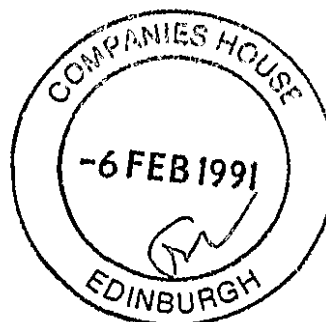




TOPEK (B.U.R.) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended
31 AUGUST 1990

TOPEK (B.U.R.) LIMITED

DIRECTORS

I. Harwood
Mrs. L.H. Harwood

SECRETARY

Mrs. L.H. Harwood

REGISTERED OFFICE

9 Tollpark Road
Wardpark East
Cumbernauld
Glasgow

AUDITORS

BDO Binder Hamlyn
Ballantine House
168 West George Street
Glasgow G2 2PT

BANKERS

Clydesdale Bank PLC
30 St. Vincent Place
Glasgow G1 2HL

SOLICITORS

MacRoberts
152 Bath Street
Glasgow G2 4TB

TOPEK (B.U.R.) LIMITED

DIRECTORS' REPORT

for the year ended 31 August 1990

FINANCIAL STATEMENTS

The directors present their report and the financial statements of the company for the year ended 31 August 1990.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is the installation of industrial roofing and cladding.

Turnover for the year increased by 28% to £1,954,020. Contribution levels have fallen, however, and a corresponding decline in overhead costs has resulted in improved profitability. The failure of a major contractor contributed significantly to the bad debt charge for the year, which rose to £51,037. The directors are confident that the expansion in activities can be maintained.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £64,063.

Two interim dividends have been paid amounting to £71,000. The directors do not propose a further distribution, and the deficit after taxation and dividends has been deducted from reserves.

FIXED ASSETS

Details of movements in fixed assets during the year are set out in note 9 to the financial statements.

FUTURE DEVELOPMENTS

The company intends to pursue its existing activities. The directors' aim is to maintain the management policies which have strengthened the company in previous years.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year, none of whom had a beneficial interest in the share capital, were as follows:

I. Harwood
Mrs. L.H. Harwood

I. Harwood and Mrs. L.H. Harwood are directors of Group Topek Holdings Limited in which company's financial statements their interests in the share capital of other group companies are shown.

TOPEK (B.U.R.) LIMITED

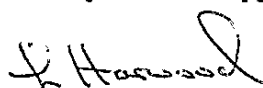
DIRECTORS' REPORT

for the year ended 31 August 1990

AUDITORS

BDO Binder Hamlyn offer themselves for re-appointment in accordance with Section 384(1) of the Companies Act 1985.

This report was approved by the Board on 18 January 1991.



L.H. HARWOOD
Secretary



BDO Binder Hamlyn
Chartered Accountants

Ballantine House 168 West George Street
Glasgow G2 2PT 4

AUDITORS' REPORT
to the members of TOPEK (B.U.R.) LIMITED

We have audited the financial statements on pages 5 to 14 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 August 1990, and of its profit and source and application of funds for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

BDO BINDER HAMLYN
Chartered Accountants

GLASGOW

18 January 1991

TOPEK (B.U.R.) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 August 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
Turnover	2	1,954,020	1,530,971
Cost of sales		<u>1,586,237</u>	<u>1,127,423</u>
Gross profit		367,783	403,548
Administrative expenses		<u>264,960</u>	<u>324,815</u>
Operating profit	4	102,823	78,733
Interest payable and similar charges	6	<u>(140)</u>	<u>(491)</u>
Profit on ordinary activities before taxation		102,683	78,242
Tax on profit on ordinary activities	7	<u>38,620</u>	<u>28,254</u>
Profit for the year		64,063	49,988
Dividends	8	<u>71,000</u>	<u>-</u>
Retained (loss)/profit for the year	16	<u>(6,937)</u>	<u>49,988</u>

TOPEK (B.U.R.) LIMITED

BALANCE SHEET

as at 31 August 1990

	<u>Notes</u>	£	<u>1990</u> £	<u>1989</u> £
FIXED ASSETS				
Tangible assets	9		14,414	<u>12,500</u>
CURRENT ASSETS				
Stocks	10	151,882		48,565
Debtors	11	762,691		613,099
Cash at bank and in hand		<u>248,955</u>		<u>31,670</u>
		1,163,528		693,334
CREDITORS: amounts falling due within one year	12	(1,028,016)		<u>(581,971)</u>
Net current assets			<u>135,512</u>	<u>111,363</u>
Total assets less current liabilities			149,926	123,863
PROVISIONS FOR LIABILITIES AND CHARGES 14			<u>(40,000)</u>	<u>(7,000)</u>
			<u>109,926</u>	<u>116,863</u>
CAPITAL AND RESERVES				
Called up share capital	15		100	100
Profit and loss account	16		<u>109,826</u>	<u>116,763</u>
			<u>109,926</u>	<u>116,863</u>

