

# Unistrut Europe Limited

Unistrut Europe Limited

Annual report

for the 11 months ended 30 September 1997

Registered no: 1974598



# Unistrut Europe Limited

## **Directors' report for the 11 months ended 30 September 1997**

The directors present their report and the audited financial statements for the 11 months ended 30 September 1997.

### **Principal activity**

The principal activity of the company is that of a holding company.

### **Review of business and future developments**

The profit and loss account for the period is set out on page 5.

Both the level of business and the period end financial position remain satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Ownership of the company**

On 1 November 1996 the whole of the issued share capital of the company's ultimate UK parent company, Unistrut Holdings Limited (formerly Halfen Limited), was acquired by Tyco Valves Limited, a company registered in England and Wales. On the same date the ultimate holding company became Tyco International Limited of Exeter, NH, USA.

### **Situation of registered office**

On 1 November 1996 the registered office of the company was changed to c/o Tyco Valves Limited, Victoria Road, Leeds, Yorkshire LS11 5UG.

### **Directors and their interests**

The directors of the company at 30 September 1997, all of whom have been directors for the whole period ended on that date, unless otherwise stated, were:

D J Shingler  
I Gutin (USA)  
PC Meyer (France)  
P White

On 29 November 1997 Mr D Shingler resigned as a director. On the 1<sup>st</sup> December 1997 Mr D B Thompson was appointed a director of the company. On 17<sup>th</sup> October 1997 Mr P White resigned as a director. On 19<sup>th</sup> May 1998 Dr K Rathmill and Mr N W Catt joined as directors. On 12<sup>th</sup> June 1998 Mr D B Thompson resigned as a director.

# Unistrut Europe Limited

The directors of the company had no beneficial interests at 30 September 1997 in shares of the company according to the register required to be kept under Section 325 of the Companies Act

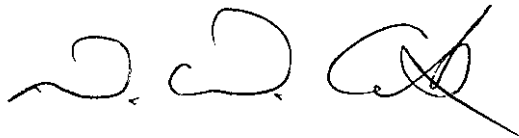
## Close company provisions

The company was not a close company within the meaning of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

## Auditors

Our auditors Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, Pricewaterhouse Coopers as auditors. A resolution to reappoint Pricewaterhouse Coopers as auditors to the Company will be proposed at the annual general meeting.

**By order of the board**

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

**Company secretary**  
**19 October 1998**

# Unistrut Europe Limited

## Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in preparation of the financial statements for the period ended 30 September 1997. 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.

**By order of the board**



**Company secretary**  
**19 October 1998**

## Report of the auditors to the members of Unistrut Europe Limited

We have audited the financial statements on pages 5 to 14.

### 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.

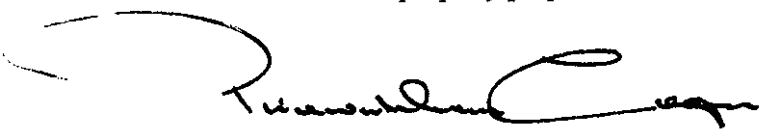
### Basis of opinion

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 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 30 September 1997 and of its profit and total recognised losses for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Pricewaterhouse Coopers**  
**Chartered Accountants and Registered Auditors**  
Milton Keynes  
20 October 1998

# Unistrut Europe Limited

## Profit and loss account for the period ended 30 September 1997

	Notes	11 months 1997 £	10 months 1996 £
Net operating expenses – continuing operations	2	(9,768)	(8,097)
<b>Operating loss – continuing operations</b>		(9,768)	(8,097)
Net interest receivable	3	376,500	213,535
<b>Profit on ordinary activities before taxation</b>	4	366,732	205,438
Tax on profit on ordinary activities	7	0	8,722
<b>Profit on ordinary activities after taxation</b>		366,732	214,160

There is no difference between the profit on ordinary activities before taxation and the retained loss for the period stated above, and their historical cost equivalents.

## Statement of total recognised gains and losses

		11 months 1997 £	10 months 1996 £
Profit for the period		366,732	214,160
Deficit on revaluation of investments	8	(2,698,160)	-
Currency translation differences on foreign Currency net investments		-	(202,754)
<b>Total recognised gains/(losses) relating to the period</b>		(2,331,428)	11,406


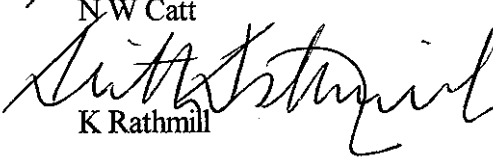
The deficit on revaluation of investments is in respect of the value of net assets of Unistrut Limited.

