

Contents

Directors' report	1
Statement of directors' responsibilities	4
Auditor's report to the members of Briggs Roofing and Cladding Limited	5
Profit and loss account	6
Balance sheet	7
Notes	8



Briggs Roofing and Cladding Limited

**Directors' report and financial
statements**

Registered number 3541311

For the year ended 31 December 1999



Directors' report

The Directors present their report together with the audited financial statements for the year ended 31 December 1999.

Principal activity and business review

The principal activity of the Company is that of roofing and wall cladding contracting. Future developments will be in the same area.

The company was incorporated on 6 April 1998 as Houseplan Limited. On 30 June 1998 it changed its name to Briggs Roofing and Cladding Limited.

On 30 June 1998 the beneficial interest in certain of the trades, assets and liabilities of the following companies were transferred to the Company following the reorganisation of the Ruberoid Building Services Operations:

Houseplan Limited (previously Briggs Roofing and Cladding Limited)

Briggs Roofing and Cladding (North) Limited

Briggs Roofing and Cladding (South) Limited

Briggs Roofing and Cladding (Scotland) Limited

Briggs Roofing and Cladding (Midlands) Limited

Hyflex Roofing Limited

Durastic Roofing and Cladding Limited

Post balance sheet event

On 17 January 2000 it was announced that agreement had been reached between the board of Ruberoid PLC and the board of IKO UK Limited ("IKO UK") on the terms of a recommended cash offer to be made by ING Barings on behalf of IKO UK. On 8 February 2000 the board of IKO UK announced that the offer had been declared unconditional in all respects. With effect from 12 April 2000, Ruberoid PLC became a wholly owned subsidiary of IKO UK.

Results and dividends

The profit and loss account is shown on page 6. The profit for the financial period amounted to £81,000 (1998: £225,000). The directors do not recommend the payment of a dividend (1998: £Nil).

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.

Charitable and political donations

Charitable donations in the UK totalled £218 (1998: £500). No political contributions were made.

Directors and Directors' interests

The Directors who served during the year and subsequently were:

BB Dyson

HM Koschitzky (appointed 21 March 2000)

FD Lynch

DP Maginnis

D McPherson (appointed 1 February 1999, resigned 30 September 1999)

IGS McPherson

P Shields

B Stock (resigned 10 April 2000)

R Turner (resigned 29 March 1999)

Directors' report (continued)

Directors and Directors' interest (continued)

The interests of Messrs IGS McPherson and B Stock in the share capital of the Company's ultimate parent company as at 31 December 1999, Ruberoid PLC, are disclosed in the report and financial statements of that company. The interests in the share capital of Ruberoid PLC of the remaining Directors who held office at 31 December 1999 were as follows:

	At 31 December 1998 or date of appointment		Share option movements in period Granted	At 31 December 1999	
	Ordinary shares	Share options		Ordinary shares	Share options
BB Dyson	-	3,890*		-	3,890
		2,875‡			2,875
		40,000†	10,000#		50,000
FD Lynch	-	20,000†		-	20,000
DP Maginnis	-	7,781*		-	7,781
		20,000†	10,000#		30,000
D McPherson	-	12,969*		-	12,969
P Shields	-	2,593		-	2,593

* Granted on 28 June 1994 under the Ruberoid PLC Employee Savings Related Share Option Scheme, normally exercisable after 28 June 1999 at 133p per share.

‡ Granted on 12 June 1996 under the Ruberoid PLC Employee Savings Related Share Option Scheme, normally exercisable after 12 June 2001 at 120p per share.

† Granted on 23 April 1998 under the Ruberoid PLC Executive Share Option Scheme ("the Executive Scheme"), normally exercisable (subject to the achievement of performance targets) between April 2001 and April 2005 in respect of the Unapproved Part of the scheme, and April 2008 in respect of the Approved Part at 101 pence per share.

	Unapproved	Approved
BB Dyson	10,298	29,702
F Lynch	-	20,000
DP Maginnis	-	20,000

Granted on 23 April 1999 under the Executive Scheme, normally exercisable (subject to the achievement of performance targets) between April 2002 and April 2006 in respect of the Unapproved Part of the scheme, and April 2009 in respect of the Approved Part at 119 pence per share.

	Unapproved	Approved
BB Dyson	10,000	-
DP Maginnis	1,765	8,235

Pursuant to the recommended cash offer made on behalf of IKO UK Limited ("IKO") for the entire issued share capital of the Company's holding company, Ruberoid PLC, which was declared unconditional on 8 February 2000, options under the Executive and the SAYE Scheme became exercisable. Pursuant to the offer dated 9 February 2000 made on behalf of IKO to holders of options under the Executive Scheme and the SAYE Scheme the remaining options held by Directors were surrendered, or allowed to lapse. In consideration of the surrender, option holders were paid the difference between the option price and 137 pence per option.

