

**LEGGETT AND PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**(Registered Number: 2139163)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 1999**



**LEGGETT AND PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

<b>INDEX</b>	<b>PAGE</b>
Group information	1
Report of the directors	2 - 3
Report of the auditors	4
Consolidated profit and loss account	5
Consolidated balance sheet	6
Company balance sheet	7
Notes to the consolidated financial statements	8 - 23

# **LEGGETT AND PLATT (UK) LIMITED AND SUBSIDIARY UNDERTAKINGS**

## **GROUP INFORMATION**

### **Directors**

T A Scott  
E C Jett  
F E Wright

### **Secretary**

C Davies

### **Registered office**

4 Juno House  
Calleva House  
Aldermaston  
Berkshire  
RG7 8RA

### **Auditors**

PricewaterhouseCoopers  
One Kingsway  
Cardiff  
CF10 3PW

### **Solicitors**

Bryan, Cave, McPheeters and McRoberts  
3<sup>rd</sup> Floor  
29 Queen Anne's Gate  
London SW1H 9BU

# **LEGGETT AND PLATT (UK) LIMITED AND SUBSIDIARY UNDERTAKINGS**

## **DIRECTORS' REPORT**

The directors present their report and the consolidated financial statements for the year ended 31 December 1999.

## **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the group continued to be the manufacture and distribution of components for the textiles and furniture industry.

## **RESULTS AND DIVIDENDS**

The results of the Group for the year are set out in the financial statements on pages 5 to 23. The directors paid a dividend of £550,000 during the year (1998 - £Nil).

The retained profit for the financial year of £303,000 (1998 - £529,000) has been credited to reserves.

## **THE EURO**

The directors have reviewed the likely impact of the introduction of the Euro in certain countries and are of the opinion that there will be no significant impact upon the operation of the group.

## **FIXED ASSETS**

Details of fixed assets are given in notes 10, 11 and 12 to the accounts.

## **DIRECTORS**

The directors who served during the year were:

T A Scott  
E C Jett  
F E Wright

The directors do not have any interests in the shares of the company or any other group company.

# **LEGGETT AND PLATT (UK) LIMITED AND SUBSIDIARY UNDERTAKINGS**

## **DIRECTORS' REPORT (CONTINUED)**

### **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 Group and the company and of the profit or loss of the Group 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; and
- 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 Group and the company and 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**

A resolution to reappoint PricewaterhouseCoopers as auditors will be proposed at the next Annual General Meeting.

By Order of the Board



C Davies  
Secretary

23 Jan 2001

# **LEGGETT & PLATT (UK) LIMITED AND SUBSIDIARY UNDERTAKINGS**

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF LEGGETT & PLATT (UK) LIMITED**

We have audited the financial statements on pages 5 to 23 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established primarily by statute, the Auditing Practices Board, and our professional 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 and group 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

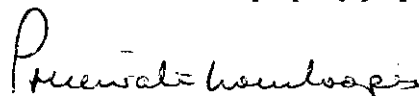
### **Basis of audit opinion**

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 circumstances of the company and the group, 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 affairs of the company and the group as at 31 December 1999 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Cardiff

