Companies House

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CLIMATEC WINDOWS LIMITED

Report of the Directors and

Financial Statements

For The Year Ended 30th June 2003

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CLIMATEC WINDOWS LIMITED

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For The Year Ended 30th June 2003

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CLIMATEC WINDOWS LIMITED

Company Information
For The Year Ended 30th June 2003

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 2003

The directors present their report with the financial statements of the company for the year ended 30th June 2003.

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
Interim dividends per share were paid as follows:

£1,500	- 30th April 2003
£1,000	- 30th June 2003
£2,500	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30th June 2003 will be £250,000.

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 2003 in the issued share capital of the company were as follows:

	30.6.03	1.7.02
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.

Report of the Directors
For The Year Ended 30th June 2003

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

12th February 2004

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 2003 on pages five to seventeen. 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 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 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.

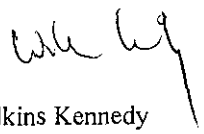
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has 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 2003 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

12th February 2004

CLIMATEC WINDOWS LIMITED

Profit and Loss Account
For The Year Ended 30th June 2003

	Notes	2003 £	2003 £	2002 £	2002 £
TURNOVER	2		**5,048,923**		*5,081,036*
Cost of sales			**3,389,339**		*3,580,159*
GROSS PROFIT			**1,659,584**		*1,500,877*
Distribution costs		**241,985**		*244,975*	
Administrative expenses		**1,021,414**		*863,466*	
			1,263,399		*1,108,441*
OPERATING PROFIT	4		**396,185**		*392,436*
Interest receivable and similar income			**4,532**		*1,780*
			400,717		*394,216*
Interest payable and similar charges	5		**19,640**		*22,248*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			**381,077**		*371,968*
Tax on profit on ordinary activities	6		**86,177**		*106,564*
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			**294,900**		*265,404*
Dividends	7		**250,000**		*125,000*
RETAINED PROFIT FOR THE YEAR			**44,900**		*140,404*

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 2003

	2003 £	*2002* *£*
PROFIT FOR THE FINANCIAL YEAR	**294,900**	*265,404*
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	**294,900**	*265,404*
Prior year adjustment		*(49,642)*
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		*215,762*

The notes form part of these financial statements

CLIMATEC WINDOWS LIMITED

Balance Sheet
30th June 2003

	Notes	2003 £	2003 £	2002 £	2002 £
FIXED ASSETS					
Tangible assets	9		**614,358**		*662,491*
CURRENT ASSETS					
Stocks	10	**104,560**		*156,230*	
Debtors	11	**518,550**		*513,482*	
Cash at bank		**211,057**		*200,322*	
		834,167		*870,034*	
CREDITORS					
Amounts falling due within one year	12	**772,940**		*849,480*	
NET CURRENT ASSETS			**61,227**		*20,554*
TOTAL ASSETS LESS CURRENT LIABILITIES			**675,585**		*683,045*
CREDITORS					
Amounts falling due after more than one year	13		**(71,271)**		*(125,802)*
PROVISIONS FOR LIABILITIES AND CHARGES	15		**(94,675)**		*(92,504)*
			509,639		*464,739*
CAPITAL AND RESERVES					
Called up share capital	16		**100**		*100*
Profit and loss account	17		**509,539**		*464,639*
SHAREHOLDERS' FUNDS	19		**509,639**		*464,739*

ON BEHALF OF THE BOARD:



Mr S. P. Barker - Director

Approved by the Board on 12th February 2004

The notes form part of these financial statements

CLIMATEC WINDOWS LIMITED

Cash Flow Statement
For The Year Ended 30th June 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Net cash inflow from operating activities	1		**456,859**		*511,877*
Returns on investments and servicing of finance	2		**(15,108)**		*(20,468)*
Taxation			**(62,518)**		*(33,039)*
Capital expenditure	2		**(25,483)**		*(88,710)*
Equity dividends paid			**(250,000)**		*(125,000)*
			103,750		*244,660*
Financing	2		**(93,015)**		*(140,919)*
Increase in cash in the period			**10,735**		*103,741*
Reconciliation of net cash flow to movement in net debt	3				
Increase in cash in the period		**10,735**		*103,741*	
Cash outflow from decrease in debt and lease financing		**106,953**		*128,804*	
Change in net debt resulting from cash flows			**117,688**		*232,545*
New finance leases			**(17,374)**		*(142,588)*
Movement in net debt in the period			**100,314**		*89,957*
Net debt at 1st July			**(28,797)**		*(118,754)*
Net funds/(debt) at 30th June			**71,517**		*(28,797)*

