

Company Number 222141

**RUGBY BUILDING SYSTEMS LIMITED**

**REPORT AND ACCOUNTS**

**31<sup>st</sup> December 2000**



# RUGBY BUILDING SYSTEMS LIMITED

## DIRECTORS' REPORT

31st December 2000

The directors present their report and the financial statements for the year ended 31<sup>st</sup> December 2000.

### Principal Activity and Business Review

The turnover was generated from the Avon Kitchens business, which ceased trading during the year. During the year the company ceased trading.

### Dividend

The directors do not recommend the payment of a dividend (1999 Nil).

### Directors

The directors who served during and since the end of the year are as shown below:

J A Brooks (appointed 24<sup>th</sup> February 2000)  
 G R Bowman (resigned 24<sup>th</sup> February 2000)  
 G E Clark (appointed 4<sup>th</sup> September 2000)  
 S J Eastwood (appointed 31<sup>st</sup> July 2000)  
 D R Swinson (appointed 24<sup>th</sup> February 2000, resigned 31<sup>st</sup> July 2000)  
 M E C Topham (resigned 24<sup>th</sup> February 2000)  
 M Tyrrell (resigned 24<sup>th</sup> February 2000)

The directors, and their interests in RMC Group p.l.c. are;

	Fully Paid Shares			Options to Purchase Shares			Long Term Incentive Plan				
	31 Dec 2000	31 Dec 1999 or Date of Appointment	31 Dec 2000	Granted During Year	Exercised During Year	Lapsed During Year	31 Dec 1999 or Date of Appointment	31 Dec 2000	Award During Year	Lapsed During Year	31 Dec 1999 or Date of Appointment
J A Brooks	2,725	2,725	4,642	1,988	-	2,628	5,282	26,400	14,000	-	12,400
G E Clark	2,000	-	8,746	3,464	-	-	5,282	26,400	-	-	26,400
S J Eastwood	-	-	-	-	-	-	-	-	-	-	-

None of the directors had any material interests in any contract or arrangement subsisting during the year with the company.

### Disabled Persons

Employment opportunities are available to disabled persons in accordance with their abilities and aptitudes, on equal terms with other employees. Should employees become disabled during the course of their employment, every effort is made to enable them to continue employment, with re-training for alternative work where necessary. The same opportunities for training, personal development and career advancement are available to disabled persons as for other employees.

**RUGBY BUILDING SYSTEMS LIMITED****DIRECTORS' REPORT****31st December 2000****Employee Involvement**

The company's policy is to provide equal opportunities to all existing employees. The company has an established system of communication with employees through line management. Employees regularly receive information about the financial progress and position of the RMC Group by means of a house journal and reports to the employees on the Group's financial results and on pension funds.

All eligible employees are invited to participate in the RMC Group p.l.c. Saving Related Share Option Scheme 1995 which provides an opportunity to purchase shares in RMC Group p.l.c. (the ultimate parent company) under the rules of the Scheme.

**Payment Policy**

The company has a policy to settle the terms of payment with its suppliers when agreeing the terms of each transaction, ensures that those suppliers are made aware of the terms of payment, and abides by the terms of payment.

The amount of trade creditors shown in the balance sheet at 31<sup>st</sup> December 2000 represents 39 days (1999: 35 days) of average daily purchases by the company.

**Directors Responsibility**

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for the financial year.

In preparing the accounts the directors are required to select appropriate accounting policies and to apply them consistently, to make reasonable and prudent judgements and estimates, and to state whether accounting standards which they consider to be applicable have been followed, save as disclosed in the notes to the accounts. The directors are also required to prepare the accounts on the going concern basis unless it is inappropriate to do so.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Auditors**

PricewaterhouseCoopers have indicated their willingness to be re-appointed and a resolution to that effect will be proposed at the Annual General Meeting.

Approved by the Board on 19 October 2001  
and signed on its behalf by



Secretary

**AUDITORS' REPORT  
TO THE MEMBERS OF  
RUGBY BUILDING SYSTEMS LIMITED**

We have audited the financial statements on pages 4 to 10.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on pages 1 and 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical 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 1985. We also report to you if, in our opinion, the directors' report 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 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.

