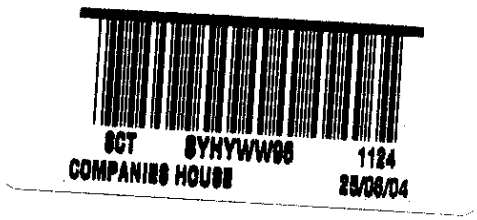
SC134398

Report of the Directors and

Financial Statements For The Year Ended 31 December 2003

for

Ticon Insulation Ltd



Ticon Insulation Ltd

Contents of the Financial Statements
For The Year Ended 31 December 2003

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Cash Flow Statement	7
Notes to the Financial Statements	9
Trading and Profit and Loss Account	15

Company Information
For The Year Ended 31 December 2003

DIRECTORS:	A Sorensen P T Norheim T Oiseth K C Abrahamsen
SECRETARY:	R Andresen
REGISTERED OFFICE:	Unit 2, 26 Wellington Road Strathkelvin Retail Park Bishopbriggs Glasgow G64 2TS
REGISTERED NUMBER:	134398 (Scotland)
AUDITORS:	McLay, McAlister & McGibbon Chartered Accountants & Registered Auditors 53 Bothwell Street Glasgow G2 6TS

Ticon Insulation Ltd

Report of the Directors
For The Year Ended 31 December 2003

The directors present their report with the financial statements of the company for the year ended 31 December 2003.

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 interim dividend was paid during the year. The directors recommend a final dividend of £300 per share.

The total distribution of dividends for the year ended 31 December 2003 will be £300,000.

DIRECTORS
The directors during the year under review were:

A Sorensen
P T Norheim
T Oiseth
K C Abrahamsen - appointed 4.9.03

The directors holding office at 31 December 2003 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 (or date of appointment if later) or 31 December 2003.

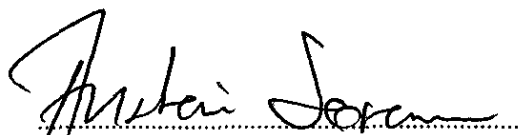
STATEMENT OF DIRECTORS' RESPONSIBILITIES
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, 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
The auditors, McLay, McAlister & McGibbon, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



A Sorensen - Director

Date: June 23, 2004

Report of the Independent Auditors to the Shareholders of
Ticon Insulation Ltd

We have audited the financial statements of Ticon Insulation Ltd for the year ended 31 December 2003 on pages four to fourteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. We also report to you if, in our opinion, the Report of the Directors 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.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



McLay, McAlister & McGibbon
Chartered Accountants &
Registered Auditors
53 Bothwell Street
Glasgow
G2 6TS

Date: 23 June 2004

Ticon Insulation Ltd

Profit and Loss Account
For The Year Ended 31 December 2003

	Notes	31.12.03 £	31.12.02 £
TURNOVER	2	2,283,256	3,329,959
Cost of sales		1,794,643	2,708,890
GROSS PROFIT		488,613	621,069
Administrative expenses		245,726	249,725
OPERATING PROFIT	4	242,887	371,344
Interest receivable and similar income		8,528	4,933
		251,415	376,277
Interest payable and similar charges	5	2,315	772
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		249,100	375,505
Tax on profit on ordinary activities	6	77,025	112,652
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		172,075	262,853
Dividends	7	300,000	-
		(127,925)	262,853
Retained profit brought forward		982,819	719,966
RETAINED PROFIT CARRIED FORWARD		£854,894	£982,819

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

Balance Sheet
31 December 2003

	Notes	31.12.03 £	31.12.03 £	31.12.02 £	31.12.02 £
FIXED ASSETS:					
Tangible assets	8		41,137		56,157
CURRENT ASSETS:					
Stocks	9	109,833		227,311	
Debtors	10	821,861		449,620	
Cash at bank and in hand		244,028		659,665	
		1,175,722		1,336,596	
CREDITORS: Amounts falling due within one year	11	343,529		388,328	
NET CURRENT ASSETS:			832,193		948,268
TOTAL ASSETS LESS CURRENT LIABILITIES:			873,330		1,004,425
CREDITORS: Amounts falling due after more than one year	12		17,436		20,606
			£855,894		£983,819
CAPITAL AND RESERVES:					
Called up share capital	16		1,000		1,000
Profit and loss account			854,894		982,819
SHAREHOLDERS' FUNDS:	18		£855,894		£983,819

ON BEHALF OF THE BOARD:

P T Norheim - Director

Approved by the Board on 23 June 2004

The notes form part of these financial statements

Ticon Insulation Ltd

Cash Flow Statement
For The Year Ended 31 December 2003

	Notes	31.12.03		31.12.02	
		£	£	£	£
Net cash inflow from operating activities	1		13,998		719,360
Returns on investments and servicing of finance	2		3,898		4,161
Taxation			(114,677)		(150,278)
Capital expenditure	2		(2,771)		(31,067)
Equity dividends paid			(300,000)		-
			(399,552)		**542,176**
Financing	2		(854)		(916)
(Decrease)/Increase in cash in the period			**£(400,406)**		**£541,260**
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		**(400,406)**		**541,260**	
Cash outflow from decrease in debt and lease financing		3,170		916	
Change in net funds resulting from cash flows			(397,236)		542,176
New finance leases			-		(24,270)
Movement in net funds in the period			**(397,236)**		**517,906**
Net funds at 1 January			**612,938**		**95,032**
Net funds at 31 December			**£215,702**		**£612,938**

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 31 December 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.03 £	31.12.02 £
Operating profit	242,887	371,344
Depreciation charges	17,791	9,749
Decrease/(Increase) in stocks	117,478	(138,656)
(Increase)/Decrease in debtors	(372,242)	1,043,431
Increase/(Decrease) in creditors	8,084	(566,508)
Net cash inflow from operating activities	13,998	719,360

