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Directors' report and accounts

NUMBER ONE IN GLASS LIMITED  
(formerly Thermax Limited)

30 December 1990

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 ERNST & YOUNG

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Number One in Glass Limited will be held at Waverley, Edgerton Road, Huddersfield HD3 3AR on 8 April 1991 at 9.09 am for the following purposes;

ORDINARY BUSINESS

- 1 To receive the report of the directors and audited accounts together with the auditors report thereon, for the year ended 30 December 1990.
- 2 To re-elect the auditors.
- 3 To authorise the directors to fix the remuneration of the auditors.

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following ELECTIVE RESOLUTIONS:

- 4 THAT pursuant to Section 366 of the Companies Act 1985 the company hereby dispenses with the holding of annual general meetings in 1992 and in subsequent years until this authority is revoked.
- 5 THAT pursuant to Section 252 of the Companies Act 1985 the company hereby dispenses with the laying of accounts and reports before the company in general meetings.
- 6 That pursuant to Section 386 of the Companies Act 1985 the company dispenses with the requirements to re-elect auditors annually and to authorise the directors annually to fix the auditors' remuneration.
- 7 THAT pursuant to Section 369 and 378 of the Companies Act 1985 the provisions of said Sections 369 and 378 of that Act shall have effect in relation to the company as if for the references to 95 per cent, there were substituted references to 90 per cent.
- 8 THAT pursuant to Section 80A of the Companies Act 1985 the provisions of the said Section 80A of that Act shall apply instead of the provisions of Sections 80(4) and (5) in relation to the giving or renewal, after the passing of this elective resolution of an authority under the said Section 30 of that Act.

By order of the Board

J D Whitesmith  
Secretary

Greenfield Industrial Estate  
Tindaie Crescent  
Bishop Auckland  
Co Durham  
DL14 9TF

12 March 1991

NOTES

A member entitled to vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.

REPORT OF THE DIRECTORS

Directors: R E Hinchliffe (Chairman)  
M R Broadhead  
G Gascogine - appointed 1 March 1990  
K Moore - appointed 1 March 1990  
B Swinburne  
J D Whitesmith

Secretary: J D Whitesmith

Registered office: Greenfield Industrial Estate, Tindale Crescent, Bishop  
Auckland, Co Durham DL14 9TF

The directors submit their report and the audited accounts for the year ended 30 December 1990.

ACTIVITIES AND DEVELOPMENTS

The principal activities of the company continue to be the manufacture of toughened and printed glass products.

On 31 December 1990 the business and assets of the company were transferred to the immediate holding company Thermax Holdings Limited on which date that company changed its name to Thermax Limited. With effect from that date the company ceased to trade.

CHANGE OF NAME

On 31 December 1990 the company changed its name to Number One in Glass Limited.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 5. The directors paid an interim dividend of £900,000 and, after this dividend, £1,008,780 is to be added to reserves.

FIXED ASSETS

Movements in fixed assets are summarised in note 8 on page 10.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were those listed above and Mr G Dobson who resigned as a director on 7 April 1990.

The directors holding office at 31 December 1990 were also directors of the intermediate holding company Thermax Holdings Limited which changed its name to Thermax Limited on 30 December 1990, and their notifiable interests in the shares of the ultimate holding company, Heywood Williams Group PLC are dealt with in that company's directors' report.

REPORT OF THE DIRECTORS (continued)

EMPLOYMENT POLICIES

Employees are kept informed of the performance and objectives of the company through established management procedures and by the issue to each employee of a copy of the annual report and accounts and the interim report. In addition, the company distributes bi-annually to each employee the group employers publication "Intercom".

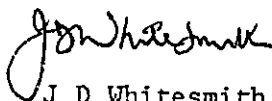
Heywood Williams Group PLC has a well established savings related share option scheme and employees of the company are encouraged to join the scheme as and when shares become available.

The company is committed to developing a safe and healthy working environment for all employees consistent with the requirements of the Health and Safety at Work Act. Within the constraints of health and safety, the company gives disabled people full and fair consideration for appropriate job vacancies.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and an elective resolution will be submitted at the annual general meeting to dispense with the requirement to appoint auditors annually.

