

Sc134398

Report of the Directors and
Financial Statements for the Year Ended 31 December 2000
for
Ticon Insulation Ltd

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for the Year Ended 31 December 2000

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DIRECTORS:

A Sorensen
P T Norheim
T Oiseth

SECRETARY:

R Andresen

REGISTERED OFFICE:

Festival Business Centre
150 Brand Street
Glasgow
G51 1DH

REGISTERED NUMBER:

134398 (Scotland)

AUDITORS:

The Wallace Martin Partnership
Chartered Accountants
and Registered Auditors
23 Park Circus
Glasgow
G3 6AP

BANKERS:

The Royal Bank of Scotland plc
Glasgow Govan Branch
788 Govan Road
Glasgow
G51 2YL

Report of the Directors
for the Year Ended 31 December 2000

The directors present their report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of thermal insulation contractors.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2000.

DIRECTORS

The directors during the year under review were:

A Sorensen
P T Norheim
T Oiseth

The directors holding office at 31 December 2000 did not hold any beneficial interest in the issued share capital of the company at 1 January 2000 or 31 December 2000.

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 company and of the profit or loss of the company 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;
- 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 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

Barrie Scott & Co, Chartered Accountants, resigned as auditor on 20 March 2000 and on the same date The Wallace Martin Partnership, Chartered Accountants were appointed in their place.

ON BEHALF OF THE BOARD:



A Sorensen - DIRECTOR

Dated: 3 May 2001

Report of the Auditors to the Shareholders of
Ticon Insulation Ltd

We have audited the financial statements on pages four to twelve which have been prepared under the historical cost convention and the accounting policies set out on page nine.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



The Wallace Martin Partnership
Chartered Accountants
and Registered Auditors
23 Park Circus
Glasgow
G3 6AP

Dated: 3 May 2001

Ticon Insulation Ltd

Profit and Loss Account
for the Year Ended 31 December 2000

		31.12.00	31.12.99
	Notes	£	£
TURNOVER	2	2,162,168	1,343,746
Cost of sales		1,718,254	1,156,393
GROSS PROFIT		443,914	187,353
Administrative expenses		215,910	193,249
OPERATING PROFIT/(LOSS)	4	228,004	(5,896)
Interest receivable and similar income		16,592	7,920
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		244,596	2,024
Tax on profit on ordinary activities	5	72,341	(1,229)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		172,255	3,253
Retained profit brought forward		704,766	701,513
RETAINED PROFIT CARRIED FORWARD		£877,021	£704,766

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

Ticon Insulation Ltd

Balance Sheet

31 December 2000

		31.12.00		31.12.99	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		11,677		10,704
CURRENT ASSETS:					
Stocks	7	72,923		166,948	
Debtors	8	958,655		376,515	
Cash at bank and in hand		207,492		300,906	
		1,239,070		844,369	
CREDITORS: Amounts falling due within one year	9	372,726		149,307	
NET CURRENT ASSETS:			866,344		695,062
TOTAL ASSETS LESS CURRENT LIABILITIES:			£878,021		£705,766
CAPITAL AND RESERVES:					
Called up share capital	11		1,000		1,000
Profit and loss account			877,021		704,766
SHAREHOLDERS' FUNDS:	13		£878,021		£705,766

ON BEHALF OF THE BOARD:


P T Norheim - DIRECTOR

Approved by the Board on 3 May 2001

The notes form part of these financial statements

Ticon Insulation Ltd

Cash Flow Statement

for the Year Ended 31 December 2000

		31.12.00	31.12.99
	Notes	£	£
Net cash outflow from operating activities	1	(103,818)	(124,516)
Returns on investments and servicing of finance	2	16,592	7,920
Taxation		-	1,229
Capital expenditure	2	(6,188)	10,396
Decrease in cash in the period		<u><u>£(93,414)</u></u>	<u><u>£(104,971)</u></u>
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(93,414)</u>	<u>(104,971)</u>
Change in net funds resulting from cash flows		<u>(93,414)</u>	<u>(104,971)</u>
Movement in net funds in the period		<u>(93,414)</u>	<u>(104,971)</u>
Net funds at 1 January		<u>300,906</u>	<u>405,877</u>
Net funds at 31 December		<u><u>£207,492</u></u>	<u><u>£300,906</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2000

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	31.12.00 £	31.12.99 £
Operating profit/(loss)	228,004	(5,896)
Depreciation charges	5,215	11,072
Profit on sale of fixed assets	-	(1,578)
Decrease in stocks	94,025	37,464
Increase in debtors	(582,140)	(110,757)
Increase/(Decrease) in creditors	<u>151,078</u>	<u>(54,821)</u>
Net cash outflow from operating activities	<u>(103,818)</u>	<u>(124,516)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.00 £	31.12.99 £
Returns on investments and servicing of finance		
Interest received	<u>16,592</u>	<u>7,920</u>
Net cash inflow for returns on investments and servicing of finance	<u>16,592</u>	<u>7,920</u>
Capital expenditure		
Purchase of tangible fixed assets	(6,188)	(8,604)
Sale of tangible fixed assets	<u>-</u>	<u>19,000</u>
Net cash (outflow)/inflow for capital expenditure	<u>(6,188)</u>	<u>10,396</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2000

