Ultraframe (UK) Limited

Directors' report and financial statements

3 November 2006

Registered number 1765701

Directors' report and financial statements

Contents | *Page*

Directors' report

The directors present their annual report and the audited financial statements for the 57 week period ended 3rd November 2006 (2005 52 weeks ended 30 September 2005)

Principal activity and business review

The principal activity of the Company is the specialist design and manufacture of conservatory systems for domestic and light commercial applications

During the financial year the company continued to face intense competitive pressure and, consequently, turnover fell by 18% on an annualised basis The Directors, however, feel that the strategic actions taken during the year leave the business well placed to improve performance going forward

As a result the company made a loss before tax of £927,000 (2005 £1,107,000)

Key performance indicators are designed to indicate how the company performs on key ratios The company uses daily sales and gross margin percentage as the key performance indicators which are most appropriate Daily sales were behind the prior year as a result of competitive pressure Gross margin percentage also fell year on year, principally as a result of increased raw material inputs

The principle risks and uncertainties facing the company concern the value of the market for conservatories Whilst the Directors believe that the market has the potential to grow over the longer term, in the short term the value of the market is impacted upon by the impact of consumer confidence on the decision to purchase Rising interest rates and record levels of consumer debt adversely effected this confidence in the last year, subduing the value of the market

Market share can be gained via the conversion of competitors distributors to the company's product and the company actively attempts to do so Conversely competitors also attempt to gain market share in a similar manner The interaction of these factors on the company's sales revenues is a key determinant of the overall level of profitability

Proposed dividend

No final dividend is proposed to be paid (*2005 nil*)

Policy on payment of suppliers

It is the Company's policy to agree payment terms with suppliers when orders are placed Payments are made in accordance with these terms provided suppliers also comply with relevant terms and conditions The Company does not apply any particular code At the period end there were 42 days (*2005 51 days*) purchases in trade creditors

Employee involvement

The Company places great emphasis on consultation at all levels, where its policy is to encourage an open management style with frequent formal and informal discussions on all aspects of operations To achieve this the Company utilises its Joint Consultative Committee This Committee, which meets regularly, comprises elected representatives and members of the management team In addition, regular internal newsletters are distributed to employees by both electronic and traditional media

Directors' report *(continued)*

Employment of disabled people

The Company's policy and practice is to encourage and assist the employment of disabled people, their recruitment, training, career development and promotion and the retention of employees who become disabled The operation of this policy is reviewed regularly

Directors

The directors who held office during the period were as follows

NJ Brown	
LR Doughty	(resigned 31 March 2006)
DA Moore	(resigned 10 July 2006))
V Murray OBE	(resigned 10 July 2006)
M Price	
C Richardson	(resigned 10 July 2006)
AG Rothwell	(resigned 10 July 2006)
AWM Thomson	(resigned 27 October 2006, reappointed 16 November 2006)
DJ Wallis	
Mr H Samson	(appointed 16 November 2006, resigned 2 March 2007)
S Lees	(appointed 13 July 2006)
B Stock	(appointed 13 July 2006)
B Kennedy	(appointed 11 July 2006)
NG Hall	(appointed 5 March 2007)
PA Allen	(resigned 15 March 2006)

Political and charitable contributions

No political contributions were made during the period Donations to UK charities amounted to £2,178 (*2005 £3,781*)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information 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 to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' report *(continued)*

Auditors

KPMG Audit Plc resigned as auditors on 1 December 2006 and KPMG LLP were appointed to fill the casual vacancy arising In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board

D Wallis
Director

Enterprise Works
Salthill Road
CLITHEROE
Lancashire
BB7 1PE

30 August 2007

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 its financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the members of Ultraframe (UK) Limited

We have audited the financial statements of Ultraframe (UK) Limited for the period ended 3 November 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Note of Historical Cost Profits and Losses and the related notes 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 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 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4

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 judgments 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

Independent auditors' report to the members of Ultraframe (UK) Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 3 November 2006 and of its loss for the period 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

