

Line Markings Limited  
Annual report and accounts  
for the year ended 31 December 2000

Registered Number: 1400059



# Line Markings Limited

## Annual report and accounts

for the year ended 31 December 2000

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# **Line Markings Limited**

## **Directors and advisors for the year ended 31 December 2000**

### **Directors**

S Walldal  
JP Rainey  
S Jönegren

### **Secretary and registered office**

M Keane  
Roadcare House  
New Works Road  
Low Moor  
BRADFORD  
BD12 0RU

### **Registered auditors**

PricewaterhouseCoopers  
Benson House  
33 Wellington Street  
LEEDS  
LS1 4JP

### **Solicitors**

Addlestone Keane  
Carlton Tower  
34 St Pauls Street  
LEEDS

### **Bankers**

Svenska Handelsbanken  
302 Sunlight House  
Quay Street  
Manchester

# **Line Markings Limited**

## **Directors report for the year ended 31 December 2000**

The directors present their report and the audited financial statements for the year ended 31 December 2000.

### **Principal activities**

The principal activity of the company is the establishment of permanent and temporary road markings.

### **Review of business**

This years anticipated steps forward were inhibited to some extent by adverse climatic conditions. Nevertheless negotiations to secure additional contracts have continued and are at an advanced stage. Accordingly the directors believe that the company is well placed to make progress in the year ahead.

### **Dividends and transfers to reserves**

The directors do not recommend the payment of a dividend (1999: £nil). The loss for the year of £162,000 (1999: £121,000) will be deducted from reserves.

### **Changes in fixed assets**

The movements in fixed assets during the year are shown in note 7 to the financial statements.

### **Taxation status**

In the opinion of the directors, the company was not a close company within the provisions of the Income and Corporation Taxes Act 1988.

### **Directors**

The directors of the company who have served during the year are listed below:

JP Rainey  
S Walldal  
S Jönegren

### **Directors' interests in shares of the company**

According to the register required to be kept by Section 325 of the Companies Act 1985, no directors holding office at 31 December 2000 had any interest in the shares of the company. The interests of S Walldal in the share capital of AB Geveko, the company's ultimate parent undertaking, are disclosed in that company's financial statements. None of the other directors held any interests in the share capital of any group undertaking.

### **Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that 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 that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statement 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.

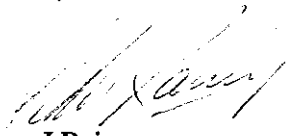
# **Line Markings Limited**

## **Directors report for the year ended 31 December 2000 (continued)**

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

**By order of the Board**



**J Rainey**  
Director

30<sup>th</sup> October 2001

# Line Markings Limited

## Auditors' report to the members of Line Markings Limited

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 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 United Kingdom Companies Act. 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.

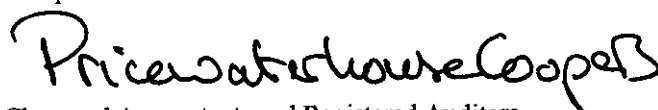
### Basis of audit opinion

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 year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors

Leeds

31 October 2001

## Line Markings Limited

### Profit and loss account for the year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
Turnover	1	3,552	3,465
Cost of sales		(2,141)	(2,078)
<b>Gross profit</b>		<b>1,411</b>	<b>1,387</b>
Distribution costs		(775)	(682)
Administrative expenses		(686)	(748)
<b>Operating loss</b>		<b>(50)</b>	<b>(43)</b>
Interest payable and similar charges	4	(112)	(78)
<b>Loss on ordinary activities before taxation</b>	5	<b>(162)</b>	<b>(121)</b>
Taxation	6	-	-
<b>Sustained loss for the financial year</b>	15	<b>(162)</b>	<b>(121)</b>

All of the company's activities during the year have been in respect of continuing operations.

The company has no recognised gains or losses other than those included in the losses above and, therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the sustained loss for the year stated above and their historical cost equivalents.

# Line Markings Limited

## Balance Sheet at 31 December 2000

	Note	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Tangible assets	7	988	893
Investments	8	51	51
		<b>1,039</b>	<b>944</b>
<b>Current assets</b>			
Stocks of consumables		62	61
Debtors	9	1,116	1,265
Cash at bank and in hand		1	1
		<b>1,179</b>	<b>1,327</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(1,755)</b>	<b>(1,660)</b>
<b>Net current liabilities</b>		<b>(576)</b>	<b>(333)</b>
<b>Total assets less current liabilities</b>		<b>463</b>	<b>611</b>
<b>Creditors: amounts falling due after more than one year</b>	11	<b>(309)</b>	<b>(295)</b>
<b>Net assets</b>		<b>154</b>	<b>316</b>
<b>Capital and reserves</b>			
Called-up share capital	14	4,000	4,000
Profit and loss account	15	(3,846)	(3,684)
<b>Equity Shareholders' funds</b>	16	<b>154</b>	<b>316</b>

The financial statements on pages 5 to 15 were approved by the board of directors and were signed on its behalf by:

  
**J Rainey**  
 Director

30th October 2001



# Line Markings Limited

## Accounting policies

The financial statements have been prepared on a going concern basis which assumes the availability of adequate working capital for trading requirements and takes into account an undertaking by the ultimate parent company, AB Geveko, to continue to provide support and to make available all necessary finance which may be required to ensure that the company meets its liabilities to third party creditors as they fall due and therefore continue the operation of the company for the foreseeable future.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

### Exemption from preparation of group financial statements

The financial statements contain information about Line Markings Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, AB Geveko, a company registered in Sweden.

