditors annually.

By order of the Board



M Taylor  
Secretary

25 March 2004

# **Timloc Building Products Limited**

## **Independent auditors' report to the members of Timloc Building Products Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

### **Basis of audit 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 at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
Newcastle upon Tyne

**25** March 2004

# Timloc Building Products Limited

## Profit and loss account for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
<b>Turnover</b>	1	<b>4,302</b>	3,824
Cost of sales		(2,102)	(1,798)
<b>Gross profit</b>		<b>2,200</b>	2,026
Distribution costs		(246)	(196)
Administrative expenses before exceptional item		(1,678)	(1,592)
Exceptional administrative expenses	2	-	(439)
Administrative expenses		(1,678)	(2,031)
<b>Profit/(loss) on ordinary activities before taxation</b>	3	<b>276</b>	(201)
Tax on profit/(loss) on ordinary activities	6	(88)	60
<b>Retained profit/(loss) for the financial year</b>	13	<b>188</b>	(141)

All of the above results relate entirely to continuing operations.

The company has no recognised gains or losses other than the profit above and therefore no separate statement of total recognised gains or losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

# Timloc Building Products Limited

## Balance sheet as at 31 December 2003

	Note	2003	2002
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	7	1,335	1,292
<b>Current assets</b>			
Stocks	8	234	175
Debtors	9	384	394
Cash at bank and in hand		375	450
		993	1,019
<b>Creditors – Amounts falling due within one year</b>	10	(1,044)	(1,221)
<b>Net current liabilities</b>		(51)	(202)
<b>Total assets less current liabilities</b>		1,284	1,090
<b>Provisions for liabilities and charges</b>	11	(157)	(151)
<b>Net assets</b>		1,127	939
<b>Capital and reserves</b>			
Called up equity share capital	12	3	3
Profit and loss account	13	1,124	936
<b>Total equity shareholder's funds</b>	14	1,127	939

The financial statements on pages 3 to 12 were approved by the board of directors on 25 March 2004 and were signed on their behalf by:



M Taylor  
Director

# **Timloc Building Products Limited**

## **Accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies, which have been applied consistently, are set out below.

### **Cash flow statement and related party disclosures**

The company is a wholly owned subsidiary of Expamet International Limited and is included in the consolidated financial statements of Clifton House Acquisition Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Clifton House Acquisition Limited group or investees of the Clifton House Acquisition Limited group.

### **Turnover**

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

### **Depreciation**

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

Short leasehold improvements	over life of lease
Fixtures and fittings	5 to 10 years
Plant and machinery	4 to 10 years

Assets in the course of construction are not depreciated.

### **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.

### **Deferred taxation**

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### **Pension costs**

The company contributes to a defined contribution pension scheme operated by Expamet International Limited. The assets of the scheme are held separately from those of the company in separately administered funds. Contributions payable for the year are charged in the profit and loss account.

### **Operating leases**

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

# Timloc Building Products Limited

## Notes to the financial statements for the year ended 31 December 2003

### 1 Turnover

All turnover of the company arose in the United Kingdom.

### 2 Exceptional administrative expenses

With effect from 21 March 2002 the defined benefit pension scheme operated by the Group in the UK (the "scheme") was discontinued. As a result of these changes, the company was required to contribute to the scheme £439,000 which was charged to the profit and loss account in the year ended 31 December 2002. The winding up of the scheme commenced with effect from 13 August 2002.

### 3 Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation is stated after charging:

	2003 £'000	2002 £'000
Depreciation of tangible fixed assets	218	206
Operating lease charges		
- plant and machinery	5	7
- other	62	53
Auditors' remuneration		
- audit services	7	7
- non-audit services	3	3

### 4 Staff costs

	2003 £'000	2002 £'000
Staff costs:		
Wages and salaries	909	863
Social security costs	85	68
Pension costs	48	490
	1,042	1,421



## Timloc Building Products Limited

The average number of persons (including executive directors) employed by the company during the year was as follows:

By activity	2003 Number	2002 Number
Production	25	22
Sales and distribution	12	12
Administration	13	13
	50	47

### 5 Directors' emoluments

Aggregate emoluments were £Nil (2002: £Nil).

