

Registered no: 2693608

Streamline International Limited
Annual Report and Financial Statements
for the 15 month period ended 31 March 1999



Streamline International Limited

Annual Report and Financial Statements

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Streamline International Limited

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Officers and professional advisers

Directors

R W Kendall
H Lafferty
B L Westbrook

Secretary

Jarvis Secretaries Limited

Auditors

PricewaterhouseCoopers
Harman House
1 George Street
Uxbridge
Middlesex
UB8 1QQ

Directors' report for the 15 month period ended 31 March 1999

Following the acquisition of Jarvis Streamline Limited (formerly Streamline Holdings PLC) by Jarvis PLC, the company changed its accounting year end to 31 March. Accordingly the directors present their annual report and the audited financial statements for the 15 month period ended 31 March 1999.

Activities

The company acted as a holding company until 28 February 1999 when the business comprising the manufacture of roofing felts, damp proof courses and insulation boards was acquired from George M. Callenders Limited.

Post Balance Sheet Events

On 1 April 1999, the Company acquired 100% of the share capital of Vulcanite Limited for consideration of £7,750,000.

On 21 June 1999, the company disposed of the assets and liabilities of the roofing business of George M Callenders and its investment in Vulcanite Limited. The consideration and net assets disposed of will be finalised on preparation and agreement of the completion accounts.

Results and dividends

The company made a profit for the 15 month period of £1,774,328 (1997: £640,800).

A dividend of £9,000,000 has been proposed (1997: £nil).

Review of business and future developments

Following the post balance sheet event noted above, the company will continue to act as a holding company and the directors do not envisage any further changes in the conduct of the company's business.

Year 2000

The board recognises the significant risks that face all businesses in relation to Year 2000 compliance. The company has appointed a senior manager to lead an appropriate team charged with securing Year 2000 compliance. The major areas where work has been needed to secure Year 2000 compliance has been in IT equipment and systems and many of the modifications or replacements form part of the normal investment for the development and upgrading of the company's IT and communications compliance in respect of matters which may affect the trading relationship between them and the company and will continue to monitor its trading partners.

**Directors' report
for the 15 month period ended 31 March 1999
(continued)****European Monetary Union**

The company has been preparing for the introduction of the single currency within Europe in 1999. Preparations include the upgrading of information systems, where necessary, and the training of staff, to handle euro-denominated transactions, including dual currency transactions in the transition period between commencement of FM11 in 1999 and the first issue of notes and coins in 2002.

In the short term the company does not expect the costs or benefits from the introduction of the euro to have a material effect on the company's trading performance. In many cases upgrades to computer systems to achieve Year 2000 compliance will provide the necessary flexibility to handle euro-documentated transactions.

Directors and their interests

The directors of the company at 31 March 1999, all of whom have been directors for the whole of the 15 month period ended on that date, except where stated, are listed below:

T C F Simpson	(resigned 25 November 1998)
E W Burton	(resigned 30 June 1998)
D E Leech	(resigned 25 November 1998)
E Floate	(resigned 25 November 1998)
G M Pirret	(resigned 25 November 1998)
A Bateman	(resigned 25 November 1998)
A T Delaney	(resigned 25 November 1998)
R W Kendall	(appointed 25 November 1998)
H Lafferty	(appointed 25 November 1998)
B L Westbrook	(appointed 25 November 1998)

The interests of Mr H Lafferty and Mr B L Westbrook in the ultimate parent are shown in the accounts of Jarvis PLC. The interests of Mr R W Kendall are shown in the accounts of Jarvis Fastline Group Limited.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that 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 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 financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

**Directors' report
for the 15 month period ended 31 March 1999
(continued)**

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 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

A resolution for the reappointment of PricewaterhouseCoopers as auditors of the company is to be proposed at the forthcoming annual general meeting.



**Approved by the Board of Directors
and signed on behalf of the Board**
22 October 1999

**Report of the auditors to the members of
Streamline International Limited**

We have audited the financial statements on pages 7 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 and 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 3 and 4 the financial statements. Our responsibilities, as independent auditors, are established 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. 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.

