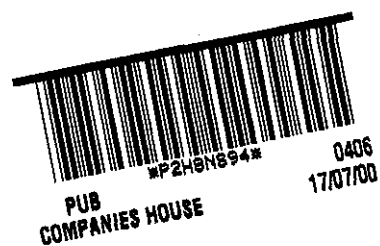


**LEGGETT AND PLATT (UK) LIMITED AND  
SUBSIDIARY UNDERTAKINGS  
(Registered Number: 2139163)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 1998**



# **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 - 20

# **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 1998.

## **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 20. The directors do not propose payment of a dividend (1997 - £Nil).

The retained profit for the financial year of £529,000 (1997 - £78,000) has been credited to reserves.

## **YEAR 2000 AND THE EURO**

The group has undertaken a comprehensive Year 2000 compliance programme. At the date of the approval of the accounts no significant Year 2000 related problems had been encountered by the company or its principal customers and suppliers.

The directors have also 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

10 July 2000

# **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 20 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.

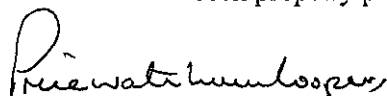
### **Basis of opinion**

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 1998 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

10 July 2000

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

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1998**

	<u>Notes</u>	<u>1998</u> £'000	<u>1997</u> £'000
<b>TURNOVER</b>	2	20,600	20,052
Cost of sales		(14,945)	(15,467)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		5,655	4,585
Distribution costs		(1,423)	(1,361)
Administrative expenses		(3,914)	(3,354)
Other operating income		528	483
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		846	353
Other interest receivable and similar income		67	239
Interest payable and similar charges	4	(108)	(324)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	805	268
Taxation on profit on ordinary activities	7	(276)	(190)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		529	78
Dividends		-	-
		<hr/>	<hr/>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	19	529	78
		<hr/>	<hr/>

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

The results for the year were derived from continuing operations.

The notes on pages 8 to 20 form part of these financial statements.

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

**CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 1998**

	Notes	1998 £'000	1997 £'000
<b>FIXED ASSETS</b>			
Intangible assets	10	5,078	5,409
Tangible assets	11	3,124	2,584
		<u>8,202</u>	<u>7,993</u>
<b>CURRENT ASSETS</b>			
Stocks	13	3,651	3,449
Debtors	14	8,163	6,268
Cash at bank and in hand		935	1,226
		<u>12,749</u>	<u>10,943</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(10,381)	(8,090)
<b>NET CURRENT ASSETS</b>		<u>2,368</u>	<u>2,853</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,570</u>	<u>10,846</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	16	(1,739)	(2,485)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	17	(178)	(237)
		<u>8,653</u>	<u>8,124</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1	1
Share premium account	19	274	274
Capital reserves	19	7,796	7,796
Profit and loss account	19	582	53
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>8,653</u>	<u>8,124</u>

Approved by the Board on 10 July 2000 and signed on its behalf by:

  
T A Scott  
Director

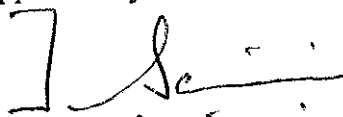
The notes on pages 8 to 20 form part of these financial statements.

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

## **COMPANY BALANCE SHEET AT 31 DECEMBER 1998**

	Notes	1998	1997
		£'000	£'000
<b>FIXED ASSETS</b>			
Investments	12	8,785	8,820
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		-	34
			34
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	15	(1,367)	(1,429)
<b>NET CURRENT LIABILITIES</b>		(1,367)	(1,395)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,418	7,425
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	16	-	-
		7,418	7,425
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	1	1
Share premium account	19	274	274
Capital reserves	19	7,796	7,796
Profit and loss account	19	(653)	(646)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	7,418	7,425

Approved by the Board on 10 July 2000 and signed on its behalf by:

  
T A Scott  
Director

The notes on pages 8 to 20 form part of these financial statements.

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998**

### **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.

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)**

### **1 ACCOUNTING POLICIES (CONTINUED)**

#### **(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.

#### **(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.

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998 (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>1998</u> £'000	Total <u>1997</u> £'000
United Kingdom	15,705	16,756
Rest of world	4,895	3,296
	<hr/>	<hr/>
	20,600	20,052
	<hr/> <hr/>	<hr/> <hr/>

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

	<u>1998</u> £'000	<u>1997</u> £'000
The profit on ordinary activities before taxation is stated after charging:		
Amortisation of goodwill	292	293
Amortisation of patents	4	4
Auditors' remuneration - audit services	69	51
- non audit services	24	12
Operating lease rentals - on property	39	78
Profit on sale of fixed assets	9	-
Depreciation of tangible fixed assets - Owned	373	290
- Leased	32	36
Research and development costs	8	1
Staff costs (Note 6)	3,539	2,641
	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)**

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	<u>1998</u> £'000	<u>1997</u> £'000
Hire purchase interest	6	7
Interest payable on bank loans and overdrafts	52	269
Interest on group and other loans	50	48
	<hr/>	<hr/>
	108	324
	<hr/>	<hr/>

**5 DIRECTORS EMOLUMENTS**

	<u>1998</u> £'000	<u>1997</u> £'000
Emoluments for services to company and subsidiary undertakings:	188	197
	<hr/>	<hr/>

**6 STAFF COSTS**

	<u>1998</u> £'000	<u>1997</u> £'000
Wages and salaries	3,088	2,332
Social Security costs	280	222
Other pension costs	171	87
	<hr/>	<hr/>
	3,539	2,641
	<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	54	51
Production	123	102
	<hr/>	<hr/>
Total employees	177	153
	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)**

**7 TAXATION**

	<u>1998</u> £'000	<u>1997</u> £'000
Corporation tax at 31% (1997 – 33%)		
Current year	444	239
Prior year	(109)	(7)
Deferred taxation: (Note 17)		
Current year	(59)	(114)
Prior year	-	72
	—	—
	276	190
	==	==

**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 loss for the financial year was £7,000 (1997: £27,000).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)**

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

	Group 1998 £'000	Company 1998 £'000
Profit/(loss) for the financial year	529	(7)
Net addition/(reduction) to shareholders' funds	529	(7)
Opening shareholders' funds	8,124	7,425
Closing shareholders' funds	8,653	7,418

Shareholders' funds are entirely attributable to equity interests.

