

# **Twinaplate Limited**

## **Annual report for the year ended 31 March 1995**

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**Directors' report  
for the year ended 31 March 1995**

The directors present their report and the audited financial statements for the year ended 31 March 1995.

**Principal activities**

The profit and loss account for the year is set out on page 4.

The principal activities of the company are the manufacture of trussplates and other building fabrications and fixings.

**Changes in presentation of the financial statements**

Following the introduction of Financial Reporting Standard No 4, 'Capital Instruments' and Financial Reporting Standard No 5 'Reporting the Substance of Transactions', the presentation of the financial statements has been amended to conform with the new requirements. Shareholders' funds has been analysed between equity interests and non-equity interests.

**Directors**

C W Harnden	(appointed 3 February 1995)
T R Corry	(resigned 3 February 1995)
P G Martin	
E G Nash	(resigned 3 February 1995)
T J Watson	(appointed 3 February 1995)

**Directors' interests**

No director had any interest in the shares of the company at 31 March 1995.

The directors do not have any beneficial interest in any of the company's subsidiaries.

**Changes in tangible fixed assets**

The movements in fixed assets during the year are set out in note 7 to the financial statements.

**Dividend**

An interim dividend of 67.5p per share was paid on 27 October 1994. The directors do not propose to pay a final dividend.

**Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that 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 of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

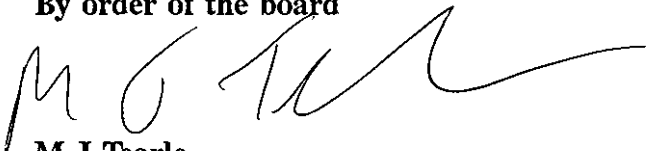
**Small company exemptions**

In preparing the director's report, advantage has been taken of the special exemptions applicable to small groups conferred by Part II of Schedule 8 to the Companies Act 1985.

**Auditors**

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

**By order of the board**



**M J Tearle**  
**Company secretary**

25 August 1995

**Report of the auditors to the members of  
Twinaplate Limited**

We have audited the financial statements on pages 4 to 17.

**Respective responsibilities of directors and auditors**

As described on page 2 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.

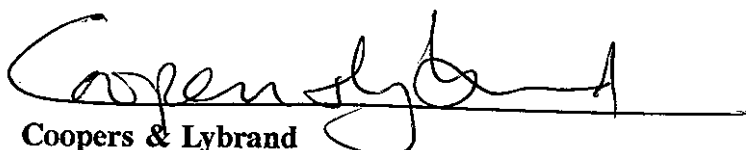
**Basis of opinion**

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 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 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



**Coopers & Lybrand**  
**Chartered Accountants and Registered Auditors**

Plymouth

31 August 1995

**Profit and loss account  
for the year ended 31 March 1995**

	Notes	Continuing operations 1995 £	Continuing operations 1994 £
Turnover	2	2,540,116	2,420,493
Cost of sales		(1,268,595)	(1,253,948)
<b>Gross profit</b>		<b>1,271,521</b>	<b>1,166,545</b>
Net operating expenses	3	(1,004,563)	(915,710)
<b>Operating profit</b>		<b>266,958</b>	<b>250,835</b>
Interest receivable and similar income		6,328	2,296
Profit on disposal of discontinued operations		-	12,499
		<b>273,286</b>	<b>265,630</b>
Interest payable and similar charges		(2,622)	(23,133)
<b>Profit on ordinary activities before taxation</b>	5	<b>270,664</b>	<b>242,497</b>
Tax on profit on ordinary activities	6	(21,651)	(21,533)
<b>Profit for the financial year</b>		<b>249,013</b>	<b>220,944</b>
Dividends		67,500	-
<b>Retained profit for the financial period</b>	15	<b>181,513</b>	<b>220,944</b>

**Statement of total recognised gains and losses**

	1995 £	1994 £
Profit for the financial year	249,013	220,944
Unrealised deficit on revaluation of properties	(56,919)	-
	<u>192,094</u>	<u>220,944</u>
Total recognised gains in the year	<u>192,094</u>	<u>220,944</u>