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

31 August 2007

Profit and loss account

for the 57 week period ended 3 November 2006

	Note	57 Week Period Ended 3 November 2006 £000	Year Ended 30 September 2005 £000
Turnover	*1,2*	**49,912**	54,588
Cost of sales		**(32,198)**	(32,286)
Gross profit		**17,714**	22,302
Distribution costs		**(3,374)**	(2,490)
Administrative expenses before exceptional items		**(15,199)**	(14,645)
Exceptional items	*4*	**(158)**	(6,228)
Administrative expenses		**(15,357)**	(20,873)
Operating loss		**(1,017)**	(1,061)
Interest receivable and similar income	*7*	**90**	51
Interest payable and similar charges	*8*	**-**	(7)
Loss on ordinary activities before taxation	*3*	**(927)**	(1,017)
Taxation on loss on ordinary activities	*9*	**524**	330
Loss on ordinary activities after taxation		**(403)**	(687)

All the above transactions relate to continuing operations

There were no other recognised gains or losses other than those shown in the profit and loss account for both the current and prior period

Statement of historical cost profits and losses

for the 57 week period ended 3 November 2006

	2006	2005
	£000	£000
Loss on ordinary activities before taxation	**(927)**	(1,017)
Difference between the historical cost depreciation charge and the actual depreciation charge for the period calculated on the revalued amount	**7**	7
Historical cost loss on ordinary activities before taxation	**(920)**	(1,010)
Historical cost loss for the period retained after taxation and dividends	**(396)**	(680)

Balance sheet
at 3 November 2006

	Note	3 November 2006 £000	3 November 2006 £000	30 September 2005 £000	30 September 2005 £000
Fixed assets					
Tangible assets	*10*		**15,831**		16,976
Current assets					
Stocks	*11*	**3,611**		4,672	
Debtors	*12*	**12,322**		12,041	
Cash at bank and in hand		**1,519**		2,121	
		17,452		18,834	
Creditors: amounts falling due within one year	*13*	**(13,451)**		(17,575)	
Net current assets			**4,001**		1,259
Total assets less current liabilities			**19,832**		18,235
Provisions for liabilities and charges	*14*		**(4,125)**		(2,125)
Net assets			**15,707**		16,110
Capital and reserves					
Called up share capital	*15*		**56**		56
Share premium account	*16*		**3,849**		3,849
Revaluation reserve	*16*		**222**		229
Profit and loss account	*16*		**11,580**		11,976
Equity shareholders' funds			**15,707**		16,110

These financial statements were approved by the board of directors on 30 August 2007 and were signed on its behalf by

D Wallis
Director

M Price
Director

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements In these financial statements the following new standards have been adopted for the first time

- FRS 21 'Events after the balance sheet date',
- the presentation requirements of FRS 25 'Financial instruments presentation and disclosure', and
- FRS 28 'Corresponding amounts'

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985

No restatements were required as a result of the adoption of these new policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, modified to include the revaluation of land and buildings The Company has applied the transitional rules contained in Financial Reporting Standard 15 to retain previous valuations as the basis on which certain of these assets are held

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the Company in its own published consolidated financial statements

The directors have taken advantage of the exemption contained in Financial Reporting Standard 8, paragraph 3© and have not disclosed related party transactions with group companies as it is a wholly owned subsidiary of Ultraframe Limited The consolidated financial statements of this company can be obtained from the address given in note 21

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation, less the estimated residual value, of tangible fixed assets by instalments over their estimated useful economic lives as follows

Freehold buildings	-	2% of cost
Plant and machinery	-	10% to 20% of cost
Motor vehicles	-	13% to 25% of cost
Fixtures and fittings	-	10% to 33% of cost

No depreciation is provided on freehold land and assets in the course of construction

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Notes *(continued)*

1 Accounting policies *(continued)*

Leases

Assets acquired under finance leases are capitalised and the outstanding future obligations are shown in creditors Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease

Pension costs

The Company contributes to employees' personal pension plans All contributions shown in the profit and loss account relate to contributions to personal pension plans Amounts are charged to the profit and loss account in the period in which the liability arises

Research and development expenditure

Expenditure on research and development is written off against profits in the period in which it is incurred

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value Net realisable value is the amount at which it is expected that items of stock and work in progress may be disposed of without giving rise to either profit or loss in the period of sale

Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required in Financial Reporting Standard 19

Turnover

Except as noted above in respect of contracts, all turnover is recognised on the despatch of goods Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third parties

