


Woolliscroft Tiles Limited

Report and Accounts

31 March 2003

 ERNST & YOUNG



Woolliscroft Tiles Limited

Registered No3121376

Directors

M L Hughes

M I Mayer (resigned 21 March 2003)

M J Hesketh

Secretary

M J Hesketh

Auditors

Ernst & Young LLP

100 Barbirolli Square

Manchester

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Registered Office


P O Box 4

Rake Lane

Clifton Junction

Manchester

M27 8LP

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Directors' Report

The directors present their report and accounts for the year ended 31 March 2003

Results and dividends

The profit for the year after taxation amounted to £18,635 (2002 £147,334).

The directors do not recommend the payment of a dividend.

Review of the business

The company's principal activity was the manufacture and sale of ceramic tiles and associated adhesive products.

On 31 July 2001, the company's trade and net assets were transferred to Pilkington's Tiles Limited, a fellow subsidiary of Pilkington's Tiles Group plc. All assets and liabilities were transferred at that date, at net book value. The company has not traded since that date.

Directors and their interests

The directors who served during the year are listed on page 1.

No director had any interest in the shares of the company.

M L Hughes and M J Hesketh were also directors of Pilkington's Tiles Group plc, the ultimate parent company. Their interests in the shares of group undertakings are disclosed in the ultimate parent company's accounts.

By Order of the Board

M J Hesketh
Company secretary

30 January 2004

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;
- state whether applicable 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 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 Woolliscroft Tiles Limited

We have audited the company's accounts for the year ended 31 March 2003 which comprise Profit and Loss Account, Balance Sheet and the related notes 1 to 13. These accounts 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 accounts in accordance with applicable United Kingdom law and accounting standards.

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

We report to you our opinion as to whether the accounts 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 accounts, 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 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 the 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 information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2003 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

Manchester

Date 30 January 2004

Profit and loss account

for the year ended 31 March 2003

	Notes	2003 £	2002 £
Turnover	2	-	471,933
Operating costs	3	-	(349,599)
Profit on ordinary activities before taxation		-	122,334
Tax on profit on ordinary activities	6	18,635	25,000
Profit for the year	13	18,635	147,334

All of the above trading relates to discontinued activities.

There are no recognised gains or losses in either period other than the profits shown above.

Balance Sheet

at 31 March 2003

	Notes	2003 £	2002 £
Current assets			
Debtors	7	155,658	158,523
Creditors: amounts falling due within one year	8	(126,155)	(147,655)
Net assets		<u>29,503</u>	<u>10,868</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	29,501	10,866
Equity shareholders' funds	11	<u>29,503</u>	<u>10,868</u>

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M J Hesketh
Director

30 January 2004

Notes to the Accounts

at 31 March 2003

1. Accounting policies

Accounting convention

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

Cash flow statement

The company is a wholly owned subsidiary undertaking of Pilkington's Tiles Group plc. As a consequence it is exempt under Financial Reporting Standard 1 (Revised) from the requirement to publish a cash flow statement.

Intangible fixed assets

Goodwill arising on the acquisition of businesses is capitalised and amortised over its estimated economic life to a maximum of 20 years. Other intangible fixed assets are initially valued at cost and are also amortised after their economic life. Goodwill is reviewed for impairment at the end of the first full year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

If a business is subsequently sold or closed, any goodwill that has not been amortised through the profit and loss account is taken into account in determining the profit or loss on sale or closure.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes transport and handling costs; in the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation and, where appropriate, the cost of converting from their existing state to a finished condition. Provision is made for obsolete and slow moving items.

Pension costs

Principally the Group operates a defined benefit pension scheme. The funds are valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are accounted for in accordance with SSAP 24 on the basis of charging the expected cost of providing pensions over the period during which the Group benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction, or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the period end. Exchange differences arising from the retranslation of foreign currency denominated assets and liabilities together with other exchange differences arising in the period are included in the profit and loss account.

Deferred taxation

Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date, calculated at the rate at which it is anticipated the timing differences will reverse. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

Research and development

Expenditure on research and development is charged to the profit and loss account as incurred.

