

Ruberoid Contracts Limited

Directors' report and financial statements

For the year ended 31 December 1994

Registered number 1036456



Directors' report and financial statements

Table of Contents

Page

Directors' report	1
Statement of Directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7

Ruberoid Contracts Limited

Directors' report

The Directors present their report together with the audited financial statements for the year ended 31 December 1994.

Principal activity and business review

The principal activity of the company continues to be that of roofing and cladding contracting.

Results and dividends

The profit and loss account is shown on page 5.

The loss after taxation for the year amounted to £47,000 (*1993: profit £953,000*)

The directors do not recommend the payment of a final dividend (*1993: £nil*)

Fixed assets

The movements in tangible assets during the year are shown in note 9 on page 10.

Research and development

The Company's policy is to enhance the performance of its products through continuous improvements and quality control in order to meet evolving building design criteria and expected European building standards.

Directors and Directors' interests

The Directors who served during the year and subsequently were:

E B McCann

D T Watson

M A Clough

W R Purkis (appointed 26 January 1994)

R D Hopper (resigned 26 January 1994)

The interests of Messrs E B McCann and D T Watson in the share capital of the Company's ultimate parent company, Ruberoid PLC, are disclosed in the report and financial statements of that company.

Ruberoid Contracts Limited

Directors' report *(continued)*

Directors and Directors' interests *(continued)*

The declarable interests of the other Directors who held office at 31 December 1994 in Ruberoid PLC were:-

	At 31 December 1994		At 31 December 1993 (or date of appointment if later)		Share Option Movements in Year	
	Fully Paid	Share Options	Fully Paid	Share Options	Granted	Exercised
M A Clough	-	28,000	-	28,000	-	-
W R Purkis		36,666		36,666		

The Ruberoid PLC share options were granted on 25 November 1993 pursuant to the Executive Share Option Scheme and are exercisable, subject to the achievement of performance targets, between November 1996 and November 2003 at the issue price of 150 pence.

None of the Directors has a beneficial interest in the share or loan capital of any subsidiary undertaking of Ruberoid PLC during the year.

Employees

The Directors recognise the benefits which accrue from keeping employees informed on the progress of their Company. It is the Company's policy to give fair consideration to the employment needs of disabled people.

Insurance

Insurance cover has been arranged in respect of liabilities which may be incurred by directors and officers of the Company in the course of their duties.

Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. KPMG have indicated their willingness to continue in office and a resolution for their re-appointment as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board on 23 October 1995 and signed on its behalf by:


M L Kippen
Secretary

Ruberoid Contracts Limited

Statement of Directors' 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 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 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.

Auditors' report to the members of Ruberoid Contracts Limited

We have audited the financial statements on pages 5 to 15.

Respective responsibilities of Directors and auditors

As described on page 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 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 as at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

23 October 1995

2 Cornwall Street
Birmingham
B3 2DL

Ruberoid Contracts Limited

Profit and loss account

for the year ended 31 December 1994

	Note	1994 £000	1993 £000
Turnover	2	4,823	5,238
Cost of sales		(3,936)	(4,444)
		<hr/>	<hr/>
Gross profit		887	794
Administrative expenses		(853)	(327)
		<hr/>	<hr/>
Operating profit		34	467
Amounts written (off)/back on investments		(53)	646
Interest payable	3	(28)	(30)
Interest receivable	4	19	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	7	(28)	1,083
Tax on (loss)/profit on ordinary activities	8	(19)	(130)
		<hr/>	<hr/>
Retained (loss)/profit for the financial year transferred to reserves	17	(47)	953
		<hr/>	<hr/>

The result for the financial year was derived wholly from continuing operations.

There is no material difference between the result as disclosed in the profit and loss account and the result calculated on an unmodified historical cost basis.

Movements in reserves are set out in note 17 on page 14.

Statement of total recognised gains and losses

There were no recognised gains or losses in either the current or preceding year attributable to shareholders other than those disclosed in the Profit and Loss account.

Ruberoid Contracts Limited

Balance sheet

at 31 December 1994

	Note	1994 £000	1993 £000
Fixed assets			
Tangible assets	9	96	73
Current assets			
Stocks	10	21	33
Debtors	11	2,520	2,136
Cash at bank and in hand		1	3
		<u>2,542</u>	<u>2,172</u>
Creditors: amounts falling due falling within one year	12	<u>(2,531)</u>	<u>(1,625)</u>
Net current assets:			
Due within one year		(6)	449
Debtors due after one year	11	<u>17</u>	<u>98</u>
Net current assets		<u>11</u>	<u>547</u>
Total Assets less current liabilities		<u>107</u>	<u>620</u>
Creditors: amounts falling due after more than one year	13	-	(372)
Provisions for liabilities and charges	14	<u>(7)</u>	<u>(101)</u>
Net assets		<u>100</u>	<u>147</u>
Capital and reserves			
Called up share capital	16	3,250	3,250
Profit and loss account	17	<u>(3,150)</u>	<u>(3,103)</u>
Equity shareholders' funds		<u>100</u>	<u>147</u>

These financial statements were approved by the Board of Directors on 23 October 1995 and were signed on its behalf by:


E B McCann

Director


D T Watson

Director

Ruberoid Contracts Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standard using the historic cost accounting rules.

