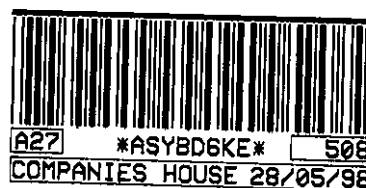


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TRADE BUILDING PLASTICS LIMITED  
ACCOUNTS FOR THE YEAR ENDED  
31ST DECEMBER 1997



**TRADE BUILDING PLASTICS LIMITED**

**DIRECTORS:** M. BOSWORTH FCA  
R.L. HARTSHORN  
A.J. SMITH

**SECRETARY:** M. BOSWORTH FCA

**REGISTERED OFFICE:** FAIRBROOK HOUSE  
CLOVER NOOK ROAD  
ALFRETON  
DERBYSHIRE  
DE55 4RF

**REGISTERED NUMBER:** 03071407 (England and Wales)

**AUDITORS:** PRICE WATERHOUSE  
SOUTHGATE HOUSE  
61 MILLSTONE LANE  
LEICESTER

**BANKERS:** NATIONAL WESTMINSTER BANK PLC  
9 CHURCH STREET  
MANSFIELD  
NOTTINGHAM  
NG18 1AF

**SOLICITORS:** MARTINEAU JOHNSON  
ST. PHILIP'S HOUSE  
ST. PHILIP'S PLACE  
BIRMINGHAM

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**REPORT AND ACCOUNTS – 31ST DECEMBER 1997**

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Pages	1 – 2	Report of the Directors
	3	Auditors Report
	4	Balance Sheet
	5	Profit and Loss Account
	6 – 10	Notes to the Accounts

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The following pages do not form part of the statutory Accounts:

11	Detailed Trading and Profit & Loss Account
12	Schedule of Overheads

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# TRADE BUILDING PLASTICS LIMITED

## REPORT OF THE DIRECTORS

The directors present their Annual Report, together with the audited Accounts of the company for the year ended 31st December 1997.

### PRINCIPAL ACTIVITY

The principal activity of the company is the sale of UPVC building products.

### BUSINESS REVIEW

The company has continued to grow during 1997, with the addition of a new branch during the year. The directors are optimistic that a growth in turnover will continue during the current year.

### RESULTS AND DIVIDENDS

The profit for the year before taxation was £ 46675 . Full details of the results for the year are set out in the attached Profit and Loss Account.

### DIRECTORS

The directors who have held office during the year are as follows:

M. Bosworth FCA  
R.L. Hartshorn  
A.J. Smith

The directors interests in the share capital of the company at the date of the balance sheet are as follows:

		<u>1997</u>	<u>1996</u>
A.J. Smith	Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>

The directors are not required to retire by rotation.

M Bosworth, and R L Hartshorn had no interest in the share capital of the company.  
Their interests in the shares of the holding company are disclosed in that company's accounts.

# TRADE BUILDING PLASTICS LIMITED

## REPORT OF THE DIRECTORS

### DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of the affairs of the company as at the end of the financial period and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent, and
- (c) follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts.
- (d) prepare the accounts 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 enable them to ensure that the accounts 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 will be proposed to appoint Price Waterhouse as auditors in accordance with s385 Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Approved by the Board  
6th April 1998



M. BOSWORTH  
DIRECTOR

*Price Waterhouse*



## **AUDITORS' REPORT TO THE SHAREHOLDERS OF TRADE BUILDING PLASTICS LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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

As described on page 2 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 explanation s 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 as at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
and Registered Auditors

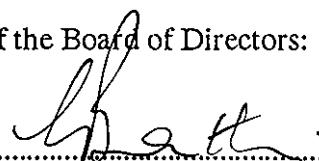
6 April 1998

TRADE BUILDING PLASTICS LIMITED

BALANCE SHEET – 31ST DECEMBER 1997

	<u>NOTE</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>FIXED ASSETS</u>			
Tangible Assets	(2)	<u>78,748</u>	<u>40,642</u>
<u>CURRENT ASSETS</u>			
Stocks and Work in Progress	(3)	125,733	95,196
Debtors	(4)	268,653	228,104
Cash at Bank and in Hand		751	350
		<u>395,137</u>	<u>323,650</u>
<u>CREDITORS</u>			
Amounts falling due within one year	(5)	341,430	308,066
<u>NET CURRENT ASSETS</u>		<u>53,707</u>	<u>15,584</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		132,455	56,226
<u>CREDITORS</u>			
Amounts falling due after more than one year	(6)	63,220	20,000
<u>PROVISION FOR LIABILITIES AND CHARGES</u>			
Deferred Taxation	(7)	2,472	1,413
<u>NET ASSETS</u>		<u>£66,763</u>	<u>£34,813</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	(8)	5,000	5,000
Profit and Loss Account		61,763	29,813
<u>EQUITY SHAREHOLDERS' FUNDS</u>		<u>£66,763</u>	<u>£34,813</u>