ERNST & YOUNG



J D Whitesmith  
Secretary

6 March 1991

REPORT OF THE AUDITORS TO THE MEMBERS OF NUMBER ONE IN GLASS LIMITED (formerly Thermax Limited)

We have audited the accounts on pages 5 to 12 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 December 1990 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The accounts do not specify the manner in which the operations of the company have been financed or in which its financial resources have been used during the year as required by Statement of Standard Accounting Practice No 10.

*Ernst & Young*

Ernst & Young  
Chartered Accountants  
Newcastle upon Tyne

6 March 1991

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 DECEMBER 1990

	Note	1990 £	1989 £
TURNOVER	2	13,600,123	13,559,098
Cost of sales		<u>(8,765,630)</u>	<u>(8,791,023)</u>
GROSS PROFIT		4,834,493	4,768,075
Overheads less other income	3	<u>(1,608,608)</u>	<u>(1,636,303)</u>
OPERATING PROFIT	4	3,225,885	3,131,772
Interest	6	<u>(704,403)</u>	<u>(58,648)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,521,482	3,073,124
Taxation	7	<u>(612,702)</u>	<u>(1,053,746)</u>
PROFIT FOR THE FINANCIAL YEAR		1,908,780	2,019,378
Dividends: Interim		<u>(900,000)</u>	<u>(1,350,000)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>£1,008,780</u>	<u>£669,378</u>
STATEMENT OF RETAINED PROFITS			
Balance at 31 December 1989		2,435,277	1,765,899
Retained profit for the year		<u>1,008,780</u>	<u>669,378</u>
Balance at 30 December 1990		<u>£3,444,057</u>	<u>£2,435,277</u>

BALANCE SHEET - 30 DECEMBER 1990

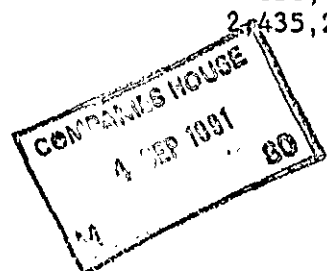
	Note	£	1990	£	£	1989	£
<b>FIXED ASSETS</b>							
Tangible assets	8	8,889,424			9,058,626		
Interests in subsidiary undertakings	9	100			100		
			8,889,534			9,058,726	
<b>CURRENT ASSETS</b>							
Stocks	10	562,100			480,205		
Debtors	11	2,683,322			2,874,954		
Cash at bank and in hand		3,286,492			4,542,646		
		6,531,914			7,897,805		
<b>CREDITORS - due within one year</b>							
Borrowings - amounts due to ultimate holding company		5,388,266			7,321,944		
Other creditors	12	3,957,635			4,468,076		
		9,345,901			11,790,020		
<b>NET CURRENT ASSETS</b>			(2,813,987)			(3,892,215)	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,075,547			5,166,511	
<b>CREDITORS - due after one year</b>							
Deferred taxation	13	950,119			1,003,135		
	14	891,371			938,099		
			(1,841,490)			(1,941,234)	
			£4,234,057			£3,225,277	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	15		440,000			440,000	
Share premium account			350,000			350,000	
Profit and loss account			3,444,057			2,435,277	
			£4,234,057			£3,225,277	

K Moore

Directors

J D Whitesmith

6 March 1991



NOTES ON THE ACCOUNTS - 30 DECEMBER 1990

1 ACCOUNTING POLICIES

a) Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Foreign currency translation

Items of income and expenditure denominated in foreign currencies are translated into sterling at the rate ruling at the date the transaction occurred. Assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the year end. Profits and losses arising on translation are dealt with in the profit and loss account.

c) Depreciation

Freehold buildings are depreciated on a straight line basis over 40 years from the date of acquisition. Freehold and long leasehold land is not depreciated.

Other fixed assets are depreciated on a straight line basis over their expected useful lives. Plant is depreciated over periods between 3 and 16 years as appropriate.

Government grants are deducted from the cost of tangible fixed assets and depreciation is calculated on the net cost.

d) Stocks

Stocks and work in progress are valued at the lower of cost, including appropriate overheads, and net realisable value.

e) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences which are not expected to continue in the future.

f) Pensions

The company, along with the holding company and other fellow subsidiary undertakings, operates pension schemes whose assets are independent of the group's finances. Those schemes which provide defined benefits based on employees' final pay are funded by contributions from the employees and from the company over the period of the employees' service at rates determined by independent triennial actuarial valuations. Contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives.

