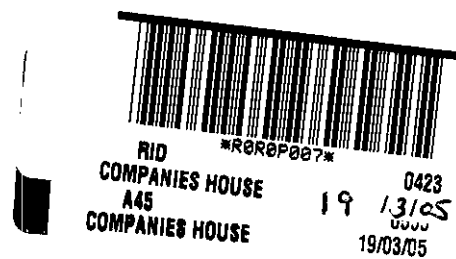


2025098

A G Glass & Glazing Limited

Report and Financial Statements

31 December 2004



A G Glass & Glazing Limited

Registered No: 02025098

Directors

G K Day
A Day
P Sutton
J W Spiby
J Anderson

Secretary

P Sutton

Auditors

Ernst & Young LLP
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

Bankers

National Westminster Bank
8 Market Place
Huddersfield
HD1 2AL

Solicitors

Nelson & Co
St. Andrew's House
St. Andrew's Street
Leeds
LS3 1LF

Registered office

A G House
Wentworth Business Park
Maple Road
Tannersley
Barnsley
S75 3DL

Directors' report

The directors present their report and financial statements for the year ended 31 December 2004.

Results and dividends

The profit for the year, after taxation, amounted to £731,856. The directors recommend a final ordinary dividend amounting to £164,943, making the total of ordinary dividends of £664,943 for the year.

Principal activities and review of the business

The principal activity of the company during the year continued to be the manufacture of double glazed sealed units.

The directors consider the results to be satisfactory.

Directors and their interests

The directors at 31 December 2004 and their interests in the share capital of the company were as follows:

	<i>Class of share</i>	<i>At 31 December 2004</i>	<i>At 1 January 2004 or subsequent date of appointment</i>
G K Day	Ordinary A shares	10,000	10,000
A Day	Ordinary A shares	10,000	10,000
P Sutton	Ordinary A shares	—	—
J W Spiby	Ordinary A shares	—	—
J Anderson (appointed 28 July 2004)	Ordinary A shares	—	—

In addition, the following who served as directors of the company resigned during the year:
M Wild (retired 28 July 2004)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the board



P Sutton
Director
17 March 2005

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of A G Glass & Glazing Limited

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Statement of Cash Flows and the related notes 1 to 22. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's 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 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

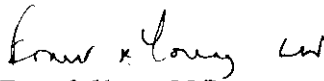
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of A G Glass & Glazing Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Leeds

17 March 2005

Profit and loss account

for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	2	13,064,385	12,060,357
Cost of sales		8,138,522	7,723,123
Gross profit		4,925,863	4,337,234
Distribution costs		783,104	727,656
Administrative expenses		3,069,864	2,157,071
Operating profit	3/4	1,072,895	1,452,507
Interest payable and similar charges	7	28,232	52,051
Profit on ordinary activities before taxation		1,044,663	1,400,456
Tax on profit on ordinary activities	8	312,807	461,744
Profit on ordinary activities after taxation		731,856	938,712
Dividends:			
ordinary dividends on equity shares	9	664,943	600,000
Profit retained for the financial year		66,913	338,712

Statement of total recognised gains and losses

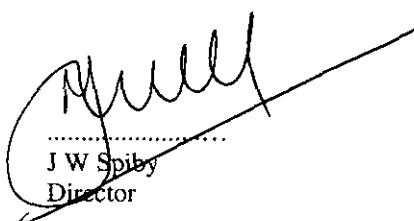
There are no recognised gains or losses other than the profit of £731,856 attributable to the shareholders for the year ended 31 December 2004 (2003 - profit of £938,712).

