

Registrar

27 8835,0

CLIMATEC WINDOWS LIMITED

Report of the Directors and

Financial Statements

For The Year Ended 30th June 2002



A05
COMPANIES HOUSE
COMPANIES HOUSE

AEKWE111

D104
30/01/03
24/01/03

CLIMATEC WINDOWS LIMITED

Contents of the Financial Statements For The Year Ended 30th June 2002

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Statement of Total Recognised Gains and Losses	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Cash Flow Statement	9
Notes to the Financial Statements	11
The following pages do not form part of the statutory financial statements:	
Trading and Profit and Loss Account	19
Trading and Profit and Loss Account Detail	20

CLIMATEC WINDOWS LIMITED

Company Information For The Year Ended 30th June 2002

DIRECTORS:

Mr S. P. Barker
Mr J. P. Bates

SECRETARY:

Mr S. P. Barker

REGISTERED OFFICE:

1 - 5 Nelson Street
Southend on Sea
Essex
SS1 1EG

REGISTERED NUMBER:

02788430

AUDITORS:

Wilkins Kennedy
Chartered Accountants
1 - 5 Nelson Street
Southend on Sea
Essex
SS1 1EG

CLIMATEC WINDOWS LIMITED

Report of the Directors For The Year Ended 30th June 2002

The directors present their report with the financial statements of the company for the year ended 30th June 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacturers of windows, doors and conservatories.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory.

Adequate resources are available to take advantage of business opportunities and the directors consider the state of affairs to be satisfactory.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of £1,250 per share.

The total distribution of dividends for the year ended 30th June 2002 will be £125,000.

DIRECTORS

The directors during the year under review were:

Mr S. P. Barker
Mr J. P. Bates

The beneficial interests of the directors holding office on 30th June 2002 in the issued share capital of the company were as follows:

	30.6.02	1.7.01
Ordinary £1 shares		
Mr S. P. Barker	40	40
Mr J. P. Bates	20	20

STATEMENT OF 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.

CLIMATEC WINDOWS LIMITED

Report of the Directors For The Year Ended 30th June 2002

AUDITORS

The auditors, Wilkins Kennedy, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



Mr S. P. Barker - SECRETARY

Dated: 29th November 2002

CLIMATEC WINDOWS LIMITED

Report of the Independent Auditors to the Shareholders of Climatec Windows Limited

We have audited the financial statements of Climatec Windows Limited for the year ended 30th June 2002 on pages five to eighteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

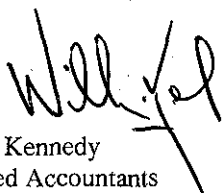
Basis of audit opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Wilkins Kennedy
Chartered Accountants
1 - 5 Nelson Street
Southend on Sea
Essex
SS1 1EG

Dated: 29th November 2002

CLIMATEC WINDOWS LIMITED

Profit and Loss Account For The Year Ended 30th June 2002

		2002	2001
			<i>As restated</i>
	Notes	£	£
TURNOVER	2	5,081,036	3,995,359
Cost of sales		<u>3,580,159</u>	<u>2,830,226</u>
GROSS PROFIT		1,500,877	1,165,133
Distribution costs		244,975	191,295
Administrative expenses		<u>863,466</u>	<u>737,362</u>
		<u>1,108,441</u>	<u>928,657</u>
OPERATING PROFIT	4	392,436	236,476
Interest receivable and similar income		<u>1,780</u>	<u>2,641</u>
		394,216	239,117
Interest payable and similar charges	5	<u>22,248</u>	<u>17,345</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		371,968	221,772
Tax on profit on ordinary activities	6	<u>106,564</u>	<u>84,037</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		265,404	137,735
Dividends	7	<u>125,000</u>	<u>70,000</u>
RETAINED PROFIT FOR THE YEAR		<u><u>£140,404</u></u>	<u><u>£67,735</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

The notes form part of these financial statements

CLIMATEC WINDOWS LIMITED

Statement of Total Recognised Gains and Losses For The Year Ended 30th June 2002

	2002	2001 <i>As restated</i>
	£	£
PROFIT FOR THE FINANCIAL YEAR	265,404	137,735
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	265,404	<u>£137,735</u>
Prior year adjustment	Note 8	
	<u>(49,642)</u>	
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT	<u>£215,762</u>	