2 TURNOVER

Turnover represents the total amount, excluding sales taxes, receivable by the company for goods and services supplied during the year.



NOTES ON THE ACCOUNTS - 30 DECEMBER 1990

3 OVERHEADS LESS OTHER INCOME

	1990 £	1989 £
Distribution costs	542,734	471,949
Administration expenses	1,065,874	1,164,354
	<u>£1,608,608</u>	<u>£1,636,303</u>

4 OPERATING PROFIT is stated after charging/(crediting):

	1990 £	1989 £
Depreciation	656,456	496,292
Loss/(Gain) on disposal of tangible assets	9,505	(29,438)
Auditors' remuneration	8,850	7,650
Directors' remuneration (note 5)	468,233	211,525
Compensation for loss of office	39,000	-
Hire of plant and equipment	9,600	16,640
	<u></u>	<u></u>

5 DIRECTORS AND EMPLOYEES

	1990 £	1989 £
i) Employment costs		
Wages and salaries	3,222,682	2,918,110
Social security costs	28,011	263,272
Other pension costs	68,145	77,690
Compensation for loss of office	39,000	-
	<u>£3,357,838</u>	<u>£3,259,072</u>

ii) The average number of persons employed during the financial year was 265 (1989 - 252).

iii) Directors remuneration (excluding pension contributions)

	1990 £	1989 £
Chairman (1990 - since 7 April)	-	79,107
Highest paid director (1990 - Chairman until 7 April)	177,789	93,559

(formerly Thermax Limited)

NOTES ON THE ACCOUNTS - 30 DECEMBER 1990

5 DIRECTORS AND EMPLOYEES (continued)

Other directors	1990 Number	1989 Number
£ NIL - £5,000	1	2
£35,001 - £40,000	1	1
£40,001 - £45,000	1	-
£55,001 - £60,000	1	-
£90,001 - £95,000	-	1
£110,001 - £115,000	1	-

6 INTEREST

	1990 £	1989 £
Interest payable - borrowings repayable within 5 years External loans	(707,014)	(60,836)
Interest receivable	2,611	2,188
	<u>£(704,403)</u>	<u>£(58,648)</u>

7 TAXATION

	1990 £	1989 £
The charge based on the profit for the year comprises:		
UK Corporation tax at 35% (1989 - 35%)	658,480	702,495
Prior year adjustments	950	(19,490)
Deferred taxation	(46,728)	370,741
	<u>£612,702</u>	<u>£1,053,746</u>

The taxation charge for the year has been reduced by £10,418 (1989 - £12,684) as a result of accelerated capital allowances and other timing differences.

## NOTES ON THE ACCOUNTS - 30 DECEMBER 1990

## 8 TANGIBLE ASSETS

	Freehold land and buildings £	Plant, office equipment & vehicles £	Total £
COST			
At 31 December 1989	2,141,875	9,658,970	11,800,845
Additions	-	593,146	593,146
Disposals	-	(249,152)	(249,152)
At 30 December 1990	2,141,875	10,002,964	12,144,839
DEPRECIATION			
At 31 December 1989	184,668	2,557,551	2,742,219
Charge for year	49,999	606,457	656,456
Disposals	-	(143,270)	(143,270)
At 30 December 1990	234,667	3,020,738	3,255,405
NET BOOK VALUE			
At 30 December 1990	1,907,208	6,982,226	8,889,434
At 31 December 1989	1,957,207	7,101,419	9,058,626

## 9 INTERESTS IN SUBSIDIARY UNDERTAKING

	1990	1989
Shares in Interglass Limited at cost	£100	£100

The company owns the whole of the issued share capital of Interglass Limited, a company incorporated and registered in England, which has not traded during the year. Consolidated accounts have not been prepared as the company is itself a wholly-owned subsidiary undertaking of another company incorporated in England. In the opinion of the directors the value of the shares in Interglass Limited is not less than the amount at which they are stated in the balance sheet.

