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**MIDLAND ALLOY WINDOWS CO. LIMITED**

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**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 2005**



  
**Clement Keys**  
CHARTERED ACCOUNTANTS

1-11-06  
251

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**MIDLAND ALLOY WINDOWS CO. LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO MIDLAND ALLOY WINDOWS CO. LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts of Midland Alloy Windows Co. Limited for the year ended 31 December 2005 set out on pages 2 to 7, together with the financial statements of the company for the year ended 31 December 2005 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

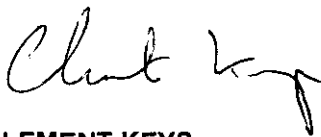
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 7 have been properly prepared in accordance with those provisions.



**CLEMENT KEYS**

Chartered Accountants  
Registered Auditors

39/40 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

10 October 2006

**MIDLAND ALLOY WINDOWS CO. LIMITED**

**ABBREVIATED BALANCE SHEET  
AS AT 31 DECEMBER 2005**

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	2	2,903,901	2,629,077
Fixed asset investments	3	100,000	100,000
		<u>3,003,901</u>	<u>2,729,077</u>
<b>CURRENT ASSETS</b>			
Debtors		547,392	179,317
Cash at bank		1,218,187	613,257
		<u>1,765,579</u>	<u>792,574</u>
<b>CREDITORS:</b> amounts falling due within one year		<u>(391,827)</u>	<u>(176,377)</u>
<b>NET CURRENT ASSETS</b>		<u>1,373,752</u>	<u>616,197</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,377,653</u>	<u>3,345,274</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred tax		<u>(283,958)</u>	<u>(268,319)</u>
<b>NET ASSETS</b>		<u>4,093,695</u>	<u>3,076,955</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	100	100
Revaluation reserve		1,195,145	1,195,145
Profit and loss account		2,898,450	1,881,710
<b>SHAREHOLDERS' FUNDS - All equity</b>		<u>4,093,695</u>	<u>3,076,955</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved and authorised for issue by the board and were signed on its behalf on 10 October 2006.



**P Beirne**  
Director



**M Beirne**  
Director

The notes on pages 3 to 7 form part of these financial statements.

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MIDLAND ALLOY WINDOWS CO. LIMITED

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NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2005

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of freehold land and in accordance with applicable accounting standards.

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

**1.2 Cash flow**

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

**1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

**1.4 Investments**

*Investments in subsidiaries are valued at cost less provision for impairment.*

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	2% straight line
Plant and equipment	-	15% straight line

**1.6 Revaluation of tangible fixed assets**

As permitted by the transitional provisions of FRS 15 Tangible Fixed Assets the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 December 1995 and will not update that valuation.

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**MIDLAND ALLOY WINDOWS CO. LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**1.8 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

**1.9 Pensions**

The company contributes to the personal pension plans of the directors.

**1.10 Investment properties**

Investment properties are included in the financial statements at open market value as valued by the company's directors in accordance with statement of standard accounting practise number 19 'Accounting for Investment Properties' and are not depreciated.

**1.11 Leasing**

Operating income is derived from investment properties. Income is credited to the profit and loss account on a straight line basis over the period of the lease.

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MIDLAND ALLOY WINDOWS CO. LIMITED

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NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2005

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1. ACCOUNTING POLICIES (continued)

1.12 Change of accounting policy

The company adopted the provisions of FRS 21 'Events after the balance sheet date' during the year by which final dividends proposed by the Board and unpaid at the end of the year are not recognised in the financial statements until they have been approved by the shareholders at the Annual General Meeting. Interim dividends are recognised when paid. This represents a change in accounting policy from that of recognising dividends for the year in which they are proposed. The previously reported figures at 31 December 2004 have been restated. This has resulted in the dividend balance being reduced to £Nil with a corresponding decrease in creditors due in less than one year. This change has resulted in shareholders funds as at 31 December 2004 increasing from £1,681,710 to £1,881,710.

2. TANGIBLE FIXED ASSETS

	£
<b>Cost or valuation</b>	
At 1 January 2005	2,667,399
Additions	281,211
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At 31 December 2005	2,948,610
<b>Depreciation</b>	
At 1 January 2005	38,322
Charge for the year	6,387
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At 31 December 2005	44,709
<b>Net book value</b>	
At 31 December 2005	2,903,901
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At 31 December 2004	2,629,077
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Included in land and buildings is freehold land at valuation of £1,733,726 (2004 - £1,733,726) with an original cost of £538,581 (2004 - £538,581). The freehold land is not depreciated.

The directors believe that the current open market value of freehold land and buildings does not differ materially from their carrying value.

3. FIXED ASSET INVESTMENTS

	£
<b>Cost or valuation</b>	
At 1 January 2005 and 31 December 2005	100,000
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MIDLAND ALLOY WINDOWS CO. LIMITED

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NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2005

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3. FIXED ASSET INVESTMENTS (continued)

**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

Midland Alloy Limited 100%

The aggregate of the share capital and reserves as at 31 December 2005 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Midland Alloy Limited	354,153	(369,723)

At 31 December 2005 the company held all of the issued ordinary share capital, 100,000 Ordinary shares of £1 each (2004: 100,000), in Midland Alloy Limited a company incorporated in Great Britain. The principal activity of Midland Alloy Limited is the specialist manufacture and design of curved metal components, frames and glazed assemblies using metal bending, stretchforming, machining, welding, finishing and fabrication. The company operates in Great Britain.

4. SHARE CAPITAL

	2005 £	2004 £
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

5. PRIOR YEAR ADJUSTMENT

The company adopted the provisions of FRS 21 'Events after the balance sheet date' during the year and as a result the previously reported figures at 31 December 2004 have been restated. This has resulted in the dividend balance being reduced to £Nil with a corresponding decrease in creditors due in less than one year of £200,000. These changes have resulted in shareholders funds increasing from £1,681,710 to £1,881,710.

6. CONTINGENT LIABILITIES

Midland Alloy Windows Co. Limited is party to a group VAT registration with subsidiary undertaking, Midland Alloy Limited. At 31 December 2005 Midland Alloy Limited had a liability to H M Revenue and Customs of £59,107 (2004 - £80,321).

7. PENSION COMMITMENTS

The company contributes to the personal pension plans of the two directors. The cost to the company for the year was £11,200 (2004 - £11,200).

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**MIDLAND ALLOY WINDOWS CO. LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2005**

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**8. RELATED PARTY TRANSACTIONS**

*During the year the company received management charges of £140,000 (2004 - £80,000) and rental charges of £83,600 (2004 - £82,780) from its subsidiary, Midland Alloy Limited. At the 31 December 2005 the company was owed £543,833 by Midland Alloy Limited (2004 - was due £172,169).*

**9. CONTROLLING PARTY**

For the purposes of reporting under Financial Reporting Standard 8 the company is controlled by the two directors, by virtue of them each owning 50% of the company's issued share capital.