23 11 2001



**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

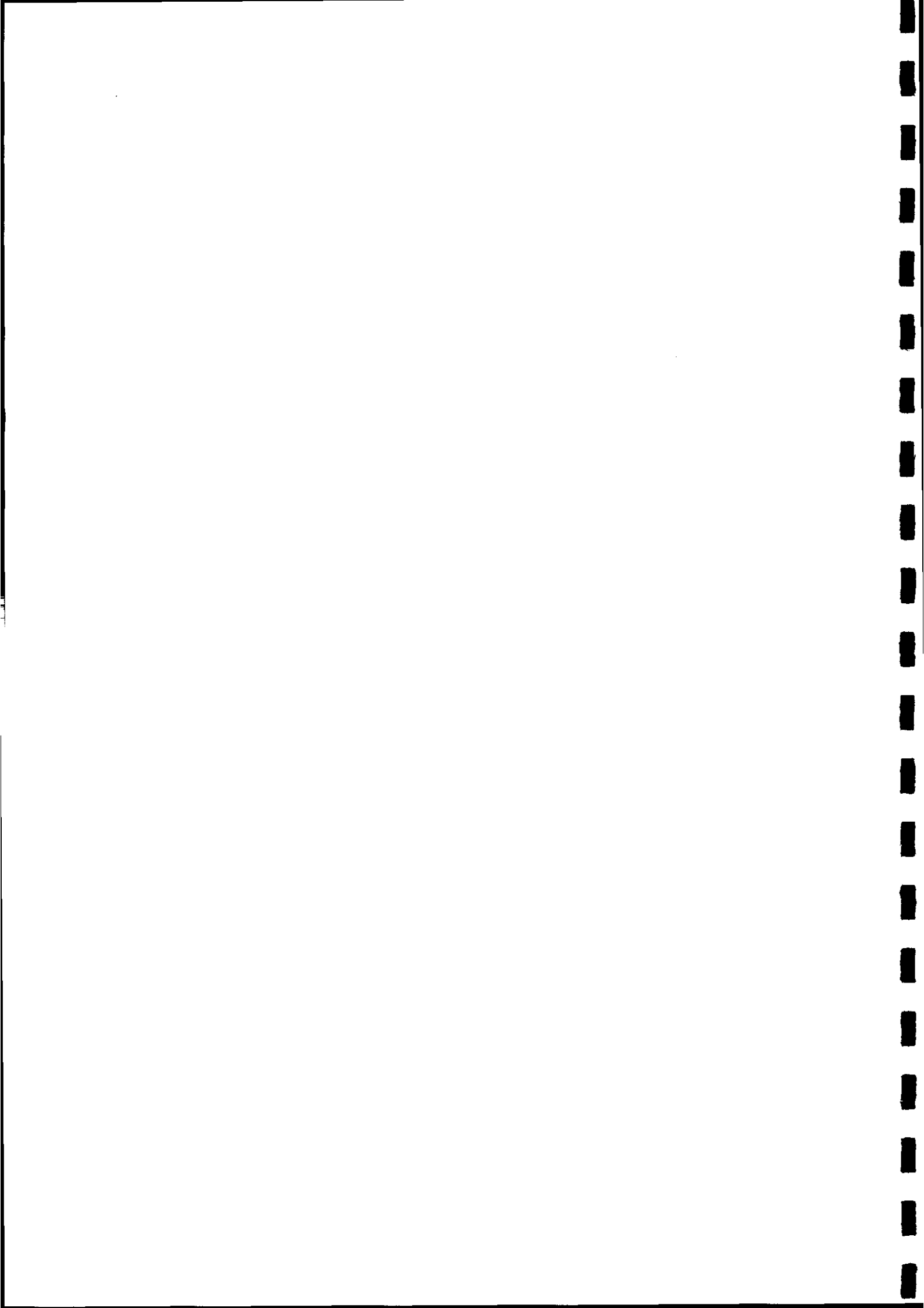
**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1999**

	<u>Notes</u>	<u>1999</u> £'000	<u>1998</u> £'000
<b>TURNOVER</b>	2	34,899	20,600
Cost of sales		(26,718)	(14,945)
<b>GROSS PROFIT</b>		8,181	5,655
Distribution costs		(2,069)	(1,423)
Administrative expenses		(5,832)	(3,914)
Other operating income		1,060	528
<b>OPERATING PROFIT</b>		1,339	846
Other interest receivable and similar income		52	67
Interest payable and similar charges	4	(49)	(108)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	1,342	805
Taxation on profit on ordinary activities	7	(489)	(276)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		853	529
Dividends paid		(550)	-
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	19	303	529

There are no recognised gains or losses other than those disclosed above.

The notes on pages 8 to 23 form part of these financial statements.





**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1999**

	Notes	1999 £'000	1998 £'000
<b>FIXED ASSETS</b>			
Intangible assets	10	11,658	5,078
Tangible assets	11	11,065	3,124
		<u>22,723</u>	<u>8,202</u>
<b>CURRENT ASSETS</b>			
Stocks	13	4,380	3,651
Debtors	14	12,139	8,163
Cash at bank and in hand		1,511	935
		<u>18,030</u>	<u>12,749</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(14,985)	(10,381)
<b>NET CURRENT ASSETS</b>		<u>3,045</u>	<u>2,368</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>25,768</u>	<u>10,570</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	16	(12,538)	(1,739)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	17	(481)	(178)
		<u>12,749</u>	<u>8,653</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1	1
Share premium account	19	274	274
Capital reserves	19	11,589	7,796
Profit and loss account	19	885	582
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>12,749</u>	<u>8,653</u>

Approved by the Board on **23 Jan** 2001 and signed on its behalf by:

  
T A Scott  
Director

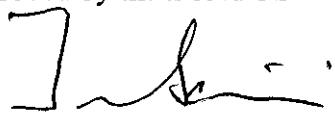
The notes on pages 8 to 23 form part of these financial statements.