## 10 STOCKS

	1990 £	1989 £
Raw materials and consumables	486,178	431,273
Work in progress	64,225	40,063
Finished goods	11,697	8,869
	£562,100	£480,205

NOTES ON THE ACCOUNTS - 30 DECEMBER 1990

11 DEBTORS

	1990 £	1989 £
Trade debtors	2,553,356	2,258,238
Other debtors	35,114	43,036
Prepayments and accrued income	56,492	53,473
Amounts due from fellow subsidiaries	38,360	46,505
Other taxation	-	473,702
	<u>£2,683,322</u>	<u>£2,874,954</u>

All amounts shown under debtors fall due for payment with one year

12 OTHER CREDITORS - due within one year:

	1990 £	1989 £
Trade creditors	612,844	312,007
Amount due to holding company	2,484,477	2,444,524
Corporation tax	359,430	702,469
Other taxation and social security	208,339	65,307
Accruals and deferred taxation	284,839	941,369
Amount due to fellow subsidiaries	7,706	2,400
	<u>£3,957,635</u>	<u>£4,468,076</u>

13 CREDITORS - due after one year

Amount due to the ultimate holding company in respect of a long term liability payable in instalments of which £355,000 is due more than five years after the balance sheet date.

14 DEFERRED TAXATION

	1990 £	1989 £
Balance at 31 December 1989	938,099	567,358
(Released)/provided in year	<u>(46,728)</u>	<u>370,741</u>
Balance at 30 December 1990	<u>£891,371</u>	<u>£938,099</u>

	Full potential liability		Amount provided	
	1990 £	1989 £	1990 £	1989 £
Accelerated capital allowances	<u>£1,463,150</u>	<u>£1,227,577</u>	<u>£891,371</u>	<u>£938,099</u>

NOTES ON THE ACCOUNTS - 30 DECEMBER 1990

15 CALLED UP SHARE CAPITAL

	Authorised £	Issued and fully paid £
At 31 December 1989 and 30 December 1990		
Ordinary shares of £1 each	350,000	40,000
Deferred shares of £1 each	400,000	400,000
	<u>£750,000</u>	<u>£440,000</u>

16 CAPITAL COMMITMENTS

	1990 £	1989 £
Contracted	381,500	200,000
Authorised but not contracted	120,000	-
	<u>£501,500</u>	<u>£200,000</u>

17 CONTINGENCIES

The company, together with its holding company and certain fellow subsidiary undertakings, has given guarantees and rights of set off in respect of bank overdrafts and loans by companies within the Heywood Williams Group. At 30 December 1990 the amounts outstanding under these guarantees totalled £36,814,000 (1989-£21,515,000).

18 ULTIMATE HOLDING COMPANY

The parent company of the largest group of companies for which group accounts are drawn up and of which the company is a member is Heywood Williams Group PLC which is registered in England and Wales. Heywood Williams Group PLC is also the company's ultimate holding company.

19 COMMITMENTS TO PENSION FUND

The company is a member of the Heywood Williams Group pension scheme. This is a defined benefits pension scheme and the contributions are based on costs across the group as a whole. Particulars of the actuarial valuation of the scheme are contained in the accounts of Heywood Williams Group PLC.

20 POST BALANCE SHEET EVENT

On 31 December 1990 the company disposed of its trade and other assets including goodwill, at the amounts at which they were included in the balance sheet at that date, to Thermax Limited (formerly Thermax Holdings Limited) its immediate holding company.

NUMBER ONE IN GLASS LIMITED  
(formerly Thermax Limited)

OPERATING ACCOUNT  
YEAR ENDED 30 December 1990

	1990		1989	
	£	£	£	£
SALES				
External	13,314,393		13,404,690	
Group companies	<u>285,730</u>		<u>154,408</u>	
		13,600,123		13,559,098
COST OF SALES				
Direct materials	4,437,691		5,031,779	
Direct wages	2,103,048		1,787,981	
Production overheads	<u>1,687,208</u>		<u>1,583,481</u>	
		8,227,947		8,403,241
GROSS PROFIT		<u>5,372,176</u>		<u>5,155,857</u>
OVERHEADS				
Distribution	526,970		454,473	
Administration	910,657		1,045,937	
Depreciation	656,456		496,292	
Cash discounts	(30,292)		(92,617)	
Management charge	<u>82,500</u>		<u>120,000</u>	
		2,146,291		2,024,085
OPERATING PROFIT		<u>£3,225,885</u>		<u>£3,131,772</u>