Ultraframe (UK) Limited

Directors' report and financial statements

Registered number 1765701

For the year ended 31 October 2010

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 October 2010

Principal activities

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

Results and dividends

During the year the Company made a profit before tax of £814,000 *(2009 £162,000)*

No final dividend is proposed *(2009 nil)*

Business Review

During the financial year the company continued to face difficult market conditions Despite this turnover grew 2% above the prior year and the gross margin percentage improved to 44% *(2009 42%)* Further cost reduction plans and efficiency programmes meant that operating profit improved to £899,000 *(2009 loss of £658,000)* The directors feel that the strategic actions taken during the year have positioned the business well for the future as the economy continues to recover

Turnover of £29,658,000 was generated from the sale of conservatory roofing component and complete roof kits and associated products and accessories These sales are made in the UK and across Europe A total of 272 *(2009 267)* staff are employed by the group and it bears all associated employment costs The following unusual costs were incurred during the period restructuring costs of £287,000 and legal costs in relation to litigation of £30,000

Analysis of KPI's

Key performance indicators are designed to indicate how the company performs on key ratios The company uses daily sales, gross margin percentage and cash flows as the key performance indicators which are most appropriate The interaction of these factors on the company's sales revenues and margins are key and determine the overall level of profitability

Key risks and uncertainties

The principal risks facing the company concern the macro economic environment and the value of the market for conservatories Whilst the directors believe that the market will recover in the longer term, in the short term the value of the market continues to be impacted by consumer confidence The slow upturn from recession and the resulting impact on the financial and housing markets continues to adversely affect this confidence, depressing the value of the market

The company continues to manage its cost base in line with activity and is investing to introduce new value adding products into its current markets and entering into new markets, to manage risk

Research and development

The Company commits sufficient resources to research and development to ensure that it maintains its competitive position in the market

Directors' report *(continued)*

Directors

The directors who held office during the period were as follows

M Price (resigned 15th June 2010)
AWM Thomson
B Malone (appointed 31st March 2010)
S Lees (resigned 10th February 2010)
I Thomson
SJ Halford
SE Howitt

Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

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 49 days (*2009 53 days*) of 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 of elected representatives and members of the management team In addition, regular internal newsletters are distributed to employees by both electronic and traditional media

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

Political and charitable contributions

No political contributions were made during the period Donations to UK charities amounted to £1,325 (*2009 £2,148*)

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

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be re-appointed and KPMG LLP will therefore continue in office

By order of the board

I Thomson
Director

Enterprise Works
Salthill Road
Clitheroe
Lancashire
BB7 1PE

25 February 2011

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 (see note 1)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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 year ended 31 October 2010 set out on pages 6 to 19 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members to those matters we are required to state to them in an 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 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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/UKNP

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31st October 2010 and of the its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG Audit LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

28 February 2011

Profit and loss account
for the year ended 31 October 2010

	Note	Year ended 31 October 2010 £000	Year ended 31 October 2010 £000	Year ended 31 October 2009 £000	Year ended 31 October 2009 £000
Turnover	*1,2*		**29,658**		28,994
Cost of sales			**(16,562)**		(16,840)
Gross profit			**13,096**		12,154
Distribution costs			**(2,380)**		(2,403)
Administrative expenses					
Normal		**(9,500)**		(9,836)	
Exceptional	*4*	**(317)**		(573)	
			(9,817)		(10,409)
Operating profit/(loss)			**899**		(658)
Profit on disposal of fixed assets			**-**		4
Interest receivable and similar income	*7*		**52**		907
Interest payable and similar charges	*8*		**(137)**		(91)
Profit on ordinary activities before taxation	*3*		**814**		162
Taxation on profit on ordinary activities	*9*		**(159)**		(28)
Profit on ordinary activities after taxation			**655**		134

All amounts relate to continuing operations

The company had no recognised gains or losses other than those included within the profit and loss account above

Therefore, no separate statement of total recognised gains and losses has been prepared