Warranty provision

The Company monitors product warranty issues and, where necessary, establishes provisions to meet expected future costs based upon historic failure rates and/or technical assessments of likely failure rates in the populations at risk These estimates are reviewed each year The most significant factor affecting existing provisions is the estimated failure rate This provision is included within accruals

Notes *(continued)*

1 Accounting policies *(continued)*

Guarantees policy

The Company has not adopted amendments to FRS 26 in relation to financial guarantee contracts which will apply for periods commencing on or after 4 November 2006

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee

The Company does not expect the amendments to have any impact on the financial statements for the period commencing 4 November 2006

2 Analysis of turnover and loss on ordinary activities before taxation

	2006	2005
	£000	£000
By geographical market		
United Kingdom	**48,969**	53,701
Europe	**869**	802
Other	**74**	85
	49,912	54,588

Turnover represents sale of goods and services net of discounts and allowances and value added tax and originates from operations in the United Kingdom An analysis of loss before tax by class of business is not given as, in the opinion of the directors, the Company operated substantially one class of business during the period

Notes *(continued)*

3 Loss on ordinary activities before taxation

	2006 £000	2005 £000
Loss on ordinary activities before taxation is stated after charging		
Emoluments of the directors		
Remuneration as executives	**760**	804
Pension contributions	**48**	71
Operating lease rentals		
Plant and machinery	**324**	347
Other	**554**	469
Depreciation and other amounts written off tangible and intangible fixed assets	**2,733**	2,830
Research and development expenditure	**841**	971
Auditors' remuneration		
Audit of these financial statements	**42**	46

Amounts receivable by the Company's auditors in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required, instead, to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Ultraframe Limited

4 Exceptional items

	2006 £000	2005 £000
Litigation costs	**(3,576)**	(6,050)
Litigation damages receipt (net)	**3,558**	424
Restructuring costs	**(815)**	(602)
Property disposal	**675**	-
	(158)	(6,228)

Notes *(continued)*

4 Exceptional items *(continued)*

Ultraframe continuously and vigorously defends its intellectual property rights and legal rights generally and at any one time there are a number of legal cases being pursued All legal costs are fully expensed in the profit and loss account as they are incurred

Burnden

As previously reported, Ultraframe has a major legal case currently ongoing, arising from the alleged infringement of intellectual property rights owned by Ultraframe's wholly owned subsidiaries Northstar Limited ("Northstar") and Seaquest Limited ("Seaquest")

A High Court hearing to determine any reimbursement of costs for the respective parties took place in October 2005 The judge ruled that Ultraframe may be required to pay a proportion of Burnden's costs, and indicated an interim award in the region of £2,125,000, such payment would only be made upon the final outcome of the appeal process, should it find in Burnden's favour

This appeal was held in 2006 and the interim payment of costs was reduced by the Court of Appeal to £1,189,000 The outcome of this appeal also detailed the methodology by which any costs settlement to Burnden and made other determinations which should significantly reduce the overall costs payable to Burnden A further costs assessment process is necessary to determine any further payment to Burnden In the meantime, on the grounds of accounting prudence, full provision has been made in the 2006 profit and loss account for a further award of £2,000,000 This has been charged as an operating exceptional item The Board, however, expect any final payment to Burnden to be significantly less than this

The duration and related cost of this complex UK legal case has exceeded initial estimates and the level of costs specifically incurred on this case is significantly higher than the normal run rate of legal expenses Accordingly, directly attributable costs incurred on this case amounting to £1,576,000 have also been similarly treated as abnormal by size, incidence and materiality in the period under review and have been charged to the profit and loss account by way of an operating exceptional item

Eurocell

In June 2005, the Court of Appeal ruled that Ultraframe's patent rights and design rights in the Ultralite 500 roofing technology and the Ultralite 500 system had been infringed by Eurocell In light of this decision, Ultraframe applied to the Court for reimbursement of its legal costs and for a substantial multi-million pound damages award The infringing product produced by Eurocell has also been withdrawn from the market Ultraframe were awarded interim damages of £800,000 and incurred directly attributable costs of £376,000 in the prior year A hearing to determine the remaining damages payable to Ultraframe took place in March 2006 Ultraframe were awarded damages and recovered net costs of £3,558,000 Eurocell did not seek further appeal and the case is now closed