### 6 Tax on profit/(loss) on ordinary activities

#### (a) Analysis of tax charge for the period

	2003 £'000	2002 £'000
<b>Current tax:</b>		
United Kingdom corporation tax at 30% (2002: 30%)	82	(69)
Adjustment in respect of previous years	-	(1)
Total current tax	82	(70)
<b>Deferred taxation:</b>		
Origination and reversal of timing differences	6	10
	88	(60)

## Timloc Building Products Limited

### 6 Tax on profit/(loss) on ordinary activities (continued)

#### (b) Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2003 £'000	2002 £'000
Profit/(loss) on ordinary activities before tax	276	(201)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	83	(60)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	5	1
Capital allowances for the period in excess of depreciation	(6)	(10)
Adjustments in respect of prior periods	-	(1)
<b>Current tax charge/(credit) for the period</b>	<b>82</b>	<b>(70)</b>

#### (c) Factors that may affect future tax charges:

There are no factors that are expected to significantly affect the taxation charges in future periods.

# Timloc Building Products Limited

## 7 Tangible fixed assets

	Short leasehold improvements £'000	Fixtures and fittings £'000	Plant and machinery £'000	Assets in course of construction £'000	Total £'000
<b>Cost</b>					
At 1 January 2003	132	204	2,396	-	2,732
Additions	-	-	218	68	286
Disposals	-	-	(172)	-	(172)
Intra-group transfers	-	-	(24)	-	(24)
<b>At 31 December 2003</b>	<b>132</b>	<b>204</b>	<b>2,418</b>	<b>68</b>	<b>2,822</b>
<b>Accumulated depreciation</b>					
At 1 January 2003	65	125	1,250	-	1,440
Charge for the year	6	12	200	-	218
Disposals	-	-	(165)	-	(165)
Intra-group transfers	-	-	(6)	-	(6)
<b>At 31 December 2003</b>	<b>71</b>	<b>137</b>	<b>1,279</b>	<b>-</b>	<b>1,487</b>
<b>Net book amount</b>					
<b>At 31 December 2003</b>	<b>61</b>	<b>67</b>	<b>1,139</b>	<b>68</b>	<b>1,335</b>
At 31 December 2002	67	79	1,146	-	1,292

## 8 Stocks

	2003 £'000	2002 £'000
Raw materials and consumables	75	50
Work in progress	1	1
Finished goods and goods for resale	158	124
	<b>234</b>	<b>175</b>

## Timloc Building Products Limited

### 9 Debtors

	2003 £'000	2002 £'000
Trade debtors	328	351
Amounts owed by group undertakings	-	2
Prepayments and accrued income	56	41
	<b>384</b>	<b>394</b>

### 10 Creditors – Amounts falling due within one year

	2003 £'000	2002 £'000
Trade creditors	411	382
Amounts due to group undertakings	476	694
Other taxation and social security	30	24
Accruals and deferred income	127	121
	<b>1,044</b>	<b>1,221</b>

### 11 Provisions for liabilities and charges

	Deferred taxation £'000
At 1 January 2003	151
Charged to the profit and loss account	6
<b>At 31 December 2003</b>	<b>157</b>

Deferred taxation provided in the accounts comprises:

	2003 £'000	2002 £'000
Accelerated capital allowances	157	151

## Timloc Building Products Limited

### 12 Called up equity share capital

	2003	2002
	£'000	£'000
Authorised, allotted and fully paid		
3,000 ordinary shares of £1 each	3	3

### 13 Profit and loss account

	2003
	£'000
At 1 January 2003	936
Retained profit for the financial year	188
At 31 December 2003	1,124

### 14 Reconciliation of movements in equity shareholder's funds

	2003	2002
	£'000	£'000
Profit/(loss) for the year	188	(141)
Dividends	-	-
Net increase/(reduction) in equity shareholder's funds	188	(141)
Opening equity shareholder's funds	939	1,080
Closing equity shareholder's funds	1,127	939

## **Timloc Building Products Limited**

### **15 Financial commitments**

At 31 December 2003 the company had annual commitments under non-cancellable operating leases expiring as follows:

	<b>2003</b>		<b>2002</b>	
	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within two to five years	18	39	-	44
After five years	54	-	54	-
	72	39	54	44

### **16 Capital commitments**

The company had capital commitments of £Nil at 31 December 2003 (2002: £79,000).

### **17 Contingent liabilities**

Lloyds TSB Bank PLC has a right of set-off between balances held by the company and other UK fellow subsidiaries of Clifton House Acquisition Limited, with a maximum exposure equal to the entire cash balance of the company.

### **18 Ultimate parent undertaking**

The immediate parent undertaking is Expamet International Limited.

The ultimate parent undertaking and controlling party is Clifton House Acquisition Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Clifton House Acquisition Limited consolidated financial statements can be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.