The notes on pages 8 to 19 form part of the financial statements

Balance Sheet
as at 31 October 2010

	Note	31 October 2010 £000	31 October 2010 £000	31 October 2009 £000	31 October 2009 £000
Fixed assets					
Tangible assets	*10*		**4,799**		6,227
Intangible assets	*11*		**1,750**		-
Investment in subsidiaries	*12*		**-**		150
			6,549		6,377
Current assets					
Stocks	*13*	**2,125**		1,860	
Debtors	*14*	**11,842**		10,353	
Deferred tax asset	*15*	**3,750**		3,909	
Cash at bank and in hand		**-**		-	
		17,717		16,122	
Creditors: amounts falling due within one year	*16*	**(11,671)**		(10,106)	
Net current assets			**6,046**		6,016
Total assets less current liabilities			**12,595**		12,393
Creditors. amounts falling due after more than one year	*17*		**-**		(134)
Provisions for liabilities and charges	*18*		**(181)**		(500)
Net assets			**12,414**		11,759
Capital and reserves					
Called up share capital	*20*		**2,515**		2,515
Share premium account	*21*		**3,849**		3,849
Profit and loss account	*21*		**6,050**		5,395
Equity shareholders' funds			**12,414**		11,759

The notes on pages 8 to 19 form part of the financial statements

These financial statements were approved by the board of directors on 25 February 2011 and were signed on its behalf by

I Thomson
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

Basis of preparation

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

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements These financial statements present information about the Company as an individual undertaking and not about its group

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 3c and have not disclosed related party transactions with group companies as it is a wholly owned subsidiary of Latium Roofing Systems Limited The consolidated financial statements of this company can be obtained from the address given in note 26

The financial statements have been prepared on the going concern basis The directors believe this to be appropriate for the following reasons

On 8 July 2010, the company's parent undertaking, Latium Roofing Systems ('LRS') entered into new funding arrangements with its existing lender ('BOS') These arrangements consist of

- a bank loan of £0 2m from Bank of Scotland ('BOS'), which is due for repayment in monthly instalments to March 2011,
- a group overdraft facility of £5 5m, made available by BOS to the Company for use by the company and its subsidiaries, and
- a term loan of £8 6m, which matures in October 2014

The overdraft facility has been made available on the basis of certain financial covenants These covenants were complied with in the year to 31 October 2010, and have subsequently been complied with throughout the period to signing these accounts The next scheduled review date for the overdraft facility is July 2011

To support the renegotiation process the directors prepared detailed profit and cash flow forecasts for the LRS Group, including the Company, for the period to October 2014 These forecasts indicate that the current financial covenants will be met in the forthcoming year Based upon these forecasts, and current trading, the directors are satisfied that, for the foreseeable future, each company within the LRS Group can meet its working capital requirements and satisfy its funding liabilities within the facilities currently available to it

The directors have further considered a number of sensitised forecasts to reflect the inherent uncertainty in the current economic climate The directors are satisfied that on the stressed base case forecast there is sufficient flexibility in the overhead cost base and discretional spend to enable the Group, including the Company, to meet its working capital requirements and satisfy its funding liabilities

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation in respect of acquisitions since 1 January 1998 is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life

Notes *(continued)*

1 Accounting policies *(continued)*

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

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

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost

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

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 to the profit and loss account in the year in which it is incurred Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed Developments costs are amortised over 5 years

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 profit 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 treatments 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

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

Notes *(continued)*

1 Accounting policies *(continued)*

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

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Guarantees policy

The Company has not adopted amendments to FRS 26 in relation to financial guarantee contracts which applied 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

2 Analysis of turnover

	Year ended 31 October 2010 £000	Year ended 31 October 2009 £000
By geographical market		
United Kingdom	**28,814**	28,124
Europe	**799**	858
Other	**45**	12
	29,658	28,994

The analysis of profit before ordinary taxation by activity has not been given as in the opinion of the directors such disclosure would be severely prejudicial to the interest of the Group

Notes *(continued)*

3 Profit on ordinary activities before taxation

	Year ended 31 October 2010 £000	Year ended 31 October 2009 £000
Profit on ordinary activities before taxation is stated after charging		
Emoluments of the directors		
Remuneration as executives	**636**	643
Pension contributions	**57**	49
Auditors' remuneration		
Audit of these financial statements	**30**	24
Operating lease rentals		
Plant and machinery	**100**	89
Other	**940**	992
Depreciation and other amounts written off tangible fixed assets	**1,229**	1,511
Amortisation and other amounts written off intangible fixed assets	**172**	-
Amortisation of goodwill	**92**	-
Research and development expenditure	**96**	96
Amounts written off investments	**150**	-