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**COMPANY BALANCE SHEET AT 31 DECEMBER 1999**

	Notes	1999 £'000	1998 £'000
<b>FIXED ASSETS</b>			
Investments	12	22,703	8,785
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(1,367)	(1,367)
<b>NET CURRENT LIABILITIES</b>		(1,367)	(1,367)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		21,335	7,418
		21,336	7,418
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1	1
Share premium account	19	274	274
Capital reserves	19	21,714	7,796
Profit and loss account	19	(653)	(653)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	21,336	7,418

Approved by the Board on 23 Jan. 2001 and signed on its behalf by:

  
T A Scott  
Director

The notes on pages 8 to 23 form part of these financial statements.

# LEGGETT & PLATT (UK) LIMITED AND SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999

### 1 ACCOUNTING POLICIES

#### (a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### (b) Cash flow statement

The directors have taken advantage of the exemption of Financial Reporting Standard No 1 (Revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company publishes a consolidated cash flow statement.

#### (c) Turnover

Turnover represents the amounts invoiced, excluding value added tax, in respect of the sale of goods and services to customers.

#### (d) Depreciation

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over their estimated useful lives. No depreciation is charged on freehold land.

Plant and machinery	5% - 20%
Fixtures and fittings	20%
Motor vehicles	25%
Buildings	2%

In the case of assets that are the subject of a finance lease, depreciation is calculated over the shorter of the term of the lease or the useful life, on a straight line basis.

#### (e) Stocks

Stocks are stated at the lower of cost or net realisable value.

#### (f) Taxation

The charge for taxation is based on the result for the year at current rates of taxation, and takes into account deferred taxation. Deferred taxation is provided in respect of the tax effect of all timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**1 ACCOUNTING POLICIES (CONTINUED)**

**(g) Hire purchase**

Assets held under hire purchase contracts and the related obligations are included at the fair value of the assets at the inception of the contract.

For significant contracts, rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable, so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding. For other contracts the interest is allocated on a straight line basis over the period of the contract.

**(h) Operating leases**

Rentals payable under operating leases are charged to the profit and loss account as incurred.

**(i) Pension costs**

Contributions payable to the pension schemes operated are charged to the profit and loss account in the period in which the contributions fall due (Note 20).

**(j) Investments**

Investments in subsidiary undertakings are carried at fair value at date of acquisition.

**(k) Restrictive covenants**

Restrictive covenant payments made to the directors of Marsh Fern & Company Limited are held as a deferred cost in the accounts and amortised over a period of four to six years, being the terms of the restrictive covenant agreements.

**(l) Intangible fixed assets**

The group has capitalised intangible assets relating to the purchase of patents, intellectual property rights and goodwill. The value is based on the purchase price paid to third parties. Amortisation is to be charged on a straight line basis over a fifteen year period for patents, and twenty years for goodwill. Intellectual property rights are written off to match the cost with the expected revenues derived from the investment.

# **LEGGETT & PLATT (UK) LIMITED AND SUBSIDIARY UNDERTAKINGS**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

### **2 TURNOVER**

The turnover and profit before taxation are attributable to the principal activity of the group which is the manufacture and distribution of components for the textiles and furniture industry.

