

Company Registration No. 2570683 (England and Wales)

FLOAT GLASS INDUSTRIES LIMITED
DIRECTORS' REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2005



FLOAT GLASS INDUSTRIES LIMITED

COMPANY INFORMATION

Directors	R E Offland D M Offland C Edwards P Hilton A Nichols M Thompson D E Golding (Appointed 1 May 2004)
Secretary	R M Lunn
Company number	2570683
Registered office	Float House Floats Road Manchester M23 9QA
Auditors	Booth Ainsworth Chartered Accountants Alpha House 4 Greek Street Stockport Cheshire SK3 8AB
Business address	Float House Floats Road Manchester M23 9QA
Bankers	HSBC Bank Plc PO Box 360 100 King Street Manchester M60 2HD
Solicitors	George Davies & Co Fountain Court 68 Fountain Street Manchester M2 2FB

FLOAT GLASS INDUSTRIES LIMITED

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FLOAT GLASS INDUSTRIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2005

The directors present their report and financial statements for the year ended 31 January 2005.

Principal activities and review of the business

The principal activities of the company are those of glass importers and wholesalers.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 February 2004:

R E Offland

D M Offland

C Edwards

P Hilton

A Nichols

M Thompson

D E Golding

(Appointed 1 May 2004)

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 25p each	
	31 January 2005	1 February 2004
R E Offland	-	-
D M Offland	-	-
C Edwards	-	-
P Hilton	-	-
A Nichols	-	-
M Thompson	-	-
D E Golding	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Booth Ainsworth be reappointed as auditors of the company will be put to the Annual General Meeting.

FLOAT GLASS INDUSTRIES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

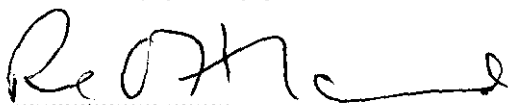
Directors' responsibilities

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;
- 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.

On behalf of the board



R E Offland

Director

21.7.05

FLOAT GLASS INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FLOAT GLASS INDUSTRIES LIMITED

We have audited the financial statements of Float Glass Industries Limited on pages 5 to 13 for the year ended 31 January 2005. These financial statements have been prepared under the historical cost convention and 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 the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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.

FLOAT GLASS INDUSTRIES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF FLOAT GLASS INDUSTRIES LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Booth Ainsworth

Chartered Accountants
Registered Auditor

25 July 2005

Chartered Accountants
Alpha House
4 Greek Street
Stockport
Cheshire
SK3 8AB

FLOAT GLASS INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2005

	Notes	2005 £	2004 £
Turnover	2	19,639,478	19,557,425
Cost of sales		(14,679,851)	(14,503,093)
Gross profit		<u>4,959,627</u>	<u>5,054,332</u>
Distribution costs		(614,630)	(605,909)
Administrative expenses		(4,152,504)	(4,064,545)
Other operating income		1,254	2,491
Operating profit	3	<u>193,747</u>	<u>386,369</u>
Other interest receivable and similar income	4	1,349	-
Interest payable and similar charges	5	(107,184)	(98,106)
Profit on ordinary activities before taxation		<u>87,912</u>	<u>288,263</u>
Tax on profit on ordinary activities	6	(20,931)	(75,186)
Profit on ordinary activities after taxation	12	<u><u>66,981</u></u>	<u><u>213,077</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

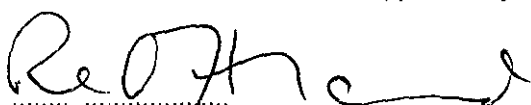
There are no recognised gains and losses other than those passing through the profit and loss account.

FLOAT GLASS INDUSTRIES LIMITED

BALANCE SHEET AS AT 31 JANUARY 2005

	Notes	2005 £	£	2004 £	£
Current assets					
Stocks	7	374,602		411,912	
Debtors	8	3,787,513		3,261,117	
Cash at bank and in hand		1,433		1,226,512	
		<u>4,163,548</u>		<u>4,899,541</u>	
Creditors: amounts falling due within one year	9	<u>(3,799,409)</u>		<u>(4,602,383)</u>	
Total assets less current liabilities			364,139		297,158
			<u>364,139</u>		<u>297,158</u>
Capital and reserves					
Called up share capital	11	50,000		50,000	
Profit and loss account	12	314,139		247,158	
Shareholders' funds - equity interests	13	<u>364,139</u>		<u>297,158</u>	

The financial statements were approved by the Board on 21.7.05



R E Offland
Director

FLOAT GLASS INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2005

	2005	2004
	£	£
Net cash (outflow)/inflow from operating activities	(1,741,511)	1,671,175
Returns on investments and servicing of finance		
Interest received	1,349	-
Interest paid	(107,184)	(98,106)
Net cash outflow for returns on investments and servicing of finance	(105,835)	(98,106)
Taxation	11,991	-
Net cash (outflow)/inflow before management of liquid resources and financing	(1,835,355)	1,573,069
(Decrease)/increase in cash in the year	(1,835,355)	1,573,069

FLOAT GLASS INDUSTRIES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JANUARY 2005