Turnover

Turnover represents the net amount receivable, excluding value added tax, for goods and services supplied to external customers and, in respect of contracting activities, the value of contracts completed during the year.

Depreciation

Freehold land is not depreciated. Depreciation is provided to write off the cost of other tangible assets less their estimated residual values, by equal annual instalments over their estimated useful lives as follows:

Freehold buildings	- 50 years
Plant, machinery and vehicles	- from 3 to 15 years

Leased assets

Operating lease costs are charged to the profit and loss account as they are incurred.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes appropriate overheads.

Deferred taxation

Deferred taxation, calculated using the liability method, is included only where the effects of timing differences between results as stated in the financial statements and as computed for taxation purposes are likely to crystallised in the foreseeable future.

Pensions

The Company operates both money purchase and final salary pension schemes. The amount charged against profit in respect of the money purchase schemes represents the contributions payable to the schemes in respect of the accounting period. Contributions to the final salary schemes are charged to the Profit and Loss Account so as to spread the cost of pensions over employees' working lives with the Company.

Ruberoid Contracts Limited

Notes (continued)

2 Turnover

All turnover arose from one class of business and in the United Kingdom, which was the Company's sole market.

3 Interest payable

	1994 £000	1993 £ 000
On bank loans and overdrafts repayable within 5 years	6	-
Sundry interest payable	-	30
Interest payable to group undertakings	22	-
	<hr/>	<hr/>
	28	30
	<hr/>	<hr/>

4 Interest Receivable

Bank interest receivable	19	-
	<hr/>	<hr/>

5 Employees

The average number of employees (including Directors) of the company comprises:

	1994 Number	1993 Number
Production	44	56
Administration and selling	21	18
	<hr/>	<hr/>
Total	65	74
	<hr/>	<hr/>

	1994 £000	1993 £000
The aggregate employment costs are as follows:		
Wages and salaries	770	843
Social security costs	73	83
Other pension costs	36	17
	<hr/>	<hr/>
	879	943
	<hr/>	<hr/>

Ruberoid Contracts Limited

Notes (continued)

6 Directors' emoluments

	1994 £000	1993 £000
Directors' emoluments comprise:		
As executives:		
Remuneration	-	52
Pension contributions	-	13
	<hr/>	<hr/>
	-	65
	<hr/>	<hr/>
Excluding pension contributions, the emoluments of the directors were as follows:	1994 £000	1993 £000
Highest paid director	-	52
	<hr/>	<hr/>
Chairman	-	-
	<hr/>	<hr/>

The emoluments of the directors, excluding pension contributions, were within the following ranges:

	Number of directors	
	1994	1993
£0 - £5,000	5	5
£50,001 - £55,000	-	1
	<hr/>	<hr/>

7 (Loss)/ Profit on ordinary activities before taxation

	1994 £000	1993 £000
<i>The (loss)/profit on ordinary activities before taxation has been arrived at after charging:</i>		
Depreciation on tangible fixed assets (note 9)	37	13
Operating leases:		
Hire of plant and machinery	113	107
Hire of other assets	43	41
Loss on sale of fixed assets	7	-
Auditors' remuneration - audit	13	12
	<hr/>	<hr/>

Ruberoid Contracts Limited

Notes (continued)

8 Tax on (loss) /profit on ordinary activities

	1994 £000	1993 £000
Taxation based on the (loss)/profit for the year comprises:		
Group relief receivable at 33%	(62)	(9)
Deferred taxation at 33% (see Note 15)	81	139
	<hr/>	<hr/>
	19	130
	<hr/>	<hr/>

9 Tangible assets

	Freehold land and buildings £000	Plant, machinery & vehicles £000	Total £000
<i>Cost</i>			
At beginning of year	92	206	298
Additions	-	64	64
Transfers from fellow subsidiary undertakings	-	91	91
Disposals	-	(115)	(115)
	<hr/>	<hr/>	<hr/>
At end of year	92	246	338
	<hr/>	<hr/>	<hr/>
Gross book value of depreciable assets	51	246	297
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	22	203	225
Charge for the year	3	34	37
Transfers from fellow subsidiary undertakings	-	88	88
Disposals	-	(108)	(108)
	<hr/>	<hr/>	<hr/>
	25	217	242
	<hr/>	<hr/>	<hr/>
<i>Net Book Value</i>			
At 31 December 1994	67	29	96
	<hr/>	<hr/>	<hr/>
At 31 December 1993	70	3	73
	<hr/>	<hr/>	<hr/>