### Cashflow statement

As permitted by Financial Reporting Standard No 1, no cashflow statement is provided as the company is a wholly owned subsidiary undertaking of a company incorporated in the European Economic Union whose financial statements are publicly available.

### Tangible fixed assets

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned at the following annual rates:

	%
Leasehold improvements	term of lease
Freehold buildings	4
Plant and equipment	15
Motor Vehicles	20 – 25%
Computers	33

### Stocks

Stocks are stated at the lower of cost and net realisable value.

### Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

### Leases and hire purchase contracts

Assets obtained under hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the contract in proportion to the capital element outstanding.

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

# **Line Markings Limited**

## **Accounting policies (continued)**

### **Turnover**

Turnover in respect of contract activity is calculated on the basis of the value of work executed during the period. Attributable profit is not included in turnover until a contract is substantially complete unless the contract is so significant that not to include turnover and profit would materially distort the financial statements. Turnover in respect of other activities represents the invoiced value of sales. Value added tax is excluded from turnover.

### **Pension costs**

The company makes payments to a defined contribution pension scheme on behalf of certain employees. The amount charged to the profit and loss account represents the contribution payable in the period under the rules of the scheme.

### **Foreign currencies**

Normal trading activities denominated in foreign currencies are recorded in sterling at the exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end are reported at the rates of exchange prevailing at the period end or, where appropriate, at the rate of exchange in a related forward exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

# Line Markings Limited

## Notes to the financial statements for the year ended 31 December 2000

### 1 Turnover and loss on ordinary activities before taxation

Turnover and loss on ordinary activities before taxation arise entirely from the application of permanent and temporary road markings in the United Kingdom.

### 2 Directors' emoluments

	2000	1999
	£'000	£'000
Emoluments	59	57
Pension contributions	5	5
	64	62

Retirement benefits are accruing to one director under a defined contribution scheme (1999: one).

### 3 Employee information

The average weekly number of persons (including executive directors) employed by the company during the year was:

	2000	1999
<b>By job type</b>		
Production, sales and distribution	41	41
Administration	13	14
	54	55

	2000	1999
	£'000	£'000
<b>Staff costs (for the above persons)</b>		
Wages and salaries	1,014	994
Social security costs	113	100
Pension costs (note 13)	25	22
	1,152	1,116

## Line Markings Limited

### Notes to the financial statements for the year ended 31 December 2000 (continued)

#### 4 Interest payable and similar charges

	2000	1999
	£'000	£'000
On bank loans and overdrafts	95	73
On hire purchase contracts	17	5
	112	78

#### 5 Loss on ordinary activities before taxation

	2000	1999
	£'000	£'000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Profit on disposal of fixed assets	(2)	-
Depreciation charge for the year:		
Tangible owned fixed assets	122	92
Assets held under hire purchase contract	68	36
Hire of plant and machinery – operating leases	61	122
Management charges	15	10
Auditors' remuneration:		
Audit services	18	17
Non-audit services	3	3

#### 6 Taxation on loss on ordinary activities

There is no corporation tax charge owing to the losses arising in the year. No deferred tax asset has been recognised in respect of these losses.

## Line Markings Limited

### Notes to the financial statements for the year ended 31 December 2000 (continued)

#### 7 Tangible fixed assets

	Freehold property £'000	Plant and equipment £'000	Motor vehicles £'000	Assets in the course of construction £'000	Total
<b>Cost</b>					
At 1 January 2000	225	1,551	762	78	2,616
Additions	-	159	126	-	285
Disposals	-	-	(56)	-	(56)
Transfers	-	78	-	(78)	-
<b>At 31 December 2000</b>	<b>225</b>	<b>1,788</b>	<b>832</b>	<b>-</b>	<b>2,845</b>
<b>Depreciation</b>					
At 1 January 2000	-	1,225	498	-	1,723
Charge for the year	4	100	86	-	190
Disposals	-	-	(56)	-	(56)
<b>At 31 December 2000</b>	<b>4</b>	<b>1,325</b>	<b>528</b>	<b>-</b>	<b>1,857</b>
<b>Net book value</b>					
<b>At 31 December 2000</b>	<b>221</b>	<b>463</b>	<b>304</b>	<b>-</b>	<b>988</b>
<b>Net book value</b>					
At 31 December 1999	225	326	264	78	893

The net book value of the company's fixed assets includes £268,000 (1999: £200,000) in respect of assets held under hire purchase contracts.