Signed on behalf of the Board of Directors:

  
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M. BOSWORTH (DIRECTOR)

Approved by the Board on: 6th April 1998

TRADE BUILDING PLASTICS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>NOTE</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>TURNOVER</u>	(9)	1,859,820	994,741
Changes in Stocks of Finished Goods and Work in Progress		30,537	72,698
		<u>1,890,357</u>	<u>1,067,439</u>
Raw Materials and Consumables		1,426,507	838,022
Staff Costs	(10)	217,913	85,637
Depreciation of Tangible Fixed Assets		18,948	5,944
Other Operating Charges		173,561	93,161
		<u>1,836,929</u>	<u>1,022,764</u>
<u>OPERATING PROFIT</u>	(11)	53,428	44,675
Interest payable	(12)	6,753	600
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		<u>46,675</u>	<u>44,075</u>
Taxation	(13)	14,725	9,833
<u>PROFIT FOR THE YEAR</u>		<u>31,950</u>	<u>34,242</u>

CONTINUING OPERATIONS

None of the company's activities were discontinued during the above financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit and loss for the above financial years.

NOTE OF HISTORICAL COST PROFIT AND LOSSES

The results as disclosed in the profit and loss account are stated on an unmodified historical cost basis

**1 . ACCOUNTING POLICIES**

The main accounting policies of the company are set out below. These policies have remained unchanged from the previous year.

**(a) Accounting Convention**

The Accounts are prepared under the historical cost convention, in accordance with S.226 Companies Act 1985 and with applicable accounting standards.

**(b) Tangible Fixed Assets**

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life:

Leasehold Property	– in equal instalments over the remaining period of the lease
Plant and Equipment	– between 15% & 25% on Cost
Motor Vehicles	– 20% on Cost

**(c) Stocks**

Stocks have been valued by the directors at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises all direct costs and in respect of finished goods includes an appropriate proportion of overheads.

**(d) Deferred Taxation**

Deferred Taxation is calculated at current rates using the liability method in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**(e) Pension Contributions**

Pension contributions are charged against profits in the accounting period in which they are payable.

**(f) Leases**

Rentals under operating leases are charged to revenue on the accruals basis.



TRADE BUILDING PLASTICS LIMITED

NOTES TO THE ACCOUNTS – 31ST DECEMBER 1997

**2 . TANGIBLE FIXED ASSETS**

	Leasehold Property	Plant and Equipment	Motor Vehicles	Total
<u>Cost</u>				
At 1st January 1997	1,628	12,464	34,328	48,420
Additions	1,652	9,073	37,570	48,295
Group Transfers	–	6,124	20,000	26,124
Disposals		–	(9,620)	(9,620)
At 31st December 1997	3,280	27,661	82,278	113,219

Depreciation

At 1st January 1997	551	1,800	5,427	7,778
Charge for Year	925	3,892	14,131	18,948
Group Transfers	–	4,324	7,600	11,924
Disposals		–	(4,179)	(4,179)
At 31st December 1997	1,476	10,016	22,979	34,471

Written Down Values

At 31st December 1997	£1,804	£17,645	£59,299	£78,748
At 31st December 1996	£1,077	£10,664	£28,901	£40,642

**3 . STOCKS**

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Finished Goods	<u>£125,733</u>	<u>£95,196</u>

The directors consider that the replacement cost of stock is not materially different from cost.