5 Remuneration of directors

The emoluments, excluding pension contributions, of the highest paid director were £204,830 (*2005 £224,700*) and the Company made pension contributions of £12,458 (*2005 £21,000*) Retirement benefits are accruing to six directors under money purchase schemes (*2005 9 directors*), see also note 3

Notes *(continued)*

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows

	2006 No	2005 No
Manufacturing	**296**	371
Administration	**182**	209
	478	580

The aggregate payroll costs of these persons were as follows

	2006 £000	2005 £000
Wages and salaries	**11,802**	13,114
Social security costs	**1,136**	1,170
Other pension costs (see note 20)	**363**	337
	13,301	14,621

7 Interest receivable and similar income

	2006 £000	2005 £000
On cash deposits	**35**	51
Inland Revenue	**26**	-
Exchange gain	**29**	-
	90	51

8 Interest payable and similar charges

	2006 £000	2005 £000
On bank loans and overdrafts	-	1
Exchange loss	-	6
	-	7

Notes *(continued)*

9 Taxation

Analysis of (credit)/ charge in period

	2006 £000	2005 £000
Current tax		
UK corporation tax on profits for the period	**1,537**	754
Adjustment in respect of previous periods	**(100)**	(125)
Total current tax	**1,437**	629
Deferred tax		
Origination and reversal of timing differences	**(1,961)**	(959)
Taxation on (loss)/profit on ordinary activities	**(524)**	(330)

The current tax charge for the year is higher (2005 higher) than the standard rate of corporation tax in the UK The differences are explained below

	2006 £000	2005 £000
Loss on ordinary activities before taxation	**(927)**	(1,017)
UK corporation tax on the loss for the period on ordinary activities at 30% *(2005 30%)*	**(278)**	(305)
Effects of		
Expenses not deductible for tax purposes	**3**	21
Qualifying depreciation in excess of capital allownces	**691**	410
Profit on sale of qualifying fixed assets	**(160)**	-
Capital items expensed	**11**	-
Movements in short term timing differences	**1,270**	628
Adjustments to tax charge in respect of previous periods	**(100)**	(125)
Current tax charge for period	**1,437**	629

On 21 March 2007, it was announced that the standard rate of corporation tax in the UK was to be changed to 28% and the capital allowance legislation impacting on the calculation of the deferred tax provision of the company will be introduced for tax periods arising on or after 1 April 2008 For the purposes of the financial statements for the period ended 3 November 2006, the standard rate of corporation tax and capital allowance legislation applicable prior to 31 March 2008 has been applied on the basis that these were enacted at 3 November 2006

Notes *(continued)*

10 Tangible fixed assets

	Freehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Assets under construction £000	Total £000
Cost or valuation						
At beginning of period	10,638	20,901	3,415	1,549	1,325	37,828
Additions	168	2,045	53	54	(392)	1,928
Disposals	(423)	(8)	-	(309)	-	(740)
At 3 November 2006	**10,383**	**22,938**	**3,468**	**1,294**	**933**	**39,016**
Depreciation						
At beginning of period	1,851	15,476	2,414	1,111	-	20,852
Charge for the period	219	2,033	324	157	-	2,733
Disposals	(95)	(8)	-	(297)	-	(400)
At 3 November 2006	**1,975**	**17,501**	**2,738**	**971**	**-**	**23,185**
Net book value						
At 3 November 2006	**8,408**	**5,437**	**730**	**323**	**933**	**15,831**
At 30 September 2005	8,787	5,425	1,001	438	1 325	16,976

Notes *(continued)*

10 Tangible fixed assets *(continued)*

The following information relates to assets carried at revalued amounts, which have been retained under the transitional provisions set out in FRS15

	2006	2005
	£000	£000
Freehold land and building		
At 1990 open market value	**1,540**	1,540
Aggregate depreciation thereon	**(492)**	(461)
Net book value	**1,048**	1,079
Historical cost of revalued assets	**1,211**	1,211
Aggregate depreciation based on historical costs	**(385)**	(361)
Historical cost net book value	**826**	850

Other tangible fixed assets, including additions subsequent to the revaluation of land and buildings, are included at cost