Notes to the Accounts

at 31 March 2003

2. Turnover and profit on ordinary activities before taxation

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. An analysis of turnover for the company by geographical market is set out below:

	2003	2002
	£	£
United Kingdom and Europe	-	471,933
	-	471,933

Turnover and profit on ordinary activities before taxation are attributable to the company's main class of business of the manufacture and sale of ceramic tiles and arise from goods produced in the United Kingdom.

3. Operating costs

	2003	2002
	£	£
Change in stocks of finished goods and work in progress	-	(39,165)
Raw materials and consumables	-	83,232
Other external charges	-	177,034
Staff costs (note 5)	-	112,898
Amortisation of intangible fixed assets	-	15,600
	-	349,599

Auditors' remuneration was borne by Pilkington's Tiles Limited, a fellow group undertaking.

4. Directors' remuneration

No emoluments have been paid to, or are receivable by directors in respect of qualifying services.

The directors were members of the following pension schemes:

	2003	2002
Defined benefit	1	1
Defined contribution	1	1

Notes to the Accounts

at 31 March 2003

5. Staff costs

	2003 £	2002 £
Wages and salaries	-	104,536
Social security costs	-	8,362
	-	112,898

The average monthly number of employees up to the date of transfer of the company's trade was as follows:

	2003 No.	2002 No.
Production	-	17
	-	17

6. Taxation

(a) Analysis of credit in the year

	2003 £	2002 £
Current tax:		
UK corporation tax on profits of the year	-	21,500
Adjustment in respect of prior periods	(18,635)	-
Total current tax	(18,635)	21,500
Deferred tax:		
Origination and reversal of timing difference	-	(46,500)
Tax credit on profit on ordinary activities	(18,635)	(25,000)

(b) Factors affecting the tax charge for the year

The tax assessed for the prior period is lower than the standard rate of corporation tax in the UK 30 % (2002: 30%). The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	-	122,334
Profit multiplied by the standard rate of corporation tax in the UK of 30%	-	36,700
Expenses not deductible for tax purposes	-	2,592
Capital allowances for the year in excess of depreciation	-	(3,977)
Group relief received for nil payment	-	(13,815)
Adjustment in respect of prior periods	(18,635)	-
Current tax (credit)/charge for the year (note 6(a))	(18,635)	21,500

Notes to the Accounts

at 31 March 2003

7. Debtors

	2003 £	2002 £
Amounts due from fellow subsidiaries	155,658	158,523

8. Creditors: amounts falling due within one year

	2003 £	2002 £
Amounts due to parent and fellow subsidiary undertakings	126,155	126,155
Corporation tax	-	21,500
	126,155	147,655

9. Called up share capital

	2003 <i>No</i>	Authorised 2002 <i>No</i>	Allotted, called up and fully paid 2003 £	2002 £
Ordinary shares of £1 each	100	100	2	2

10. Movements on reserves

	Profit and loss account £
At 1 April 2002	10,866
Profit for the year	18,635
At 31 March 2003	29,501

11. Reconciliation of shareholders' funds

	2003 £	2002 £
Profit for the financial year	18,635	147,334
Opening shareholders' funds	10,868	(136,466)
Closing shareholders' funds	29,503	10,868

Notes to the Accounts

at 31 March 2003

12. Pensions

Prior to the transfer of its trade to Pilkington's Tiles Limited, the company was a participating employer in the Pilkington's Tiles Group's defined benefit pension scheme, which is funded by the payment of contributions to a separately administered fund. Contributions are based on pension costs of the group as a whole and are determined with the advice of an independent qualified actuary on the basis of triennial valuations using the projected unit method. The group scheme also includes a section for a defined contribution scheme. Particulars of the group scheme and actuarial valuation are contained in the accounts of Pilkington's Tiles Group plc.

13. Ultimate parent undertaking

The company's ultimate parent company and controlling party is Pilkington's Tiles Group plc, registered in England and Wales.

The only group of which Woolliscroft Tiles Limited is a member and for which group accounts are drawn up is that headed by Pilkington's Tiles Group plc. The consolidated accounts of this group are available to the public and may be obtained from P O Box 4, Rake Lane, Clifton Junction, Manchester, M27 8LP.

As a subsidiary undertaking of Pilkington's Tiles Group plc, the company has taken advantage of the exemption in FRS8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by Pilkington's Tiles Group plc.