

Timloc Building Products Limited  
Annual report  
for the year ended 31 December 2000

Registered Number 930724



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for the year ended 31 December 2000  
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# Timloc Building Products Limited

## Directors' report for the year ended 31 December 2000

The directors present their report and audited financial statements of the company for the year ended 31 December 2000.

### Principal activities

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 declined in the year due mainly to increased material cost and price pressures in the market. The directors are confident that the company can withstand these pressures and profitability will increase during 2001.

### Results and dividends

The company's profit and loss account is set out on page 4. A dividend of £200,000 (1999: £400,000) was paid during the year.

### Directors

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

J D K Hewitt            (Resigned 31 May 2001)  
M Taylor  
R H Wilson            (Appointed 3 April 2000)

### Directors' interests

Mr M Taylor and Mr R Wilson are directors of the ultimate parent undertaking and their interests in the share capital and share options of that company are shown in its directors' report. The other directors' interests in the share capital of Expanet International PLC at the end of the year are set out below:

	Ordinary shares	
	2000	1999
J D K Hewitt	23,635	14,337

	Options over Ordinary shares			
	2000	Granted	Exercised	1999
J D K Hewitt	121,784	96,000	-	25,784

# **Timloc Building Products Limited**

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

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements;
- prepare the financial statements 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 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.

**By order of the Board**



M Taylor  
Secretary  
25 July 2001

# **Timloc Building Products Limited**

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

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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

The directors are responsible for preparing the Annual Report. As described on page 2 this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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 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 at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

25 July 2001

# Timloc Building Products Limited

## Profit and loss account for the year ended 31 December 2000

	Note	2000 £'000	1999 £'000
<b>Turnover</b>	1	3,136	3,190
Cost of sales		(1,396)	(1,314)
<b>Gross profit</b>		1,740	1,876
Distribution costs		(147)	(116)
Administrative expenses		(1,373)	(1,267)
<b>Profit on ordinary activities before taxation</b>	2	220	493
Tax on profit on ordinary activities	5	(69)	(150)
<b>Profit for the financial year</b>		151	343
Dividend paid	6	(200)	(400)
<b>Retained loss for the financial year</b>	13	(49)	(57)

All result refer 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 differences between the profit on ordinary activities before taxation and retained loss for the year stated above and their historical cost equivalents.

# Timloc Building Products Limited

## Balance sheet as at 31 December 2000

	Note	2000 £'000	2000 £'000	1999 £'000	1999 £'000
<b>Fixed assets</b>					
Tangible assets	7		1,513		883
<b>Current assets</b>					
Stocks and work in progress	8	155		185	
Debtors	9	477		442	
Cash at bank and in hand		177		504	
		809		1,131	
<b>Creditors: amounts falling due within one year</b>	10	(1,156)		(852)	
<b>Net current (liabilities)/assets</b>			(347)		279
<b>Total assets less current liabilities</b>			1,166		1,162
<b>Provisions for liabilities and charges</b>	11		(123)		(70)
<b>Net assets</b>			1,043		1,092
<b>Capital and reserves</b>					
Called up equity share capital	12		3		3
Profit and loss account	13		1,040		1,089
<b>Equity shareholders' funds</b>	14		1,043		1,092

The financial statements on pages 4 to 12 were approved by the board of directors on 25 July 2001 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.

### **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:

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

Provision is made for deferred taxation using the liability method on all timing differences to the extent that a liability is expected to arise in the foreseeable future.

### **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.

### **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 2000

### 1 Turnover

All turnover of the company arose in the United Kingdom.

### 2 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	2000 £'000	1999 £'000
Depreciation of tangible fixed assets	156	133
Operating lease charges		
- plant and machinery	42	56
- other	54	39
Auditors' remuneration		
- audit services	7	6
- non-audit services	3	2

### 3 Staff costs

	2000 £'000	1999 £'000
Staff costs:		
Wages and salaries	629	626
Social security costs	45	45

The average number employed by the company during the year was as follows:

	2000 £'000	1999 £'000
By activity		
Production	24	22
Sales and distribution	7	6
Administration	12	13
	43	41

# Timloc Building Products Limited

## 4 Directors' emoluments

Aggregate emoluments were £Nil (1999: £49,863).

The number of directors to whom retirement benefits are accruing under the Expamet Group defined benefit scheme is 2 (1999: 2).

The number of directors exercising Expamet International PLC share options in the year was £Nil (1999: £Nil).

