

# Feneseal Limited

## Report and Accounts

31 December 2000

*Registered Number: 1726887*



# Feneseal Limited

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Registered No. 1726887

## DIRECTORS

G Crowe  
G Drabble (Chairman)  
J F C Garnett (Resigned 31 January 2001)  
A Killeen (Appointed 15 March 2000)  
H E Palmer (Resigned 28 January 2000)  
P T Rowlands

## SECRETARY

J L Smith (Appointed 28 January 2000)  
H E Palmer (Resigned 28 January 2000)

## AUDITORS

Ernst & Young  
One Colmore Row  
Birmingham  
B3 2DB

## BANKERS

HSBC plc  
226 High Street  
Dudley  
West Midlands  
DY1 1PQ

## SOLICITORS

Ashurst Morris Crisp  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

## REGISTERED OFFICE

Bloomfield Park  
Bloomfield Road  
Tipton  
West Midlands  
DY4 9AP

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2000.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £222,000 (1999: £205,000). No dividends were paid during the year (1999: £Nil).

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the manufacture and distribution of glazing components and the distribution of window and door hardware.

On 29 January 2000, the trade and assets relating to the Scottish depot operations shown as discontinued in 1999 were transferred to J K Furnex Limited, a fellow group undertaking at their book value.

### EMPLOYEE INVOLVEMENT

During the year the company has provided employees with relevant information and sought their views on matters of common concern both through their representatives and line managers.

### DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### CREDITOR PAYMENT POLICY AND PRACTICE

The company agrees terms and conditions for its business transactions with suppliers. Payment is then made to these terms, subject to the terms and conditions being met by suppliers.

Terms vary from supplier to supplier.

At 31 December 2000, the company had an average of 35 days purchases outstanding in trade creditors.

### DIRECTORS AND THEIR INTERESTS

The directors during the year ended 31 December 2000 are as follows:

G Crowe	
G Drabble	(Chairman)
J F C Garnett	(Resigned 31 January 2001)
A Killeen	(Appointed 15 March 2000)
H E Palmer	(Resigned 28 January 2000)
P T Rowlands	

None of the directors had any interest in the share capital of the company at any time during the year.

## DIRECTORS' REPORT

**DIRECTORS AND THEIR INTERESTS** *(continued)*

Directors' interests in the share capital of the ultimate parent undertaking, The Laird Group Public Limited Company, were as follows:

*Ordinary shares of 25p each*

	<i>At 31 December 2000</i>	<i>Share Holdings At 31 December 1999</i>	<i>At 31 December 2000</i>	<i>Contingent Interest At 31 December 1999</i>
G Drabble	1,644	1,644	25,962	25,962
G Crowe	1,675	1,675	-	-
J F C Garnett	224,124	111,986	-	14,138

*Options on Ordinary shares of 25p each*

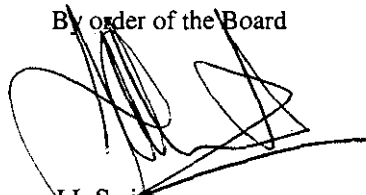
	<i>At 1 January 2000</i>	<i>Granted during 2000</i>	<i>Exercised during 2000</i>	<i>At 31 December 2000</i>	<i>Exercise Price £</i>	<i>Dates from</i>	<i>Exercisable to</i>
J F C Garnett	205,607	-	(10,609)	194,998	1.435-3.970	1993	2008
G Crowe	15,000	5,000	-	20,000	2.530-3.065	2002	2011
P T Rowlands	30,000	5,000	-	35,000	1.435-3.065	2001	2011
G Drabble	140,000	50,000	-	190,000	1.855-4.260	2000	2011

**AUDITORS**

It is recommended that Ernst & Young be reappointed as auditors.

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the Directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the Board



J L Smith  
Secretary

31 May 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 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 to 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.

**Report of the auditors to the shareholders of Feneseal Limited**

We have audited the accounts on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and Accounting Standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

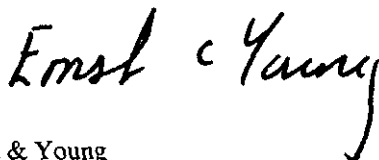
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company 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.