The turnover by geographical location is as follows:

	Total <u>1999</u> £'000	Total <u>1998</u> £'000
United Kingdom	31,203	15,705
Rest of world	3,696	4,895
	<hr/>	<hr/>
	34,898	20,600
	<hr/> <hr/>	<hr/> <hr/>

### **3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	<u>1999</u> £'000	<u>1998</u> £'000
The profit on ordinary activities before taxation is stated after charging / (crediting):		
Amortisation of goodwill	562	292
Amortisation of patents and royalties	16	4
Amortisation of restrictive covenants	176	176
Auditors' remuneration - audit services	80	69
- non audit services	14	24
Operating lease rentals - on property	98	39
Loss / (Profit) on sale of fixed assets	4	(9)
Depreciation of tangible fixed assets - Owned	835	373
- Leased	32	32
Exchange rate differences	126	-
Research and development costs	23	8
Staff costs (Note 6)	5,743	3,539
	<hr/> <hr/>	<hr/> <hr/>

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>1999</u> £'000	<u>1998</u> £'000
Hire purchase interest	14	6
Interest payable on bank loans and overdrafts	13	52
Interest on group and other loans	22	50
	<hr/>	<hr/>
	49	108
	<hr/>	<hr/>

**5 DIRECTORS EMOLUMENTS**

	<u>1999</u> £'000	<u>1998</u> £'000
Emoluments for services to company and subsidiary undertakings:	202	188
	<hr/>	<hr/>

T A Scott is the only director who received remuneration from the group during the year.  
The other directors are remunerated by the ultimate parent company.

**6 STAFF COSTS**

	<u>1999</u> £'000	<u>1998</u> £'000
Wages and salaries	5,049	3,088
Social Security costs	478	280
Other pension costs	216	171
	<hr/>	<hr/>
	5,743	3,539
	<hr/>	<hr/>

The average number of persons, including executive directors, employed by the group during the year was as follows:

	<u>Number</u>	<u>Number</u>
Administration	134	54
Production	232	123
	<hr/>	<hr/>
Total employees	366	177
	<hr/>	<hr/>

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**7 TAXATION**

	<u>1999</u> £'000	<u>1998</u> £'000
Corporation tax at 31% (1998 – 31%)		
Current year	268	444
Prior year	(80)	(109)
Deferred taxation: (Note 17)		
Current year	324	(59)
Prior year	(23)	-
	<hr/>	<hr/>
	489	276
	<hr/>	<hr/>

**8 PROFIT/(LOSS) OF LEGGETT & PLATT (UK) LIMITED**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent undertaking, Leggett & Platt (UK) Limited is not presented as part of these financial statements. The profit for the financial year was £Nil (1998: Loss £7,000).



**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Group 1999 £'000	Company 1999 £'000
Profit for the financial year	303	-
Capital contributions	3,793	13,918
Opening shareholders' funds	8,653	7,418
	<hr/>	<hr/>
Closing shareholders' funds	12,749	21,336
	<hr/>	<hr/>

Shareholders' funds are entirely attributable to equity interests.

**10 INTANGIBLE FIXED ASSETS - GROUP**

	Goodwill £'000	Patents and Intellectual Property Rights £'000	Total £'000
<b>Cost</b>			
At 1 January 1999	5,834	66	5,900
Additions	6,573	357	6,930
	<hr/>	<hr/>	<hr/>
At 31 December 1999	12,407	423	12,830
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 1 January 1999	810	12	822
Charge for the year	334	16	350
	<hr/>	<hr/>	<hr/>
At 31 December 1999	1,144	28	1,172
	<hr/>	<hr/>	<hr/>
<b>Net Book Amount</b>			
At 31 December 1999	11,263	395	11,658
	<hr/>	<hr/>	<hr/>
At 31 December 1998	5,024	54	5,078
	<hr/>	<hr/>	<hr/>

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**11 TANGIBLE FIXED ASSETS – GROUP**

	Freehold Property £'000	Short Leasehold Assets £'000	Plant and Machinery £'000	Motor Vehicles £'000	Fixtures And Fittings £'000	Total £'000
<b>Cost</b>						
At 1 January 1999	1,552	62	1,685	406	406	4,111
Additions	2,210	-	7,433	225	289	10,157
Disposals	-	-	(13)	(87)	(44)	(143)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	3,762	62	9,105	544	651	14,125
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At 1 January 1999	34	30	671	42	210	987
Charge for the year	94	11	1,780	134	159	2,178
Disposals	-	-	(13)	(51)	(41)	(105)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	128	41	2,438	85	328	3,060
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amount</b>						
At 31 December 1999	3,634	21	6,667	459	323	11,065
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	1,518	32	1,014	364	196	3,124
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Hire purchase agreements**

Included within the net book amount of tangible fixed assets is £90,000 (1998 - £375,000) relating to assets held under hire purchase agreements.