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Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 1999 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

West London

22 October 1999

**Profit and loss account
for the 15 month period ended 31 March 1999**

	Notes	15 months ended 31 March 1999 £	12 months ended 31 December 1997 £
Turnover	2	1,529,260	-
Cost of sales		(1,079,090)	-
Gross profit		450,170	-
Administrative expenses		(298,518)	-
Other income		-	25,603
Operating profit	4	151,652	25,603
Interest receivable and similar income	5	1,668,958	476,462
Profit on ordinary activities before taxation		1,820,610	502,065
Tax on profit on ordinary activities	6	(46,282)	138,735
Profit for the financial period	13	1,774,328	640,800
Dividends - payable		(9,000,000)	-
Retained (loss)/profit for the financial period	14	(7,225,672)	640,800

The profit for the financial period derives from a continuing activity.

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

There is no difference between the profit on ordinary activities before taxation and the retained loss for the period stated above and their historic cost equivalents.

The notes on pages 9 to 17 form part of these financial statements.

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Balance sheet at 31 March 1999

	Notes	1999 £	1997 £
Fixed assets			
Intangible assets	7	8,000,000	-
Tangible assets	7	4,125,969	-
Investments	8	5,630,894	5,630,894
		<u>17,756,863</u>	<u>5,630,894</u>
Current assets			
Stocks	9	1,294,731	-
Debtors	10	4,843,233	2,708,696
Cash at bank and in hand		373,868	-
		<u>6,511,832</u>	<u>2,708,696</u>
Creditors: amounts falling due within one year	11	<u>(22,722,249)</u>	<u>(7,165)</u>
Net current (liabilities)/assets		<u>(16,210,417)</u>	<u>2,701,531</u>
Total assets less current liabilities		<u>1,546,446</u>	<u>8,332,425</u>
Provisions for liabilities and charges	12	<u>(439,693)</u>	<u>-</u>
Net assets		<u>1,106,753</u>	<u>8,332,425</u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Share premium account	14	99,000	99,000
Profit and loss account	14	1,006,753	8,232,425
Equity shareholders' funds	15	<u>1,106,753</u>	<u>8,332,425</u>

The financial statements on pages 7 to 17 were approved by the board of directors on
22 October 1999 and were signed on its behalf by:

H. Laffey

Notes to the financial statements for the 15 month period ended 31 March 1999

1 Accounting policies

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.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

Consolidated Accounts

By virtue of section 228 of the Companies Act 1985, the results of the company's subsidiary undertakings have not been consolidated in these financial statements as the company is itself a wholly owned subsidiary of Jarvis PLC, a company incorporated in Great Britain, which is preparing consolidated accounts.

Investments in subsidiary undertakings are stated at cost less provision for diminution in value.

The company is a wholly owned subsidiary of Jarvis PLC, and the cash flows of the company are included in the consolidated group cash flow statements of Jarvis PLC. Consequently the company has taken advantage of the exemptions under the terms of Financial Reporting Standard No. 1 (Revised) from publishing a cash flow statement.

Goodwill

In accordance with FRS 10, goodwill arising on acquisitions is capitalised and written off over 20 years. In previous periods goodwill arising on acquisitions was written off immediately to reserves.

Tangible fixed assets and depreciation

Tangible fixed assets are stated in the balance sheet at cost or valuation less accumulated depreciation. No depreciation is provided on freehold land or assets in the course of construction. Other assets are depreciated on a straight line basis over their estimated useful lives.

**Notes to the financial statements
for the 15 month period ended 31 March 1999
(continued)**

The following rates of depreciation applied during the 15 month period:

	Rate
Land	Nil
Buildings (freehold)	2.5% p.a.
Plant & machinery	10 – 25% p.a.
Cars	25% p.a.
Fixtures, fittings, tools & equipment	20% p.a.

Stocks

Stocks are stated at the lower of cost, including attributable overheads and labour, and net realisable value.

Operating leases

Operating lease payments are charged to the profit and loss account on a straight line basis over the lease term.

Pension cost

The charge to the profit and loss account represents the regular cost calculated under the projected unit method based on the advice of a professionally qualified actuary. The effects of variations from regular costs are spread over the expected average remaining service lives of members of the scheme.

