

Company Number: 00339277

Chantrey Vellacott DFK

**NICHOLLS & CLARKE
GLASS LIMITED**

**Financial statements
31 December 1998**



NICHOLLS & CLARKE GLASS LIMITED

Directors' Report for the year ended 31 December 1998

The directors present their report and financial statements for the year ended 31 December 1998 which were approved on 19 April 1999.

Review of the business

The principal activity of the company was the sale and distribution of glass and glass related products.

The results for the year were satisfactory. The directors have confidence in the future of the company.

Dividends

The directors recommend the payment of a dividend of £510,000 (1997 - £300,000).

Directors

The directors who served during the year were:

K.S.A. Forbes (Chairman)
S.A. Forbes, B.A. (Hons) (Managing Director)
R.D. Knight, A.C.I.S.

The director retiring by rotation in accordance with the articles of association is Mr S A Forbes who, being eligible, offers himself for re-election.

Directors' interests

The directors had no interest in the shares of the company throughout the year. The interests of K.S.A. Forbes, S.A. Forbes, and R.D. Knight in the parent company are given in the directors' report of that company.

Directors' responsibilities

Company law requires the directors to prepare financial statements 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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.

NICHOLLS & CLARKE GLASS LIMITED

Directors' Report for the year ended 31 December 1998

Millennium

All of the company's critical computer systems are now Year 2000 compliant with the remainder of localised ancillary software being upgraded at this time. The company continues to press its customers and suppliers to confirm their preparedness and whilst the directors are confident that Year 2000 compliance for all business processes can be achieved, they recognise that the company is reliant upon its suppliers to confirm their state of readiness.

Auditors

A resolution concerning the reappointment of Chantrey Vellacott DFK as auditors will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

R.D. KNIGHT



Secretary

Date: 19 April 1999

Chantrey Vellacott DFK

NICHOLLS & CLARKE GLASS LIMITED**Auditors' Report to the Members of Nicholls & Clarke Glass Limited**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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 affairs of the company at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CHANTREY VELLACOTT DFK



Chartered Accountants
Registered Auditors

LONDON

Date: 19 April 1999

NICHOLLS & CLARKE GLASS LIMITED

Profit and loss account for the year ended 31 December 1998

	Notes	1998 £	1997 £
Turnover	2	13,550,544	13,485,422
Cost of sales		<u>(7,874,600)</u>	<u>(8,538,472)</u>
Gross profit		5,675,944	4,946,950
Distribution and selling costs		<u>(3,185,559)</u>	<u>(2,505,145)</u>
Administrative expenses		<u>(1,633,014)</u>	<u>(1,875,834)</u>
Profit on ordinary activities before taxation	3	857,371	565,971
Tax on profit on ordinary activities	4	<u>(277,606)</u>	<u>(181,023)</u>
Profit on ordinary activities after taxation		579,765	384,948
Dividends		<u>(510,000)</u>	<u>(300,000)</u>
Retained profit for the year	11	<u>69,765</u>	<u>84,948</u>

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

The notes on pages 6 to 10 form part of these financial statements.

NICHOLLS & CLARKE GLASS LIMITED

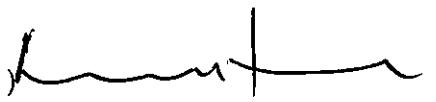
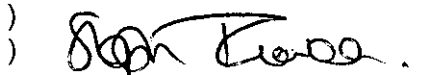
Balance sheet as at 31 December 1998

	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	5	<u>944,452</u>	<u>922,319</u>
Current assets			
Stocks	6	653,571	564,923
Debtors	7	5,134,713	3,947,679
Cash in hand		2,474	870
		<u>5,790,758</u>	<u>4,513,472</u>
Creditors: amounts falling due within one year	8	5,985,801	4,966,147
Proposed dividend		510,000	300,000
		<u>6,495,801</u>	<u>5,266,147</u>
Net current liabilities		<u>(705,043)</u>	<u>(752,675)</u>
Net assets		<u>239,409</u>	<u>169,644</u>
Capital and reserves			
Called up share capital	9	1,500	1,500
Profit and loss account	11	237,909	168,144
Shareholders' funds	12	<u>239,409</u>	<u>169,644</u>

Approved by the Board of Directors on 19 April 1999

K.S.A. FORBES

S.A. FORBES


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) Directors
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The notes on pages 6 to 10 form part of these financial statements.

NICHOLLS & CLARKE GLASS LIMITED

Notes to the financial statements For the year ended 31 December 1998

1. Accounting policies

a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

b) Depreciation of tangible fixed assets

Depreciation is charged on tangible fixed assets so as to write off their full cost, less estimated residual values, over their expected useful lives at the following rates:-

Leasehold improvements	- 4 - 25% of cost per annum
Plant and machinery	- 5 - 20% of cost per annum
Equipment	- 10 - 25% of cost per annum
Motor vehicles	- 15 - 25% of cost per annum

c) Stocks

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

d) Taxation

Deferred taxation is provided under the liability method in respect of all timing differences between profits as computed for taxation purposes and the profit as stated in the financial statements to the extent that it is probable that a liability or asset will crystallise. The rate of tax is that which is expected to be applied when the liability or asset is expected to crystallise.

e) Leasing

Rentals payable on assets held under operating leases are charged to revenue as incurred.

f) Pensions

The company provides a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions to this scheme are charged to the profit and loss account as they become payable.

