

Company Registration Number 0339277

SATURDAY



\*AF50YAAC\*

A39

30/05/2009

332

COMPANIES HOUSE

Nicholls & Clarke Glass Limited

Financial statements

31 December 2008

**Nicholls & Clarke Glass Limited**

**Financial statements**

**Year ended 31 December 2008**

---

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report to the shareholders	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

---

## **Nicholls & Clarke Glass Limited**

### **Officers and professional advisers**

---

**The board of directors**

K S A Forbes  
S A Forbes, B.A. (Hons)  
D I Forbes  
R D Knight, F.C.I.S.

**Company secretary**

R D Knight

**Registered office**

41-51 Freshwater Road  
Chadwell Heath  
Romford  
Essex  
RM8 1SP

**Auditor**

Chantrey Vellacott DFK LLP  
Chartered Accountants  
Registered Auditor  
Russell Square House  
10 - 12 Russell Square  
London  
WC1B 5LF

## **Nicholls & Clarke Glass Limited**

### **Directors' report**

**Year ended 31 December 2008**

---

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 December 2008.

#### **Principal activities and business review**

The principal activity of the company during the year was manufacturer, distributor and retailer of building materials

The results for the year were satisfactory having regard to trading conditions. The directors have confidence in the future of the company.

The company is a wholly owned subsidiary of Nicholls and Clarke Limited.

As shown in the company's profit and loss account on page 7, the company's sales are in line with prior year and the balance sheet on page 8 of the financial statements shows the company's net financial position at the year end has improved.

There are no significant events since the balance sheet date.

The Nicholls and Clarke Limited group manages its operations on a branch basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the company is discussed further in the group's annual report which does not form part of this report.

#### **Principal risks and uncertainties**

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers. The directors believe the company faces no other material risks or uncertainties.

The key risks faced by the group along with how they are mitigated are discussed in the group's Annual Report which does not form part of this Report.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £698,732. Particulars of dividends paid are detailed in note 6 to the financial statements.

The directors have paid a dividend of £250,000 for the year ended 31 December 2008 (2007: £1,300,000)

#### **Directors**

The directors who served the company during the year were as follows:

K S A Forbes  
S A Forbes, B.A. (Hons)  
D I Forbes  
R D Knight, F.C.I.S.

The Director retiring by rotation in accordance with the Articles of Association is Mr.K.S.A. Forbes who being eligible offers himself for re-election.

**Nicholls & Clarke Glass Limited**

**Directors' report *(continued)***

**Year ended 31 December 2008**

---

**Auditor**

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'R D Knight', with a long horizontal stroke extending to the right.

R D Knight  
Company Secretary

Approved by the directors on 14 May 2009

## **Nicholls & Clarke Glass Limited**

### **Statement of directors' responsibilities**

**Year ended 31 December 2008**

---

The directors are responsible for preparing the annual report and 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 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.

Insofar as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Nicholls & Clarke Glass Limited**

### **Independent auditor's report to the shareholders of Nicholls & Clarke Glass Limited**

**Year ended 31 December 2008**

---

We have audited the financial statements of Nicholls & Clarke Glass Limited for the year ended 31 December 2008 which comprise the profit and loss account, balance sheet and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

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 in the statement of directors' responsibilities.

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 directors' report 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 directors' report 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.

**Nicholls & Clarke Glass Limited**

**Independent auditor's report to the shareholders of Nicholls & Clarke Glass Limited**  
*(continued)*

**Year ended 31 December 2008**

---

**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 December 2008 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 directors' report is consistent with the financial statements.

*Chantrey Vellacott DFK LLP*

CHANTREY VELLACOTT DFK LLP

Chartered Accountants

Registered Auditor

London

14 May 2009



**Nicholls & Clarke Glass Limited****Profit and loss account****Year ended 31 December 2008**

---

	Note	2008 £	2007 £
Turnover	2	23,554,492	23,697,312
Cost of sales		14,977,021	14,800,085
Gross profit		8,577,471	8,897,227
Distribution costs		2,007,452	1,744,138
Administrative expenses		5,583,203	5,069,179
Profit on ordinary activities before taxation		986,816	2,083,910
Tax on profit on ordinary activities	5	288,084	627,900
Profit for the financial year		698,732	1,456,010

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

There is no difference between the profits shown above and their historical cost equivalents.

---

The notes on pages 9 to 15 form part of these financial statements.

