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**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007
FOR
FEDERATED WINDOWS & DOORS LIMITED**

THURSDAY



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FEDERATED WINDOWS & DOORS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2007**

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FEDERATED WINDOWS & DOORS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2007**

DIRECTORS

P W Johnson
J Chamberlain
D P Edwards
N Holding
B P McCabe

SECRETARY

R A Smith

REGISTERED OFFICE:

126 -136 Green Lane
Old Swan
Liverpool
Merseyside
L13 7ED

REGISTERED NUMBER:

267731 (England and Wales)

AUDITORS

Styles & Co Accountants Limited
Registered Auditors
Heather House
473 Warrington Road
Culcheth
Warrington
Cheshire
WA3 5QU

BANKERS

HSBC Bank plc
4 Dale Street
Liverpool
Merseyside
L69 2BZ

FEDERATED WINDOWS & DOORS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2007

The directors present their report with the financial statements of the company for the year ended 31 March 2007

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design, manufacture and installation of metal windows and doors

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements

DIVIDENDS

No interim dividends were paid during the year ended 31 March 2007 (2006 - £nil)

In 2006, final dividends of 84 211p per share were paid on the ordinary £1 shares in issue

The directors have agreed final dividends per share as follows

| | |
|---|-----|
| Ordinary £1 shares | NIL |
| Cumulative 10% preference shares £1 shares | NIL |

The total distribution of dividends for the year ended 31 March 2007 will be £nil (2006 - £90,000)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2006 to the date of this report

P W Johnson
J Chamberlain
D P Edwards
N Holding
B P McCabe

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

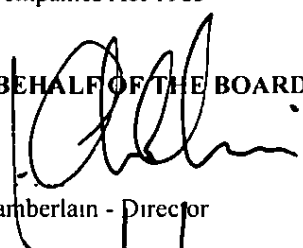
FEDERATED WINDOWS & DOORS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2007**

AUDITORS

The auditors, Styles & Co Accountants Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD


J Chamberlain - Director

Date

10/12/07

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FEDERATED WINDOWS & DOORS LIMITED**

We have audited the financial statements of Federated Windows & Doors Limited for the year ended 31 March 2007 on pages six to twelve. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

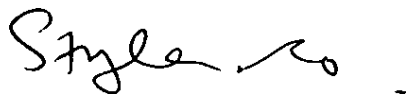
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
FEDERATED WINDOWS & DOORS LIMITED**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Styles & Co Accountants Limited
Registered Auditors
Heather House
473 Warrington Road
Culcheth
Warrington
Cheshire
WA3 5QU

Date 10/12/2007

FEDERATED WINDOWS & DOORS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2007**

| | Notes | 31 3 07 £ | 31 3 06 £ |
|--|-------|----------------------|----------------------|
| TURNOVER | | 3,306,739 | 3,851,501 |
| Cost of sales | | <u>(2,294,685)</u> | <u>(2,552,460)</u> |
| GROSS PROFIT | | 1,012,054 | 1,299,041 |
| Distribution costs | | (52,680) | (54,469) |
| Administrative expenses | | <u>(956,707)</u> | <u>(1,165,289)</u> |
| | | 2,667 | 79,283 |
| Other operating income | | <u>12,000</u> | <u>12,053</u> |
| OPERATING PROFIT | 2 | 14,667 | 91,336 |
| Interest receivable and similar income | 3 | <u>8,876</u> | <u>8,118</u> |
| | | 23,543 | 99,454 |
| Interest payable and similar charges | | <u>-</u> | <u>(4,179)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 23,543 | 95,275 |
| Tax on profit on ordinary activities | 4 | <u>(3,966)</u> | <u>(4,616)</u> |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | <u>19,577</u> | <u>90,659</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

FEDERATED WINDOWS & DOORS LIMITED

**BALANCE SHEET
31 MARCH 2007**


| | Notes | 31.3.07 £ | 31.3.06 £ |
|--|-------|----------------|----------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 37,625 | 51,040 |
| Investments | 7 | - | - |
| | | <u>37,625</u> | <u>51,040</u> |
| CURRENT ASSETS | | | |
| Stocks | 8 | 559,679 | 536,479 |
| Debtors | 9 | 148,123 | 189,946 |
| Cash at bank and in hand | | 27,891 | 191,728 |
| | | <u>735,693</u> | <u>918,153</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | (360,800) | (576,252) |
| NET CURRENT ASSETS | | <u>374,893</u> | <u>341,901</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>412,518</u> | <u>392,941</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 146,875 | 146,875 |
| Share premium | 13 | 113,075 | 113,075 |
| Profit and loss account | 13 | 152,568 | 132,991 |
| SHAREHOLDERS' FUNDS | 17 | <u>412,518</u> | <u>392,941</u> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board of Directors on its behalf by