# Line Markings Limited

## Notes to the financial statements for the year ended 31 December 2000 (continued)

### 8 Investments

#### Interests in subsidiary undertakings

					£'000
<b>Cost and net book value</b>					
At 1 January 2000 and 31 December 2000					51
<b>Name of undertaking</b>	<b>Company of incorporation or registration</b>	<b>Description of shares held</b>	<b>Proportion of nominal value of issued shares held</b>	<b>Principal activities</b>	
Roadcare Limited	England and Wales	Ordinary	100%	Dormant	
Rommco (UK) Limited	England and Wales	Ordinary	100%	Manufacture of road marking material	
Cleanosol (UK) Limited	England and Wales	Ordinary	100%	Dormant	
Geveko (UK) Limited	England and Wales	Ordinary	100%	Dormant	

During the year the company sold its £1 investment in Cleanosol (Ireland) Limited for consideration of £1 to Geveko Industri Holding AB, the company's intermediate parent company.

### 9 Debtors

	2000	1999
	£'000	£'000
<b>Amounts falling due within one year</b>		
Amounts recoverable on contracts	838	992
Amounts owed by fellow subsidiary undertakings	205	221
Other debtors	2	5
Prepayments and accrued income	71	47
	<b>1,116</b>	<b>1,265</b>

Amounts recoverable on contracts include an amount of £116,000 (1999: £116,000) in respect of contract retention balances. The date of repayment of these balances is dependent upon completion of the main contract performed by other contractors. It is not therefore possible to assess accurately the proportion of this figure likely to be recoverable after more than one year.

## Line Markings Limited

### Notes to the financial statements for the year ended 31 December 2000 (continued)

#### 10 Creditors: amounts falling due within one year

	2000	1999
	£'000	£'000
Bank overdraft	1,256	1,144
Trade creditors	219	182
Obligations under hire purchase contracts	82	55
Amounts owed to fellow subsidiary undertakings	10	8
Other taxation and social security	138	168
Accruals and deferred income	42	90
Other creditors	-	5
Bank Loan	8	8
	1,755	1,660

#### 11 Creditors: amounts falling due after more than one year

	2000	1999
	£'000	£'000
Bank Loan	149	157
Obligations under hire purchase contracts	160	138
	309	295

The bank loan is secured by fixed and floating charges over all the assets of the company and is supported by a charge over Roadcare House.

The net obligations under hire purchase contracts to which the company is committed are:

	2000	1999
	£'000	£'000
Amounts due within one year	82	55
Amounts due between one and two years	82	55
Amounts due between two and five years	78	83
	242	193

## Line Markings Limited

### Notes to the financial statements for the year ended 31 December 2000 (continued)

#### 12 Deferred taxation

There was no deferred taxation provided in the financial statements at 31 December 2000 or 31 December 1999. The amounts unprovided of the total potential asset are as follows:

	2000	1999
	£'000	£'000
Tax effect of timing differences because of:		
Excess of capital allowances over depreciation	(13)	(34)
Other	(1)	(1)
Unutilised losses carried forward	(1,115)	(1,115)
	(1,129)	(1,150)

#### 13 Pension obligations

The company contributes to a group defined contribution pension scheme for certain employees. The assets of that scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the company to those funds and amounted to £25,000 (1999: £22,000).

#### 14 Called - up share capital

	2000	1999
	£'000	£'000
<b>Authorised</b>		
5,000,000 ordinary shares of £1 each	5,000	5,000
<b>Allotted, called up and fully paid</b>		
4,000,000 ordinary shares of £1 each	4,000	4,000

#### 15 Profit and loss account

	£'000
At 1 January 2000	(3,684)
Sustained loss for the financial year	(162)
At 31 December 2000	(3,846)



## Line Markings Limited

### Notes to the financial statements for the year ended 31 December 2000 (continued)

#### 16 Reconciliation of movement in shareholders' funds

	2000	1999
	£'000	£'000
Loss for the financial year	(162)	(121)
Opening shareholders' funds	316	437
Closing shareholders' funds	154	316

#### 17 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
	Plant and machinery	Plant and machinery
Expiring within one year	9	13
Expiring between two and five years inclusive	-	78
	9	91

#### 18 Group banking arrangements

The company has entered into unlimited multilateral guarantees to secure the borrowings of certain other group undertakings. At 31 December 2000 the amounts outstanding under these arrangements, including the borrowings of the company, were approximately £1,407,000 (1999: £1,374,000).

Svenska Handelsbanken holds a fixed charge over the company's freehold property.

#### 19 Related party transactions

Financial Reporting Standard Number 8 gives an exemption not to disclose transactions with other group companies. The company has taken advantage of this exemption.

#### 20 Ultimate parent company

The directors regard AB Geveko, a company registered in Sweden, as the ultimate parent company. Copies of that company's consolidated financial statements may be obtained from The Secretary, AB Geveko, Box 2137, S-403 13 Göteborg, Sweden.

The intermediate parent company is Geveko Industri Holding AB, a company registered in Sweden. Copies of the financial statements may be obtained from The Secretary, Geveko Industrial Holdings AB, Box 2137, S-403 13 Göteborg, Sweden.