Balance sheet

at 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	10	1,933,486	2,089,190
Current assets			
Stocks	11	697,304	558,165
Debtors	12	2,022,035	2,069,355
Cash in hand		11	982
		2,719,350	2,628,502
Creditors: amounts falling due within one year	13	2,466,535	2,401,556
Net current assets		252,815	226,946
Total assets less current liabilities		2,186,301	2,316,136
Creditors: amounts falling due after more than one year	14	85,331	288,998
Provisions for liabilities and charges			
Deferred taxation	8	257,098	250,179
		1,843,872	1,776,959
Capital and reserves			
Called up share capital	19	30,770	30,770
Share premium account	20	89,230	89,230
Profit and loss account	20	1,723,872	1,656,959
Equity shareholders' funds	20	1,843,872	1,776,959

ERNST & YOUNG


 J W Spiby
 Director

17 March 2005

Statement of cash flows

for the year ended 31 December 2004

	Notes	2004 £	2003 £
Net cash inflow from operating activities	21(a)	1,437,249	1,062,770
Returns on investments and servicing of finance	21(b)	(28,232)	(52,051)
Taxation	21(c)	(392,389)	(216,179)
Capital expenditure and financial investment	21(d)	(231,959)	(203,438)
Equity dividends paid		(500,000)	(600,000)
Financing	21(e)	(203,667)	(203,671)
Increase/(decrease) in cash		<u>81,002</u>	<u>(212,569)</u>

Reconciliation of net cash flow to movement in net debt

		2004 £	2003 £
Increase/(decrease) in cash		81,002	(212,569)
Cash outflow from decrease in bank loans		<u>203,667</u>	<u>203,671</u>
		<u>284,669</u>	<u>(8,898)</u>
Change in net debt	21(f)	284,669	(8,898)
Net debt at 1 January	21(f)	<u>(746,382)</u>	<u>(737,484)</u>
Net debt at 31 December	21(f)	<u>(461,713)</u>	<u>(746,382)</u>

Notes to the financial statements

at 31 December 2004

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Improvements to leasehold property	- over 3-10 years
Leasehold property	- over the lease term
Plant & machinery	- over 3-10 years
Office equipment	- over 3-10 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	- purchase cost on a first-in, first-out basis.
Work in progress and finished goods	- cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2004

1. Accounting policies (continued)

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties during the year.

Turnover is attributable to one continuing activity, the manufacture of glazed sealed units. All turnover is attributable to UK sales.

3. Operating profit

This is stated after charging/(crediting):

	2004 £	2003 £
Auditors' remuneration - audit services	10,500	8,500
- non-audit services	3,950	2,300
Depreciation of owned fixed assets	387,808	431,180
Profit on disposal of fixed assets	(145)	(73)
Operating lease rentals - land and buildings	240,330	259,352
- plant and machinery	206,803	149,491

Notes to the financial statements

at 31 December 2004

4. Exceptional items

	2004 £	2003 £
Recognised in arriving at operating profit:		
Bad Debt Write-off	(864,760)	—
Recognised below operating profit:		

5. Staff costs

	2004 £	2003 £
Wages and salaries	3,515,042	3,207,587
Social security costs	328,896	293,709
Other pension costs (note 15)	95,066	95,066
	<u>3,939,004</u>	<u>3,596,362</u>

The monthly average number of employees during the year was as follows:

	2004 No.	2003 No.
Distribution staff	151	142
Administrative staff	37	39
	<u>188</u>	<u>181</u>

6. Directors' emoluments

	2004 £	2003 £
Emoluments	<u>351,160</u>	<u>316,206</u>
Value of company pension contributions to money purchase schemes	<u>95,066</u>	<u>95,066</u>

	2004 No.	2003 No.
Members of money purchase pension schemes	<u>2</u>	<u>2</u>

The amounts in respect of the highest paid director are as follows:

	2004 £	2003 £
Emoluments	<u>109,048</u>	<u>103,889</u>
Value of company pension contributions to money purchase schemes	<u>47,533</u>	<u>47,533</u>

The comparative figures have been restated to include all directors.