7/12/07

and were signed on


J Chamberlain - Director

The notes form part of these financial statements

FEDERATED WINDOWS & DOORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

| | |
|-------------------------|--|
| Plant and machinery etc | - 33% on reducing balance and 20% on reducing balance |
|-------------------------|--|

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. No provision for deferred taxation is necessary in these financial statements due to the availability of trading losses

Stocks and work in progress

Raw materials are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Factory work in progress is valued at the lower of cost and net realisable value. Cost includes all production overheads, depreciation, and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal. Long-term contract work in progress is valued at current selling price less payments received on account.

Pensions

The company makes contributions to the Rea Windows Pension Scheme, a money purchase scheme, and to a Norwich Union Stakeholder Pension Scheme. The assets of both schemes are held separately from the assets of the company. Pension contributions are charged to the profit and loss account as they become payable.

2 OPERATING PROFIT

The operating profit is stated after charging

| | 31.3.07 | 31.3.06 |
|--|----------------|----------------|
| | £ | £ |
| Depreciation - owned assets | 15,348 | 17,826 |
| Loss on disposal of fixed assets | 1,517 | 308 |
| Auditors' remuneration | 18,500 | 18,550 |
| Pension costs | 35,829 | 30,649 |
| Operating lease - rent | <u>111,000</u> | <u>111,000</u> |
| | <u>178,368</u> | <u>229,356</u> |
| Directors' emoluments and other benefits etc | <u>178,368</u> | <u>229,356</u> |

The number of directors to whom retirement benefits were accruing was as follows

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>5</u> | <u>5</u> |
|------------------------|----------|----------|

3 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 31.3.07 | 31.3.06 |
|--------------------------|--------------|--------------|
| | £ | £ |
| Deposit account interest | <u>8,876</u> | <u>8,118</u> |

FEDERATED WINDOWS & DOORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

4 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

| | | |
|--------------------------------------|----------------|----------------|
| | 31.3 07 | 31 3 06 |
| | £ | £ |
| Current tax | | |
| UK corporation tax | 3,966 | 3,822 |
| Prior year underprovision | - | 794 |
| | <hr/> | <hr/> |
| Tax on profit on ordinary activities | 3,966 | 4,616 |
| | <hr/> | <hr/> |

5 DIVIDENDS

| | | |
|----------------------------|----------------|----------------|
| | 31.3.07 | 31 3 06 |
| | £ | £ |
| Ordinary shares of £1 each | | |
| Final | - | 90,000 |
| | <hr/> | <hr/> |

6 TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|--------------------------------------|--|---------------------------------|---------------------|
| COST | | | | |
| At 1 April 2006 | 327,020 | 173,004 | 27,545 | 527,569 |
| Additions | 501 | 4,149 | - | 4,650 |
| Disposals | - | - | (16,050) | (16,050) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2007 | 327,521 | 177,153 | 11,495 | 516,169 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| DEPRECIATION | | | | |
| At 1 April 2006 | 305,960 | 149,284 | 21,285 | 476,529 |
| Charge for year | 4,447 | 8,408 | 2,493 | 15,348 |
| Eliminated on disposal | - | - | (13,333) | (13,333) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2007 | 310,407 | 157,692 | 10,445 | 478,544 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | | |
| At 31 March 2007 | 17,114 | 19,461 | 1,050 | 37,625 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2006 | 21,060 | 23,720 | 6,260 | 51,040 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

FEDERATED WINDOWS & DOORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

7 FIXED ASSET INVESTMENTS

The company's investments at the balance sheet date in the share capital of companies include the following

Secco Profiles Limited

Nature of business Promotes window systems in the UK and Ireland

| | |
|-----------------|---------|
| | % |
| Class of shares | holding |
| Ordinary shares | 100 00 |

| | |
|--------------------------|--------------------------|
| 31.3 07 | 31 3 06 |
| £ | £ |
| 1,318 | 1,318 |
| <u><u> </u></u> | <u><u> </u></u> |

Aggregate capital and reserves

Rea Metal Windows Limited

Nature of business Dormant

| | |
|-----------------|---------|
| | % |
| Class of shares | holding |
| Ordinary shares | 100 00 |

| | |
|--------------------------|--------------------------|
| 31 3.07 | 31 3 06 |
| £ | £ |
| 2 | 2 |
| <u><u> </u></u> | <u><u> </u></u> |

Aggregate capital and reserves

Monk Metal Windows Limited

Nature of business Dormant

| | |
|-----------------|---------|
| | % |
| Class of shares | holding |
| Ordinary shares | 100 00 |

The cost of the shares held in the subsidiary companies has been fully written off

Group financial statements are not required as the group headed by Etna Street Investments Limited qualifies as a small sized group, and therefore is exempt from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking only.