The notes form part of these financial statements

CLIMATEC WINDOWS LIMITED

Balance Sheet 30th June 2002

		2002		2001
	Notes	£	£	As restated £
FIXED ASSETS:				
Tangible assets	9		662,491	549,166
CURRENT ASSETS:				
Stocks	10	156,230		181,744
Debtors	11	513,482		414,072
Cash at bank		<u>200,322</u>		<u>96,581</u>
		870,034		692,397
CREDITORS:				
Amounts falling due within one year	12	<u>849,480</u>		<u>743,708</u>
NET CURRENT ASSETS/(LIABILITIES):			<u>20,554</u>	<u>(51,311)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			683,045	497,855
CREDITORS:				
Amounts falling due after more than one year	13		(125,802)	(123,878)
PROVISIONS FOR LIABILITIES AND CHARGES:	15		<u>(92,504)</u>	<u>(49,642)</u>
			<u>£464,739</u>	<u>£324,335</u>
CAPITAL AND RESERVES:				
Called up share capital	16		100	100
Profit and loss account	17		<u>464,639</u>	<u>324,235</u>
SHAREHOLDERS' FUNDS:	20		<u>£464,739</u>	<u>£324,335</u>

ON BEHALF OF THE BOARD:



Mr S. P. Barker - DIRECTOR

Approved by the Board on 29th November 2002

The notes form part of these financial statements

CLIMATEC WINDOWS LIMITED

Cash Flow Statement For The Year Ended 30th June 2002

	Notes	£ 2002	£	£ 2001	£
Net cash inflow from operating activities	1		511,877		391,981
Returns on investments and servicing of finance	2		(20,468)		(14,704)
Taxation			(33,039)		(41,567)
Capital expenditure	2		(88,710)		(60,062)
Equity dividends paid			(125,000)		(70,000)
			244,660		205,648
Financing	2		(140,919)		(120,016)
Increase in cash in the period			<u>£103,741</u>		<u>£85,632</u>
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		103,741		85,632	
Cash outflow from decrease in debt and lease financing		<u>128,804</u>		<u>81,910</u>	
Change in net debt resulting from cash flows			232,545		167,542
New finance leases			(142,588)		(121,195)
Movement in net debt in the period			89,957		46,347
Net debt at 1st July			(118,754)		(165,101)
Net debt at 30th June			<u>£(28,797)</u>		<u>£(118,754)</u>

The notes form part of these financial statements

CLIMATEC WINDOWS LIMITED

Notes to the Cash Flow Statement For The Year Ended 30th June 2002

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	392,436	236,476
Depreciation charges	86,838	64,491
Loss on disposal of fixed assets	1,349	-
Decrease in stocks	25,514	29,256
Increase in debtors	(69,623)	(15,098)
Increase in creditors	75,363	76,856
Net cash inflow from operating activities	<u>511,877</u>	<u>391,981</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	1,780	2,641
Interest paid	-	(43)
Interest element of hire purchase payments	(22,248)	(17,302)
Net cash outflow for returns on investments and servicing of finance	<u>(20,468)</u>	<u>(14,704)</u>
Capital expenditure		
Purchase of tangible fixed assets	(107,210)	(60,062)
Sale of tangible fixed assets	18,500	-
Net cash outflow for capital expenditure	<u>(88,710)</u>	<u>(60,062)</u>
Financing		
Capital repayments in year	(128,804)	(81,910)
Amount withdrawn by directors	(12,115)	(38,106)
Net cash outflow from financing	<u>(140,919)</u>	<u>(120,016)</u>

The notes form part of these financial statements

CLIMATEC WINDOWS LIMITED

Notes to the Cash Flow Statement For The Year Ended 30th June 2002

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/01 £	Cash flow £	Other non-cash changes £	At 30/6/02 £
Net cash:				
Cash at bank	<u>96,581</u>	<u>103,741</u>		<u>200,322</u>
	<u>96,581</u>	<u>103,741</u>		<u>200,322</u>
Debt:				
Hire purchase	<u>(215,335)</u>	<u>128,804</u>	<u>(142,588)</u>	<u>(229,119)</u>
	<u>(215,335)</u>	<u>128,804</u>	<u>(142,588)</u>	<u>(229,119)</u>
Total	<u>(118,754)</u>	<u>232,545</u>	<u>(142,588)</u>	<u>(28,797)</u>

4. MAJOR NON-CASH TRANSACTIONS

During the year the company entered into hire purchase and finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £142,588.

CLIMATEC WINDOWS LIMITED

Notes to the Financial Statements For The Year Ended 30th June 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 10% on cost
Plant and machinery	- 10% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Trucks and cars	- 25% on reducing balance
Computer equipment	- 33% on cost

Stocks

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

Deferred tax

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS 19 'Deferred Tax'. Provision is made at current rates for tax deferred in respect of all material timing differences. The company has not adopted a policy of discounting deferred tax assets and liabilities.