**Note of historical cost profits**

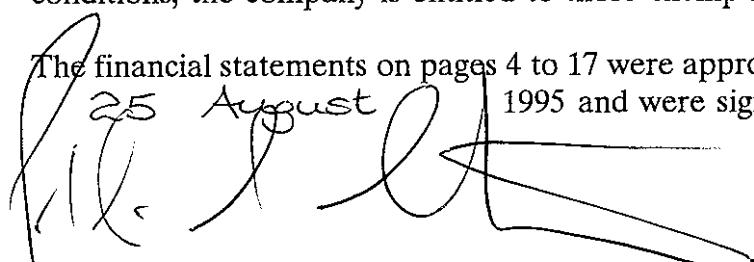
	1995 £	1994 £
Reported profit on ordinary activities before tax	270,664	242,497
Difference between historical cost depreciation charge and actual charge on revalued amount of fixed assets	(56)	2,975
	<u>270,608</u>	<u>245,472</u>
Historical cost profit on ordinary activities	<u>270,608</u>	<u>245,472</u>
Historical cost profit for the period retained after taxation and dividends	<u>181,457</u>	<u>223,919</u>

# Balance sheet at 31 March 1995

	Notes	1995 £	1994 £
<b>Fixed assets</b>			
Tangible assets	7	539,546	589,134
Investments	8	50,000	50,000
		<u>589,546</u>	<u>639,134</u>
<b>Current assets</b>			
Stocks	9	178,593	185,073
Debtors	10	412,423	507,427
Cash at bank and in hand		199,566	54,385
		<u>790,582</u>	<u>746,885</u>
<b>Creditors: amounts falling due within one year</b>	11	538,328	574,756
<b>Net current assets</b>		<u>252,254</u>	<u>172,129</u>
<b>Total assets less current liabilities</b>		<u>841,800</u>	<u>811,263</u>
<b>Creditors: amounts falling due after more than one year</b>	12	4,771	110,479
<b>Provisions for liabilities and charges</b>	13	33,012	21,361
		<u>37,783</u>	<u>131,840</u>
<b>Net assets</b>		<u>804,017</u>	<u>679,423</u>
<b>Capital and reserves</b>			
Called up share capital	14	100,000	100,000
Revaluation reserve	16	82,973	139,892
Profit and loss account	15	621,044	439,531
<b>Equity shareholders' funds</b>	17	<u>804,017</u>	<u>679,423</u>

In the preparation of the group's annual accounts, advantage has been taken of the special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985, because, in the director's opinion, as it meets the conditions, the company is entitled to those exemptions as a small company.

The financial statements on pages 4 to 17 were approved by the board of directors on 25 August 1995 and were signed on its behalf by:



Director

## Notes to the financial statements for the year ended 31 March 1995

### 1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### Changes in accounting policies

The new accounting standards FRS 4 and FRS 5 require the adoption of accounting policies which differ from those previously adopted by the company. Accordingly, the following changes in presentation have been made. The changes have had no effect on comparative figures:

- (a) Shareholders' funds is analysed between equity interests and non-equity interests.
- (b) Amounts received from banks in discounting bills with recourse previously treated as a contingent liability under FRS 5 represent financing and are recognised as a liability with a corresponding debtor until the bills are settled.
- (c) Stocks on consignment are included in current assets from the date they are adopted by the company.

#### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified for the revaluation of freehold land and buildings.

#### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Freehold land and buildings	2
Plant and machinery	10-20
Motor vehicles	20-25
Office furniture and equipment	15-33
Tools	33



## **Hire purchase contracts and leases**

Fixed assets acquired under hire purchase contracts and finance leases are capitalised and depreciated over their expected useful lives. The interest element is charged to the profit and loss account on a straight line basis over the term of the contract. The costs of operating leases are charged to the profit and loss account as they accrue.

## **Development expenditure**

Expenditure on development is written off in the year in which it is incurred.

## **Stocks and works in progress**

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Cost is calculated as follows:

Work in progress and finished products	- average direct cost of production plus attributable overheads
Bought out parts, raw materials and consumable stores	- invoiced purchase price

## **Foreign currency**

Assets and liabilities denominated in foreign currencies and the financial statements of the foreign branches are translated into sterling at the rates of exchange ruling at the balance sheet date.

Exchange differences arising in the consolidated accounts on the retranslation at closing rate of the UK company's net investment in the foreign branches are recorded as movements on reserves.

All other exchange differences are dealt with through the profit and loss account.

## **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

## **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise. The provision is established at the Corporation Tax rates anticipated to be in force at the time each deferred liability will ultimately crystallise.

## **Group accounts**

Group accounts have not been prepared as the group is entitled to the exemption conferred by Section 248 of the Companies Act 1985. Therefore these accounts present information about the company as an individual undertaking and not about its group.

**Pension scheme arrangements****(a) Defined benefit scheme**

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent valuation was at 30 November 1992. The assumptions which have the most significant effect on the results on the valuation are those relating to the rate of return on investments and the rate of increase in salaries. It was assumed that the investment returns would be 9% per annum and that salary increases would average 7% per annum.

The pension charge for the period was £35,480 (1994: £27,520).