8 STOCKS

| | | |
|-------------------------------------|------------------------------|------------------------------|
| | 31.3 07 | 31 3 06 |
| | £ | £ |
| Raw materials | 177,650 | 177,081 |
| Work-in-progress | 45,576 | 64,091 |
| Long term contract work in progress | 1,845,448 | 2,370,118 |
| Payments on account | (1,508,995) | (2,074,811) |
| | <u><u>559,679</u></u> | <u><u>536,479</u></u> |

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | | |
|---------------|------------------------------|------------------------------|
| | 31.3.07 | 31 3 06 |
| | £ | £ |
| Trade debtors | 130,587 | 169,998 |
| Prepayments | 17,536 | 19,948 |
| | <u><u>148,123</u></u> | <u><u>189,946</u></u> |

FEDERATED WINDOWS & DOORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2007**

10 CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR

| | | |
|------------------------------------|-----------------------|-----------------------|
| | 31.3.07 | 31 3 06 |
| | £ | £ |
| Trade creditors | 234,279 | 265,998 |
| Amounts owed to group undertakings | - | 90,000 |
| Tax | 3,966 | 4,638 |
| Social security and other taxes | 68,893 | 106,410 |
| Other creditors | 2,457 | 2,662 |
| Accrued expenses | 51,205 | 106,544 |
| | <u>360,800</u> | <u>576,252</u> |

11 SECURED DEBTS

There is an Unlimited Multilateral Company Guarantee dated 13 March 2001, including the other companies in the group, in favour of the company's bankers

12 CALLED UP SHARE CAPITAL

| Authorised Number | Class | Nominal value | 31.3.07 £ | 31 3 06 £ |
|----------------------|-------------------------------------|------------------|----------------------------|----------------------------|
| 160,000 | Ordinary | £1 | 160,000 | 160,000 |
| 40,000 | Cumulative 10% preference shares | £1 | 40,000 | 40,000 |
| | | | <u>200,000</u> | <u>200,000</u> |

| Allotted, issued and fully paid Number | Class | Nominal value | 31.3.07 £ | 31 3 06 £ |
|---|-------------------------------------|------------------|----------------------------|----------------------------|
| 106,875 | Ordinary | £1 | 106,875 | 106,875 |
| 40,000 | Cumulative 10% preference shares | £1 | 40,000 | 40,000 |
| | | | <u>146,875</u> | <u>146,875</u> |

13 RESERVES

| | Profit and loss account £ | Share premium £ | Totals £ |
|---------------------|--|--------------------------------|-----------------------|
| At 1 April 2006 | 132,991 | 113,075 | 246,066 |
| Profit for the year | 19,577 | | 19,577 |
| At 31 March 2007 | <u>152,568</u> | <u>113,075</u> | <u>265,643</u> |

FEDERATED WINDOWS & DOORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2007

14 PENSION COMMITMENTS

The company operates a defined contribution scheme administered by Norwich Union. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the funds and amounted to £26,262 (2006 - £20,714).

The company also operates a separate money purchase scheme. The pension cost charge represents contributions payable by the company to the funds and amounted to £9,567 (2006 - £9,935).

15 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Etna Street Investments Limited, a company incorporated in England.

16 RELATED PARTY DISCLOSURES

At 31 March 2007 an amount of £nil (2006 - £90,000) was due to the parent company, Etna Street Investments Limited.

During the year, rent was paid of £111,000 (2006 - £111,000) to the Rea Windows Pension Scheme, a scheme run for the benefit of the company's directors.

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 31.3.07 | 31.3.06 |
|-------------------------------------|---------|----------|
| | £ | £ |
| Profit for the financial year | 19,577 | 90,659 |
| Dividends | - | (90,000) |
| Net addition to shareholders' funds | 19,577 | 659 |
| Opening shareholders' funds | 392,941 | 392,282 |
| Closing shareholders' funds | 412,518 | 392,941 |

18 PREPARATION OF FINANCIAL STATEMENTS

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and to assist with the preparation of the financial statements, and to provide tax advice and to represent us, as necessary, at tax tribunals.