# Unistrut Europe Limited

## Balance sheet at 30 September 1997

	Notes	30 September 1997 £	31 October 1996 £
<b>Fixed assets</b>			
Investments	8	742,309	8,461,124
		<u>742,309</u>	<u>8,461,124</u>
<b>Current assets</b>			
Debtors	9	7,222,704	4,729,761
<b>Creditors: amounts falling due Within one year</b>	10	<b>(298,385)</b>	<b>(3,192,829)</b>
<b>Net current assets</b>		<u>6,924,319</u>	<u>1,536,932</u>
<b>Total assets less current liabilities</b>		<u>7,666,628</u>	<u>9,998,056</u>
<b>Net assets</b>		<u>7,666,628</u>	<u>9,998,056</u>
<b>Capital and reserves</b>			
Called up share capital	11	344,808	344,808
Share premium account	12	273,603	273,603
Other reserves	12	8,396,963	8,396,963
Profit and loss account	12	<b>(1,348,746)</b>	982,682
<b>Equity shareholders' funds</b>	13	<u>7,666,628</u>	<u>9,998,056</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 19th October 1998 and were signed on its behalf by:

  
N W Catt  
  
K Rathmill

**Directors**

## Notes to the financial statements for the period ended 30 September 1997

### 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.

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention.

#### **Foreign currency transactions**

Assets and liabilities expressed in foreign currencies are translated to sterling at the rates of exchange ruling at the end of the financial year, and transactions in foreign currencies have been translated at the rate prevailing at the transaction date. Differences on exchange arising from the re-translation of the opening net investment in subsidiary companies and related loans are taken to reserves and are reported in the statement of total recognised gains and losses.

#### **Taxation**

The charge for taxation is based on the results for the year as adjusted for disallowable items, and for timing differences to the extent that they are unlikely to result in an actual tax liability in the foreseeable future. Timing differences arise from the recognition for tax purposes of certain items of income and expense in a different accounting period from that in which they are recognised in the financial statements.

#### **Cash flow statements**

Advantage has been taken of the exemption from preparing a cash flow statement for wholly owned subsidiary undertakings contained in Financial Reporting Standard No 1. The financial statements of Tyco Valves Ltd. GmbH include a consolidated cash flow statement incorporating the cash flows of the company.



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## 2 Net operating expenses

	11 months 1997 £	10 months 1996 £
<b>Continuing operations</b>		
Administration expenses	2,000	13,806
Other operating expenses/(income)	7,768	(5,709)
	<hr/> 9,768 <hr/>	<hr/> 8,097 <hr/>

## 3 Net interest receivable

	11 months 1997 £	10 months 1996 £
<b>Interest payable</b>		
On bank overdrafts and loans repayable within 5 years by instalments:		
- to subsidiary undertakings		-
- others	0	136,613
	<hr/> 0 <hr/>	<hr/> 136,613 <hr/>
Less: interest receivable from group undertakings	(376,500)	(350,148)
	<hr/> (376,500) <hr/>	<hr/> (213,535) <hr/>

# Unistrut Europe Limited

## 4 Profit on ordinary activities before taxation

	11 months 1997 £	10 months 1996 £
Profit on ordinary activities before taxation is stated after charging:		
Amortisation of intangible fixed assets		2,000
Auditors' remuneration for:		
Audit	2,000	2,000
	-----	-----

## 5 Directors' emoluments

None of the directors received any emoluments for services to the company (1996: £nil).

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## 6 Employee information

There were no employee costs (1996: £nil). The company employs no individuals other than the directors.

## 7 Tax on profit on ordinary activities

	11 months 1997 £	10 months 1996 £
United Kingdom corporation tax at 32% (1996 : 33%)		
Current year	0	-
Deferred taxation	0	(8,722)
	-----	-----
	0	(8,722)
	-----	-----

# Unistrut Europe Limited

## 8 Fixed asset investments

The investment comprises shares in and loans to subsidiary undertakings as follows:

	Cost of Shares £	Loans £	Total £
At 1 November 1996	3,440,469	5,020,655	8,461,124
Loss on revaluation of Investment	(2,698,160)		(2,698,160)
Reclassified as Inter Group loans note 9	-	(5,020,655)	(5,020,655)
	-----	-----	-----
At 30 September 1997	742,309	-	742,309
	-----	-----	-----

At 30<sup>th</sup> September 1997 the company held 100% of the ordinary share capital of Unistrut Limited, a company incorporated in England.

