

Sampson Windows Limited
REPORT AND ACCOUNTS
For the year ended 30th June 2000

GILBERTS
CHARTERED ACCOUNTANTS



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Sampson Windows Limited

DIRECTORS AND OFFICERS

Directors

K.O.H. Kristenson
Mrs E.S.G. Kristenson
J.E. Lawrence

Company secretary

Mrs E.S.G. Kristenson

Registered office

Pendragon House
65 London Road
St. Albans
Hertfordshire
AL1 1LJ

Auditors

Gilberts
Pendragon House
65 London Road
St Albans
Hertfordshire
AL1 1LJ

Bankers

Barclays Bank Plc
Blenheim Gate
22/24 Upper Marlborough Road
St Albans
Hertfordshire
AL1 3AL

Company registration number

2455804

Sampson Windows Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at Pendragon House, 65 London Road, St. Albans, Hertfordshire, AL1 1LJ on 1st September 2000 at 10.00 am for the following purposes:-

To receive and adopt the Directors' report and the audited accounts for the year ended 30th June 2000.

To approve the directors' emoluments for the year ended 30th June 2000.

To re-appoint Gilberts as auditors and to authorise the board to fix their remuneration.

To transact any other ordinary business of the company.

By order of the board.

Mrs E.S.G. Kristenson
Secretary

Pendragon House
65 London Road
St. Albans
Hertfordshire
AL1 1LJ

11th August 2000

Note:

A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote, on a poll, on his behalf. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the Company's registered office not less than 48 hours before the time appointed for holding the meeting.

DIRECTORS' REPORT

for the year ended 30th June 2000

The directors submit their annual report together with the audited financial statements of the Company for the year ended 30th June 2000.

Directors

The directors of the Company at the date of the report are shown on page 3.

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

Principal activity and review of the business

The principal activity of the Company continued to be that of the supply and installation of windows.

The directors of the Company are satisfied with the performance during the period. The reduction in profit was due to penalties incurred under a contract for late delivery. This was due to one of the Company's suppliers experiencing financial problems and the Company now sources this type of window from an alternative manufacturer.

Future developments of the business

Confirmed orders indicate that the volume of business and profitability of the Company will increase in the coming year.

Results and dividends

The trading profit for the year after taxation was £23,098.

The directors do not recommend that a dividend be paid on the share capital of the Company.

Sampson Windows Limited

DIRECTORS' REPORT

for the year ended 30th June 2000

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Gilberts as auditors to the Company will be put to the Annual General Meeting.

Signed on behalf of the board

A handwritten signature in black ink, appearing to read 'K.O.H. Kristenson', followed by a long horizontal flourish.

K.O.H. Kristenson
Chairman
11th August 2000

Pendragon House
65 London Road
St. Albans
Herts. AL1 1LJ

Tel: 01727 750000
Fax: 01727 750005
e-mail: office@gilberts.uk.com

Partners:
Richard Lovett
Andrew Lovett
Richard Keeble
Susan Marsh
Helen Charnock
Richard Hattrell

Consultant:
William Allen

GILBERTS
CHARTERED ACCOUNTANTS

REPORT OF THE AUDITORS

to the shareholders of Sampson Windows Limited

We have audited the financial statements on pages 8 to 16, which have been prepared under the accounting policies set out on page 10.

Respective responsibilities of the directors and auditors

As described on page 5 the Company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

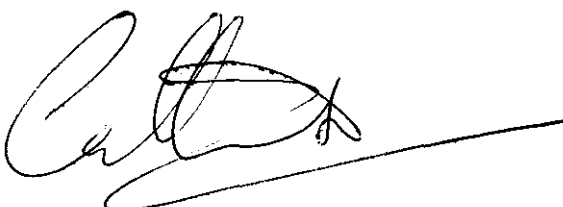
Basis of opinion

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 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 other irregularity or error. In forming our opinion we have also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 30th June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



11th August 2000
Registered Auditor

Sampson Windows Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30th June 2000

	Notes	2000 £	1999 £
Turnover	2	2,610,836	2,766,572
Cost of sales		2,178,676	2,205,175
Gross profit		432,160	561,396
Administrative expenses		381,541	367,787
Other operating income		249	4,500
Operating profit	3	50,868	198,109
Interest receivable		108	133
Interest payable and similar charges	4	(20,073)	(20,756)
Profit on ordinary activities before taxation		30,903	177,486
Tax on profit on ordinary activities	6	(7,805)	(11,239)
Profit on ordinary activities after taxation		23,098	166,246
Retained profit/(deficit) brought forward		869	(165,378)
Retained profit carried forward		23,967	868

Continuing operations

The company did not acquire or dispose of any business during the two years.

Statement of total recognised gains and losses

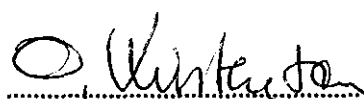
The company had no recognised gains or losses other than the profits or losses for the two years.