The gross book value of freehold land and buildings included £10,321 391 *(2005 £10,321,391)* of depreciable assets

11 Stocks

	2006	2005
	£000	£000
Raw materials and consumables	**3,316**	4,221
Work in progress	**295**	451
	3,611	4,672

12 Debtors

	2006	2005
	£000	£000
Trade debtors	**8,840**	10,208
Deferred taxation	**2,531**	570
Other debtors	**214**	450
Prepayments and accrued income	**737**	813
	12,322	12,041

Notes *(continued)*

12 Debtors *(Continued)*

The elements of deferred tax are as follows

	2006 £000	2005 £000
Difference between accumulated depreciation and amortisation and capital allowances	**371**	(320)
Short term and other timing differences	**2,160**	890
	2,531	570

13 Creditors: amounts falling due within one year

	2006 £000	2005 £000
Payments received in advance	**13**	33
Trade creditors	**5,976**	8,688
Amounts owed to parent undertaking	**2,583**	3,104
Amounts owed to fellow subsidiary undertaking	**1,641**	3,486
Corporation tax creditor	**1,537**	100
Other taxation and social security	**738**	1,691
Other creditors	**11**	111
Accruals and deferred income	**952**	362
	13,451	17 575

14 Provisions for liabilities and charges

	Litigation £000
At beginning of period	2,125
Charge for the period	2,000
At 3 November 2006	**4,125**

Notes *(continued)*

15 Called up share capital

	2006	2005
	£000	£000
Authorised		
Ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
Ordinary shares of £1 each	**56**	56

16 Reserves

	Share premium account	Revaluation reserve	Profit and loss account	Total
	£000	£000	£000	£000
At beginning of period	3,849	229	11,976	16,054
Loss for the financial period	-	-	(403)	(403)
Transfer to realised profits	-	(7)	7	-
At 3 November 2006	**3,849**	**222**	**11,580**	**15,651**

17 Reconciliation of movement in shareholders' funds

	2006	2005
	£000	£000
Shareholders' funds at beginning of period	**16,110**	16,797
(Loss) for the financial period	**(403)**	(687)
Closing shareholders' funds	**15,707**	16,110

18 Contingent liabilities

The Company's bankers have issued a guarantee in favour of Customs and Excise up to a limit of £160,000 *(2005 £160,000)* for payment of duties, taxes, levies and similar amounts The Company's bankers have recourse to the Company for recovery of this amount

The Company is party to banking facilities for certain members of the Latium Holdings Limited group of companies arranged by Halifax Bank Of Scotland Plc The Company and certain other members of the Latium Holdings Limited group of companies have provided security to Halifax Bank Of Scotland in the form of a fixed and floating charge and an unlimited intercompany composite cross guarantee as part of these arrangements At 3 November 2006, the total bank debt outstanding was £49,348,585 (*2005 £23,962,000*)

Notes *(continued)*

19 Commitments

(a) Capital commitments

	2006	2005
	£000	£000
Contracted	-	203

(b) Annual commitments under non-cancellable operating leases are as follows

	2006		2005	
	Land and buildings	**Other**	Land and buildings	Other
	£000	**£000**	£000	£000
Operating leases which expire				
In the second to fifth years inclusive	**164**	**297**	260	303
In more than five years	**180**	**-**	183	-
	344	**297**	443	303

20 Pension scheme

The Company contributes to employee personal pension plans All contributions shown in the profit and loss account relate to contributions to personal pension plans Amounts are charged to the profit and loss account in the period in which the liability arises and amounted to £362,871 *(2005 £336,675)* of which £nil *(2005 £nil)* is included in accruals at the period end

21 Ultimate parent company

The Company is a subsidiary undertaking of Ultraframe Limited (formally Ultraframe plc), which is registered in England and Wales The largest group in which the results of the Company are consolidated is that headed by Ultraframe Limited, however, the directors regard Latium Holdings Limited as ultimate parent company and controlling party

On 14 November 2006 Latium Holdings Limited was acquired by Latium Plastics Holdings Limited, from this date Latium Plastics Holdings Limited became the company's ultimate parent company

The consolidated accounts of Ultraframe Limited are available to the public and may be obtained from the Company Secretary, Enterprise Works, Salthill Road, Clitheroe, Lancashire, BB7 1PE