

CH

Nordam Transparency Europe Limited
Financial statements
For the year ended 31 December 2005

Grant Thornton 



A28
COMPANIES HOUSE

AKJ8NJQH

581
17/10/2006

Company No. 3513867

Company information

Company registration number	3513867
Registered office	2 Tudor Road Hanover Business Park Altrincham Cheshire
Directors	M R Siegfried R J Armstrong
Secretary	S A Johnson
Solicitors	Eversheds Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 11-13 Penhill Road Cardiff CF11 9UP

Index

Report of the directors	3 - 4
Report of the independent auditor	5 - 6
Principal accounting policies	7 - 8
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11 -15

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2005.

Principal activities and business review

The principal activity of the company during the year was the supply and refurbishment of aircraft windows.

There was a profit for the year after taxation amounting £15,283 (2004 :£70,910)

The directors have made the payment of a dividend of £113,540 for the year (2004: £135,870).

Directors

The directors who served the company during the year were as follows:

M R Siegfried
R J Armstrong

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom 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 year. 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Donations

During the year the company made the following contributions:

	2005 £	2004 £
Charitable	<u>500</u>	<u>-</u>

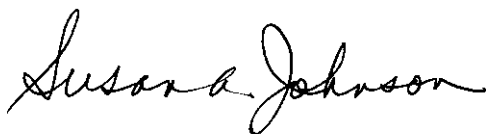
Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



S A Johnson
Secretary

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NORDAM TRANSPARENCY EUROPE LIMITED

We have audited the financial statements of Nordam Transparency Europe Limited for the year ended 31 December 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 13. These financial statements have been prepared under 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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NORDAM TRANSPARENCY EUROPE LIMITED (CONTINUED)

Basis of audit opinion

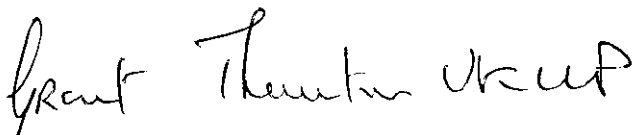
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
CARDIFF

13 OCT 2006

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Changes in accounting policies

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards:

Financial Reporting Standards for Smaller Entities 2005 (FRSSE 2005)

The company has adopted the FRSSE 2005 (effective January 2005) in the years. Its adoption has had no material effect on the company, hence comparative figures have not been restated.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 15 years

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	8 years straight line
Fixtures & Fittings	-	3 to 6 years straight line
Motor Vehicles	-	3 years straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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. 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Profit and loss account

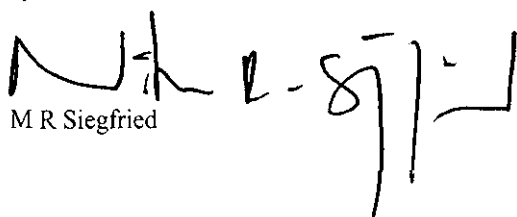
	Note	2005 £	2004 £
Turnover	1	1,213,801	1,424,305
Cost of sales		797,439	1,041,511
Gross profit		416,362	382,794
Other operating charges	2	387,781	271,735
Operating profit	3	28,581	111,059
Interest receivable		849	1,970
Interest payable and similar charges		(249)	—
Profit on ordinary activities before taxation		29,181	113,029
Tax on profit on ordinary activities	4	13,898	42,119
Retained profit for the financial year	13	15,283	70,910

Balance sheet

	Note	2005 £	2004 £
Fixed assets			
Intangible assets	5	93,642	106,129
Tangible assets	6	42,454	76,154
		<u>136,096</u>	<u>182,283</u>
Current assets			
Stocks		108,947	168,969
Debtors	7	144,151	146,251
Cash at bank and in hand		121,641	140,108
		<u>374,739</u>	<u>455,328</u>
Creditors: amounts falling due within one year	8	107,274	127,098
Net current assets		<u>267,465</u>	<u>328,230</u>
Total assets less current liabilities		<u>403,561</u>	<u>510,513</u>
Provisions for liabilities			
Deferred taxation	9	4,089	12,784
		<u>399,472</u>	<u>497,729</u>
Capital and reserves			
Called-up equity share capital	12	73,288	73,288
Profit and loss account	13	326,184	424,441
Shareholders' funds		<u>399,472</u>	<u>497,729</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005).

