

**Financial Statements for**

**THK Insulation Limited**

**31 December 1999**

**Registered Company Number : 1743913**



## **THK Insulation Limited**

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**REPORT OF THE DIRECTORS**

The directors present their report and the audited accounts for the nine months ended 31 December 1999. The previous audited accounts for the company were for the 15 months to 4 April 1999.

**ACTIVITIES**

The principal activities of the company ceased to continue following the sale of the assets and trade of the company to a fellow group subsidiary F K Multiservices Limited on 5 April 1999. The company is therefore dormant and is expected to remain dormant for the foreseeable future.

**RESULTS**

The results of the company are as set out in the accounts on page 5. The profit and loss account of the company shows an exceptional gain of £700,000, this results from the sale of assets and trade of the company to a fellow group subsidiary of Bandt plc, F K Multiservices Limited on 5 April 1999.

**DIVIDENDS**

A dividend of £385,000 is proposed on the exceptional gain of £700,000 (4 April 1999 – nil).

**DIRECTORS**

The directors who served during the year are set out below:-

J Gillan	
M Merrey	
S B Hagerty	(appointed 04 August 1999)
R C Rutter	(resigned 10 August 1999)
R H Wilson	(resigned 10 August 1999)
A D Weston	(appointed 04 August 1999, resigned 31 December 1999)
T Bradbury	(appointed 10 August 1999, resigned 22 October 1999)
G Honeyball	(appointed 10 August 1999, resigned 22 October 1999)

The interests of the directors at 31 December 1999, who are not also directors of Tilbury Douglas Plc, in the capital of the ultimate parent undertakings are as stated below.

Shares of 10p each		
	4 Apr 1999*	31 Dec 1999
S B Hagerty	-	28,000

The interests of the directors who held shares and options in the capital of the previous ultimate parent undertaking, Bandt plc, before the takeover on 10 August 1999 by Tilbury Douglas Plc are as stated below.

	Shares of 5p each		Options of shares of 5p each		Exercise Price Pence	Market price on date of exercise
	4 Apr 1999*	31 Dec 1999	4 Apr 1999*	31 Dec 1999		
S B Hagerty	400,000	-	200,000 12,341	-	39.5 31.6	55.0 55.0

\* or later date of appointment

**REPORT OF THE DIRECTORS**

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**AUDITORS**

Deloitte & Touche were appointed as auditors in the period. Resolutions will be proposed at the annual general meeting to reappoint Deloitte & Touche as auditors of the company and to authorise the directors to fix their remuneration.

Riverside House  
Littlebrook Complex  
Littlebrook Manorway  
Dartford  
Kent DA21 5PZ

Approved by the Board of Directors and  
signed on behalf of the Board by



R J Butler

26 April 2000

Company Secretary

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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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 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;
- 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 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.

**AUDITORS REPORT TO THE MEMBERS OF THK INSULATION LIMITED**

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We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 7.

**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.

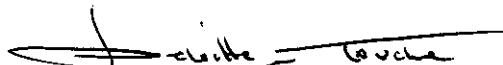
**Basis of opinion**

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 the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company 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 affairs of the company at 31 December 1999 and of its profit for the nine months then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche**  
**Chartered Accountants and Registered Auditors**

**Colmore Gate**  
**2 Colmore Row**  
**Birmingham**  
**B3 2BN**

26 April 2000

**PROFIT AND LOSS ACCOUNT FOR THE NINE MONTHS ENDED 31 DECEMBER 1999**

	Notes	9 months ended 31 Dec '99 Total £000	15 months ended 4 Apr '99 Total £000 (as restated Note 6)
<b><u>DISCONTINUING OPERATIONS</u></b>			
<b>TURNOVER</b>		-	2,065
Cost of Sales		-	(1,626)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		-	439
Administration Expenses		-	(485)
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	2	-	(46)
Exceptional profit on sale of business	6	700	235
Interest receivable	5	-	1
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION BEING PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION ATTRIBUTABLE TO SHAREHOLDERS</b>		700	190
Equity Dividends	9	(385)	-
		<hr/>	<hr/>
<b>RETAINED PROFIT FOR THE YEAR TRANSFERRED TO RESERVES</b>		315	190
		<hr/>	<hr/>

A statement of Total Recognised Gains and Losses is not presented as there have been no recognised gains or losses other than the profit for the nine months ended 31 December 1999 and the preceding 15 months set out above.