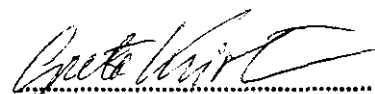
Sampson Windows Limited

BALANCE SHEET

as at 30th June 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	7	46,550	54,410
Current assets			
Stocks	8	19,107	20,358
Debtors	9	711,137	711,925
Cash at bank and in hand		5,274	18,562
		<u>735,518</u>	<u>750,845</u>
Creditors: amounts falling due within one year	10	(498,101)	(544,387)
Net current assets		<u>237,417</u>	<u>206,458</u>
Total assets less current liabilities		<u>283,967</u>	<u>260,868</u>
Creditors: amounts falling due after more than one year	11	(250,000)	(250,000)
		<u>33,967</u>	<u>10,868</u>
Capital and reserves			
Share capital	14	10,000	10,000
Profit and loss account		23,967	868
Shareholders' funds	15	<u>33,967</u>	<u>10,868</u>

 K.O.H. Kristenson

 Mrs E.S.G. Kristenson

Approved by the Board of Directors on 11th August 2000

NOTES TO THE ACCOUNTS

for the year ended 30th June 2000

1 Accounting policies

The principal accounting policies used in the preparation of these accounts are set out below:

Basis of accounting

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

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives, as follows:

Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Office equipment and fittings	- 20% straight line and 10% straight line

Interest payable

Interest payable is charged in the profit and loss account in the year in which it is incurred.

Stocks

Stocks have been valued by the directors at the lower of cost and net realisable value on a basis which is consistent with previous years.

Net realisable value is the estimated selling price less any further expenditure to be incurred before completion or disposal.

Deferred taxation

No provision has been made for deferred taxation, as in the opinion of the directors, all material timing differences are not expected to reverse in the foreseeable future.

Foreign currencies

Assets and liabilities of overseas trading operations denominated in foreign currencies are expressed in sterling at the exchange rate ruling at the balance sheet date and trading results are translated at the average rate for the year.

Pension costs

Retirement benefits to eligible employees are funded by payments to pension trusts and insurance companies which are financially separate from the company. These payments are charged against the profits in the year in which they are payable.

NOTES TO THE ACCOUNTS

for the year ended 30th June 2000

Leased assets

Fixed assets held under hire purchase contracts are treated in accordance with Statement of Standard Accounting Practice No. 21 as if purchased outright. The corresponding obligations are included in creditors.

Depreciation is provided depending on the type of asset, by the rates and methods set out above. The related finance costs are charged to the profit and loss account over the period of the lease and represent a constant proportion of the capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account in the year in which they are payable.

Group relief

Group relief for corporation tax purposes is valued at an amount equal to the related tax saving. The payment equal to the tax saving is included as part of the overall taxation charge.

2 Turnover

The turnover represents the contract value of work certified to date, stated net of value added tax, in the ordinary course of business in the United Kingdom.

3 Operating profit

The operating profit is stated after charging:

	2000 £	1999 £
Exceptional items included in cost of sales:		
Exceptional items	153,441	-
Administrative expenses including:		
Operating lease rentals - Other	2,173	2,173
Depreciation	21,991	19,936
Amounts payable to the auditors for audit services	5,000	5,000
(Profit) on disposal of fixed assets	-	(525)
Directors' remuneration	37,935	39,135
Other directors' emoluments	5,561	3,202
and after crediting:		
Management charge received	-	4,500

The exceptional item represented penalties paid under a contract due to late deliveries on site. This was as a result of financial difficulties experienced by the supplier who is no longer trading. The Company has now found an alternative manufacturer of these windows.

NOTES TO THE ACCOUNTS

for the year ended 30th June 2000

4	Interest payable	2000 £	1999 £
	Finance charges in respect of finance leases	73	756
	Other interest payable	20,000	20,000
		<u>20,073</u>	<u>20,756</u>

5 Directors and employees

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	187,220	180,981
Social security costs	19,619	19,308
Other pension costs	11,037	10,099
	<u>217,876</u>	<u>210,389</u>

	2000 Number	1999 Number
The average monthly number of employees was	<u>8</u>	<u>8</u>

Remuneration in respect of directors was as follows:

	2000 £	1999 £
Aggregate amount of emoluments paid in respect of qualifying services	37,935	39,135
National insurance contributions	4,093	3,643
Aggregate value of company contributions to money purchase pension schemes	1,967	1,819
Benefits in kind	5,561	3,202
	<u>49,556</u>	<u>47,799</u>

6 Tax on profit on ordinary activities

	2000 £	1999 £
Based on the profit for the year:		
U.K. Corporation tax	7,805	11,170
Underprovided in prior year	-	69
	<u>7,805</u>	<u>11,239</u>