Ernst & Young  
Registered Auditor  
Birmingham

31 May 2001

# Feneseal Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

	Notes	2000 £'000	1999 £'000
<b>TURNOVER</b>			
Continuing operations		16,459	16,230
Discontinued operations		-	924
		<hr/>	<hr/>
Cost of sales	2 3	16,459 (12,544)	17,154 (12,687)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		3,915	4,467
Distribution costs	3	(812)	(671)
Administrative expenses	3	(2,645)	(3,210)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>			
Continuing operations		493	954
Discontinued operations		(35)	(368)
		<hr/>	<hr/>
	4	458	586
Interest payable and similar charges	7	-	(327)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		458	259
Tax on profit on ordinary activities	8	(236)	(54)
		<hr/>	<hr/>
<b>PROFIT RETAINED FOR THE FINANCIAL YEAR</b>	15	222	205
		<hr/>	<hr/>

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £222,000 in the year ended 31 December 2000 (1999: £205,000).

# Feneseal Limited

## BALANCE SHEET at 31 December 2000

	Notes	2000 £000	1999 £000
<b>FIXED ASSETS</b>			
Tangible assets	9	674	628
<b>CURRENT ASSETS</b>			
Stocks	10	1,879	1,469
Debtors	11	5,119	4,856
		<u>6,998</u>	<u>6,325</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(7,566)</u>	<u>(7,069)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(568)</u>	<u>(744)</u>
		<u>106</u>	<u>(116)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1	1
Profit and loss account	15	105	(117)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	<u>106</u>	<u>(116)</u>

*P T Rowlands*

P T Rowlands - Director

31 May 2001



NOTES TO THE ACCOUNTS  
at 31 December 2000

1. ACCOUNTING POLICIES

*Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The accounts are prepared on a going concern basis as the directors have received confirmation of continuing group support. The parent has agreed not to seek repayment of balances due to it until all other creditors have been settled.

*Cash flow statement*

The company has taken advantage of the exemption available under FRS1 not to produce a cash flow statement on the basis that its ultimate parent undertaking, The Laird Group Public Limited Company, has prepared a consolidated cash flow statement in accordance with FRS1 (revised).

*Depreciation*

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Short leasehold land and buildings	- over the remaining term of the lease
Plant and machinery	- 10% - 20%
Motor vehicles	- 25%
Fixtures and fittings	- 20% - 33.3%

*Stocks*

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value, as follows:

Raw materials and goods for resale	- purchase cost on a first-in, first-out basis.
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

*Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

*Leasing and hire purchase commitments*

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

*Pensions*

The company participates in two pension schemes. One is a defined benefit scheme and contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives. The other is a defined contribution scheme and contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Further details are given in note 16 to the accounts.

# Feneseal Limited

## NOTES TO THE ACCOUNTS at 31 December 2000

### 2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

An analysis of turnover by geographical market is given below:

	2000 £000	1999 £000
United Kingdom	16,306	17,014
Rest of Europe	153	140
	<u>16,459</u>	<u>17,154</u>

### 3. COST OF SALES, DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

	<i>Continuing Operations</i>	<i>Discontinued Operations</i>	<i>Total</i>	<i>Continuing Operations</i>	<i>Discontinued Operations</i>	<i>Total</i>
	2000	2000	2000	1999	1999	1999
	£'000	£'000	£'000	£'000	£'000	£'000
Cost of sales	12,544	-	12,544	11,985	702	12,687
Distribution costs	812	-	812	671	-	671
Administrative expenses	2,610	35	2,645	2,620	590	3,210

### 4. OPERATING PROFIT

This is stated after charging:

	2000 £000	1999 £000
Depreciation of tangible fixed assets	346	328
Auditors' remuneration - audit services	18	13
- non audit services	7	5
Operating lease rentals - plant and machinery	75	67
- land and buildings	105	99
	<u>651</u>	<u>512</u>

NOTES TO THE ACCOUNTS  
at 31 December 2000

5. DIRECTORS' EMOLUMENTS

	2000 £000	1999 £000
Emoluments	45	130
Compensation for loss of office	-	50

	2000 No.	1999 No.
Members of money purchase pension schemes	-	-
Members of defined benefit pension schemes	1	1

6. STAFF COSTS

Company employment costs, including executive directors:

	2000 £000	1999 £000
Wages and salaries	1,263	1,166
Social security costs	123	99
Other pension costs	44	42
	1,430	1,307

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

	2000 No.	1999 No.
Administration	25	25
Production and sales	56	56
	81	81

The average number of temporary workers during the year was 2 (1999: 3). Total payments made to temporary employees were £35,000 (1999: £47,000). These costs are not included in the above.