**BALANCE SHEET AS AT 31 DECEMBER 1999**

	Notes	9 months ended 31 Dec '99 £000	15 months ended 4 Apr '99 £000
<b>FIXED ASSETS</b>			
Tangible assets	10	-	60
		<u>-</u>	<u>60</u>
<b>CURRENT ASSETS</b>			
Stocks	11	-	2
Debtors	12	1,082	532
Cash at bank and in hand		-	47
		<u>1,082</u>	<u>581</u>
<b>CREDITORS FALLING DUE WITHIN ONE YEAR</b>			
Trade creditors		-	(117)
Sundry creditors	13	(385)	(142)
		<u>(385)</u>	<u>(259)</u>
<b>NET CURRENT ASSETS</b>		<u>697</u>	<u>322</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>697</u>	<u>382</u>
<b>NET ASSETS</b>		<u>697</u>	<u>382</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	20	20
Profit and loss account	15	677	362
		<u>697</u>	<u>382</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			
Equity Interest	16	697	382
		<u>697</u>	<u>382</u>

These financial statements were approved by the Board of Directors on 26 April 2000.

Signed on behalf of the Board of Directors.

**S B Hagerty**  
Director

**J Gillan**  
Director



**NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 1999**

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below:

- **CONVENTION**

These financial statements have been prepared in accordance with the historical cost convention.

- **TURNOVER**

Turnover comprises the invoiced value of goods and services charged to customers excluding value added tax.

- **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is provided on a straight line basis calculated to write down their cost (or valuation) over their estimated useful economic lives at the following annual rates:

Hire stock	-	15 to 25% reducing balance and 33.3% straight line
Leasehold property	-	Over the period of the lease
Plant & Equipment	-	12.5% to 33.3%
Vehicles	-	20% to 25%

Depreciation is charged on a monthly basis from the time of acquisition.

- **LEASED ASSETS**

Fixed Assets held under finance lease and hire purchase contracts are capitalised and depreciated over their useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

The costs of operating leases are charged to profit and loss account as they accrue.

- **STOCKS**

Stock is valued at the lower of cost and net realisable value.

- **DEFERRED TAXATION**

Provision is made and relief is taken at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes to the extent that liabilities or assets are likely to crystallise in the foreseeable future. Advance corporation tax which is available to reduce the corporation tax payable on future profits is deducted from the provision for deferred taxation.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 1999**
**2. OPERATING LOSS**

	9 months ended 31 Dec '99 £000	15 months ended 4 Apr '99 £000
Operating loss is arrived at after charging:		
Depreciation		
On owned assets	-	24
On assets held under finance lease and hire purchase contracts	-	10
Rentals under operating leases		
Other lease rentals	-	27
Remuneration payable to auditors		
Audit fees	-	6
	<u>          </u>	<u>          </u>

**3. EMPLOYEES**

	<u>Number</u>	<u>Number</u>
The average number employed by the company (including directors) within each category of persons was:-		
Production	-	33
Administration	-	8
	-	41
	<u>          </u>	<u>          </u>
 The costs incurred in respect of these employees (including directors) were:-	 £000	 £000
Wages and salaries	-	927
Social security costs	-	86
Other pension costs	-	14
	<u>          </u>	<u>          </u>
	-	1,027
	<u>          </u>	<u>          </u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 1999**
**4. DIRECTORS**

	9 months ended 31 Dec '99 £000	15 months ended 4 Apr '99 £000
Aggregate emoluments	-	74
Pension contributions		
Number of directors to whom retirement benefits are accruing under defined benefit schemes.	-	2

For certain directors of the company emoluments are paid from other Tilbury Douglas Plc companies and are disclosed in other Tilbury Douglas Plc financial statements.

**5. INTEREST RECEIVABLE**

Bank interest	-	1
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**6. EXCEPTIONAL ITEMS**

Profit on sale of subsidiary	-	235
Profit on sale of business	700	-
	700	235

The company sold its assets and trade to a fellow subsidiary of Bandt plc, F K Multiservices Limited on 5 April 1999 for £1,081,575.