Turnover

Turnover represents the invoiced sales for the period, excluding value added tax.

2 Segmental information

The geographical market analysis of the company's turnover is as follows:

	15 months ended 31 March 1999 £	12 months ended 31 December 1997 £
United Kingdom	1,481,233	-
Rest of Europe	48,027	-
	<u>1,529,260</u>	<u> </u>

**Notes to the financial statements
for the 15 month period ended 31 March 1999
(continued)**

3 Directors and employees

None of the directors received any emoluments in respect of their services to the company during the period.

Total employee costs were:

	15 months ended 31 March 1999 £	12 months ended 31 December 1997 £
Salaries and wages	241,442	-
Social security costs	21,375	-
Pension costs	8,207	-
	<u>271,024</u>	<u>-</u>

The average number of persons employed by the company, for one month following the transfer of the roofing business, was:

	15 months ended 31 March 1999 No.	12 months ended 31 December 1997 No.
Production	58	-
Administration	51	-
Distribution	15	-
	<u>124</u>	<u>-</u>

4 Operating profit

	15 months ended 31 March 1999 £	12 months ended 31 December 1997 £
Operating profit is stated after charging:		
Depreciation on owned tangible assets	45,799	-
Operating lease rental – plant and machinery	3,369	-
Auditors' remuneration	1,375	-
	<u></u>	<u></u>

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Notes to the financial statements for the 15 month period ended 31 March 1999 (continued)

5 Interest receivable and similar income

	15 months ended 31 March 1999 £	12 months ended 31 December 1997 £
Dividend received from subsidiary undertaking	1,668,433	-
Interest receivable from subsidiary undertaking	-	476,462
Bank interest receivable	525	-
	<u>1,668,958</u>	<u>476,462</u>

6 Tax on profit on ordinary activities

	15 months ended 31 March 1999 £	12 months ended 31 December 1997 £
UK corporation tax at 31% (1997: 33%) - current	810,305	-
- deferred	(3,636)	-
Double tax relief	(760,387)	-
Overprovision in respect of prior years	-	(138,735)
	<u>46,282</u>	<u>(138,735)</u>

The taxation charge for the period has been reduced by double tax relief on overseas dividends.

7 Fixed Assets

(a) Intangible assets

	Goodwill £
Cost	
Additions	8,000,000
At 31 March 1999	<u>8,000,000</u>
Aggregate amortisation	
Charge for the period	-
At 31 March 1999	<u>-</u>
Net book value at 31 March 1999	<u>8,000,000</u>

**Notes to the financial statements
for the 15 month period ended 31 March 1999
(continued)**

The goodwill arises on the transfer of the roofing business from George M. Callenders Limited on 28 February 1999. As disclosed in the directors report, this business was subsequently sold on 21 June 1999.

(b) Tangible assets

	Freehold land & buildings £	Plant, machinery & motor vehicles £	Fixtures, fittings tools & equipment £	Total £
Cost				
Additions in the period	2,018,650	2,017,610	147,470	4,183,730
Disposals in the period	-	(9,988)	(1,974)	(11,962)
At 31 March 1999	2,018,650	2,007,622	145,496	4,171,768
Depreciation				
Charge for the period	2,600	38,927	4,272	45,799
At 31 March 1999	2,600	38,927	4,272	45,799
Net book value				
At 31 March 1999	2,016,050	1,968,695	141,224	4,125,969
At 31 December 1997	-	-	-	-

8 Fixed assets investments

	1999 £	1997 £
At 1 January 1998	5,630,894	6,936,894
Write down of investment	-	(1,306,000)
At 31 March 1999	5,630,894	5,630,894

Details of subsidiary undertakings are given in note 17 to the accounts.