# Feneseal Limited

## NOTES TO THE ACCOUNTS at 31 December 2000

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £'000	1999 £'000
Group interest	-	327
	-	327

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £000	1999 £000
UK Corporation tax	195	156
Corporation tax under/(over) provided in previous years	41	(102)
	236	54

### 9. TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £000	Plant and machinery, motor vehicles and fixtures and fittings £000	Total £000
Cost:			
At 1 January 2000	147	2,341	2,488
Additions	-	401	401
Disposals	(8)	(31)	(39)
At 31 December 2000	139	2,711	2,850
Depreciation:			
At 1 January 2000	31	1,829	1,860
Provided during the year	10	336	346
Disposals	(6)	(24)	(30)
At 31 December 2000	35	2,141	2,176
Net book value:			
At 31 December 2000	104	570	674
At 31 December 1999	116	512	628

# Feneseal Limited

## NOTES TO THE ACCOUNTS at 31 December 2000

### 10. STOCKS

	2000	1999
	£000	£000
Raw materials and consumables	25	25
Finished goods and goods for resale	1,854	1,444
	<u>1,879</u>	<u>1,469</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

### 11. DEBTORS

	2000	1999
	£000	£000
Trade debtors	3,037	3,225
Amounts owed by fellow group undertakings	1,750	1,551
Corporation tax recoverable	-	13
Prepayments and accrued income	332	67
	<u>5,119</u>	<u>4,856</u>

### 12. CREDITORS: amounts falling due within one year

	2000	1999
	£000	£000
Bank overdraft	1,050	839
Trade creditors	764	337
Amounts owed to fellow group undertakings	5,372	5,210
Corporation tax	19	-
Other taxes and social security costs	102	45
Accruals and deferred income	259	638
	<u>7,566</u>	<u>7,069</u>

### 13. PROVISIONS FOR LIABILITIES AND CHARGES

No deferred taxation is provided in the accounts. The deferred tax asset not provided is as follows:

	Not provided	
	2000	1999
	£000	£000
Capital allowances in advance of depreciation	(137)	(127)
Other timing differences	(19)	7
	<u>(156)</u>	<u>(120)</u>

# Feneseal Limited

## NOTES TO THE ACCOUNTS at 31 December 2000

### 14. SHARE CAPITAL

	2000 £	Authorised 1999 £
Ordinary shares of £1 each	10,000	10,000

	2000 No.	Allotted, called up and fully paid		1999 No.	1999 £000
Ordinary shares of £1 each	1,000	1,000	1	1	1

### 15. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 1999	1	(322)	(321)
Profit for the year	-	205	205
At 1 January 2000	1	(117)	(116)
Profit for the year	-	222	222
At 31 December 2000	1	105	106

### 16. PENSION COMMITMENTS

The Company participates in two pension schemes.

The first is a defined benefit scheme, operated by The Laird Group Public Limited Company, the ultimate parent undertaking and is open to certain employees of the company. Further disclosures regarding the actuarial assumptions are contained in the ultimate parent company's accounts. At 31 December 2000, £7,035 (1999: £2,100) was included in creditors, as due to the scheme, this being contributions due for payment in January 2001.

The second is a defined contribution scheme operated by the Laird Group Public Limited Company and is open to certain employees. Contributions are charged to the profit and loss account as they become payable and amounted to £34,764 in 2000 (1999: £26,208).

NOTES TO THE ACCOUNTS  
at 31 December 2000

17. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £7,000 (1999: £nil).

18. OTHER FINANCIAL COMMITMENTS

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

	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	<i>2000</i>	<i>2000</i>	<i>1999</i>	<i>1999</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Operating leases which expire:				
Within one year	-	6	-	14
In two to five years	8	63	8	42
In over five years	104	-	99	-
	<u>112</u>	<u>69</u>	<u>107</u>	<u>56</u>

19. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2000 (1999 - £Nil).

20. PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate and ultimate parent undertaking is The Laird Group Public Limited Company, which is registered in England and Wales. It has included the company in its group accounts, copies of which are available from its registered office at 3 St James's Square, London SW1Y 4JU.

21. RELATED PARTIES

The company has taken advantage of the exemption in FRS8 as a wholly owned subsidiary not to disclose details of related party transactions required by the standard.

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Tipton, West Midlands DY4 9AP

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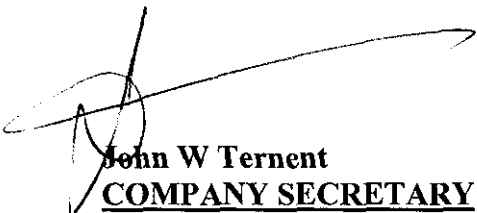
11<sup>th</sup> July 2001

Dear Sirs

Please find enclosed Annual Accounts for the 12 months accounting period ended 31<sup>st</sup> December 2000.

By way of receipt, could you please Bar Code and return the attached copy letter. A S.A.E. is provided for your use.

Yours faithfully

  
**John W Ternent**  
**COMPANY SECRETARY**