The adoption of the standard requires a prior period adjustment to be made to recognise the liability which existed at the start of the financial year and which was not recognised under the old accounting policy. This has increased the deferred tax provision and decreased retained profits by £49,642.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	2002 £	2001 £
Wages and salaries	<u>1,412,726</u>	<u>1,220,376</u>

CLIMATEC WINDOWS LIMITED

Notes to the Financial Statements For The Year Ended 30th June 2002

3. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2002	2001
Office	11	9
Manufacturing	48	41
Management	<u>8</u>	<u>7</u>
	<u>67</u>	<u>57</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Hire of equipment - operating leases	24,432	38,389
Depreciation - owned assets	40,555	29,269
Depreciation - assets on hire purchase contracts	46,284	35,222
Loss on disposal of fixed assets	1,349	-
Auditors remuneration	<u>4,000</u>	<u>3,750</u>
Directors' emoluments	<u>76,663</u>	<u>54,294</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	-	43
Hire purchase	<u>22,248</u>	<u>17,302</u>
	<u>22,248</u>	<u>17,345</u>

CLIMATEC WINDOWS LIMITED

Notes to the Financial Statements For The Year Ended 30th June 2002

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2002	2001 <i>As restated</i>
	£	£
Current tax:		
UK corporation tax	63,980	34,395
Prior period adjustment	(278)	-
Total current tax	<u>63,702</u>	<u>34,395</u>
Deferred tax:		
Deferred taxation	42,862	49,642
Tax on profit on ordinary activities	<u>106,564</u>	<u>84,037</u>

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2002	2001
	£	£
Profit on ordinary activities before tax	<u>371,968</u>	<u>221,772</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 20%)	111,590	44,354
Effects of:		
Prior period adjustment	(278)	-
Effect of expenditure not allowable for tax purposes	114	74
Effect of capital allowances in excess of depreciation	(17,348)	(10,033)
Marginal rate relief	<u>(30,376)</u>	<u>-</u>
Current tax charge	<u>63,702</u>	<u>34,395</u>

7. DIVIDENDS

	2002	2001
	£	£
Equity shares:		
Final	<u>125,000</u>	<u>70,000</u>

8. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the adoption of FRS 19 'Deferred Tax'. The standard requires a prior year adjustment to be made to recognise the liability which existed at the start of the financial year and which was not recognised under the old accounting policy.

The effect has been to increase the deferred tax provision and decrease retained profits by £49,642.

CLIMATEC WINDOWS LIMITED

Notes to the Financial Statements For The Year Ended 30th June 2002

9. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST:			
At 1st July 2001	71,073	463,329	114,415
Additions	9,340	140,624	10,857
Disposals	-	(8,425)	-
At 30th June 2002	<u>80,413</u>	<u>595,528</u>	<u>125,272</u>
DEPRECIATION:			
At 1st July 2001	17,722	112,083	34,888
Charge for year	<u>7,384</u>	<u>43,486</u>	<u>7,929</u>
At 30th June 2002	<u>25,106</u>	<u>155,569</u>	<u>42,817</u>
NET BOOK VALUE:			
At 30th June 2002	<u>55,307</u>	<u>439,959</u>	<u>82,455</u>
At 30th June 2001	<u>53,351</u>	<u>351,246</u>	<u>79,527</u>
	Trucks and cars £	Computer equipment £	Totals £
COST:			
At 1st July 2001	116,445	22,289	787,551
Additions	55,920	3,270	220,011
Disposals	<u>(23,211)</u>	-	<u>(31,636)</u>
At 30th June 2002	<u>149,154</u>	<u>25,559</u>	<u>975,926</u>
DEPRECIATION:			
At 1st July 2001	61,961	11,729	238,383
Charge for year	20,347	7,693	86,839
Eliminated on disposal	<u>(11,787)</u>	-	<u>(11,787)</u>
At 30th June 2002	<u>70,521</u>	<u>19,422</u>	<u>313,435</u>
NET BOOK VALUE:			
At 30th June 2002	<u>78,633</u>	<u>6,137</u>	<u>662,491</u>
At 30th June 2001	<u>54,484</u>	<u>10,560</u>	<u>549,168</u>

All the fixed assets are subject to a debenture dated 2nd July 1993 to John Hair and Stephen Barker.