Unistrut Limited operates principally in its country of incorporation. Its principal activity is the manufacture and sale of metal framing systems.

The carrying value of the investment in Unistrut Limited has been revalued downwards during the period by £2,698,160 to more closely reflect the actual net value of the Company on the balance sheet date.

On 1 November 1996 the loan of £5,020,655, which was treated as an investment in the accounts, was subject to a debt reorganisation agreement as part of the change in ownership of the company's UK parent company as set out in note 17.

The company has taken advantage of Section 228 (1)(a) of the Companies Act 1985 allowing it not to prepare consolidated financial statements. The accounts of the Company are included in the consolidated accounts of Tyco Valves Limited, a Company incorporated in England and Wales.

## 9 Debtors

	30 September 1997 £	31 October 1996 £
<b>Amounts falling due within one year:</b>		
Amounts due from subsidiary / group undertakings	7,222,704	4,729,761
	-----	-----
	7,222,704	4,729,761
	-----	-----

# Unistrut Europe Limited

## 10 Creditors: amounts falling due within one year

	30 September 1997	31 October 1996
	£	£
Bank overdrafts and loan (see below)	0	2,896,444
Amounts due to parent company	291,885	291,885
Other creditors and accruals	6,500	4,500
	<hr/>	<hr/>
	298,385	3,192,829
	<hr/>	<hr/>

At 31<sup>st</sup> October 1996, the bank overdrafts were secured by fixed and floating charges over the assets of subsidiary undertakings. This charge was released on 1 November 1996.

The bank loans were denominated in foreign currency as follows:

	30 September 1997	31 October 1996
	DM	DM
In one year or less	0	7,000,000
	<hr/>	<hr/>

Bank loans totalling DM7,000,000 bore interest at fixed rates varying between 4.65% and 8.1% and were guaranteed by a fellow group undertaking. The loans were repaid in full on 1 November 1996.

# Unistrut Europe Limited

## 11 Called up share capital

	Ordinary shares of 2.4p each
<b>Authorised</b>	
At 1 November 1996 and 30 September 1997	£447,996
	=====
<b>Number of shares</b>	
At 1 November 1996 and 30 September 1997	18,666,500
	=====
<b>Allotted, called up and fully paid</b>	
At 1 November 1996 and 30 September 1997	£344,808
	=====
<b>Number of shares</b>	
At 1 November 1996 and 30 September 1997	14,367,000
	=====

## 12 Share premium account and reserves

	Share Premium account £	Other Reserves £	Profit and loss account £
At 1 November 1996	273,603	8,396,963	982,682
Retained profit for the period			366,732
Revaluation of Investments			(2,698,160)
	-----	-----	-----
<b>At 30 September 1997</b>	<b>273,603</b>	<b>8,396,963</b>	<b>(1,348,746)</b>
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# Unistrut Europe Limited

## 13 Reconciliation of movement in shareholders' funds

	11 months 1997 £	10 months 1996 £
Profit for the financial period	366,732	214,160
Other recognised gains and losses relating to the year	(2,698,160)	(202,754)
Opening shareholders' funds	9,998,056	9,986,650
	-----	-----
Closing shareholders' funds	7,666,628	9,998,056
	-----	-----

## 14 Capital commitments

The company had no capital commitments at 30 September 1997 (1996: £Nil).

## 15 Guarantees and other financial commitments

As part of a group banking arrangement the company had entered into a cross guarantee with certain other group companies in respect of group borrowings. At 31 October 1996 this amounted to £2,461,131. This guarantee was released on 1 November 1996.

The Company had no operating lease commitments at 30 September 1997 or 31 October 1996.

## 16 Related party transactions

The company has taken advantage of the exemption given by FRS 8 not to disclose balances or transactions with entities that are part of the Tyco International Group as the results of the Company are included in the consolidated financial statements of Tyco Valves Limited which are publicly available.

## 17 Ultimate holding company

At 31 October 1996 the company was a wholly owned subsidiary of Unistrut Holdings Limited (formerly Halfen Limited), a company registered in England and Wales, whose ultimate holding company was Franz Haniel & Cie. GmbH, a company incorporated in Germany.

On 1 November 1996 the whole of the issued share capital of the company's ultimate UK parent company, Unistrut Holdings Limited (formerly Halfen Limited), was acquired by Tyco Valves Limited, a company registered in England and Wales. On the same date the ultimate holding company became Tyco International Limited of Exeter, NH, USA.