4 Exceptional items

	Year ended 31 October 2010 £000	Year ended 31 October 2009 £000
Litigation	**30**	15
Restructuring costs	**287**	558
	317	573

5 Remuneration of directors

The emoluments, excluding pension contributions, of the highest paid director were £115,000 (*2009 £180,000*) and the Company made pension contributions to him of £10,000 (*2009 £15,000*) Retirement benefits are accruing to five directors under money purchase schemes (*2009 six directors*)

Notes *(contınued)*

6 Staff numbers and costs

The average number of persons employed by the Company (ıncludıng dırectors) durıng the perıod, analysed by category, was as follows

	Year ended 31 October 2010 No	Year ended 31 October 2009 No
Manufacturıng	**145**	148
Admınıstratıon	**127**	119
	272	267

The aggregate payroll costs of these persons were as follows

	Year ended 31 October 2010 £000	Year ended 31 October 2009 £000
Wages and salarıes	**6,404**	6,201
Socıal securıty costs	**571**	570
Other pensıon costs (see note 25)	**211**	215
	7,186	6,986

7 Interest receivable and sımılar income

	Year ended 31 October 2009 £000	Year ended 31 October 2009 £000
On cash deposıts	**-**	11
Exchange gaın	**52**	896
	52	907

8 Interest payable and sımılar charges

	2010 £000	2009 £000
On bank loans and overdrafts	**137**	91
	137	91

Notes *(continued)*

9 Taxation

(a) Analysis of credit in period

	2010 £000	2009 £000
Current tax		
UK corporation tax on profits for the period	-	-
Adjustment in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	159	28
Adjustment in respect of previous periods	-	-
Effect of change in tax rate on opening balances	-	-
Taxation on Profit/ (Loss) on ordinary activities	159	28

(b) Factors affecting the tax charge for the period

	2010 £000	2009 £000
Profit on ordinary activities before taxation	814	162
UK corporation tax on the profit for the period on ordinary activities at 28% *(2009 28%)*	228	45
Effects of		
Expenses not deductible for tax purposes	23	48
Qualifying depreciation in excess of capital allowances	(36)	(109)
Profit on sale of qualifying fixed assets	-	(1)
Unrelieved trading losses	230	231
Movements in short term timing differences	(393)	(214)
Adjustments to tax charge in respect of previous periods	(52)	-
Current tax charge for period	-	-

The emergency budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011 The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011 This will reduce the company's future current tax charge accordingly

Notes *(continued)*

10 Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Assets under construction £000	**Total £000**
Cost or valuation					
At beginning of period	26,405	3,213	647	1,518	31,783
Additions	1,021	40	15	(243)	833
Re-classification (note 11)	-	-	-	(1,032)	(1,032)
At 31 October 2010	**27,426**	**3,253**	**662**	**243**	**31,584**
Depreciation					
At beginning of period	22,037	2,943	576	-	25,556
Charge for the period	1,119	83	27	-	1,229
At 31 October 2010	**23,156**	**3,026**	**603**	-	**26,785**
Net book value					
At 31 October 2010	**4,270**	**227**	**59**	**243**	**4,799**
At 31 October 2009	4,368	270	71	1,518	6,227

11 Intangible fixed assets

	Development costs	Goodwill £000	**Total £000**
Cost			
At 31 October 2009	-	-	-
Additions	506	476	982
Re-classification (note 10)	1,032	-	1,032
At 31 October 2010	1,538	476	**2,014**
Amortisation			
At 31 October 2009	-	-	-
Charge for the period	172	92	264
At 31 October 2010	172	92	**264**
Net book value			
At 31 October 2010	**1,366**	**384**	**1,750**
At 31 October 2009	-	-	-

Notes *(continued)*

12 Investments

	Shares in Group Undertaking £000	**Total £000**
Cost		
At beginning of period	150	150
Additions	-	-
At end of year	**150**	**150**
Provisions		
At beginning of period	-	-
Amortisation	(150)	(150)
At end of year	**(150)**	**(150)**
Net book value		
At 31 October 2010	-	-
At 31 October 2009	150	150

The principal company in which the Company's interest at the year end is more than 20% are as follows

Subsidiary undertakings	**Country of incorporation**	**Principal activity**	**Class and percentage of shares held**
Ultraframe Composites Limited	England	Trading Company	Ordinary 70%

13 Stocks

	2010 £000	2009 £000
Raw materials and consumables	**1,867**	1,704
Work in progress	**258**	156
	2,125	1,860