# **LEGGETT & PLATT (UK) LIMITED AND SUBSIDIARY UNDERTAKINGS**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

### **12 FIXED ASSET INVESTMENTS - COMPANY**

	£'000
At 1 January 1999	8,785
Additions during period	13,918
	<hr/>
At 31 December 1999	22,703
	<hr/> <hr/>

Additional information on subsidiary undertakings:

<u>Name</u>	<u>Country of incorporation and operations</u>	<u>Class of shares held</u>	<u>% of shares</u>	<u>Nature of business</u>
L & P Europe Limited	England and Wales	Ordinary	100%	Manufacture and distribution of Lumber components
Northeastern Components Limited	England and Wales	Ordinary	100%	Manufacture and distribution of office furniture components
Gateway Holdings Limited	England and Wales	Ordinary	100%	Holding of Investments
Marsh Fern & Company Limited	England and Wales	Ordinary	100%	Process of textiles and fabrics and the holding of investments
John Pring & Son Limited	England and Wales	Ordinary	100%	Processing and manufacture of steel wire

The directors consider that the market value of investments is in excess of the net book value shown. No provision has been made for the liability to corporation tax on chargeable gains that would arise if the above investments were disposed of at market value.

# **LEGGETT & PLATT (UK) LIMITED AND SUBSIDIARY UNDERTAKINGS**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

### **12 FIXED ASSET INVESTMENTS – COMPANY (continued)**

The following asset and share acquisitions took place during the period.

#### **Asset acquisition by Marsh Fern Limited**

	Book and fair value £
Tangible fixed assets	6,100
Stock	332
Debtors	195
Creditors	(990)
	<hr/>
Net assets	5,637
	<hr/>
Goodwill	4,488
	<hr/>
Consideration including expenses	10,125
	<hr/>
<b>Consideration satisfied by:</b>	
Cash	9,603
Acquisition expenses	522
	<hr/>
	10,125
	<hr/>

From the date of acquisition to 31 December 1999, Wellhouse Wire Products contributed £3,185,462 to turnover and £71,884 to both the profit before and after interest of Marsh Fern Limited.

In its last financial year to 30 January 1999, Wellhouse Wire Products made a profit after tax of £807,291. For the period since that date to the date of acquisition Wellhouse Wire Products made a profit after tax of £363,271.

#### **Share acquisition by L&P (UK) Ltd**

During the period, the company acquired the whole issued share capital of the following company that is registered in England and Wales:

John Pring & Son Limited

6 October 1999

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**12 FIXED ASSET INVESTMENTS – COMPANY (continued)**

Consideration for this acquisition was as follows:-

	Book and fair value £'000
Consideration:	
Cash	3,800
Escrow refund	(114)
Other acquisition costs	106
	<hr/>
Fair value of consideration	3,792
	<hr/>
Goodwill arising	2,085
	<hr/>

The assets and liabilities of John Pring & Son Limited were:-

	Book Value £'000	Accounting policy alignment £'000	Fair value £'000
Tangible fixed assets	1,124	-	1,124
Cash	132	-	132
Stock	389	-	389
Debtors	1,195	-	1,195
Creditors and provisions	(2,390)	1,257	(1,133)
	<hr/>	<hr/>	<hr/>
Net assets	450	1,257	1,707
	<hr/>	<hr/>	<hr/>

The above adjustment reflects the settlement of a long term loan balance with the previous parent company, Bullough plc.

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**13 STOCKS**

	Group	
	<u>1999</u>	<u>1998</u>
	£'000	£'000
Raw materials and consumables	1,468	1,071
Work in progress	486	525
Finished goods and goods for resale	2,426	2,055
	<hr/>	<hr/>
	4,380	3,651
	<hr/>	<hr/>

There are no stocks held in the company.

**14 DEBTORS**

	Group	
	<u>1999</u>	<u>1998</u>
	£'000	£'000
Trade debtors	7,433	5,496
Other debtors	525	51
Corporation tax	103	-
Prepayments	199	147
Deferred restrictive covenant payments	431	607
Amounts due from group undertakings	3,448	1,862
	<hr/>	<hr/>
	12,139	8,163
	<hr/>	<hr/>

There are no debtors held in the company.