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.00 £	Cash flow £	At 31.12.00 £
Net cash:			
Cash at bank and in hand	300,906	(93,414)	207,492
	<u>300,906</u>	<u>(93,414)</u>	<u>207,492</u>
 Total	 300,906	 (93,414)	 207,492
	<u><u>300,906</u></u>	<u><u>(93,414)</u></u>	<u><u>207,492</u></u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 300,906		 207,492
	<u>300,906</u>		<u>207,492</u>
	<u><u>300,906</u></u>		<u><u>207,492</u></u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2000

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Plant and machinery	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

Stocks

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Work in progress is based on the measured value of the work completed but not invoiced as at the balance sheet date.

Deferred taxation

Provision is made at current rates for taxation deferred 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.

Hire purchase and leasing commitments

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

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Foreign Currencies

Balances in foreign currencies are translated at the rate ruling at the transaction date. Exchange gains or losses are excluded in the profit and loss account unless they are realised.

2. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.00	31.12.99
	£	£
United Kingdom	1,958,677	1,200,929
Elsewhere	203,491	142,817
	<u>2,162,168</u>	<u>1,343,746</u>

Notes to the Financial Statements
for the Year Ended 31 December 2000

3. **STAFF COSTS**

	31.12.00	31.12.99
	£	£
Wages and salaries	1,053,345	803,516
Social security costs	103,328	77,966
Other pension costs	5,612	8,833
	<u>1,162,285</u>	<u>890,315</u>

The average monthly number of employees during the year was as follows:

	31.12.00	31.12.99
Office and Management	2	2
Manufacturing and Insulation	47	29
	<u>—</u>	<u>—</u>
	49	31
	<u>==</u>	<u>==</u>

4. **OPERATING PROFIT/(LOSS)**

The operating profit (1999 - operating loss) is stated after charging/(crediting):

	31.12.00	31.12.99
	£	£
Depreciation - owned assets	5,215	11,072
Profit on disposal of fixed assets	-	(1,578)
Auditors' remuneration	3,600	3,600
	<u>—</u>	<u>—</u>
Directors' emoluments	-	10,130
Compensation to directors for loss of office	-	47,569
	<u>—</u>	<u>—</u>

5. **TAXATION**

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	31.12.00	31.12.99
	£	£
UK corporation tax	72,341	(1,252)
Underprovision in previous year	-	23
	<u>72,341</u>	<u>(1,229)</u>

UK corporation tax has been charged at 30%

Notes to the Financial Statements
for the Year Ended 31 December 2000

6. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 January 2000	39,875	12,400	12,031	64,306
Additions	847	-	5,341	6,188
At 31 December 2000	40,722	12,400	17,372	70,494
DEPRECIATION:				
At 1 January 2000	33,565	12,400	7,637	53,602
Charge for year	2,307	-	2,908	5,215
At 31 December 2000	35,872	12,400	10,545	58,817
NET BOOK VALUE:				
At 31 December 2000	4,850	-	6,827	11,677
At 31 December 1999	6,310	-	4,394	10,704

7. STOCKS

	31.12.00 £	31.12.99 £
Stock	3,710	3,710
Work in progress	69,213	163,238
	72,923	166,948

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.00 £	31.12.99 £
Trade debtors	739,101	209,537
Due by group companies	209,416	156,908
Prepayments & accrued income	10,138	10,070
	958,655	376,515

Notes to the Financial Statements
for the Year Ended 31 December 2000

9. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.00	31.12.99
	£	£
Trade creditors	63,787	36,705
Other creditors	37,984	46,655
Due to group companies	57,452	1,000
Social security & other taxes	141,162	64,947
Taxation	72,341	-
	<u>372,726</u>	<u>149,307</u>

10. **OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:

	31.12.00	Operating leases 31.12.99
	£	£
Expiring:		
Between one and five years	<u>3,939</u>	<u>-</u>

11. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.00	31.12.99
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

12. **ULTIMATE PARENT COMPANY**

The entire share capital of the company is beneficially owned by Unitor ASA which is registered in Norway.

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

	31.12.00	31.12.99
	£	£
Profit for the financial year	<u>172,255</u>	<u>3,253</u>
Net addition to shareholders' funds	172,255	3,253
Opening shareholders' funds	<u>705,766</u>	<u>702,513</u>
Closing shareholders' funds	<u>878,021</u>	<u>705,766</u>
Equity interests	<u>878,021</u>	<u>705,766</u>