CLIMATEC WINDOWS LIMITED

Notes to the Financial Statements For The Year Ended 30th June 2002

9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Trucks and cars £	Totals £
COST:					
At 1st July 2001	8,000	263,915	6,000	97,160	375,075
Additions	-	86,668	-	55,920	142,588
Transfer to ownership	-	(27,200)	-	(23,211)	(50,411)
At 30th June 2002	<u>8,000</u>	<u>323,383</u>	<u>6,000</u>	<u>129,869</u>	<u>467,252</u>
DEPRECIATION:					
At 1st July 2001	2,067	36,089	500	48,847	87,503
Charge for year	800	27,088	550	17,846	46,284
Transfer to ownership	-	(5,254)	-	(11,787)	(17,041)
At 30th June 2002	<u>2,867</u>	<u>57,923</u>	<u>1,050</u>	<u>54,906</u>	<u>116,746</u>
NET BOOK VALUE:					
At 30th June 2002	<u>5,133</u>	<u>265,460</u>	<u>4,950</u>	<u>74,963</u>	<u>350,506</u>
At 30th June 2001	<u>5,933</u>	<u>227,826</u>	<u>5,500</u>	<u>48,313</u>	<u>287,572</u>

10. STOCKS

	2002 £	2001 £
Stocks	<u>156,230</u>	<u>181,744</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade debtors	460,800	409,137
Other debtors	<u>52,682</u>	<u>4,935</u>
	<u>513,482</u>	<u>414,072</u>

CLIMATEC WINDOWS LIMITED

Notes to the Financial Statements For The Year Ended 30th June 2002

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Hire purchase contracts (see note 14)	103,317	91,457
Trade creditors	523,328	473,581
Taxation	62,518	31,855
Social security and other taxes	25,610	31,044
VAT	91,159	61,109
Other creditors	32,396	31,396
Directors' current accounts	11,152	23,266
	<u>849,480</u>	<u>743,708</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002	2001
	£	£
Hire purchase contracts (see note 14)	<u>125,802</u>	<u>123,878</u>

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2002	2001
	£	£
Net obligations repayable:		
Within one year	103,317	91,457
Between one and five years	<u>125,802</u>	<u>123,878</u>
	<u>229,119</u>	<u>215,335</u>

The following payments are committed to be paid within one year:

	Operating leases	
	2002	2001
	£	£
Expiring:		
Within one year	-	793
Between one and five years	<u>27,320</u>	<u>31,906</u>
	<u>27,320</u>	<u>32,699</u>

15. PROVISION FOR LIABILITIES AND CHARGES

	2002	2001
	£	As restated £
Deferred tax	<u>92,504</u>	<u>49,642</u>

CLIMATEC WINDOWS LIMITED

Notes to the Financial Statements For The Year Ended 30th June 2002

15. PROVISION FOR LIABILITIES AND CHARGES - continued

	Deferred tax £	
Balance at 1st July 2001		
- As previously reported	-	
- Prior period adjustment	49,642	
- As restated	49,642	
Charge for year	<u>42,862</u>	
Balance at 30th June 2002	<u>92,504</u>	
Deferred tax provision	2002	2001
	£	<i>As restated</i>
Accelerated capital allowances	<u>92,504</u>	<u>£ 49,642</u>
	<u>92,504</u>	<u>49,642</u>

16. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002	2001
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002	2001
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

17. RESERVES

	Profit and loss account £
At 1st July 2001	373,877
Prior year adjustment	<u>(49,642)</u>
Retained profit for the year	<u>324,235</u>
	<u>140,404</u>
At 30th June 2002	<u>464,639</u>

CLIMATEC WINDOWS LIMITED

Notes to the Financial Statements For The Year Ended 30th June 2002

18. CAPITAL COMMITMENTS

	2002 £	2001 £
Contracted but not provided for in the financial statements	<u>210,000</u>	<u>-</u>

19. RELATED PARTY DISCLOSURES

Rent of £NIL (2001: £7,500) was paid to Lodge Pension Trust, Mr J. Hair is a beneficiary of this pension fund.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 <i>As restated</i> £
Profit for the financial year	265,404	137,735
Dividends	<u>(125,000)</u>	<u>(70,000)</u>
Net addition to shareholders' funds	140,404	67,735
Opening shareholders' funds (originally £373,977 before prior year adjustment of £(49,642))	<u>324,335</u>	<u>256,600</u>
Closing shareholders' funds	<u>464,739</u>	<u>324,335</u>
Equity interests	<u>464,739</u>	<u>324,335</u>