The most recent actuarial valuation showed that the market value of the scheme's assets was £344,000 and that the actuarial value of those assets represented 179% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company and employees will remain 10% and 5% of earnings respectively.

**(b) Defined contribution schemes**

The company also operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £8,113 (1994: £13,256).

**Cashflow statement**

The company is exempt from the requirement to prepare a cashflow statement under Financial Reporting Standard 1 'Cashflow Statements', and therefore no such statement has been produced.

**2 Turnover**

Of the company's total turnover, 87% is attributable to the United Kingdom market and 13% is attributable to the overseas market.

**3 Net operating expenses**

	1995 £	1994 £
Continuing operations		
Distribution costs	94,056	80,305
Administrative expenses	948,576	900,245
Other operating income	(38,069)	(64,840)
	<u>1,004,563</u>	<u>915,710</u>

**4 Directors' emoluments**

	1995 £	1994 £
Fees (including pension contributions and benefits in kind) including compensation for loss of office	<u>190,572</u>	<u>104,963</u>

**5 Profit on ordinary activities before taxation**

	1995 £	1994 £
Profit on ordinary activities before taxation is stated after crediting:		
Profit on disposal of tangible fixed assets	-	5,483
And after charging:		
Depreciation charge for the year:		
Tangible owned fixed assets	78,990	92,413
Tangible fixed assets held under finance leases	9,512	3,265
Auditors' remuneration	7,200	8,000
Hire of plant and machinery - operating leases	8,056	8,275
Exchange losses	243	3,027
Development expenditure	2,600	13,685
Loss on disposal of tangible fixed assets	<u>2,659</u>	<u>-</u>

**6 Tax on ordinary activities**

	1995 £	1994 £
United Kingdom Corporation Tax at 28% (1994: 25%)		
Current	10,000	192
Deferred	11,651	21,361
	<u>21,651</u>	<u>21,553</u>

**7 Tangible fixed assets**

	Freehold land & buildings £	Plant & machinery £	Tools £	Office furniture & equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 April 1994	315,000	359,103	200,813	157,801	87,237	1,119,954
Additions	-	36,837	20,243	23,735	45,365	126,180
Disposals	-	(17,777)	(19,410)	(19,042)	(53,824)	(110,053)
Revaluation	(75,000)	-	-	-	-	(75,000)
<b>At 31 March 1995</b>	<b>240,000</b>	<b>378,163</b>	<b>201,646</b>	<b>162,494</b>	<b>78,778</b>	<b>1,061,081</b>
<b>Depreciation</b>						
At 1 April 1994	14,000	170,613	171,433	138,102	36,672	530,820
Charge for year	4,081	35,750	13,069	13,779	21,823	88,502
Disposals	-	(14,806)	(19,410)	(15,955)	(29,535)	(79,706)
Revaluation	(18,081)	-	-	-	-	(18,081)
<b>At 31 March 1995</b>	<b>-</b>	<b>191,557</b>	<b>165,092</b>	<b>135,926</b>	<b>28,960</b>	<b>521,535</b>
<b>Net book value</b>						
<b>At 31 March 1995</b>	<b>240,000</b>	<b>186,606</b>	<b>36,554</b>	<b>26,568</b>	<b>49,818</b>	<b>539,546</b>
<b>At 31 March 1994</b>	<b>301,000</b>	<b>188,490</b>	<b>29,380</b>	<b>19,699</b>	<b>50,565</b>	<b>589,134</b>

The net book value of tangible fixed assets includes an amount of £16,964 (1994: £35,930) in respect of assets held under finance leases.

Freehold land and buildings were revalued on 18 November 1994 on a current open market basis.

Under historical cost principles, the historical cost and accumulated depreciation of the freehold land and buildings at 31 March 1995 would be £201,289 (1994: £201,289) and £34,218 (1994: £30,193) respectively.

**8 Fixed asset investment**

	Investment in unconsolidated subsidiary £
<b>Cost</b>	
At 1 April 1994 and at 31 March 1995	<b>50,000</b>

The investment represents the whole of the share capital of Truswal Systems Limited, a company incorporated in England and Wales.