Signed on behalf of the board:

I. HARWOOD.....Director

L.H. HARWOOD.....Director

TOPEK (B.U.R.) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 31 August 1990

	£	<u>1990</u> £	<u>1989</u> £
SOURCE OF FUNDS			
Profit on ordinary activities before taxation		<u>102,683</u>	<u>78,242</u>
Adjustments for items not involving the movement of funds:			
Depreciation	11,082		5,937
Provisions	<u>33,000</u>	<u>44,082</u>	<u>7,000</u>
			<u>12,937</u>
Total funds generated from operations		146,765	<u>91,179</u>
APPLICATION OF FUNDS			
Purchase of tangible fixed assets	12,996		4,546
Fixed assets transferred from group companies	-		1,035
Dividends paid	71,000		-
Taxation paid	<u>35,332</u>	<u>119,328</u>	<u>-</u>
		<u>27,437</u>	<u>5,581</u>
			<u>85,598</u>
INCREASE IN WORKING CAPITAL			
Stocks	103,317		5,577
Debtors, excluding taxation	140,592		233,478
Creditors, excluding borrowings, taxation and dividends	<u>(442,757)</u>	(189,848)	<u>(50,980)</u>
			<u>188,075</u>
Movement in net liquid funds:			
Bank and cash		<u>217,285</u>	<u>(102,477)</u>
		<u>27,437</u>	<u>85,598</u>

TOPEK (B.U.R.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1990

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The annual depreciation rates are as follows:

Office equipment	-	15% straight line
Plant and equipment	-	25% straight line

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost consists of purchase invoice costs and, where appropriate, attributable overheads.

Work in progress is valued at the lower of cost and net realisable value. Cost consists of direct materials, labour, attributable overheads and profits estimated to be earned to date based on the stage of completion. Net realisable value is based on estimated contract value, less further costs expected to be incurred to completion. Full provision is made for known and anticipated losses on contracts.

Payments received and receivable on account of work done are deducted from the value of work in progress.

TOPEK (B.U.R.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1990

1 ACCOUNTING POLICIES (CONTINUED)

Leasing and hire purchase commitments

Assets obtained under hire purchase and leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments, and are depreciated in accordance with the above policy.

Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the period of the lease or hire purchase contract, so as to produce a constant periodic rate of charge on the outstanding balance of the net obligation in each period.

Rentals paid under other leases (operating leases) are charged against income on a straight line basis over the lease term.

Deferred taxation

Provision is made for deferred taxation under the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes, except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Remedial provisions

Provision is made for remedial work costs on completed contracts.

Pension costs

Payments to defined contribution schemes are charged to the profit and loss account in the year in which they become payable. Contributions for schemes which provide for defined benefits are charged to the profit and loss account to reflect the regular cost of pensions over the working lives of the scheme members.

2 TURNOVER

Turnover represents the value of work done during the year. The turnover and pre-tax result is attributable to one activity, the installation of industrial roofing and cladding.

TOPEK (B.U.R.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1990

3 STAFF COSTS

	<u>1990</u> £	<u>1989</u> £
Wages and salaries	381,551	296,051
Social security costs	33,509	21,421
Other pension costs	6,959	14,765
	<u>422,019</u>	<u>332,237</u>

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

	<u>1990</u>	<u>1989</u>
Management and administration	4	5
Production installation and sales	<u>23</u>	<u>18</u>
	<u>27</u>	<u>23</u>

4 OPERATING PROFIT

This is stated after charging:

	<u>1990</u> £	<u>1989</u> £
Depreciation: owned fixed assets	11,082	5,937
Directors' emoluments (note 5)	5,000	5,000
Auditors' remuneration	3,000	2,800
Hire of plant and machinery - operating leases	<u>27,836</u>	<u>25,116</u>

5 DIRECTORS' EMOLUMENTS

Remuneration as executives (including pension contributions)

	<u>1990</u> £	<u>1989</u> £
Remuneration as executives (including pension contributions)	<u>5,000</u>	<u>5,000</u>

Details of directors' emoluments, excluding pension contributions, are:

	<u>-</u>	<u>-</u>
The chairman	<u>5,000</u>	<u>5,000</u>
The highest paid director		

TOPEK (B.U.R.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1990

6 INTEREST PAYABLE

	<u>1990</u> £	<u>1989</u> £
On bank loans and overdrafts wholly repayable within five years	<u>140</u>	<u>491</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1990</u> £	<u>1989</u> £
Based on the profit for the year:		
Corporation tax at 34.8% (1989 - 35%)	38,620	28,732
Deferred taxation	-	(478)
	<u>38,620</u>	<u>28,254</u>

8 DIVIDENDS

	<u>1990</u> £	<u>1989</u> £
Ordinary shares:		
First interim dividend paid at £360 per share	36,000	-
Second interim dividend paid at £350 per share	<u>35,000</u>	-
	<u>71,000</u>	-

9 TANGIBLE FIXED ASSETS

	<u>Office equipment</u> £	<u>Plant and equipment</u> £	<u>Total</u> £
<u>Cost</u>			
At 1 September 1989	2,717	41,851	44,568
Additions	-	12,996	12,996
At 31 August 1990	<u>2,717</u>	<u>54,847</u>	<u>57,564</u>
<u>Depreciation</u>			
At 1 September 1989	938	31,130	32,068
Charge for the year	407	10,675	11,082
At 31 August 1990	<u>1,345</u>	<u>41,805</u>	<u>43,150</u>
<u>Net book value</u>			
At 31 August 1990	<u>1,372</u>	<u>13,042</u>	<u>14,414</u>
At 31 August 1989	<u>1,779</u>	<u>10,721</u>	<u>12,500</u>

TOPEK (B.U.R.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1990

10 STOCKS

	<u>1990</u> £	<u>1989</u> £
Work in progress	1,145,773	233,886
Less: payments on account	(1,024,062)	(207,374)
Stock of materials	<u>30,171</u>	<u>22,053</u>
	<u>151,882</u>	<u>48,565</u>

Progress payments received in excess of the value of work done on individual contracts are shown separately under current liabilities in the balance sheet.

11 DEBTORS

	<u>1990</u> £	<u>1989</u> £
Trade debtors	353,496	418,163
Amounts owed by fellow subsidiaries	325,082	160,083
Taxation recoverable	12,321	12,321
Other debtors	14,994	17,430
Prepayments	<u>56,798</u>	<u>5,102</u>
	<u>762,691</u>	<u>613,099</u>

12 CREDITORS: amounts falling due within one year

	<u>1990</u> £	<u>1989</u> £
Payments received on account	31,959	9,564
Trade creditors	202,195	163,671
Amounts owed to holding company	71,000	-
Amounts owed to fellow subsidiaries	625,640	191,469
Corporation tax	38,865	35,577
Other taxes and social security costs	30,890	65,289
Other creditors	205	9,403
Accruals and deferred income	<u>27,262</u>	<u>106,998</u>
	<u>1,028,016</u>	<u>581,971</u>

13 FINANCIAL COMMITMENTS

Operating lease commitments

	<u>1990</u> £	<u>1989</u> £
Annual commitments which expire:		
Within one year	1,595	3,977
Between two and five years	<u>16,413</u>	<u>23,322</u>
	<u>18,008</u>	<u>27,299</u>

TOPEK (B.U.R.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1990

14 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1990</u> £	<u>1989</u> £
Remedial provisions:		
At 1 September 1989	7,000	-
Transfers in	<u>33,000</u>	<u>7,000</u>
At 31 August 1990	<u>40,000</u>	<u>7,000</u>

Deferred taxation:

There is no potential deferred taxation liability.

15 SHARE CAPITAL

	<u>1990</u> £	<u>1989</u> £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

16 RESERVES

Profit and
loss account
£

At 1 September 1989	116,763
Loss for the year	<u>(6,937)</u>
At 31 August 1990	<u>109,826</u>

17 CONTINGENT LIABILITIES

(a) The company is jointly and severally liable for any value added tax balances owed by the following group companies:

Group Topek Holdings Limited
 Topek Roofing Limited
 Topek (Waterproofing) Limited
 Topek Ventilation Limited
 Single Roofing Systems Limited
 T.I. Tiles International Limited

(b) A cross guarantee covering the bank accounts exists between Topek (B.U.R.) Limited and other companies within the group.

TOPEK (B.U.R.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 1990

18 ULTIMATE HOLDING COMPANY

The ultimate holding company is Group Topek Holdings Limited, which is registered in Scotland.

19 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the board of directors on 18 January 1991.