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

Directors' report (*continued*)

Directors and Directors' interest (*continued*)

None of the Directors had any beneficial interest in the share or loan capital of the company's ultimate parent company, IKO UK Limited.

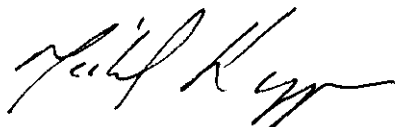
Employees

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.

Payment Policy

It is the Company's general policy to abide by the terms of payment agreed with its suppliers. The Company does not follow any code or standard payment practice.

This report was approved by the Board on 19 October 2000 and signed on its behalf by:



ML Kippen
Company Secretary

14 Tewin Road
Welwyn Garden City
Herts
AL7 1BP

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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.



KPMG Audit Plc

2 Cornwall Street
Birmingham
B3 2DL

Auditor's report to the members of Briggs Roofing and Cladding Limited

We have audited the financial statements on pages 6 to 16.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 with the company is not disclosed.

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 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

19 October 2000

Profit and loss account
for the year ended 31 December 1999

	<i>Note</i>	Year ended 31 December 1999 £000	Nine months ended 31 December 1998 £000
Turnover	2	33,530	20,058
Cost of sales		(26,549)	(16,488)
Gross profit		6,981	3,570
Operating expenses	3	(6,627)	(3,109)
Operating profit		354	461
Profit on sale of fixed assets		6	129
Profit on ordinary activities before interest and taxation		360	590
Net interest payable	4	(221)	(135)
Profit on ordinary activities before taxation	7	139	455
Tax on profit on ordinary activities	8	(58)	(230)
Profit for the financial period and retained profit transferred to reserves	17	81	225

The results for the financial periods were derived wholly from continuing operations.

Movements in reserves are set out in note 17 on page 15.

Statement of total recognised gains and losses

There were no recognised gains or losses other than the profit for the periods reported above.

Reconciliation of movements in equity shareholders' funds

	Year ended 31 December 1999 £000	Nine months ended 31 December 1998 £000
Profit for the financial period	81	225
Shares issued	-	9,328
Movements in equity shareholders' funds	81	9,553
Equity shareholders' funds at beginning of period	9,553	-
Equity shareholders' funds at end of period	9,634	9,553

Balance sheet
at 31 December 1999

	Note	1999 £000	1998 £000
Fixed assets			
Tangible assets	9	2,355	2,050
Investments	10	7,828	7,828
		10,183	9,878
Current assets			
Stock	11	1,476	587
Debtors: amounts falling due within one year	12	11,008	9,768
Debtors: amounts falling due after more than one year	12	1,375	9,273
Cash at bank and in hand		533	1,360
		14,392	20,988
Creditors: amounts falling due within one year	13	(10,213)	(8,126)
Net current assets			
Due within one year		2,804	3,589
Due after more than one year		1,375	9,273
		4,179	12,862
Total assets less current liabilities		14,362	22,740
Creditors: amounts falling due after more than one year	14	(4,618)	(13,075)
Provisions for liabilities and charges	15	(110)	(112)
Net assets		9,634	9,553
Capital and reserves			
Called up share capital	16	9,328	9,328
Profit and loss account	17	306	225
Equity shareholders' funds		9,634	9,553

These financial statements were approved by the Board of Directors on 19 October 2000 and were signed on its behalf by:


BB Dyson
Director

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 accounting

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

Consolidated financial statements

These financial statements present information about the Company as an individual Company and not about its Group. The Company is exempt under section 228 of the Companies Act 1985 from the obligation to prepare group financial statements and to deliver them to the Registrar of Companies as it is a wholly owned subsidiary of another body corporate.

Related party transactions

Under Financial Reporting Standard 8 the company is exempt from the disclosure of transactions with other group undertakings on the grounds that it is wholly owned and its results are included in Ruberoid PLC's consolidated financial statements which are publicly available.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that Ruberoid PLC, the company's ultimate parent undertaking, includes the company's cash flows in its own published consolidated cash flow statement.

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 period.

Depreciation

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

Freehold buildings	- 50 years
Long leasehold properties	- 50 years
Short leasehold properties	- Period of lease
Plant, machinery and vehicles	- 3 to 15 years

Leased assets

Where the Company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the Balance Sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included in creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account, and the capital element which reduces the outstanding obligation for future instalments. All other leases are accounted for as operating leases and the rental charges are charged to the Profit and Loss Account on a straight line basis over the life of the lease.