**9 Stocks**

	1995 £	1994 £
Raw materials and consumables	41,437	54,899
Work in progress	5,879	6,620
Finished goods and goods for resale	131,277	123,554
	<b>178,593</b>	<b>185,073</b>

**10 Debtors**

	1995 £	1994 £
<b>Amounts falling due within one year</b>		
Trade debtors	364,190	464,822
Other debtors	14,854	400
Prepayments and accrued income	22,484	42,205
ACT recoverable	10,895	-
	<b>412,423</b>	<b>507,427</b>

**11 Creditors: amounts falling due within one year**

	1995	1994
	£	£
Bank loans (secured)	-	2,100
Trade creditors	134,366	148,305
Obligations under finance leases	6,361	9,799
Corporation tax	4,020	192
Other taxation and social security	90,075	42,190
Amount owed to group company	261,996	284,584
Other creditors	2,857	37,849
Accruals and deferred income	38,653	39,413
Lease termination	-	10,324
	<u>538,328</u>	<u>574,756</u>

**12 Creditors: amounts falling due after more than one year**

	1995 £	1994 £
Bank loan (secured)	-	93,332
Obligations under finance leases	4,771	17,147
	<u>4,771</u>	<u>110,479</u>

**(a) Bank loan**

	1995 £	1994 £
Repayable by instalments within two to five years	-	10,575
Repayable by instalments after more than five years	-	82,757
	<u>-</u>	<u>93,332</u>

**(b) The net finance lease obligations to which the company is committed are:**

	1995 £	1994 £
In one year or less	6,361	9,799
Between two and five years	4,771	17,148
Over five years	-	-
	<u>11,132</u>	<u>26,947</u>

### 13 Provisions for liabilities and charges

	Redundancy costs £	Deferred taxation (see below) £	Total £
At 1 April 1994	-	21,361	21,361
Profit and loss account	-	11,651	11,651
	<u>-</u>	<u>11,651</u>	<u>11,651</u>
At 31 March 1995	-	33,012	33,012
	<u>-</u>	<u>33,012</u>	<u>33,012</u>

Deferred taxation provided in the financial statements and the amount unprovided of the total potential liability are as follows:

	Amount provided		Amount unprovided	
	1995 £	1994 £	1995 £	1994 £
Tax effect of timing differences because of:				
Excess of capital allowances over depreciation	58,864	33,004	-	-
Losses carried forward	-	(5,309)	-	-
Other	(25,852)	(6,334)	-	-
	<u>33,012</u>	<u>21,361</u>	<u>-</u>	<u>-</u>

No deferred taxation is provided in respect of the property revaluation as indexation allowances would absorb any potential gain.

### 14 Called up share capital

	1995 £	1994 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

### 15 Profit and loss account

	£
At 1 April 1994	439,531
Retained profit for the year	181,513
	<u>621,044</u>
At 31 March 1995	<u>621,044</u>



**16 Revaluation reserve**

	£
At 1 April 1994	139,892
Net deficit on revaluation	56,919
	<u>82,973</u>

**17 Reconciliation of movements in shareholders' funds**

	£
Profit for the year	249,013
Dividends	67,500
	<u>181,513</u>
Net deficit on revaluation	(56,919)
	<u>124,594</u>
Net additions to shareholders' funds	679,423
Opening shareholders' funds	<u>804,017</u>
Closing shareholders' funds	<u>804,017</u>

**18 Capital commitments**

	1995 £	1994 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	-
	<u>      </u>	<u>      </u>
Capital expenditure that has been authorised by the directors but has not yet been contracted for	-	-
	<u>      </u>	<u>      </u>

## 19 Financial commitments

At 31 March 1995 the company had annual commitments under non-cancellable operating leases as follows:

	1995 £	1994 £
Operating leases which expire:		
Within one year	295	289
In two to five years	6,845	7,355
After more than five years	294	294
	<u>7,434</u>	<u>7,938</u>

## 20 Contingent liability

On 20 March 1995, the company entered into a guarantee and debenture (incorporating fixed and floating charges over all of the assets and undertaking of the company) in favour of the Royal Bank of Scotland ('the Bank') to secure the repayment of all sums due to the Bank by the company's parent and fellow subsidiaries. These borrowings include a term loan facility of £1,800,000 (plus interest and costs) to be provided by the Bank to the Company's parent.

## 21 Subsidiary companies

Name	Proportion of shares held by:		Aggregate capital & reserves	Profit/(loss) for year
	Twinaplate Limited	Subsidiary		
Nail-Web Limited	100%	-	Not material	Not material
Scaffolding Security Limited	100%	-	Not material	Not material
Tierney Design Limited	-	100%	Not material	Not material
Truswal Systems Limited	100%	-	261,951	(18,967)

All of the subsidiaries are incorporated in England and Wales.

## 22 Ultimate holding company

On 3 February 1995 the whole of the share capital was sold to Alpine Automation Limited, a company incorporated in England and Wales. The ultimate parent company is Alpine Engineered Products Inc., a company incorporated in the United States of America. Copies of the financial statements of Alpine Engineered Products Inc. may be obtained from PO Box 2225, Pompano Beach, Florida 33061-2225, USA.