**4 . DEBTORS**

Trade Debtors	249,061	222,947
Other Debtors	391	–
Prepayments and Accrued Income	19,201	5,160
	<u>£268,653</u>	<u>£228,107</u>

# TRADE BUILDING PLASTICS LIMITED

## NOTES TO THE ACCOUNTS – 31ST DECEMBER 1997

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
<b>5 . CREDITORS</b>		
Amounts falling due within one year:		
Trade Creditors	21,137	20,604
Amounts owed to Group Undertakings	128,872	189,949
Accruals	24,268	4,031
Social Security and Other Taxes	9,201	7,138
	<u>183,478</u>	<u>221,722</u>
Bank Overdraft	144,285	77,924
Corporation Tax Payable	13,667	8,420
	<u>£341,430</u>	<u>£308,066</u>

<b>6 . CREDITORS</b>		
Amounts falling due after more than one year:		
Loan from Director	4,000	4,000
Loan from H.L.Plastics Limited	59,220	16,000
	<u>£63,220</u>	<u>£20,000</u>

## **7 . DEFERRED TAXATION**

Provision		<u>£</u>
At 1st January 1997		1,413
Profit & Loss Account		1,059
At 31st December 1997		<u>2,472</u>
The provision is made as follows		
Accelerated Capital Allowances	<u>£2,472</u>	<u>£1,413</u>

Provision has been made in these accounts for the full potential liability to deferred taxation.

## **8 . CALLED UP SHARE CAPITAL**

<u>Authorised</u>		
Ordinary Shares of £1	<u>£20,000</u>	<u>£20,000</u>
<u>Allotted, Called Up and Fully Paid</u>		
Ordinary Shares of £1	<u>£5,000</u>	<u>£5,000</u>

## **9 . TURNOVER**

Turnover represents net invoiced sales of goods and services, excluding Value Added Tax and arises within the United Kingdom.

**TRADE BUILDING PLASTICS LIMITED**

**NOTES TO THE ACCOUNTS – 31ST DECEMBER 1997**

	<u>1997</u>	<u>1996</u>
<b>10 . <u>STAFF COSTS</u></b>		
The average number of employees (including non payroll directors) during the year was as follows:	<u>No.</u>	<u>No.</u>
Directors	3	3
Selling and Administration	12	5
	<u>15</u>	<u>8</u>
	<u>£</u>	<u>£</u>
The aggregate payroll costs of these persons were :		
Wages and Salaries	199,465	79,427
Social Security Costs	16,432	6,210
Pensions – Directors	2,016	–
	<u>£217,913</u>	<u>£85,637</u>
No. of directors in defined contribution schemes	<u>1</u>	<u>1</u>
<b>11 . <u>OPERATING PROFIT</u></b>		
This is stated after charging:		
Other Operating Leases	£27,110	£22,843
Auditors Remuneration	£3,704	£996
Directors Remuneration	£41,837	–
	<u>£72,651</u>	<u>£24,839</u>
<b>12 . <u>INTEREST PAYABLE</u></b>		
On Loans from Group Undertakings	3,070	–
On Bank Overdraft	3,683	600
	<u>£6,753</u>	<u>£600</u>
<b>13 . <u>TAXATION</u></b>		
The tax charge based on the results on ordinary activities arises as follows:		
Corporation Tax at 33%/31% (1996 25%/24%)	13,667	8,420
Deferred Tax at 31% (1996 25%)	1,058	1,413
	<u>£14,725</u>	<u>£9,833</u>
<b>14 . <u>OPERATING LEASES</u></b>		
Annual commitments under non cancellable operating leases for land and buildings are as follows :		
Leases expiring within 1 year	£4,700	£2,500
Leases expiring within 2 to 5 years	<u>£26,100</u>	<u>£21,610</u>

TRADE BUILDING PLASTICS LIMITED

NOTES TO THE ACCOUNTS – 31ST DECEMBER 1997

**15 . PARENT UNDERTAKING**

The company's ultimate parent undertaking is Fairbrook Plc (formerly HL Plastics Ltd), a company registered in England. Group accounts are filed with the registrar of companies.

**16 . RELATED PARTY**

Throughout the year the company has been controlled by its ultimate parent company, Fairbrook Plc.

During the year the company purchased goods to a value of £1,044,000 from Fairbrook Plc.

**17 . RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Share Capital	Profit and Loss Account	Total Shareholder Funds
At 1st January 1997	5,000	29,813	34,813
Retained profit for the year	—	31,950	31,950
At 31st December 1997	<u>£5,000</u>	<u>£61,763</u>	<u>£66,763</u>