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 30th June 2003

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

	2003 £	*2002 £*
Operating profit	**396,185**	*392,436*
Depreciation charges	**90,988**	*86,838*
Loss on disposal of fixed assets	**-**	*1,349*
Decrease in stocks	**51,670**	*25,514*
Increase in debtors	**(5,068)**	*(69,623)*
(Decrease)/Increase in creditors	**(76,916)**	*75,363*
Net cash inflow from operating activities	**456,859**	*511,877*

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

	2003 £	*2002 £*
Returns on investments and servicing of finance		
Interest received	**4,532**	*1,780*
Interest element of hire purchase payments	**(19,640)**	*(22,248)*
Net cash outflow for returns on investments and servicing of finance	**(15,108)**	*(20,468)*
Capital expenditure		
Purchase of tangible fixed assets	**(25,483)**	*(107,210)*
Sale of tangible fixed assets	**-**	*18,500*
Net cash outflow for capital expenditure	**(25,483)**	*(88,710)*
Financing		
Capital repayments in year	**(106,953)**	*(128,804)*
Amount introduced by directors	**13,938**	*-*
Amount withdrawn by directors	**-**	*(12,115)*
Net cash outflow from financing	**(93,015)**	*(140,919)*

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 30th June 2003

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/7/02 £	Cash flow £	Other non-cash changes £	At 30/6/03 £
Net cash:				
Cash at bank	200,322	10,735		211,057
	200,322	10,735		211,057
Debt:				
Hire purchase	(229,119)	106,953	(17,374)	(139,540)
	(229,119)	106,953	(17,374)	(139,540)
Total	(28,797)	117,688	(17,374)	71,517

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 £17,374.

The notes form part of these financial statements

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
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 required a prior period adjustment in the year ended 30th June 2002 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 in the year ended 30th June 2002.

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.

Pensions
The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

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

3. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	1,532,420	1,412,726
Other pension costs	17,900	-
	1,550,320	1,412,726

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

	2003	2002
Office	9	11
Manufacturing	55	48
Management	7	8
	71	67

4. OPERATING PROFIT

The operating profit is stated after charging:

	2003	2002
	£	£
Hire of equipment - operating leases	28,766	24,432
Depreciation - owned assets	51,789	40,555
Depreciation - assets on hire purchase contracts	39,201	46,284
Loss on disposal of fixed assets	-	1,349
Auditors remuneration	4,500	4,000
Directors' emoluments	122,946	76,663
Directors' pension contributions to money purchase schemes	17,900	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003	2002
	£	£
Hire purchase	19,640	22,248

6. TAXATION

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

	2003 £	2002 £
Current tax:		
UK corporation tax	**84,006**	*63,980*
Prior period adjustment	**-**	*(278)*
Total current tax	**84,006**	*63,702*
Deferred taxation	**2,171**	*42,862*
Tax on profit on ordinary activities	**86,177**	*106,564*

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:

	2003 £	2002 £
Profit on ordinary activities before tax	**381,077**	*371,968*
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	**114,323**	*111,590*
Effects of:		
Prior period adjustment	**-**	*(278)*
Effect of expenditure not allowable for tax purposes	**174**	*114*
Effect of capital allowances in excess of depreciation	**-**	*(17,348)*
Marginal rate relief	**(30,732)**	*(30,376)*
Effect of depreciation in excess of capital allowances	**241**	*-*
Current tax charge	**84,006**	*63,702*

7. DIVIDENDS

	2003 £	2002 £
Equity shares:		
Interim	**250,000**	*-*
Final	**-**	*125,000*
	250,000	*125,000*

8. **PRIOR YEAR ADJUSTMENT**

The prior year adjustment in the year ended 30th June 2002 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 in the year ended 30th June 2002.