## 5 Tax on profit on ordinary activities

Tax on profit on ordinary activities comprises:	2000 £'000	1999 £'000
UK corporation tax at 30% (1999: 30.25%)		
- current year	18	130
- prior year	(2)	(1)
	16	129
Deferred taxation	53	21
	69	150

## 6 Dividend

	2000 £'000	1999 £'000
Dividend paid on ordinary shares	200	400

# Timloc Building Products Limited

## 7 Tangible fixed assets

	Short leasehold improvements £'000	Fixtures and fittings £'000	Plant and machinery £'000	Total £'000
<b>Cost</b>				
At 1 January 2000	61	149	1,614	1,824
Additions	71	47	668	786
<b>At 31 December 2000</b>	<b>132</b>	<b>196</b>	<b>2,282</b>	<b>2,610</b>
<b>Accumulated depreciation</b>				
At 1 January 2000	40	98	803	941
Charge for the year	8	6	142	156
<b>At 31 December 2000</b>	<b>48</b>	<b>104</b>	<b>945</b>	<b>1,097</b>
<b>Net book amount</b>				
<b>At 31 December 2000</b>	<b>84</b>	<b>92</b>	<b>1,337</b>	<b>1,513</b>
At 31 December 1999	21	51	811	883

## 8 Stocks

	2000 £'000	1999 £'000
Raw materials and consumables	67	64
Work in progress	1	1
Finished goods and goods for resale	87	120
	<b>155</b>	<b>185</b>

## 9 Debtors

	2000 £'000	1999 £'000
Trade debtors	448	399
Prepayments and accrued income	29	43
	<b>477</b>	<b>442</b>

# Timloc Building Products Limited

## 10 Creditors – amounts falling due within one year

	2000	1999
	£'000	£'000
Trade creditors	288	311
Amounts owed to group undertakings	708	333
Corporation tax	18	130
Other taxation and social security	65	50
Accruals and deferred income	77	28
	1,156	852

## 11 Provisions for liabilities and charges

	2000	1999
	£'000	£'000
<b>Deferred taxation</b>		
At 1 January	70	49
Charged to the profit and loss account	53	21
At 31 December	123	70

Deferred tax provided relates to accelerated capital allowances and represents the full potential liability.

## 12 Called up equity share capital

	2000	1999
	£'000	£'000
<b>Authorised, allotted and fully paid</b>		
3,000 Ordinary shares of £1 each	3	3

# Timloc Building Products Limited

## 13 Profit and loss account

	2000	1999
	£'000	£'000
At 1 January	1,089	1,146
Retained loss for the financial year	(49)	(57)
At 31 December	1,040	1,089

## 14 Reconciliation of movements in equity shareholders' funds

	2000	1999
	£'000	£'000
Profit for the year	151	343
Dividends	(200)	(400)
Net reduction in shareholders' funds	(49)	(57)
Shareholders' funds as at 1 January	1,092	1,149
Shareholders' funds as at 31 December	1,043	1,092

## 15 Operating lease commitments

At 31 December 2000 the company had annual non-cancellable operating leases expiring as follows:

	2000		1999	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	-	7	-	11
Within two to five years	-	20	-	39
After five years	53	-	39	-
	53	27	39	50

# **Timloc Building Products Limited**

## **16 Pension commitments**

The majority of company employees are members of the Expamet Group defined benefit pension scheme which is available to 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.

## **17 Capital commitments**

The company had capital commitments of £Nil at 31 December 2000 (1999: £Nil).

## **18 Contingent liabilities**

The bank has automatic set-off right between balances held by the company and other UK Expamet group companies.

## **19 Post balance sheet events**

Subsequent to the year end an offer was received for the purchase of the entire share capital of Expamet International PLC, the ultimate parent undertaking, by Clifton House Acquisition Limited.

On 30 April 2001, having received acceptance from over 90% of shareholders the offer went unconditional and Clifton House Acquisition Limited commenced the purchase of the remainder of the shares under the provisions of section 429 of the Companies Act.

## **20 Ultimate parent undertaking**

At the year end the ultimate parent undertaking, and ultimate controlling party, was Expamet International PLC, which is registered in England. Copies of the above group accounts can be obtained from Clifton House, 83/89 Uxbridge Road, Ealing, London W5 5TA. Following the purchase of the entire share capital post year end, the ultimate parent undertaking is Clifton House Acquisition Limited.

Transactions with other companies within the group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No. 8 "Related party disclosures", as the consolidated accounts of Expamet International PLC, in which the company is included, are available at the address noted above.

The company is also exempt under the terms of Financial Reporting Standard 1 (Revised 1996) from preparing a cash flow statement.