Research and development

All expenditure except that capitalised on buildings and plant is charged against income as incurred.

Notes (continued)

1 Accounting policies (continued)

Stocks

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

Long term contracts

Amounts recoverable on contracts, which are included in debtors, are stated at cost plus attributable profit less any foreseeable losses. The profit on each individual contract is the lower of profit earned to date and that forecast at completion. Payments received on account are deducted from amounts recoverable on contracts. Such amounts which have been received and exceed amounts recoverable are included in creditors.

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 crystallise in the foreseeable future.

Pensions

The Group 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.

2 Turnover

Turnover arose from one class of business and originated in the United Kingdom, the Company's sole market.

3 Operating expenses

	Year ended 31 December	Nine months ended 31 December
	1999	1998
	£000	£000
Administrative expenses	6,391	3,001
Other operating income and charges	236	108
	<hr/>	<hr/>
	6,627	3,109
	<hr/>	<hr/>

Notes (continued)

4 Net interest payable

	Year ended 31 December 1999 £000	Nine months ended 31 December 1998 £000
Interest payable		
Interest payable to group undertakings	(183)	(98)
Finance lease interest	(65)	(43)
	<hr/>	<hr/>
	(248)	(141)
Interest receivable		
Interest receivable from group undertakings	8	6
Bank interest receivable	19	-
	<hr/>	<hr/>
	(221)	(135)
	<hr/>	<hr/>

5 Employees

The average number of employees (including Directors) of the Company during the period comprised:

	Year ended 31 December 1999 Number	Nine months ended 31 December 1998 Number
Production	384	306
Administration	160	130
	<hr/>	<hr/>
	544	436
	<hr/>	<hr/>

The aggregate employment costs were as follows:

	Year ended 31 December 1999 £000	Nine months ended 31 December 1998 £000
Wages and salaries	8,783	4,643
Social security costs	930	492
Other pension costs	405	210
	<hr/>	<hr/>
	10,118	5,345
	<hr/>	<hr/>

Notes (continued)

6 Directors' emoluments

	Year ended 31 December 1999 £000	Nine months ended 31 December 1998 £000
Directors' emoluments comprised:		
Remuneration	290	144
Pension contributions	30	13
	<u>320</u>	<u>157</u>
	1999 £000	1998 £000
Emoluments of the highest paid director:		
Remuneration	81	46
Pension contributions	8	4
	<u>89</u>	<u>50</u>
	Number of directors 1999	1998
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	5	5

7 Profit on ordinary activities before taxation

	Year ended 31 December 1999 £000	Nine months ended 31 December 1998 £000
The profit on ordinary activities before taxation has been arrived at after charging:		
Operating leases:		
Land and buildings	378	156
Other assets	11	96
Depreciation on tangible assets (note 9)	480	541
Auditors' remuneration - audit	35	39

Notes (continued)

8 Tax on profit on ordinary activities

	Year ended 31 December 1999 £000	Nine months ended 31 December 1998 £000
Taxation based on the profit for the period comprises:		
UK corporation tax at 30.25% (1998: 31%)	60	130
Deferred taxation (see note 15)	(2)	100
	<u>58</u>	<u>230</u>

9 Tangible fixed assets

	Land and buildings £000	Plant, machinery & vehicles £000	Total £000
Cost			
At beginning of year	1,435	3,449	4,884
Transfers to group undertakings	(51)	(179)	(230)
Additions	-	862	862
Disposals	-	(603)	(603)
At end of year	<u>1,384</u>	<u>3,529</u>	<u>4,913</u>
Gross book value of depreciable assets	<u>1,228</u>	<u>3,529</u>	<u>4,757</u>
Depreciation			
At beginning of year	399	2,435	2,834
Transfers to group undertakings	(14)	(145)	(159)
Charge for the year	48	432	480
Disposals	-	(597)	(597)
At end of year	<u>433</u>	<u>2,125</u>	<u>2,558</u>
Net book value			
At 31 December 1999	<u>951</u>	<u>1,404</u>	<u>2,355</u>
At 31 December 1998	<u>1,036</u>	<u>1,014</u>	<u>2,050</u>

Included in plant, machinery and vehicles above are assets held under finance leases with a net book value of £856,000 (1998: £576,000). Depreciation charged on these assets during the year amounted to £286,000 (1998: £465,000).