**10 INTANGIBLE FIXED ASSETS - GROUP**

	Goodwill £'000	Patents £'000	Total £'000
<b>Cost</b>			
At 1 January 1998	5,869	66	5,935
Revision to provisional consideration value	(35)	-	(35)
At 31 December 1998	5,834	66	5,900
<b>Amortisation</b>			
At 1 January 1998	518	8	526
Charge for the year	292	4	296
At 31 December 1998	810	12	822
<b>Net Book Amount</b>			
At 31 December 1998	5,024	54	5,078
At 31 December 1997	5,351	58	5,409

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (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 1998	1,042	62	1,533	391	321	3,349
Additions	510	-	152	240	86	988
Disposals	-	-	-	(225)	(1)	(226)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	1,552	62	1,685	406	406	4,111
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At 1 January 1998	12	19	477	111	146	765
Charge for the year	22	11	194	113	65	405
Disposals	-	-	-	(182)	(1)	(183)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1998	34	30	671	42	210	987
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amount</b>						
At 31 December 1998	1,518	32	1,014	364	196	3,124
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1997	1,030	43	1,056	280	175	2,584
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Hire purchase agreements**

Included within the net book amount of tangible fixed assets is £375,000 (1997 - £470,000) 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 1998 (CONTINUED)

### 12 FIXED ASSET INVESTMENTS - COMPANY

	£'000
At 1 January 1998	8,820
Revision to provisional consideration value	(35)
	<hr/>
At 31 December 1998	8,785
	<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

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.

### 13 STOCKS

	<u>1998</u>	<u>Group 1997</u>
		£'000
Raw materials and consumables	1,071	1,017
Work in progress	525	574
Finished goods and goods for resale	2,055	1,858
	<hr/>	<hr/>
	3,651	3,449
	<hr/> <hr/>	<hr/> <hr/>

There are no stocks held in the company.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)**

**14 DEBTORS**

	Group	
	<u>1998</u>	<u>1997</u>
	£'000	£'000
Trade debtors	5,496	4,357
Other debtors	51	180
Prepayments	147	94
Deferred restrictive covenant payments	607	783
Amounts due from group undertakings	1,862	854
	<hr/>	<hr/>
	8,163	6,268
	<hr/>	<hr/>

There are no debtors held in the company.

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

	Group		Company	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	£'000	£'000	£'000	£'000
Bank loans and overdraft	454	460	-	-
Hire purchase contracts	68	117	-	-
Trade creditors	3,399	3,218	-	-
Amounts owed to group undertakings	4,947	2,812	1,362	1,368
Corporation tax payable	254	193	-	-
Other taxation and social security costs	397	306	-	33
Other creditors	129	196	-	28
Accruals	733	788	5	-
	<hr/>	<hr/>	<hr/>	<hr/>
	10,381	8,090	1,367	1,429
	<hr/>	<hr/>	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)**

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

	Group		Company	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	£'000	£'000	£'000	£'000
Bank loans	30	40	-	-
Hire purchase & finance contracts	41	77	-	-
Amounts owed to group undertakings	1,668	2,368	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,739	2,485	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Group	
	<u>1998</u>	<u>1997</u>
	£'000	£'000
Less than one year	522	577
Between one and two years	16	93
Between two and five years	55	24
	<hr/>	<hr/>
	593	694
	<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 1998 (CONTINUED)**

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

	Amount provided		Amount unprovided	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	£'000	£'000	£'000	£'000
Deferred taxation:				
Accelerated capital allowances	74	69	50	-
Short term timing differences	(82)	(74)	(12)	-
Restrictive covenant payments	186	242	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	178	237	38	-
	<hr/>	<hr/>	<hr/>	<hr/>

The movement on the provision is as follows:

	£'000
At 1 January 1998	237
Charged to profit and loss account	(59)
	<hr/>
At 31 December 1998	178
	<hr/>

**18 SHARE CAPITAL**

	<u>1998</u>	<u>1997</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 1998 (CONTINUED)**

**19 RESERVES**

<b>Group</b>	Share premium account £'000	Capital reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 1998	274	7,796	53	8,123
Retained profit for year	-	-	529	529
Capital contribution	-	-	-	-
	—	—	—	—
At 31 December 1998	274	7,796	582	8,652
	==	==	==	==
<b>Company</b>	Share premium account £'000	Capital reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 1998	274	7,796	(646)	7,424
Retained loss for year	-	-	(7)	(7)
Capital contribution	-	-	-	-
	—	—	—	—
At 31 December 1998	274	7,796	(653)	7,417
	==	==	==	==

**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 £171,000 (1997 - £87,000). 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 1998 (CONTINUED)**

**21 OTHER FINANCIAL COMMITMENTS**

**Operating lease commitments**

At 31 December 1998 the group was committed to making the following payments under non-cancellable operating leases in respect of land and buildings.

	<u>1998</u> £'000	<u>1997</u> £'000
Operating leases which expire:		
Over five years	-	58
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**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.