Notes to the financial statements

at 31 December 2004

7. Interest payable and similar charges

	2004 £	2003 £
Bank interest payable	<u>28,232</u>	<u>52,051</u>

8. Taxation on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2004 £	2003 £
<i>Current tax:</i>		
UK corporation tax	306,857	393,358
Tax (over)/under provided in previous years	(969)	67,566
Total current tax (note 8(b))	<u>305,888</u>	<u>460,924</u>

Deferred tax:

Origination and reversal of timing differences	<u>6,919</u>	<u>820</u>
Tax on profit on ordinary activities	<u>312,807</u>	<u>461,744</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2003 - 30%). The differences are reconciled below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>1,044,663</u>	<u>1,400,456</u>
Profit on ordinary activities multiplied by the rate of tax	313,399	420,137
Disallowed expenses and non-taxable income	3,396	3,885
Capital allowances in excess of depreciation	2,082	(30,664)
Adjustments in respect of previous periods	(969)	67,566
Tax at marginal rates	(12,020)	—
Total current tax (note 8(a))	<u>305,888</u>	<u>460,924</u>

(c) Deferred tax

	2004 £	2003 £
Capital allowances in advance of depreciation	<u>(257,098)</u>	<u>(250,179)</u>
Provision for deferred taxation	<u>(257,098)</u>	<u>(250,179)</u>

Notes to the financial statements

at 31 December 2004

8. Taxation on ordinary activities (continued)

	£
At 1 January 2004	(250,179)
Profit and loss account movement arising during the year	(6,919)
At 31 December 2004	<u>(257,098)</u>

9. Dividends

	2004 £	2003 £
Equity dividends on ordinary shares:		
Interim paid	500,000	600,000
Final proposed	164,943	—
	<u>664,943</u>	<u>600,000</u>

10. Tangible fixed assets

	<i>Leasehold Property</i> £	<i>Plant & Machinery</i> £	<i>Total</i> £
Cost:			
At 1 January 2004	152,016	3,273,737	3,425,753
Additions	—	232,909	232,909
Disposals	—	(3,173)	(3,173)
At 31 December 2004	<u>152,016</u>	<u>3,503,473</u>	<u>3,655,489</u>
Depreciation:			
At 1 January 2004	72,568	1,263,995	1,336,563
Provided during the year	22,891	364,917	387,808
Disposals	—	(2,368)	(2,368)
At 31 December 2004	<u>95,459</u>	<u>1,626,544</u>	<u>1,722,003</u>
Net book value:			
At 31 December 2004	<u>56,557</u>	<u>1,876,929</u>	<u>1,933,486</u>
At 1 January 2004	<u>79,448</u>	<u>2,009,742</u>	<u>2,089,190</u>

11. Stocks

	2004 £	2003 £
Raw materials	574,517	372,601
Finished goods	122,787	185,564
	<u>697,304</u>	<u>558,165</u>

The difference between purchase price or production cost of stock and their replacement cost is not material.

Notes to the financial statements

at 31 December 2004

12. Debtors

	2004 £	2003 £
Trade debtors	1,742,274	1,833,772
Other debtors	39,464	—
Prepayments and accrued income	240,297	235,583
	<u>2,022,035</u>	<u>2,069,355</u>

13. Creditors: amounts falling due within one year

	2004 £	2003 £
Current instalment due on bank loan	203,667	203,667
Bank overdraft	172,726	254,699
Trade creditors	1,017,145	976,634
Corporation tax	306,857	393,358
Other taxation and social security	442,130	433,237
Accruals and deferred income	159,067	139,961
Proposed final dividend	164,943	—
	<u>2,466,535</u>	<u>2,401,556</u>

14. Creditors: amounts falling due after more than one year

	2004 £	2003 £
Loans	<u>85,331</u>	<u>288,998</u>

15. Pensions

The company operates a defined contribution pension scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund.

Notes to the financial statements

at 31 December 2004

16. Loans

	2004 £	2003 £
Wholly repayable within five years	288,998	492,666
£900,000 bank loans repayable in monthly instalments of £16,972 commencing on 14 January 2002		
Less: included in creditors due within one year	203,667	203,668
	<u>85,331</u>	<u>288,998</u>

The loan incurs interest at a rate of 1% above the bank base rate.