These financial statements were approved by the directors on 1.2.2006. and are signed on their behalf by:


 M R Siegfried

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2005 £	2004 £
United Kingdom	218,484	197,978
Overseas sales	995,317	1,226,327
	<u>1,213,801</u>	<u>1,424,305</u>

2 Other operating charges

	2005 £	2004 £
Administrative expenses	<u>387,781</u>	<u>271,735</u>

3 Operating profit

Operating profit is stated after charging:

	2005 £	2004 £
Staff pension contributions	200	1,200
Amortisation	12,487	12,487
Depreciation of owned fixed assets	31,253	33,238
Loss on disposal of fixed assets	7,336	499
Auditor's fees	<u>7,398</u>	<u>6,500</u>

4 Taxation on ordinary activities

(a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2004 - 30%)	22,000	45,000
Under provision in prior year	593	544
Total current tax	22,593	45,544
Deferred tax:		
Origination and reversal of timing differences (note 9)		
Capital allowances	(8,695)	(3,425)
Tax on profit on ordinary activities	13,898	42,119

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2004 - 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	29,181	113,029
Profit on ordinary activities by rate of tax	8,754	33,908
Expenses not deducted for tax purposes	4,551	4,326
Non-qualifying depreciation	-	3,342
Capital allowances in excess of depreciation	8,695	3,425
Adjustments to tax charge in respect of previous periods	593	543
Total current tax (note 4(a))	22,593	45,544

5 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2005 and 31 December 2005	<u>187,287</u>
Amortisation	
At 1 January 2005	81,158
Charge for the year	<u>12,487</u>
At 31 December 2005	<u>93,645</u>
Net book value	
At 31 December 2005	<u>93,642</u>
At 31 December 2004	<u>106,129</u>

6 Tangible fixed assets

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 January 2005	232,138	24,946	12,000	269,084
Additions	2,150	3,140	—	5,290
Disposals	(62,673)	(6,437)	—	(69,110)
At 31 December 2005	<u>171,615</u>	<u>21,649</u>	<u>12,000</u>	<u>205,264</u>
Depreciation				
At 1 January 2005	164,925	16,005	12,000	192,930
Charge for the year	27,054	4,199	—	31,253
On disposals	(56,269)	(5,104)	—	(61,373)
At 31 December 2005	<u>135,710</u>	<u>15,100</u>	<u>12,000</u>	<u>162,810</u>
Net book value				
At 31 December 2005	<u>35,905</u>	<u>6,549</u>	<u>—</u>	<u>42,454</u>
At 31 December 2004	<u>67,213</u>	<u>8,941</u>	<u>—</u>	<u>76,154</u>

7 Debtors

	2005 £	2004 £
Trade debtors	133,398	121,378
Other debtors	3,602	11,123
Prepayments and accrued income	<u>7,151</u>	<u>13,750</u>
	<u>144,151</u>	<u>146,251</u>

8 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	17,267	53,582
Amounts owed to group undertakings	57,274	39,100
Corporation tax	8,217	10,145
PAYE and social security	2,440	4,168
Accruals and deferred income	22,076	20,103
	<u>107,274</u>	<u>127,098</u>

9 Deferred taxation

The movement in the deferred taxation provision during the year was:

	2005 £	2004 £
Provision brought forward	12,784	16,209
Profit and loss account movement arising during the year	(8,695)	(3,425)
Provision carried forward	<u>4,089</u>	<u>12,784</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2005 £	2004 £
Excess of taxation allowances over depreciation on fixed assets	<u>4,089</u>	<u>12,784</u>

10 Leasing commitments

At 31 December 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005 £	2004 £
Operating leases which expire:		
Within 1 year	<u>19,125</u>	<u>23,514</u>

11 Related party transactions

During the year the company acquired material and goods for resale to the value of £382,152 (2004: £581,451); made sales to the value of £6,941 (2004: £14,548) and recharged overheads to the value of £243,350 (2004: £117,457) to and from The NORDAM Group, Inc., the company's ultimate parent undertaking.

At 31 December 2005, the amounts outstanding to group undertakings was £57,274 (2004: £39,000).

See note 12 for details of the company's financial position and the results of its operations for the year ended 31 December 2005.

12 Share capital

Authorised share capital:

	2005 £	2004 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>73,288</u>	<u>73,288</u>	<u>73,288</u>	<u>73,288</u>

13 Profit and loss account

	2005 £	2004 £
Balance brought forward	424,441	489,401
Retained profit for the financial year	15,283	70,910
Equity dividends paid	(113,540)	(135,870)
Balance carried forward	<u>326,184</u>	<u>424,441</u>

14 Ultimate parent company

The company is a wholly owned subsidiary of NORDAM UK Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking is The NORDAM Group, Inc., a company incorporated in the United States of America. This is the largest group in which the results of the company are consolidated. Copies of the group accounts can be obtained at 6911 North Whirlpool Drive, Tulsa, Oklahoma, 74117.