Notes (continued)

The net book value of land and buildings comprises:

	1999 £000	1998 £000
Freehold	606	731
Long leasehold	142	83
Short leasehold	203	222
	<u>951</u>	<u>1,036</u>

10 Investments

Shares in group
 undertakings
 £000

At 1 January 1999 and 31 December 1999	<u>7,828</u>
--	--------------

The following investments in group undertakings were held at the year end:

	% of ordinary share capital
Briggs Roofing and Cladding (South) Limited	100%
Briggs Roofing and Cladding (North) Limited	100%
Briggs Roofing and Cladding (Midlands) Limited	100%
Briggs Roofing and Cladding (Scotland) Limited	100%
Durastic Roofing and Cladding Limited	100%
Hyflex Roofing Limited	100%

All the companies were incorporated in Great Britain with the exception of Briggs Roofing and Cladding (Scotland) Limited which was incorporated in Scotland. All of the above companies ceased to trade as at 30 June 1998.

11 Stocks

	1999 £000	1998 £000
Raw materials	497	542
Work in progress	10,318	8,361
	<u>10,815</u>	<u>8,903</u>
Payments on account	(9,339)	(8,316)
	<u>1,476</u>	<u>587</u>

Notes (continued)

12 Debtors

	1999 £000	1998 £000
Amounts falling due within one year:		
Trade debtors	10,240	8,710
Amounts owed by group undertakings	78	256
Other debtors	106	211
Prepayments and accrued income	584	591
	<hr/>	<hr/>
	11,008	9,768
Amounts falling due after more than one year:		
Amounts owed by group undertakings	1,375	9,273
	<hr/>	<hr/>
	12,383	19,041
	<hr/>	<hr/>

13 Creditors: amounts falling due within one year

	1999 £000	1998 £000
Bank overdraft	2,973	1,710
Finance leases	287	202
Trade creditors	3,020	3,323
Amounts owed to group undertakings	818	497
Corporation tax	53	71
Other tax and social security	678	682
Other creditors	114	317
Accruals and deferred income	2,270	1,324
	<hr/>	<hr/>
	10,213	8,126
	<hr/>	<hr/>

14 Creditors: amounts falling due after more than one year

	1999 £000	1998 £000
Finance leases	569	374
Amounts owed to group undertakings	4,049	12,701
	<hr/>	<hr/>
	4,618	13,075
	<hr/>	<hr/>

Notes (continued)

15 Provision for liabilities and charges

The movement in the deferred taxation liability during the year was as follows:

	£000
At beginning of year	112
Transfer from profit and loss account	(2)
	<hr/>
At end of year	110
	<hr/>

The deferred tax liability is calculated at 30% (1998: 31%) and is analysed as follows:

	1999 £000	1998 £000
Accelerated capital allowances	170	174
Other timing differences	(60)	(62)
	<hr/>	<hr/>
	110	112
	<hr/>	<hr/>

There was no unprovided deferred tax liability at 31 December 1999 (1998: £Nil).

16 Share capital

	1999 £000	1998 £000
<i>Authorised:</i>		
15,000,000 ordinary shares of £1 each	15,000	15,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
9,327,602 ordinary shares of £1 each	9,328	9,328
	<hr/>	<hr/>

17 Reserves

	Profit and loss account £000
At the beginning of the year	225
Retained profit for the year	81
	<hr/>
At end of year	306
	<hr/>

Notes (continued)

18 Contingent liabilities

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

The Company has guaranteed bank overdrafts and loans in respect of its parent company and fellow subsidiary undertakings. At 31 December 1999 these guarantees amounted to £4,628,000 (1998: £879,000).

19 Commitments

The Company had annual commitments under non cancellable operating leases which expire:

	31 December 1999		31 December 1998	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	-	-	3	9
In second to fifth years	45	11	48	18
Over five years	273	-	261	-
	<hr/>	<hr/>	<hr/>	<hr/>
	318	11	312	27
	<hr/>	<hr/>	<hr/>	<hr/>

Capital commitments authorised and contracted for as at 31 December 1999 were £24,000 (1998: £Nil).

20 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.

21 Ultimate Parent Company

The ultimate parent company is Ruberoid PLC as at 31 December 1999, a company incorporated in Great Britain. Copies of the consolidated financial statements are available from the Company Secretary, Ruberoid PLC, 14 Tewin Road, Welwyn Garden City, Herts AL7 1BP.

The offer made on behalf of IKO UK Limited for the entire issued share capital of Ruberoid PLC was declared unconditional on 8 February 2000.

The financial statements of Ruberoid PLC are the only consolidated financial statements to incorporate Briggs Roofing and Cladding Limited.