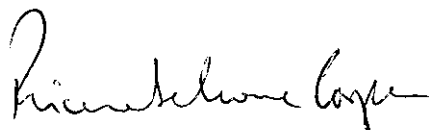
**Basis of audit opinion**

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 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 at 31 December 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London

19 October

2001

**RUGBY BUILDING SYSTEMS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2000**

	Notes	2000 £000	1999 £000
Turnover		3,011	5,940
Cost of Sales		(2,390)	(5,210)
<b>Gross Profit</b>		<u>621</u>	<u>730</u>
Administrative expenses		(1,747)	(1,160)
<b>Operating profit/(loss)</b>		<u>(1,126)</u>	<u>(430)</u>
Profit on disposal of business	3	-	639
Profit on disposal of fixed assets	3	172	-
<b>Profit on ordinary activities before interest</b>		<u>(954)</u>	<u>209</u>
Interest payable (net)	4	(38)	-
<b>Profit on ordinary activities before taxation</b>	3	<u>(992)</u>	<u>209</u>
Tax on profit on ordinary activities	5	121	285
<b>Retained profit for the financial year</b>		<u>(871)</u>	<u>494</u>

All the operations in 1999 and 2000 are discontinued operations.

There are no recognised gains or losses in the years 1999 and 2000 other than the retained (loss)/profit.

There are no differences between the retained profit/(loss) for the year and the historical cost profit for the year.

The Notes to the Accounts on pages 6 – 10 form part of these Accounts.

The report of the auditors is set out on page 3.


## RUGBY BUILDING SYSTEMS LIMITED

## BALANCE SHEET

at 31<sup>st</sup> December 2000

	Notes	2000 £000	1999 £000
<b>Fixed Assets</b>			
Tangible Assets	6	<u>1,936</u>	<u>2,000</u>
		1,936	2,000
<b>Current Assets</b>			
Amounts recoverable on long term contracts		-	44
Debtors	7	8,975	10,004
Cash at Bank		-	477
		<u>8,975</u>	<u>10,525</u>
<b>Creditors: (amounts falling due within one year)</b>	8	<u>(688)</u>	<u>(1,848)</u>
<b>Net Current assets</b>		8,287	8,677
Other provisions	9	(517)	-
Deferred tax	9	-	(100)
		<u>9,706</u>	<u>10,577</u>
<b>Capital and reserves</b>			
Called-up share capital	10	3,000	3,000
Profit and loss account	10	6,706	7,577
<b>Equity shareholders' funds</b>	12	<u>9,706</u>	<u>10,577</u>

Approved by the Board on 19 October 2001.


 Director J A Brooks

The Notes to the Accounts on Pages 6-10 form part of these Accounts.

The report of the auditors is set out on page 3.

# RUGBY BUILDING SYSTEMS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2000

### 1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, in accordance with applicable accounting standards and in compliance with the Companies Act 1985.

#### Turnover

Turnover represents the invoiced value of sales to third parties, net of trade discounts and value added tax. Where the company acts as a sub-contractor turnover represents the value of work undertaken.

#### Fixed Assets

Fixed Assets are stated at cost or valuation and depreciated on a straight line basis to write off the cost or valuation of the assets concerned over their estimated useful lives.

#### Amounts recoverable on long term contracts

Amounts recoverable on long term contracts are valued at cost less any foreseeable losses to completion of the contract. Profits are determined on the basis of contract completion and are recognised on a prudent basis in accordance with SSAP9.

#### Foreign Currencies

Profits and losses arising on the translation of foreign currency transactions are taken to the profit and loss account. Year end balances denominated in foreign currencies are translated at year end rates.

#### Leases

Payments made under operating leases are charged to the profit and loss account as incurred.

#### Taxation

Provision is made for deferred taxation where the directors consider that there is a reasonable probability that a liability will arise within the foreseeable future.

### 2. TURNOVER

	2000 £000	1999 £000
United Kingdom	3,011	5,940

### 3. PROFIT/(CHARGE) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £000	1999 £000
Depreciation	(53)	-
Exceptional profit on disposal of business	-	639
Exceptional profit on disposal of fixed assets	172	-

Auditors' remuneration relating to the company have been borne by another group company.

## RUGBY BUILDING SYSTEMS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 20003. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION – *continued*

## Employees

	2000	1999
The average number employed by the company during the year was:	86	145
The costs incurred in respect of these employees are as follows:		
	2000 £000	1999 £000
Wages and salaries	1,043	1,653
Social security costs	-	91
Other pension costs	-	6
	1,043	1,750

None of the directors received any remuneration for their services.

## 4. INTEREST PAYABLE

	2000 £000	1999 £000
Bank loans and overdrafts	38	-

## 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £000	1999 £000
The tax credit for the year comprises:		
Corporation tax at 30% (1999: 30.25%)	-	(385)
Deferred taxation	(100)	100
Under provision in prior years	99	-
Group relief	(120)	-
	(121)	(285)

Corporation tax losses will be surrendered by group relief to a fellow subsidiary for a payment of £120,000.

In 1999, the charge for corporation tax is stated after taking credit for group relief in respect of tax losses which were surrendered to a fellow subsidiary for a payment of £400,000.



