

Timloc Building Products Limited  
Annual report  
for the year ended 31 December 2002

Registered Number 930724



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Annual report  
for the year ended 31 December 2002  
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# **Timloc Building Products Limited**

## **Directors' report for the year ended 31 December 2002**

The directors present their report and audited financial statements of the company for the year ended 31 December 2002.

### **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.

With effect from 21 March 2002 the defined benefit pension scheme operated by the Group in the UK (the "scheme") was discontinued. The winding up of the scheme commenced with effect from 13 August 2002.

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.

### **Results and dividends**

The company's profit and loss account is set out on page 4. The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2002 (2001 : £150,000).

### **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.

# Timloc Building Products Limited

## 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 with the exception of the changes arising on the adoption of new accounting standards as explained under 'Accounting Policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership ("LLP") from 1 January 2003, PricewaterhouseCoopers resigned on 30 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. Elective resolutions have been passed to dispense with obligations to appoint auditors annually.

By order of the Board



M Taylor  
Secretary

14 May 2003

# **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 2002 and of its loss 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

14 May 2003

# Timloc Building Products Limited

## Profit and loss account for the year ended 31 December 2002

	Note	2002 £'000	2001 £'000
Turnover	1	3,824	3,660
Cost of sales		(1,798)	(1,739)
<b>Gross profit</b>		<b>2,026</b>	<b>1,921</b>
Distribution costs		(196)	(181)
Administrative expenses before exceptional item		(1,592)	(1,469)
Exceptional administrative expenses	2	(439)	-
Administrative expenses after exceptional item		(2,031)	(1,469)
<b>(Loss)/profit on ordinary activities before taxation</b>	3	<b>(201)</b>	<b>271</b>
Tax on (loss)/profit on ordinary activities	6	60	(84)
<b>(Loss)/profit for the financial year</b>		<b>(141)</b>	<b>187</b>
Dividend paid	7	-	(150)
<b>(Loss)/profit for the financial year</b>	14	<b>(141)</b>	<b>37</b>

All of the above results relate entirely to continuing operations.

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

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

# Timloc Building Products Limited

## Balance sheet as at 31 December 2002

	Note	2002 £'000	2001 £'000
<b>Fixed assets</b>			
Tangible assets	8	1,292	1,396
<b>Current assets</b>			
Stocks and work in progress	9	175	182
Debtors	10	394	520
Cash at bank and in hand		450	318
		1,019	1,020
<b>Creditors – Amounts falling due within one year</b>	11	(1,221)	(1,195)
<b>Net current liabilities</b>		(202)	(175)
<b>Total assets less current liabilities</b>		1,090	1,221
<b>Provisions for liabilities and charges</b>	12	(151)	(141)
<b>Net assets</b>		939	1,080
<b>Capital and reserves</b>			
Called up equity share capital	13	3	3
Profit and loss account	14	936	1,077
<b>Equity shareholder's funds</b>	15	939	1,080

The financial statements on pages 4 to 13 were approved by the board of directors on 14 May 2003 and were signed on their behalf by:



M Taylor  
Director

# **Timloc Building Products Limited**

## **Accounting policies**

### **Basis of preparation of the financial statements**

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

### **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

### **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**

On 1 January 2002, the company changed its accounting policy on deferred tax in line with Financial Reporting Standard 19.

Deferred tax is now provided on timing differences where the company has an obligation to pay more tax in the future as a result of the reversal of those timing differences.

There was no effect on prior years or the current year's tax charge as a result of this change in accounting policy.

### **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 a separately administered fund. 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 2002

### 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. The winding up of the scheme commenced with effect from 13 August 2002.

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.

### 3 (Loss)/profit on ordinary activities before taxation

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

	2002 £'000	2001 £'000
Depreciation of tangible fixed assets	206	217
Operating lease charges		
- plant and machinery	7	28
- other	53	54
Auditors' remuneration		
- audit services	7	7
- non-audit services	3	2

### 4 Staff costs

	2002 £'000	2001 £'000
Staff costs:		
Wages and salaries	863	719
Social security costs	68	50
Pension costs	490	-
	1,421	769

# Timloc Building Products Limited

## 4 Staff costs (continued)

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

By activity	2002	2001
	£'000	£'000
Production	22	23
Sales and distribution	12	11
Administration	13	13
	47	47

## 5 Directors' emoluments

Aggregate emoluments were £Nil (2001: £Nil).