---

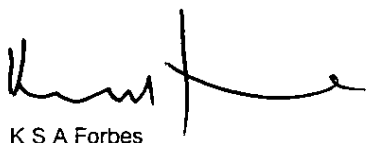
# Nicholls & Clarke Glass Limited

## Balance sheet


As at 31 December 2008

	Note	2008 £	2007 £
<b>Fixed assets</b>			
Tangible assets	7	2,248,192	2,441,061
Investments	8	4,750	4,750
		<u>2,252,942</u>	<u>2,445,811</u>
<b>Current assets</b>			
Stocks	9	1,507,435	1,493,293
Debtors	10	6,270,345	6,529,159
Cash at bank and in hand		770	44,440
		<u>7,778,550</u>	<u>8,066,892</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>8,819,276</u>	<u>9,724,388</u>
<b>Net current liabilities</b>		<u>(1,040,726)</u>	<u>(1,657,496)</u>
<b>Total assets less current liabilities</b>		<u>1,212,216</u>	<u>788,315</u>
<b>Provisions for liabilities</b>			
Deferred taxation	12	176,265	201,096
		<u>1,035,951</u>	<u>587,219</u>
<b>Capital and reserves</b>			
Called up equity share capital	15	1,500	1,500
Profit and loss account	16	1,034,451	585,719
<b>Shareholders' funds</b>	17	<u>1,035,951</u>	<u>587,219</u>

These financial statements were approved by the directors and authorised for issue on 14 May 2009, and are signed on their behalf by:



K S A Forbes



S A Forbes, B.A. (Hons)

The notes on pages 9 to 15 form part of these financial statements.

# **Nicholls & Clarke Glass Limited**

## **Notes to the financial statements**

**Year ended 31 December 2008**

---

### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company is exempt from the obligation to prepare and deliver group accounts as it is included in the consolidated accounts of Nicholls & Clarke Limited.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

#### **Related parties transactions**

The company is a wholly owned subsidiary of Nicholls and Clarke Limited, the consolidated accounts of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the same group.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold property	- 4% - 25% of cost per annum
Plant and machinery	- 5% - 25% of cost per annum
Motor vehicles	- 15% - 25% of cost per annum

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### **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

Year ended 31 December 2008

---

### 3. Operating profit

Operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of owned fixed assets	519,322	488,708
Profit on disposal of fixed assets	(5,798)	(28,849)
Auditor's remuneration		
- as auditor	19,100	20,000
Operating lease costs:		
- Plant and equipment	169,673	159,681
- Property	439,448	698,195

### 4. Particulars of employees

The average number of staff, including executive directors, employed by the company during the financial year can be analysed as follows:

	2008 No	2007 No
Distribution	46	43
Administrative	166	169
	<u>212</u>	<u>212</u>

The aggregate payroll costs of the above were:

	2008 £	2007 £
Wages and salaries	4,429,071	4,276,554
Social security costs	403,908	393,809
Other pension costs	77,410	70,810
	<u>4,910,389</u>	<u>4,741,173</u>

**Nicholls & Clarke Glass Limited****Notes to the financial statements****Year ended 31 December 2008**

---

**5. Taxation on ordinary activities****(a) Analysis of charge in the year**

	2008 £	2007 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 28.50% (2007 - 30%)	312,915	607,749
Total current tax	312,915	607,749
Deferred tax:		
Origination and reversal of timing differences (note 12)		
Capital allowances	(24,831)	32,214
Effect of changed tax rate on opening balance	-	(12,063)
Total deferred tax (note 12)	(24,831)	20,151
Tax on profit on ordinary activities	288,084	627,900

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is at a higher rate than the standard rate of corporation tax in the UK of 28.50% (2007 - 30%).

	2008 £	2007 £
Profit on ordinary activities before taxation	986,816	2,083,910
Profit on ordinary activities multiplied by rate of tax	281,243	625,173
Expenses not deductible for tax purposes	3,558	7,479
Capital allowances for period in excess of depreciation	24,334	(28,126)
Depreciation on non-qualifying assets	3,780	3,223
Total current tax (note 5(a))	312,915	607,749

**6. Dividends****Equity dividends**

	2008 £	2007 £
Equity Dividend paid	250,000	1,300,000

# Nicholls & Clarke Glass Limited

## Notes to the financial statements

Year ended 31 December 2008

### 7. Tangible fixed assets

	Leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2008	591,011	3,633,420	1,296,946	5,521,377
Additions	2,217	202,550	121,870	326,637
Disposals	–	(41,508)	(76,521)	(118,029)
Transfers to fellow subsidiary	–	–	(17,016)	(17,016)
<b>At 31 December 2008</b>	<b>593,228</b>	<b>3,794,462</b>	<b>1,325,279</b>	<b>5,712,969</b>
<b>Depreciation</b>				
At 1 January 2008	258,784	1,933,093	888,439	3,080,316
Charge for the year	36,529	317,701	165,092	519,322
On disposals	–	(41,324)	(76,521)	(117,845)
Transfers to fellow subsidiary	–	–	(17,016)	(17,016)
<b>At 31 December 2008</b>	<b>295,313</b>	<b>2,209,470</b>	<b>959,994</b>	<b>3,464,777</b>
<b>Net book value</b>				
<b>At 31 December 2008</b>	<b>297,915</b>	<b>1,584,992</b>	<b>365,285</b>	<b>2,248,192</b>
At 31 December 2007	332,227	1,700,327	408,507	2,441,061