NOTES TO THE ACCOUNTS

for the year ended 30th June 2000

7	Tangible fixed assets	Plant and machinery	Motor vehicles	Office Equipment and fittings	Total
		£	£	£	£
	Cost				
	At 1st July 1999	4,263	39,825	121,947	166,035
	Additions	-	14,050	81	14,131
	At 30th June 2000	<u>4,263</u>	<u>53,875</u>	<u>122,028</u>	<u>180,166</u>
	Depreciation				
	At 1st July 1999	3,579	25,231	82,816	111,626
	Charged for the year	182	9,956	11,852	21,990
	At 30th June 2000	<u>3,761</u>	<u>35,187</u>	<u>94,668</u>	<u>133,616</u>
	Net book value				
	At 30th June 2000	<u>502</u>	<u>18,688</u>	<u>27,360</u>	<u>46,550</u>
	Owned assets	684	9,594	39,131	49,409
	Leased assets	-	5,000	-	5,000
	At 30th June 1999	<u>684</u>	<u>14,594</u>	<u>39,131</u>	<u>54,409</u>

The depreciation charged on assets held under finance leases was £ nil, (1999 - 4,000)

8	Stocks	2000	1999
		£	£
	Raw materials and consumables	<u>19,107</u>	<u>20,358</u>
9	Debtors	2000	1999
		£	£
	Trade debtors	665,636	626,185
	Amounts receivable on contracts	1,700	19,477
	Other debtors	14,342	33,944
	Prepayments and accrued income	29,459	32,317
		<u>711,137</u>	<u>711,925</u>

NOTES TO THE ACCOUNTS

for the year ended 30th June 2000

10	Creditors: amounts falling due within one year	2000	1999
		£	£
	Bank overdrafts	9,055	19,039
	Obligations under hire purchase and finance lease contracts	-	400
	Trade creditors	313,014	359,290
	Amounts owed to parent company	66,476	37,134
	Corporation tax	7,805	11,170
	Other taxes and social security	28,475	25,390
	Other creditors	37,418	44,856
	Accruals and deferred income	35,858	47,106
		<u>498,101</u>	<u>544,387</u>
	Secured creditors included above are as follows:		
	Bank overdraft: Secured by fixed and floating charge	9,055	19,039
	Hire purchase: secured on the assets concerned	-	400
		<u>-</u>	<u>400</u>

The bank overdraft is secured by way of debenture deed with Barclays Bank Plc dated 29th March 1990, giving a fixed and floating charge over all the companies assets, together with parent company guarantees.

11	Creditors: amounts falling due after one year	2000	1999
		£	£
	Amounts owed to parent company	250,000	250,000
		<u>250,000</u>	<u>250,000</u>

The amounts owed to group undertakings represents long term finance provided by the parent undertaking.

12	Obligations under hire purchase and finance leases	2000	1999
		£	£
	Obligations under finance leases and hire purchase contracts are analysed as follows:		
	Within one year	-	400
		<u>-</u>	<u>400</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

NOTES TO THE ACCOUNTS

for the year ended 30th June 2000

13 Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	2000 Land and buildings £	2000 Other £	1999 Land and buildings £	1999 Other £
Expiring:				
Within one year	20,000	-	20,000	-
Within two to five years	-	2,086	-	2,086
	<u>20,000</u>	<u>2,086</u>	<u>20,000</u>	<u>2,086</u>

14 Share capital

	Authorised		Allotted, called up and fully paid	
	2000 Number	1999 Number	2000 £	1999 £
Ordinary shares of £1.00 each	10,000	10,000	10,000	10,000

15 Reconciliation of the movement in shareholders' funds

	2000 £	1999 £
Profit for the financial year	23,098	166,246
Increase in shareholders' funds	23,098	166,246
Opening shareholders' funds	10,868	(155,377)
Closing shareholders' funds	<u>33,966</u>	<u>10,868</u>

NOTES TO THE ACCOUNTS

for the year ended 30th June 2000

16 Directors' interests

The directors who served during the year and their interests, together with the interests of their families, in the share capital of the Company and of other group companies were as follows:

	Ordinary shares		Ultimate Parent Undertaking Ordinary Shares	
	2000 No.	1999 No.	2000 No.	1999 No.
K.O.H. Kristenson	-	-	-	-
Mrs E.S.G. Kristenson	-	-	100	100
J.E. Lawrence	2,000	2,000	-	-

There are no schemes to benefit the directors by enabling them to buy shares in the Company or in any other company.

Directors' interest in contracts

At no time during the financial year has any director had an interest in any contract significant to the Company's business.

17 Related party transactions

At 30th June Sampson Windows Limited had the following balances with group companies:

	2000 £	1999 £
Outstanding to:		
Mantaquest Limited (amount due after one year)	250,000	250,000
Mantaquest Limited (amount due within one year)	66,476	37,134

The Company was charged £20,000 (1999 - £20,000) in respect of office rental, £15,000 (1999 - £15,000) in respect of management charges and £20,000 (1999 - £20,000) in respect of loan interest by Mantaquest Limited, the ultimate parent undertaking, during the year.

The Company has a loan outstanding from Modul Widows (UK) Limited of £7,200 (1999 - £16,755), a Company of which K.O.H. Kristenson and E.S.G. Kristenson are also directors.

18 Ultimate parent undertaking

The Company is a subsidiary of Mantaquest Limited which has a 80% holding of ordinary shares and voting rights, and is incorporated in England and Wales.

19 Ultimate control

The ultimate control of the Company is with Mrs E.S.G. Kristenson a director and shareholder of the ultimate parent undertaking, Mantaquest Limited.