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Notes to the financial statements for the 15 month period ended 31 March 1999 (continued)

9 Stocks

	1999 £	1997 £
Raw materials and consumables	392,679	-
Finished goods and goods for resale	902,052	-
	<u>1,294,731</u>	<u>-</u>

10 Debtors

	1999 £	1997 £
Trade debtors	2,560,536	-
Due from parent company and fellow subsidiary undertakings	1,829,908	2,708,696
Other debtors	452,789	-
	<u>4,843,233</u>	<u>2,708,696</u>

11 Creditors: amounts falling due within one year

	1999 £	1997 £
Trade creditors	2,078,959	-
Due to parent company and fellow subsidiary undertakings	20,071,278	-
Sundry creditors and accruals	514,929	-
Corporation tax	57,083	7,165
	<u>22,722,249</u>	<u>7,165</u>

12 Provisions for liabilities and charges

Deferred taxation

	£
At 1 January 1998	-
Charged/(credited) to profit and loss account	(3,636)
Transfer on the acquisition of trade	443,329
At 31 March 1999	<u>439,693</u>

**Notes to the financial statements
for the 15 month period ended 31 March 1999
(continued)**

	Amount Provided		Amount Unprovided	
	1999	1997	1999	1997
	£	£	£	£
Accelerated capital allowances	439,693	-	-	-
Other short term timing differences	-	-	-	-
	439,693	-	-	-

13 Called up share capital

	1999	1997
	£	£
Authorised, allotted, called up and fully paid: 100,000 Ordinary shares of £0.01	1,000	1,000

14 Reserves

	Share premium Account	Profit & loss account
	£	£
At 1 January 1998	99,000	8,232,425
Profit for the financial period	-	1,774,328
Dividends	-	(9,000,000)
At 31 March 1999	99,000	1,006,753

15 Reconciliation of movements in shareholders' funds

	1999	1997
	£	£
Profit for the period	1,774,328	640,800
Dividends	(9,000,000)	-
Net (reduction in)/addition to shareholders' funds	(7,225,672)	640,800
Opening shareholders' funds	8,332,425	7,691,625
Closing shareholders' funds	1,106,753	8,332,425

16 Contingent liabilities

Guarantees given by the company, without limit, in respect of loans were £145,000,000 as at 31 March 1999.

**Notes to the financial statements
for the 15 month period ended 31 March 1999
(continued)**

17 Financial commitments

	1999		1997	
	£	£	£	£
Expiring within 1 year	27,500	-	-	-
Expiring between 2 and 5 years inclusive	-	40,426	-	-
Expiring over 5 years	20,000	-	-	-
	<u>47,500</u>	<u>40,426</u>	<u>-</u>	<u>-</u>

18 Subsidiary undertakings

	Country of incorporation/ registration	Principal activities
Prosign SA	France	Road services
Societe de Diffusion Regionale et Locale (Sodirel) SA	France	Road services
Entreprise Furlon SA	France	Road services
Alliance Petroleum Marquage SARL	France	Road services
Compagnie Europeenne de Signalisation et de Sols Industriels (CESSI) SARL	France	Road services
Signeurop SA	France	Road services
Natanni Signalistion SA	France	Road services
Eurojoint SA	France	Road services
Oric SA	Belgium	Road services
Veluvine BV	The Netherlands	Road services
Veluvine GmbH	Germany	Road services
Wolff GmbH	Germany	Building products

The company has a 100% interest in the above subsidiary undertakings, although only Prosign SA, Veluvine BV, Oric SA and Wolff GmbH are directly owned.

**Notes to the financial statements
for the 15 month period ended 31 March 1999
(continued)**

19 Related party transactions

The company has taken exemption under Financial Reporting Standard No.8 from disclosure of intra-group transactions and balances as these are eliminated on consolidation in the financial statements of the ultimate parent company.

20 Parent company

The company's immediate parent company is Jarvis Streamline Limited, a company registered in England and Wales, which owns 100% of the company's issued ordinary share capital.

The ultimate parent company is Jarvis PLC, a company registered in England and Wales. Jarvis PLC is the ultimate parent undertaking of the largest and smallest group to consolidate the results of the company.

21 Controlling party

Jarvis PLC, the ultimate parent company, is considered to be the ultimate controlling party by virtue of its 100% shareholding in Jarvis Streamline Limited.

Copies of the consolidated accounts of Jarvis PLC can be obtained from Frogmore Park, Watton-at-Stone, Hertford, SG14 3RU.