Notes *(continued)*

14 Debtors

	2010 £000	2009 £000
Trade debtors	**5,638**	5,575
Amounts owed by group undertakings	**2,964**	1,960
Amounts owed by related party	**2,850**	2,381
Prepayments and accrued income	**384**	427
Other debtors	**6**	10
	11,842	10,353

15 Deferred tax asset

The elements of deferred tax are as follows

	2010 £000	2009 £000
Difference between accumulated depreciation and amortisation and capital allowances	**368**	363
Short term and other timing differences	**269**	663
Losses and other deductions	**3,113**	2,883
	3,750	3,909

Management are satisfied that the deferred tax asset is recoverable based on their detailed forecasts of future trading

16 Creditors: amounts falling due within one year

	2010 £000	2009 £000
Bank overdraft	**1,295**	255
Bank loan due within one year	**13**	118
Payments received in advance	**6**	8
Trade creditors	**5,243**	4,698
Amounts owed to fellow subsidiary undertaking	**3,486**	3,486
Other taxation and social security	**1,002**	413
Other creditors	**30**	-
Accruals and deferred income	**596**	1,128
	11,671	10,106

Notes *(continued)*

17 Creditors: amounts falling due after more than one year

	2010	2009
	£000	£000
Bank loans	-	134
	-	134

18 Provisions for liabilities and charges

	Dilapidations	**Total**
	£000	**£000**
At beginning of period	500	500
Utilised during the period	(46)	(46)
Released during the period	(273)	(273)
At 31 October 2010	181	**181**

19 Acquisitions

On 23 March 2010 the company acquired certain trade and assets of TNCC UK Ltd in relation to sales of roof products Details of the net assets acquired are as follows,

	Book value and fair value
	£000
Net assets at acquisition	-
Consideration – wavier of debt	(476)
Goodwill (see note 11)	476

The resulting goodwill was capitalised and will be written off over 5 years The reasons for selecting that period are due to the nature of assets acquired

Notes *(continued)*

20 Called up share capital

	2010	2009
	£000	£000
Authorised		
Ordinary shares of £1 each	**2,600**	2,600
Allotted, called up and fully paid		
Ordinary shares of £1 each	**2,515**	2,515

21 Reserves

	Share premium account	Profit and Loss Account	**Total**
	£000	£000	**£000**
At beginning of period	3,849	5,395	9,244
Profit for the financial period	-	655	655
At 31 October 2010	**3,849**	**6,050**	**9,899**

22 Reconciliation of movement in shareholders' funds

	2010	2009
	£000	£000
Shareholders' funds at beginning of period	**11,759**	10,947
Profit for the financial period	**655**	134
Contribution from parent	**-**	678
Closing shareholders' funds	**12,414**	11,759

23 Contingent liabilities

The Company's bankers have issued a guarantee in favour of Customs and Excise up to a limit of £160,000 *(2009 £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 Roofing Systems group of companies arranged by Halifax Bank Of Scotland Plc The Company and certain other members of the Latium Roofing Systems 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 31 October 2010 the total bank debt outstanding was £13,632,239 (*2009 £13,827,501*) Further details are set out in note 1

Notes *(continued)*

24 Commitments

Annual commitments under non-cancellable operating leases are as follows.

	2010		2009	
	Land and buildings	**Other**	Land and buildings	Other
	£000	**£000**	£000	£000
Operating Lease expires within a year	**800**	**-**	-	-
Operating Leases which expire in the second to fifth years inclusive	**-**	**67**	889	192
	800	**67**	889	192

25 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 £211,000 *(2009 £215,000)* of which £nil (*2009 £nil*) is included in accruals at the period end

26 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a subsidiary undertaking of Latium Roofing Systems Limited registered in England and Wales

The largest group in which the results of the company are incorporated is that headed by Latium Plastics Enterprises Limited, the ultimate parent company, incorporated in England The smallest group in which the accounts are consolidated are those of Latium Roofing Systems Limited

The consolidated financial statements of Latium Roofing Systems Limited are available to the public and may be obtained from the Company Secretary, Enterprise Works, Salthill Rd, Clitheroe, BB7 1PE

The consolidated financial statements of Latium Plastics Enterprises Limited are available to the public and may be obtained from the Company Secretary, Bow Chambers, 8 Tib Lane, Manchester, M2 4JB