9. **TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Fixtures and fittings £
COST:			
At 1st July 2002	80,413	595,528	125,272
Additions	-	5,571	11,778
At 30th June 2003	80,413	601,099	137,050
DEPRECIATION:			
At 1st July 2002	25,106	155,569	42,817
Charge for year	8,041	44,621	8,604
At 30th June 2003	33,147	200,190	51,421
NET BOOK VALUE:			
At 30th June 2003	47,266	400,909	85,629
At 30th June 2002	*55,307*	*439,959*	*82,455*

	Trucks and cars £	Computer equipment £	Totals £
COST:			
At 1st July 2002	149,154	25,559	975,926
Additions	20,374	5,134	42,857
At 30th June 2003	169,528	30,693	1,018,783
DEPRECIATION:			
At 1st July 2002	70,521	19,422	313,435
Charge for year	20,546	9,178	90,990
At 30th June 2003	91,067	28,600	404,425
NET BOOK VALUE:			
At 30th June 2003	78,461	2,093	614,358
At 30th June 2002	*78,633*	*6,137*	*662,491*

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

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 2002	**8,000**	**323,383**	**6,000**	**129,869**	**467,252**
Additions	**-**	**-**	**-**	**17,374**	**17,374**
Transfer to ownership	**(8,000)**	**(42,570)**	**(6,000)**	**(42,515)**	**(99,085)**
At 30th June 2003	**-**	**280,813**	**-**	**104,728**	**385,541**
DEPRECIATION:					
At 1st July 2002	**2,867**	**57,924**	**1,050**	**54,906**	**116,747**
Charge for year	**-**	**23,624**	**-**	**15,577**	**39,201**
Transfer to ownership	**(2,867)**	**(13,347)**	**(1,050)**	**(28,551)**	**(45,815)**
At 30th June 2003	**-**	**68,201**	**-**	**41,932**	**110,133**
NET BOOK VALUE:					
At 30th June 2003	**-**	**212,612**	**-**	**62,796**	**275,408**
At 30th June 2002	*5,133*	*265,459*	*4,950*	*74,963*	*350,505*

10. **STOCKS**

	2003 £	*2002 £*
Stocks	**104,560**	*156,230*

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003 £	*2002 £*
Trade debtors	**466,081**	*460,800*
Other debtors	**52,469**	*52,682*
	518,550	*513,482*

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2003 £	*2002 £*
Hire purchase contracts (see note 14)	**68,269**	*103,317*
Trade creditors	**415,108**	*523,328*
Taxation	**84,006**	*62,518*
Social security and other taxes	**57,884**	*25,610*
VAT	**90,085**	*91,159*
Other creditors	**32,500**	*32,396*
Directors' current accounts	**25,088**	*11,152*
	772,940	*849,480*

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

	2003	2002
	£	£
Hire purchase contracts (see note 14)	71,271	125,802

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	2003	2002
	£	£
Net obligations repayable:		
Within one year	68,269	103,317
Between one and five years	71,271	125,802
	139,540	229,119

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

	Operating leases	
	2003	2002
	£	£
Expiring:		
Within one year	10,603	-
Between one and five years	7,943	27,320
	18,546	27,320

15. PROVISION FOR LIABILITIES AND CHARGES

	2003	2002
	£	£
Deferred taxation		
Accelerated capital allowances	94,675	92,504

	Deferred tax
	£
Balance at 1st July 2002	92,504
Charge for year	2,171
Balance at 30th June 2003	94,675

16. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2003 £	2002 £
1,000	Ordinary	£1	**1,000**	*1,000*

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
100	Ordinary	£1	**100**	*100*

17. RESERVES

	Profit and loss account £
At 1st July 2002	**464,639**
Retained profit for the year	**44,900**
At 30th June 2003	**509,539**

18. CAPITAL COMMITMENTS

	2003 £	2002 £
Contracted but not provided for in the financial statements	**210,000**	*210,000*

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	**294,900**	*265,404*
Dividends	**(250,000)**	*(125,000)*
Net addition to shareholders' funds	**44,900**	*140,404*
Opening shareholders' funds	**464,739**	*324,335*
Closing shareholders' funds	**509,639**	*464,739*
Equity interests	**509,639**	*464,739*