	2004 £	2003 £
Amounts repayable:		
In one year or less, or on demand	203,667	203,668
In more than one year, but not more than two years	85,331	203,667
In more than two years, but not more than five years	–	85,331
	<u>288,998</u>	<u>492,666</u>

The bank loan is secured by a chattel mortgage on the plant, machinery and equipment of the company.

17. Commitments under operating leases

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as set out below:

	2004		2003	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	–	101,106	–	26,640
In two to five years	–	9,479	–	118,554
In over five years	261,499	–	261,499	–
	<u>261,499</u>	<u>110,585</u>	<u>261,499</u>	<u>145,194</u>

18. Related party transactions

There were no related party transactions during 2004. During 2003, goods were sold in the normal course of business to HW Cestrum Ltd, a subsidiary undertaking of Heywood Williams plc, for £164,000. At 31 December 2003 the amount due from HW Cestrum Limited was £1,120. Heywood Williams plc is a shareholder in the Company.

Notes to the financial statements

at 31 December 2004

19. Share capital

		2004 £	Authorised 2003 £
Ordinary A shares shares of £1 each		20,000	20,000
Ordinary B shares shares of £1 each		10,770	10,770
		<u>30,770</u>	<u>30,770</u>

	No.	2004 £	Allotted, called up and fully paid 2003 £
Ordinary A shares shares of £1 each	20,000	20,000	20,000
Ordinary B shares shares of £1 each	10,770	10,770	10,770
		<u>30,770</u>	<u>30,770</u>

The rights of ordinary A and B shares rank pari passu.

20. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Share premium account £	Profit and loss account £	Total share- holders' funds £
At 1 January 2003	30,770	89,230	1,318,247	1,438,247
Profit for the year	—	—	938,712	938,712
Dividends	—	—	(600,000)	(600,000)
At 31 December 2003	30,770	89,230	1,656,959	1,776,959
Profit for the year	—	—	731,856	731,856
Dividends	—	—	(664,943)	(664,943)
At 31 December 2004	<u>30,770</u>	<u>89,230</u>	<u>1,723,872</u>	<u>1,843,872</u>

21. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2004 £	2003 £
Operating profit	1,072,895	1,452,507
Depreciation	387,808	431,180
Profit on disposal of fixed assets	(145)	(73)
Increase in stocks	(139,139)	(42,546)
Decrease/(increase) in debtors	47,320	(236,767)
Increase/(decrease) in creditors	68,510	(541,531)
Net cash inflow from operating activities	<u>1,437,249</u>	<u>1,062,770</u>

Notes to the financial statements

at 31 December 2004

(b) Returns on investments and servicing of finance

	2004 £	2003 £
Interest paid	<u>(28,232)</u>	<u>(52,051)</u>

(c) Taxation

	2004 £	2003 £
Corporation tax paid	<u>(392,389)</u>	<u>(216,179)</u>

(d) Capital expenditure

	2004 £	2003 £
Payments to acquire tangible fixed assets	(232,909)	(204,338)
Receipts from sales of tangible fixed assets	950	900
	<u>(231,959)</u>	<u>(203,438)</u>

(e) Financing

	2004 £	2003 £
Repayment of bank loans	<u>(203,667)</u>	<u>(203,671)</u>

(f) Analysis of changes in net debt

	At 1 January 2004 £	Cash flows £	At 31 December 2004 £
Cash at bank and in hand	982	(971)	11
Overdrafts	(254,699)	81,973	(172,726)
Debt due within one year	(203,667)	—	(203,667)
Debt due after one year	(288,998)	203,667	(85,331)
	<u>(746,382)</u>	<u>284,669</u>	<u>(461,713)</u>

22. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £157,858 (2003 - £56,870).