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£'000	£'000	£'000	£'000
Bank loans and overdraft	632	454	-	-
Hire purchase contracts	34	68	-	-
Trade creditors	4,992	3,399	-	-
Amounts owed to group undertakings	7,436	4,947	1,362	1,362
Corporation tax payable	229	254	-	-
Other taxation and social security costs	523	397	-	-
Other creditors	639	129	-	-
Accruals	500	733	5	5
	<hr/>	<hr/>	<hr/>	<hr/>
	14,985	10,381	1,367	1,367
	<hr/>	<hr/>	<hr/>	<hr/>

**16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£'000	£'000	£'000	£'000
Bank loans	23	30	-	-
Hire purchase & finance contracts	8	41	-	-
Amounts owed to group undertakings	12,507	1,668	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	12,538	1,739	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR  
(continued)**

Analysis of bank loans and overdrafts, hire purchase and finance contracts due:

	Group	
	<u>1999</u>	<u>1998</u>
	£'000	£'000
Less than one year	689	522
Between one and two years	-	16
Between two and five years	8	55
	<hr/>	<hr/>
	697	593
	<hr/>	<hr/>

The bank loan bears interest at a rate of 2.5% above the London Interbank Offered Rate (LIBOR) and is secured by a charge on the freehold property.



**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**17 PROVISION FOR LIABILITIES AND CHARGES - GROUP**

	Amount provided		Amount unprovided	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£'000	£'000	£'000	£'000
Deferred taxation:				
Accelerated capital allowances	427	74	34	50
Short term timing differences	(89)	(82)	-	(12)
Restrictive covenant payments	143	186	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	481	178	34	38
	<hr/>	<hr/>	<hr/>	<hr/>

The movement on the provision is as follows:

	£'000
At 1 January 1999	178
Charged to profit and loss account	301
	<hr/>
At 31 December 1999	481
	<hr/>

**18 SHARE CAPITAL**

	<u>1999</u>	<u>1998</u>
	£	£
Authorised:		
Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	1,250	1,250
	<hr/>	<hr/>

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**19 RESERVES**

	Share premium account £'000	Capital reserve £'000	Profit and loss account £'000	Total £'000
<b>Group</b>				
At 1 January 1999	274	7,796	582	8,652
Retained profit for year	-	-	303	303
Capital contribution	-	3,793	-	3,793
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	274	11,589	885	12,748
	<hr/>	<hr/>	<hr/>	<hr/>
	Share premium account £'000	Capital reserve £'000	Profit and loss account £'000	Total £'000
<b>Company</b>				
At 1 January 1999	274	7,796	(653)	7,417
Capital contribution	-	13,918	-	13,918
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	274	21,714	(653)	21,335
	<hr/>	<hr/>	<hr/>	<hr/>

The increase in the Capital Reserve during the period is as a result of funding from Leggett and Platt Inc, the ultimate parent, for the acquisition of Wellhome Wire Products and John Pring & Sons.

**20 PENSION COMMITMENTS**

Certain subsidiary undertakings operate a defined contribution pension scheme, the assets of which are held separately from those of the individual subsidiaries in an independent administered fund. The pension cost charge represents contributions payable by the individual subsidiaries to the fund and amounted to £190,000 (1998 - £171,000). There were no outstanding contributions payable to the fund at the year end.

**LEGGETT & PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999 (CONTINUED)**

**21 OTHER FINANCIAL COMMITMENTS**

**Operating lease commitments**

At 31 December 1999 the group was committed to making the following payments under non-cancellable operating leases in respect of land and buildings.

	<u>1999</u> £'000	<u>1998</u> £'000
Operating leases which expire:		
Within one year	4	-
Within two to five years	53	-
	<u>      </u>	<u>      </u>

**22 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption allowed under FRS8, "Related party Disclosures", not to disclose related party transactions with members of the group or associate and joint ventures of the other group members as it is a 100% subsidiary of a company for which accounts are publicly available.

**23 IMMEDIATE AND ULTIMATE PARENT UNDERTAKING**

The company's immediate and ultimate parent undertaking at the balance sheet date was Leggett & Platt Inc., a company incorporated in USA.

Group accounts may be obtained from Leggett & Platt Incorporated, Leggett Road, Carthage, Missouri 64836, USA.