### 8. Investments

	£
<b>Cost</b>	
At 1 January 2008 and 31 December 2008	<u>4,750</u>
<b>Net book value</b>	
<b>At 31 December 2008 and 31 December 2007</b>	<u>4,750</u>

The investment relates to Treseburg s.r.o, a 100% subsidiary registered in the Czech Republic.

	Shareholders' funds £	Loss £
Treseburg s.r.o	(769,568)	(258,128)

# **Nicholls & Clarke Glass Limited**

## **Notes to the financial statements**

**Year ended 31 December 2008**

### **9. Stocks**

	2008	2007
	£	£
Finished goods	<u>1,507,435</u>	<u>1,493,293</u>

### **10. Debtors**

	2008	2007
	£	£
Trade debtors	4,180,345	4,628,794
Amounts owed by group undertakings	1,834,452	1,695,186
Other debtors	11,436	—
Prepayments and accrued income	<u>244,112</u>	<u>205,179</u>
	<u>6,270,345</u>	<u>6,529,159</u>

### **11. Creditors: amounts falling due within one year**

	2008	2007
	£	£
Overdrafts	212,772	—
Trade creditors	855,160	1,247,673
Amounts owed to group undertakings	7,070,782	7,660,115
Corporation tax	162,915	322,946
Other taxation and social security	246,324	196,649
Accruals and deferred income	<u>271,323</u>	<u>297,005</u>
	<u>8,819,276</u>	<u>9,724,388</u>

### **12. Deferred taxation**

The movement in the deferred taxation provision during the year was:

	2008	2007
	£	£
Provision brought forward	201,096	180,945
Profit and loss account movement arising during the year (note 5)	<u>(24,831)</u>	<u>20,151</u>
Provision carried forward	<u>176,265</u>	<u>201,096</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2008	2007
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>176,265</u>	<u>201,096</u>
	<u>176,265</u>	<u>201,096</u>

# Nicholls & Clarke Glass Limited

## Notes to the financial statements

Year ended 31 December 2008

### 13. Commitments under operating leases

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as set out below.

	2008		2007	
	Land and buildings £	Other items £	Land and buildings £	Other items £
Operating leases which expire:				
Within one year	135,419	2,997	-	351
Within two to five years	-	53,104	296,000	49,167
After more than five years	181,648	-	181,648	-
	<u>317,067</u>	<u>56,101</u>	<u>477,648</u>	<u>49,518</u>

### 14. Contingencies

The company participates in a group registration for VAT purposes and, whilst the parent and each subsidiary takes up its own liability, this company is contingently liable for any unpaid VAT of all other group companies. That contingency amounted to £146,130 as at 31 December 2008 (2007 - £194,335).

The company has also entered into an unlimited 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 2008 was £35,260 (2007 - £894,088).

### 15. Share capital

#### Authorised share capital:

	2008 £	2007 £
1,500 Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

#### Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>

### 16. Profit and loss account

	2008 £	2007 £
Balance brought forward	585,719	429,709
Profit for the financial year	698,732	1,456,010
Equity dividends	(250,000)	(1,300,000)
Balance carried forward	<u>1,034,451</u>	<u>585,719</u>



# **Nicholls & Clarke Glass Limited**

## **Notes to the financial statements**

**Year ended 31 December 2008**

---

### **17. Reconciliation of movements in shareholders' funds**

	2008	2007
	£	£
Profit for the financial year	698,732	1,456,010
Equity dividends	(250,000)	(1,300,000)
Net addition to shareholders' funds	448,732	156,010
Opening shareholders' funds	587,219	431,209
Closing shareholders' funds	1,035,951	587,219

### **18. Ultimate parent company**

The ultimate parent company is Nicholls & Clarke Limited, which is registered in England and Wales.

The full set of consolidated financial statements can be obtained from the company's registered address:

41-51 Freshwater Road  
Chadwell Heath  
Romford  
Essex  
RM8 1SP  
UK