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities		2005	2004
			£	£
	Operating profit		193,747	386,369
	Decrease in stocks		37,310	176,556
	Increase in debtors		(559,318)	(764,494)
	(Decrease)/Increase in creditors within one year		(1,413,250)	1,872,744
	Net cash (outflow)/inflow from operating activities		(1,741,511)	1,671,175

2	Analysis of net (debt)/funds	1 February 2004	Cash flow	Other non-cash changes	31 January 2005
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	1,226,512	(1,225,079)	-	1,433
	Bank overdrafts	(706,498)	(610,276)	-	(1,316,774)
		520,014	(1,835,355)	-	(1,315,341)
	Bank deposits	-	-	-	-
	Net funds/(debt)	520,014	(1,835,355)	-	(1,315,341)

3	Reconciliation of net cash flow to movement in net (debt)/funds	2005	2004
		£	£
	(Decrease)/increase in cash in the year	(1,835,355)	1,573,069
	Movement in net (debt)/funds in the year	(1,835,355)	1,573,069
	Opening net funds/(debt)	520,014	(1,053,055)
	Closing net (debt)/funds	(1,315,341)	520,014

FLOAT GLASS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2005

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.6 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.7 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2005	2004
		£	£
	Operating profit is stated after charging:		
	Auditors' remuneration	6,500	6,250
	and after crediting:		
	Government grants	451	451
		<u> </u>	<u> </u>
4	Investment income	2005	2004
		£	£
	Other interest	1,349	-
		<u> </u>	<u> </u>

FLOAT GLASS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

5	Interest payable	2005	2004
		£	£
	On bank loans and overdrafts	14,032	19,864
	On amounts payable to factors	92,681	78,242
	Other interest	471	-
		<u>107,184</u>	<u>98,106</u>
6	Taxation	2005	2004
		£	£
	Domestic current year tax		
	Adjustment for prior years	(7)	-
	Current tax charge	(7)	-
	Deferred tax		
	Deferred tax credit current year	20,938	75,186
		<u>20,931</u>	<u>75,186</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>87,912</u>	<u>288,263</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.88% (2004: 19.00%)	<u>20,993</u>	<u>54,770</u>
	Effects of:		
	Non deductible expenses	4,556	7,308
	Tax losses utilised	(25,549)	(62,078)
	Other tax adjustments	(7)	-
		<u>(21,000)</u>	<u>(54,770)</u>
	Current tax charge	(7)	-
	The company has estimated losses of £ 3,210 (2004: £ 110,202) available for carry forward against future trading profits.		
7	Stocks	2005	2004
		£	£
	Finished goods and goods for resale	<u>374,602</u>	<u>411,912</u>

FLOAT GLASS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

8 Debtors	2005 £	2004 £
Trade debtors	2,873,242	3,030,853
Amounts owed by parent and fellow subsidiary undertakings	663,533	-
Corporation tax	-	11,984
Other debtors	59,148	16,015
Prepayments and accrued income	191,590	181,327
Deferred tax asset (see note)	-	20,938
	<u>3,787,513</u>	<u>3,261,117</u>

9 Creditors: amounts falling due within one year	2005 £	2004 £
Bank loans and overdrafts	1,316,774	706,498
Trade creditors	1,966,014	2,291,508
Amounts owed to parent and fellow subsidiary undertakings	9,240	1,096,439
Taxes and social security costs	371,046	331,749
Other creditors	31,093	33,070
Accruals and deferred income	105,242	143,119
	<u>3,799,409</u>	<u>4,602,383</u>

The bank hold a fixed and floating charge over the company's assets and a debenture dated 16 October 2001.

Included within bank overdrafts is an amount of £1,313,867 (2004 £706,498) due to an invoice finance company. This is secured on the book debts of the company.

10 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	<u>23,852</u>	<u>17,683</u>

FLOAT GLASS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

11 Share capital	2005	2004
	£	£
Authorised		
400,000 Ordinary shares of 25p each	100,000	100,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
200,000 Ordinary shares of 25p each	50,000	50,000
	<u> </u>	<u> </u>
12 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 February 2004		247,158
Retained profit for the year		66,981
		<u> </u>
Balance at 31 January 2005		314,139
		<u> </u>
13 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Profit for the financial year	66,981	213,077
Opening shareholders' funds	297,158	84,081
	<u> </u>	<u> </u>
Closing shareholders' funds	364,139	297,158
	<u> </u>	<u> </u>
14 Directors' emoluments	2005	2004
	£	£
Emoluments for qualifying services	223,888	191,045
	<u> </u>	<u> </u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	56,220	49,943
	<u> </u>	<u> </u>

FLOAT GLASS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2005

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2005 Number	2004 Number
Administration	13	11
Production	148	134
Sales/marketing	11	9
	<u>172</u>	<u>154</u>

Employment costs

	2005 £	2004 £
Wages and salaries	3,301,834	2,796,026
Social security costs	313,207	262,963
Other pension costs	23,852	17,683
	<u>3,638,893</u>	<u>3,076,672</u>

16 Control

The company is a wholly owned subsidiary of Wright and Offland Holdings Limited, a company registered in the United Kingdom, which is controlled by Mr K B Offland and Mr R E Offland who are directors of the company.

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.