Ruberoid Contracts Limited

Notes (continued)

10 Stocks

	1994 £000	1993 £000
Raw materials and consumables	37	33
Work in Progress	1,456	1,018
	<hr/>	<hr/>
	1,493	1,051
Payments received on account	(1,472)	(1,018)
	<hr/>	<hr/>
	21	33
	<hr/>	<hr/>

11 Debtors

	1994 £000	1993 £000
Amounts due within one year:		
Trade debtors	1,312	946
Amounts owed by parent company and fellow subsidiary undertakings	970	1,009
Group relief receivable	63	9
Other debtors	158	74
	<hr/>	<hr/>
	2,503	2,038
	<hr/>	<hr/>
Amounts due after one year:		
Deferred tax (see note 15)	17	98
	<hr/>	<hr/>
Total debtors	2,520	2,136
	<hr/>	<hr/>

Ruberoid Contracts Limited

Notes (continued)

12 Creditors: amounts falling due within one year

	1994 £000	1993 £000
Bank loans and overdrafts	330	275
Payments received on account	-	72
Trade creditors	577	688
Amounts owed to fellow subsidiary undertakings	1,346	280
Other taxation and social security costs	113	157
Accruals and deferred income	165	153
	<hr/>	<hr/>
	2,531	1,625
	<hr/>	<hr/>

13 Creditors: amounts falling due after more than one year

	1994 £000	1993 £000
Amounts owed to fellow subsidiary undertaking	-	372
	<hr/>	<hr/>

14 Provisions for liabilities

	1994 £000
At beginning of year	101
Utilised during year	(7)
Transferred to fellow subsidiary undertaking	(87)
	<hr/>
At end of year	7
	<hr/>

Ruberoid Contracts Limited

Notes (continued)

15 Deferred taxation

The movement in the deferred tax asset during the year is as follows:

	£000
At beginning of year	98
Transfer from profit and loss account	(81)
	<hr/>
At end of year	17
	<hr/>

The deferred tax asset is included in debtors (see note 11) and is calculated at 33%.

The amounts provided and not provided for deferred taxation are set out below:

	1994		1993	
	Provided in accounts £000	Amounts not provided £000	Provided in accounts £000	Amounts not provided £000
Accelerated capital allowance	17	-	32	17
Other timing difference	-	-	66	-
	<hr/>	<hr/>	<hr/>	<hr/>
	17	-	98	17
	<hr/>	<hr/>	<hr/>	<hr/>

16 Called up share capital

	1994 £000	1993 £000
<i>Authorised, allotted, called up and fully paid</i>		
3,250,000 ordinary shares of £1 each	3,250	3,250
	<hr/>	<hr/>

Ruberoid Contracts Limited

Notes (continued)

17 Profit and loss account

	£000
At beginning of year	(3,103)
Retained profit	(47)
	<hr/>
At end of year	(3,150)
	<hr/>

18 Reconciliation of movement in shareholder's funds

	1994 £000	1993 £000
(Loss)/profit for the financial year	(47)	953
Shareholders' funds at beginning of year	147	(806)
	<hr/>	<hr/>
Shareholders' funds at end of year	100	147
	<hr/>	<hr/>

19 Commitments

The company had annual commitments under non-cancellable operating leases which expire as follows:

	1994 Other £000	1993 Other £000
Operating leases which expire:		
Within one year	10	31
	<hr/>	<hr/>

There were no capital commitments as at 31 December 1994 (31 December 1993 : £nil).

Ruberoid Contracts Limited

Notes (continued)

20 Contingent liabilities

Performance bonds have been entered into in the normal course of business.

The Company has guaranteed bank overdrafts in respect of its parent company and fellow subsidiary undertakings. At 31 December 1994 these overdrafts amounted to £5,812,000.

21 Pensions

All monthly staff are entitled to contribute to a Group final salary scheme. Operatives are entitled to contribute to a Group money purchase scheme.

Full disclosure is contained in the financial statements of the ultimate parent company, Ruberoid PLC.

22 Ultimate Parent Company

The ultimate parent company is Ruberoid PLC, a company registered in England and Wales. Copies of the consolidated financial statements are available from Ruberoid PLC, 197 Knightsbridge, London, SW7 1RB.

The financial statements of Ruberoid PLC are the only consolidated financial statements to incorporate Ruberoid Contracts Limited.