Retirement benefits are accruing under the Expamet Group defined contribution scheme to one director (2001: none).

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

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

	2002	2001
	£'000	£'000
<b>Current tax:</b>		
UK corporation tax on (loss)/profits of the year	(69)	66
Adjustment in respect of previous years	(1)	(1)
	(70)	65
<b>Deferred taxation:</b>		
Origination and reversal of timing differences	10	19
	(60)	84

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## 6 Tax on (loss)/profit 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:

	2002 £'000	2001 £'000
(Loss)/profit on ordinary activities before tax	(201)	271
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	(60)	81
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1	3
Capital allowances for the period in excess of depreciation	(10)	(18)
Adjustments in respect of prior periods	(1)	(1)
<b>Current tax (credit)/charge for the period</b>	<b>(70)</b>	<b>65</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.

## 7 Dividends

	2002 £'000	2001 £'000
Dividend paid on ordinary shares	-	150

# Timloc Building Products Limited

## 8 Tangible fixed assets

	Short leasehold improvements £'000	Fixtures and fittings £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>				
At 1 January 2002	132	204	2,372	2,708
Additions	-	-	110	110
Disposals	-	-	(86)	(86)
<b>At 31 December 2002</b>	<b>132</b>	<b>204</b>	<b>2,396</b>	<b>2,732</b>
<b>Accumulated depreciation</b>				
At 1 January 2002	59	112	1,141	1,312
Charge for the year	6	13	187	206
Disposals	-	-	(78)	(78)
<b>At 31 December 2002</b>	<b>65</b>	<b>125</b>	<b>1,250</b>	<b>1,440</b>
<b>Net book amount</b>				
<b>At 31 December 2002</b>	<b>67</b>	<b>79</b>	<b>1,146</b>	<b>1,292</b>
At 31 December 2001	73	92	1,231	1,396

## 9 Stocks

	2002 £'000	2001 £'000
Raw materials and consumables	50	53
Work in progress	1	-
Finished goods and goods for resale	124	129
	<b>175</b>	<b>182</b>

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## 10 Debtors

	2002 £'000	2001 £'000
Trade debtors	351	477
Amounts owed by group undertakings	2	-
Prepayments and accrued income	41	43
	394	520

## 11 Creditors – Amounts falling due within one year

	2002 £'000	2001 £'000
Trade creditors	382	400
Amounts due to group undertakings	694	559
Corporation tax	-	68
Other taxation and social security	24	17
Accruals and deferred income	121	151
	1,221	1,195

## 12 Provisions for liabilities and charges

	Deferred taxation £'000
At 1 January 2002	141
Charged to the profit and loss account	10
At 31 December 2002	151

Deferred taxation provided in the accounts comprises:

	2002 £'000	2001 £'000
Accelerated capital allowances	151	141

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## 13 Called up equity share capital

	2002	2001
	£'000	£'000
Authorised, allotted and fully paid		
3,000 Ordinary shares of £1 each	3	3

## 14 Profit and loss account

	2002
	£'000
At 1 January 2002	1,077
Loss for the financial year	(141)
At 31 December 2002	936

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

	2002	2001
	£'000	£'000
(Loss)/profit for the year	(141)	187
Dividends	-	(150)
Net (reduction)/increase in equity shareholder's funds	(141)	37
Opening equity shareholder's funds	1,080	1,043
Closing equity shareholder's funds	939	1,080

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## 16 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2002		2001	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	-	-	-	8
Within two to five years	-	44	-	19
After five years	54	-	54	1
	54	44	54	28

## 17 Pension commitments

Following the winding up of the group defined benefit scheme, as referred to in note 2, the company was required to make a contribution of £439,000 during the year. No further commitments exist in relation to this scheme.

## 18 Capital commitments

The company had capital commitments of £79,000 at 31 December 2002 (2001: £Nil).

## 19 Contingent liabilities

The bank has right of set-off right between balances held by the company and other UK fellow subsidiaries of Clifton House Acquisition Limited.

## 20 Ultimate parent undertaking

The immediate parent undertaking is Expanet 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.