2. Turnover

Turnover represents the amount invoiced for goods sold during the year and is exclusive of VAT. All sales were to the United Kingdom market and were of glass and glass related products.

NICHOLLS & CLARKE GLASS LIMITED

Notes to the financial statements For the year ended 31 December 1998

3.	Profit on ordinary activities before taxation	1998	1997
		£	£
a)	Profit on ordinary activities is stated after charging/(crediting):		
	Directors' emoluments	-	1,166
	Depreciation	241,823	210,546
	Auditors' remuneration	20,000	20,000
	Operating lease rentals of land and buildings	304,849	334,613
	Operating lease rentals on motor cars and equipment	124,000	81,772
	Profit on sale of tangible fixed assets	(450)	(1,987)
		<u> </u>	<u> </u>
b)	Directors' emoluments		
	Fees	-	1,166
		<u> </u>	<u> </u>

The directors received remuneration from other group companies for their services to those companies.

	1998	1997
	£	£
c) Employee information (including directors)		
Employee costs during the year were:		
Wages and salaries	2,114,199	1,835,554
Social security costs	188,225	150,386
Other pension costs	12,334	15,556
	<hr/>	<hr/>
	2,314,758	2,001,496
	<hr/>	<hr/>
	1998	1997
		Number

The average number of persons employed during the year was:

Selling and distribution	108	87
Administration	31	27
	<u>139</u>	<u>114</u>

d) Operating lease commitments in the year ended 31 December 1999

	£
Operating lease rentals payable on land and buildings:	
On leases expiring between 2000 and 2003	92,200
On leases expiring after 2003	120,000
	<u> </u>

NICHOLLS & CLARKE GLASS LIMITED

Notes to the financial statements For the year ended 31 December 1998

4.	Tax on profit on ordinary activities	1998	1997
		£	£
	Overprovision in prior years	(1,394)	-
	Corporation tax for the year at 31% (1997 – 31.5%)	279,000	181,023
		277,606	181,023

5.	Tangible fixed assets		Plant, machinery and equipment	Motor vehicles	Total
		Leasehold improvements	£	£	£
	Cost				
	At 1 January 1998	263,590	876,517	636,142	1,776,249
	Additions	64,859	129,204	65,349	259,412
	Disposals	-	-	(7,600)	(7,600)
	Transfers to group undertakings	-	(986)	-	(986)
	Transfers from group undertakings	-	-	10,665	10,665
	At 31 December 1998	328,449	1,004,735	704,556	2,037,740
	Depreciation				
	At 1 January 1998	63,832	325,658	464,440	853,930
	Charge for the year	16,021	100,984	124,818	241,823
	Disposals	-	-	(7,600)	(7,600)
	Transfer to group undertakings	-	(198)	-	(198)
	Transfers from group undertakings	-	-	5,333	5,333
	At 31 December 1998	79,853	426,444	586,991	1,093,288
	Net book value				
	At 31 December 1998	248,596	578,291	117,565	944,452
	At 31 December 1997	199,758	550,859	171,702	922,319

6. Stocks

Stocks consist solely of goods for resale.

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Notes to the financial statements For the year ended 31 December 1998

7.	Debtors	1998	1997
		£	£
	Trade debtors	3,096,080	2,764,205
	Amounts owed by group undertakings	1,904,809	1,016,092
	Prepayments	133,824	167,382
		<u>5,134,713</u>	<u>3,947,679</u>
8.	Creditors: amounts falling due within one year	1998	1997
		£	£
	Trade creditors	1,511,402	805,940
	Bank overdraft	143,141	520,196
	Amounts owed to group undertakings	3,826,883	3,257,816
	Corporation tax	199,609	85,000
	Other taxes and social security costs	156,133	162,371
	Accruals	148,633	108,801
	Group relief creditor	-	26,023
		<u>5,985,801</u>	<u>4,966,147</u>
9.	Called up share capital	1998	1997
		£	£
	Authorised, allotted and fully paid Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

10. **Contingent liabilities**

The company participates in a group registration for VAT purposes and whilst each company takes up its own liability this company is contingently liable for the unpaid VAT of all other group companies. That contingency amounted to £Nil at 31 December 1998 (1997 - £207,865). In addition the company has entered into an unlimited cross guarantee in favour of National Westminster Bank plc in respect of borrowings from the bank by other group companies. The contingent liability in respect of this at 31 December 1998 was £2,607,922 (1997 - £1,959,643).

NICHOLLS & CLARKE GLASS LIMITED

Notes to the financial statements For the year ended 31 December 1998

11.	Profit and loss account	1998	1997
		£	£
	At 1 January 1998	168,144	83,196
	Retained profit for the year	69,765	84,948
		<hr/>	<hr/>
	At 31 December 1998	237,909	168,144
		<hr/>	<hr/>
12.	Reconciliation of movement in shareholders' funds	1998	1997
		£	£
	Profit for the financial year	579,765	384,948
	Dividends	(510,000)	(300,000)
		<hr/>	<hr/>
	Net addition to shareholders' funds	69,765	84,948
	Opening shareholders' funds	169,644	84,696
		<hr/>	<hr/>
	Closing shareholders' funds	239,409	169,644
		<hr/>	<hr/>
13.	Ultimate parent company		
	The ultimate parent company is Nicholls & Clarke Limited, which is registered in England.		