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

	31.12.03 £	31.12.02 £
Returns on investments and servicing of finance		
Interest received	8,528	4,933
Interest element of hire purchase or finance lease rentals payments	(4,630)	(772)
Net cash inflow for returns on investments and servicing of finance	3,898	4,161
Capital expenditure		
Purchase of tangible fixed assets	(2,771)	(31,067)
Net cash outflow for capital expenditure	(2,771)	(31,067)
Financing		
Capital element of hire purchase	(854)	(916)
Net cash outflow from financing	(854)	(916)

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 31 December 2003

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

	At 1.1.03 £	Cash flow £	At 31.12.03 £
Net cash:			
Cash at bank and in hand	659,665	(415,637)	244,028
Bank overdraft	(23,373)	15,231	(8,142)
	636,292	(400,406)	235,886
Debt:			
Hire purchase or finance leases	(23,354)	3,170	(20,184)
	(23,354)	3,170	(20,184)
Total	612,938	(397,236)	215,702
Analysed in Balance Sheet			
Cash at bank and in hand	659,665		244,028
Bank overdraft	(23,373)		(8,142)
Hire purchase or finance leases			
within one year	(2,748)		(2,748)
after one year	(20,606)		(17,436)
	612,938		215,702

The notes form part of these financial statements

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

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

Stocks
Work in progress is valued at the lower of cost and net realisable value.

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 tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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:

	31.12.03	31.12.02
	£	£
United Kingdom	1,833,233	3,306,921
Elsewhere	450,023	23,038
	2,283,256	3,329,959

3. STAFF COSTS

	31.12.03	31.12.02
	£	£
Wages and salaries	1,089,468	1,783,027
Social security costs	103,868	166,508
Other pension costs	15,048	12,130
	1,208,384	1,961,665

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

	31.12.03	31.12.02
Office and Management	2	2
Manufacturing and Insulation	35	74
	37	76

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.03	31.12.02
	£	£
Depreciation - owned assets	8,599	6,685
Depreciation - assets on hire purchase contracts or finance leases	9,192	3,064
Auditors' remuneration	2,000	3,600
Directors' emoluments	-	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.03	31.12.02
	£	£
Hire purchase	2,315	772

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.03	31.12.02
	£	£
Current tax:		
UK corporation tax	75,000	112,652
Underprovision in previous year	2,025	-
Total current tax	77,025	112,652
Tax on profit on ordinary activities	77,025	112,652

6. TAXATION - continued

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.03	31.12.02
	£	£
Profit on ordinary activities before tax	249,100	375,505
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	74,730	112,652
Effects of:		
Depreciation in excess of capital allowances	1,842	(1,802)
Disallowable expenses	989	3,828
Other adjustments	(2,561)	(2,026)
Underprovision in previous year	2,025	-
Current tax charge	77,025	112,652

7. DIVIDENDS

	31.12.03	31.12.02
	£	£
Equity shares:		
Final	300,000	-

8. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Computer equipment	Totals
	£	£	£	£
COST:				
At 1 January 2003	40,722	64,071	24,993	129,786
Additions	500	-	2,271	2,771
At 31 December 2003	41,222	64,071	27,264	132,557
DEPRECIATION:				
At 1 January 2003	39,290	16,706	17,633	73,629
Charge for year	1,397	12,911	3,483	17,791
At 31 December 2003	40,687	29,617	21,116	91,420
NET BOOK VALUE:				
At 31 December 2003	535	34,454	6,148	41,137
At 31 December 2002	1,432	47,365	7,360	56,157

8. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1 January 2003 and 31 December 2003	36,770
DEPRECIATION:	
At 1 January 2003	3,064
Charge for year	9,192
At 31 December 2003	12,256
NET BOOK VALUE:	
At 31 December 2003	24,514
At 31 December 2002	33,706

9. **STOCKS**

	31.12.03	31.12.02
	£	£
Work in progress	109,833	227,311

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.03	31.12.02
	£	£
Trade debtors	820,024	438,981
Prepayments & accrued income	1,837	10,639
	821,861	449,620

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

	31.12.03	31.12.02
	£	£
Bank loans and overdrafts (see note 13)	8,142	23,373
Trade creditors	58,486	73,492
Hire purchase	2,748	2,748
Other creditors	89,960	108,083
Social security & other taxes	109,193	67,980
Taxation	75,000	112,652
	343,529	388,328

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.03	31.12.02
	£	£
Hire purchase	17,436	20,606

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.03	31.12.02
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	8,142	23,373

14. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	Operating leases			
	Land and buildings		Other	
	31.12.03	31.12.02	31.12.03	31.12.02
	£	£	£	£
Expiring:				
Between one and five years	8,750	-	4,095	4,095

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.03	31.12.02
	£	£
Hire Purchase < 1 year	2,748	2,748
Hire Purchase > 1 year	17,436	20,606
	20,184	23,354

The hire purchase creditor is secured over the assets to which they relate.

16. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.03	31.12.02
			£	£
1,000	Ordinary	£1	1,000	1,000

17. ULTIMATE PARENT COMPANY

The entire share capital of the company is beneficially owned by TI Marine Contacting AS which is registered in Norway. The ultimate parent company of TI Marine Contracting AS is Unitor ASA.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.03	31.12.02
	£	£
Profit for the financial year	172,075	262,853
Dividends	(300,000)	-
Net (reduction)/addition to shareholders' funds	(127,925)	262,853
Opening shareholders' funds	983,819	720,966
Closing shareholders' funds	855,894	983,819
Equity interests	855,894	983,819