In the opinion of the directors these exceptional items are more correctly presented below operating profit, consequently the prior period figures have been adjusted accordingly.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 1999**

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**7. DISPOSALS**

The assets transacted for the sale of THK Insulation Limited to the fellow subsidiary of Bandt plc, F K Multiservices Limited on 5 April comprised:

	£'000
Fixed assets	60
Current assets	581
Current liabilities	<u>259</u>
Net assets	382
Consideration	1,082
Profit on sale of business	<u>700</u>

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

No tax arose on the sale of the company as it was within the same group for taxation purposes.

**9. DIVIDENDS**

	9 months ended 31 Dec '99 £000	15 months ended 4 Apr '99 £000
On 20,000 ordinary shares at £1 each		
Proposed Final at £19.25 per share (4 April 1999 – nil)	<u>385</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 1999**


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**10. TANGIBLE FIXED ASSETS**

	Plant, equipment & motor vehicles £000
<b>COST</b>	
At 5 April 1999	145
Group business transfers	(145)
	<hr/>
At 31 December 1999	-
	<hr/>
<b>DEPRECIATION:</b>	
At 5 April 1999	85
Group business transfers	(85)
	<hr/>
At 31 December 1999	-
	<hr/>
<b>NET BOOK VALUE</b>	
31 December 1999	<hr/> -
<b>NET BOOK VALUE</b>	
4 April 1999	
Owned assets	36
Assets under finance leases and hire purchase agreements	24
	<hr/>
	60
	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 1999**

	31 Dec '99 £000	4 Apr '99 £000
<b>11. STOCKS</b>		
Materials	-	2
	<u>-</u>	<u>2</u>

The replacement cost of stock is not materially different from the amounts stated in the accounts.

**12. DEBTORS**

Trade debtors	-	266
Amount owed by parent undertaking	229	249
Amounts owed by fellow subsidiary undertakings	853	8
Prepayments and accrued income	-	9
	<u>1,082</u>	<u>532</u>

**13. SUNDRY CREDITORS**

Finance leases and hire purchase creditors	-	3
Amounts owed to parent undertaking	-	20
Amounts owed to fellow subsidiary undertakings	-	4
Other creditors	-	38
Other taxation and social security	-	41
Accruals	-	36
Dividends	385	-
	<u>385</u>	<u>142</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 31 DECEMBER 1999

	31 Dec '99 £000	4 Apr '99 £000
<b>14. CALLED UP SHARE CAPITAL</b>		
Authorised		
• Ordinary shares of £1 each	50	50
	<hr/>	<hr/>
Allotted and fully paid		
• Ordinary shares of £1 each	20	20
	<hr/>	<hr/>
<b>15. PROFIT AND LOSS ACCOUNT</b>		
5 April 1999	362	172
Retained profit for the period	315	190
	<hr/>	<hr/>
31 December 1999	677	362
	<hr/>	<hr/>
<b>16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>		
Profit attributable to shareholders	700	190
Dividends	(385)	-
	<hr/>	<hr/>
Movement in the period	315	190
Opening shareholders' funds	382	192
	<hr/>	<hr/>
Closing shareholders' funds	697	382
	<hr/>	<hr/>

**17. CONTINGENT LIABILITIES**

At 31 December 1999 there were contingent liabilities in respect of guarantees given in the ordinary course of business

**18. CASH FLOW STATEMENT**

The company is not presenting a cash flow statement. It has taken advantage of the exemption contained in financial Reporting Standard 1 (revised) – Cash Flow Statements, as the ultimate parent undertaking, Tilbury Douglas Plc, has included a consolidated cash flow statement in the group accounts.

**19. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS**

The company's immediate parent undertaking is Bandt Holdings Limited. Following the takeover of Bandt plc on 10 August 1999 the ultimate parent undertaking and ultimate controlling party is Tilbury Douglas Plc, which is incorporated in Great Britain. The Group accounts of Tilbury Douglas Plc are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 – Related Party Transactions not to report transactions with investee companies of the Tilbury Douglas Group which are eliminated in the consolidated financial statements of Tilbury Douglas Plc.