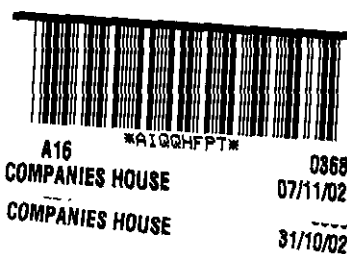


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THERMASEAL WINDOW SYSTEMS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2001



THERMASEAL WINDOW SYSTEMS LIMITED

COMPANY INFORMATION

Directors	Mr G.P. Jerwood Mrs D.B. Jerwood Mr J.K. Prior Mr P.F. Smith
Secretary	Mrs D.B. Jerwood
Company number	2196207
Registered office	374 London Road Hadleigh, Benfleet Essex SS7 2DA
Auditors	John A. Sterry & Company 374 London Road Hadleigh Benfleet Essex SS7 2DA
Bankers	Barclays Bank Plc 59 Newland Street Witham Essex CM8 2AJ

THERMASEAL WINDOW SYSTEMS LIMITED

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THERMASEAL WINDOW SYSTEMS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2001

The directors present their report and the audited accounts for the company for the year ended 31st December 2001.

Principal activities

The company's principal activity during the year was the manufacture, sale and installation of double glazed windows and doors.

Directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 31st December 2001	At 1st January 2001
Mr G.P. Jerwood	Ordinary	9500	9500
Mrs D.B. Jerwood	Ordinary	500	500
Mr J.K. Prior		Nil	Nil
Mr P.F. Smith		Nil	Nil

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that year. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

THERMASEAL WINDOW SYSTEMS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2001

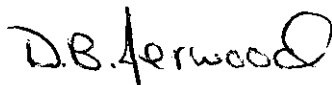
Auditors

A resolution to re-appoint John A. Sterry & Company Chartered Accountants and Registered Auditors as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board



Mrs D.B. Jerwood, Secretary
30th October 2002

374 London Road
Hadleigh, Benfleet
Essex
SS7 2DA

AUDITORS' REPORT TO THE SHAREHOLDERS OF THERMASEAL WINDOW SYSTEMS LIMITED

We have audited the accounts on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



John A. Sterry & Company
Chartered Accountants and Registered Auditors
374 London Road
Hadleigh
Benfleet
Essex
SS7 2DA

Date: 30th October 2002

THERMASEAL WINDOW SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2001

	Notes	2001 £	2000 £
Turnover	2	1,955,958	2,467,677
Cost of sales		(1,418,124)	(1,813,127)
Gross profit		537,834	654,550
Distribution costs		(24,520)	(12,503)
Administrative expenses		(517,032)	(576,157)
		(3,718)	65,890
Other operating income		15,238	2,249
Operating profit	3	11,520	68,139
Interest receivable		908	11,255
Interest payable and similar charges	15	(1,184)	(100)
Profit on ordinary activities before taxation		11,244	79,294
Tax on profit on ordinary activities	5	(2,537)	(15,924)
Profit for the financial year		8,707	63,370
Dividends	6	-	(15,000)
Retained profit for the year		8,707	48,370
Retained profit brought forward		493,888	445,519
Retained profit carried forward		502,595	493,889

THERMASEAL WINDOW SYSTEMS LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets			350,493		275,492
			<u>350,493</u>		<u>275,492</u>
Current assets					
Stocks		110,853		119,530	
Debtors	8	437,416		360,150	
Current asset investments	9	49,997		49,997	
Cash at bank and in hand		26,259		171,990	
			<u>624,525</u>	<u>701,667</u>	
Creditors: amounts falling due within one year	10	(444,453)		(458,459)	
Net current assets			<u>180,072</u>		<u>243,208</u>
Total assets less current liabilities			<u>530,565</u>		<u>518,700</u>
Provisions for liabilities and charges					
Deferred taxation	11		(17,970)		(14,811)
			<u>512,595</u>		<u>503,889</u>
Capital and reserves					
Share capital	12		10,000		10,000
Profit and loss account			502,595		493,889
Shareholders' funds			<u>512,595</u>		<u>503,889</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000)

These accounts were approved by the board on 30th October 2002 and signed on its behalf by:

Mr G.P. Jerwood
Director



THERMASEAL WINDOW SYSTEMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

1 Accounting policies

Basis of accounting

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

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

Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

Tangible fixed assets and depreciation

Depreciation has been provided at the following rates in order to write down the cost or valuation, less estimated residual value, of all tangible fixed assets, with the exception of freehold land, by reducing balance method over their expected useful lives:

Plant and machinery	25%
Motor vehicles	25%
Furniture and equipment	25%

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Contribution to pension funds

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

THERMASEAL WINDOW SYSTEMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

The operating profit is stated after charging or crediting:

	2001	2000
	£	£
Depreciation of tangible fixed assets:		
-owned assets	89,877	54,686
Profit on disposal of fixed assets	(1,496)	(778)
Pension contributions	4,616	8,922
Auditors' remuneration	7,000	7,500

4 Directors' remuneration

	2001	2000
	£	£
Aggregate emoluments	74,900	105,639

5 Taxation

	2001	2000
	£	£
Based on the profit for the year:		
UK corporation tax at 20%(2000: FY99-20%/FY98-21%)	(622)	10,009
Deferred tax charge	3,159	5,915
	2,537	15,924

6 Dividends

	2001	2000
	£	£
Ordinary dividends - paid	-	15,000
Total equity dividends	-	15,000

THERMASEAL WINDOW SYSTEMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

7 Tangible fixed assets

	Short leasehold land and buildings	Plant and machinery	Motor vehicles	Furniture and equipment	Total
Cost	£	£	£	£	£
At 1st January 2001	40,000	372,817	123,418	53,535	589,770
Additions	-	118,374	48,510	1,997	168,881
Disposals	-	-	(30,912)	-	(30,912)
At 31st December 2001	40,000	491,191	141,016	55,532	727,739
Depreciation					
At 1st January 2001	18,667	192,024	75,741	27,846	314,278
Charge for the year	2,664	64,907	15,633	6,672	89,876
Disposals	-	-	(26,908)	-	(26,908)
At 31st December 2001	21,331	256,931	64,466	34,518	377,246
Net book value					
At 31st December 2001	18,669	234,260	76,550	21,014	350,493
<i>At 31st December 2000</i>	<i>21,333</i>	<i>180,793</i>	<i>47,677</i>	<i>25,689</i>	<i>275,492</i>

Assets held under finance leases and hire purchase originally cost £38,530 (2000: £-) and have a net book value of £35,320 (2000: £-). Depreciation charged for the year was £3,210 (2000: £-).

8 Debtors

	2001 £	2000 £
Trade debtors	231,473	253,823
Amounts owed by group undertakings and undertakings in which the company has a participating interest	116,486	65,142
Other debtors	89,457	41,185
	437,416	360,150

9 Current asset investments

	2001 £	2000 £
S/term invest - trading investments	49,997	49,997
	49,997	49,997

THERMASEAL WINDOW SYSTEMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

10	Creditors: amounts falling due within one year	2001	2000
		£	£
	Obligations under hire purchase and finance lease	91	-
	Trade creditors	329,425	352,321
	Other creditors	69,904	61,105
	Directors' loans	45,033	45,033
		<u>444,453</u>	<u>458,459</u>

'Other creditors' include £56,601 (2000: £34,697) in respect of taxation and social security.

11 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2001	2000
	£	£
At 1st January 2001	14,811	8,896
Movement in the year	3,159	5,915
At 31st December 2001	<u>17,970</u>	<u>14,811</u>

12	Share capital	2001	2000
		£	£
	Authorised		
	10,000 Ordinary shares of £1.00 each	10,000	10,000
		<u>10,000</u>	<u>10,000</u>
	Allotted		
	10,000 Allotted, called up and fully paid ordinary shares of £1.00 each	10,000	10,000
		<u>10,000</u>	<u>10,000</u>

13 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £4,616 (2000: £8,922).

THERMASEAL WINDOW SYSTEMS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

14 Related parties

In the directors' opinion the company is controlled by Mr G.P. Jerwood, a director, and members of his immediate family, with whom he directly or indirectly controls 100% of the issued Ordinary Share capital.

During the year the company purchased/sold goods in the normal course of business from/to Thermaseal Investments Limited a company controlled by Mr G.P. Jerwood, at a cost of £77,833 (2000: £85,368). Amounts owed to/by Thermaseal Investments Limited amounted to £67,492 at 31st December 2001 (2000: £54,165).

During the year the company purchased/sold goods in the normal course of business from/to Image Window Systems Limited a company controlled by Mr G.P. Jerwood, at a cost of £2,616 (2000: £43,418). Amounts owed to/by Image Window Systems Limited amounted to £10,988 at 31st December 2001 (2000: £25,028).

15 Interest Payable and Similar Charges

Interest payable includes:

On finance lease and hire purchase contracts

2001	2000
£	£

92	-
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