**RUGBY BUILDING SYSTEMS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2000**

**6. TANGIBLE FIXED ASSETS**

	<b>Freehold Property £000</b>	<b>Leasehold Property £000</b>	<b>Total £000</b>
<b>COST</b>			
At 1 January 2000	1,329	671	2,000
Disposals	-	(11)	(11)
At 31 December 2000	<u>1,329</u>	<u>660</u>	<u>1,989</u>
<b>DEPRECIATION</b>			
At 1 January 2000	-	-	-
Charge for the year	43	10	53
At 31 December 2000	<u>43</u>	<u>10</u>	<u>53</u>
Net book value at 31 December 2000	<u>1,286</u>	<u>650</u>	<u>1,936</u>
Net book value at 31 December 1999	<u>1,329</u>	<u>671</u>	<u>2,000</u>

The bought forward balances include plant machinery and equipment that had been written down to nil book value.

**7. DEBTORS**

	<b>2000 £000</b>	<b>1999 £000</b>
Trade debtors	435	1,301
Amounts owed by Group undertakings	8,466	8,630
Other debtors	74	73
	<u>8,975</u>	<u>10,004</u>

**8. CREDITORS**

	<b>2000 £000</b>	<b>1999 £000</b>
Bank overdraft - unsecured	24	-
Trade creditors	12	503
Amounts owed to Group undertakings	1	207
Corporate taxes	100	404
Social security	2	204
Other creditors and accruals	549	530
	<u>688</u>	<u>1,848</u>

**RUGBY BUILDING SYSTEMS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2000**

**9. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
<b>Other Provisions</b>		
At 1 <sup>st</sup> January	-	-
Charge to the profit and loss account	517	-
At 31 December	<u>517</u>	<u>-</u>

Other provisions relate to rent dilapidation at local distribution centres.

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
<b>Deferred tax</b>		
At 1 <sup>st</sup> January	100	-
Charge to the profit and loss account	(100)	100
At 31 December	<u>-</u>	<u>100</u>

The potential liability for deferred tax using the liability method is as follows:

Timing differences on depreciation of tangible assets and expense provisions	-	100
Deferred chargeable gains	1,263	-
At 31 December	<u>1,263</u>	<u>100</u>

No deferred tax is provided as investment policy on capital expenditure is under the control of RMC Group p.l.c. and it is therefore not possible in respect of the company as a separate legal entity to determine that provision should be made for any liability for deferred taxation that may arise in the foreseeable future.

RMC Group p.l.c has provided an undertaking that it will ensure that, if necessary, funds are made available to enable the company to meet the liability should any of its potential taxation liabilities crystallise.

**10. CAPITAL AND RESERVES**

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
<b>Share Capital</b>		
Ordinary shares of £1 each: authorised, issued and allotted.	<u>3,000</u>	<u>3,000</u>
<b>Profit and loss account</b>		
At 1 <sup>st</sup> January	7,577	7,083
Retained profit/(loss) for the year	(871)	494
At 31 <sup>st</sup> December	<u>6,706</u>	<u>7,577</u>

**RUGBY BUILDING SYSTEMS LIMITED**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2000**

**11. COMMITMENTS**

The Group has annual commitments under operating leases for land and buildings as follows:

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
Expiring:		
Within one year	-	74
Between one and five years	-	77
After five years	-	380
	<u>-</u>	<u>531</u>

**12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>
At 1 <sup>st</sup> January	10,577	10,083
Retained profit/(loss) for the year	(871)	494
At 31 <sup>st</sup> December	<u>9,706</u>	<u>10,577</u>

**13. CASH FLOW STATEMENT**

A cash flow statement has not been prepared as the company, being a wholly owned subsidiary undertaking of RMC Group p.l.c. which publishes consolidated financial statements including the company, is exempted from so doing by FRS 1.

**14. RELATED PARTIES**

The company has taken advantage of the exemption given in FRS 8. This exemption permits non-disclosure of related party transactions where 90% or more of the voting rights of a subsidiary company are controlled within the group, provided that the consolidated financial statements in which the subsidiary is included are publicly available.

**15. CONTINGENT LIABILITIES**

The company is registered with HM Customs and Excise as a member of the RMC Group for value added tax purposes and is, therefore, jointly and severally liable on a continuing basis for amounts owing by other members of the group in respect of their value added tax liabilities.

**16. ULTIMATE PARENT COMPANY**

The company's immediate parent company is The Rugby Group Limited (formerly The Rugby Group PLC) which is registered in Great Britain. On 7th January 2000 The Rugby Group Limited was acquired by RMC Group p.l.c. which is registered in Great Britain and from that date RMC Group p.l.c. became the ultimate parent company.

Copies of the ultimate parent company's group accounts are available from its registered office at RMC House, Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD.