

Company Registration No. 03935708 (England and Wales)

HIGH-TECH WINDOWS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2001



HIGH-TECH WINDOWS LIMITED

COMPANY INFORMATION

Directors	E I Cheshire	(Appointed 28 February 2000)
	C J Cheshire	(Appointed 5 March 2001)
	L H Dalby	(Appointed 5 March 2001)
	J B Green	(Appointed 28 February 2000)

Secretary	J B Green
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Company number	03935708
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Registered office	Staverton Technology Park Gloucester Road Staverton Cheltenham Gloucestershire GL51 6TQ
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Auditors	Hazlewoods Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX
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HIGH-TECH WINDOWS LIMITED

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HIGH-TECH WINDOWS LIMITED

DIRECTORS' REPORT for the period ended 30 June 2001

The directors present their report and financial statements for the period ended 30 June 2001.

Principal activities and review of the business

The company was incorporated on 28 February 2000. The principal activity of the company until 30 June 2001 was that of a holding company and, from this date the principal activity of the company was the sale and installation of double-glazed windows, doors and conservatories.

On 30 June 2001 the company acquired the business, including all assets and liabilities, of High TW Limited, its wholly-owned subsidiary. Details of this transaction are disclosed in note 9 to the financial statements. Following the transfer of trade the directors expect the company to show an increase in activity, in the forthcoming year ending 30 June 2002, over and above turnover of £4,831,775 and operating profit of £104,681 shown in the financial statements of its subsidiary for the year ended 30 June 2001.

On 1 July 2001 the directors passed a special resolution to change the name of the company from High-tech Windows Holdings Limited.

Results and dividends

The results for the period are set out on page 4.

Information concerning dividends paid and proposed are set out in note 8 to the financial statements.

Directors

The following directors have held office since 28 February 2000:

E I Cheshire	(Appointed 28 February 2000)
C J Cheshire	(Appointed 5 March 2001)
L H Dalby	(Appointed 5 March 2001)
J B Green	(Appointed 28 February 2000)
Combined Nominees Limited	(Appointed 28 February 2000 and resigned 28 February 2000)
Combined Secretarial Services Limited	(Appointed 28 February 2000 and resigned 28 February 2000)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	'A' Ordinary Shares of £ 1 each	
	30 June 2001	28 February 2000
E I Cheshire	-	-
C J Cheshire	-	-
L H Dalby	-	-
J B Green	50	1

	'B' Ordinary shares of £ 1 each	
	30 June 2001	28 February 2000
E I Cheshire	50	1
C J Cheshire	-	-
L H Dalby	-	-
J B Green	-	-

HIGH-TECH WINDOWS LIMITED

DIRECTORS' REPORT (CONTINUED) for the period ended 30 June 2001

	'C' Ordinary shares of £ 1 each	
	30 June 2001	28 February 2000
E I Cheshire	-	-
C J Cheshire	10	-
L H Dalby	-	-
J B Green	-	-

	'D' Ordinary shares of £ 1 each	
	30 June 2001	28 February 2000
E I Cheshire	-	-
C J Cheshire	-	-
L H Dalby	10	-
J B Green	-	-

Auditors

Hazlewoods were appointed auditors to the company and have offered themselves for reappointment.

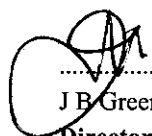
Directors' responsibilities

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.

On behalf of the board

 12/10/2001
J B Green
Director

HIGH-TECH WINDOWS LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF HIGH-TECH WINDOWS LIMITED

We have audited the financial statements on pages 4 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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.

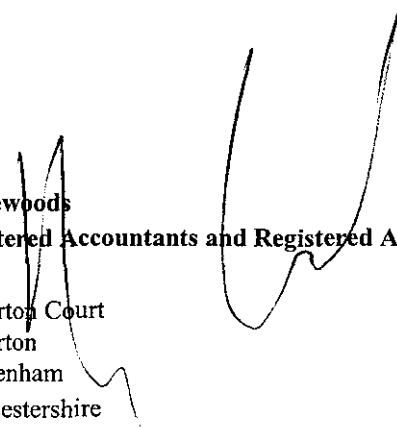
Basis of opinion

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 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 30 June 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Hazlewoods
Chartered Accountants and Registered Auditors

25 October 2001

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

HIGH-TECH WINDOWS LIMITED

PROFIT AND LOSS ACCOUNT for the period ended 30 June 2001

	Notes	Period ended 30 June 2001 £
Turnover	2	244,000
Administrative expenses		(135,068)
Operating profit		108,932
Investment income	3	471,603
Amounts written off investments	4	(366,049)
Interest payable and similar charges	5	(21,166)
Profit on ordinary activities before taxation		193,320
Tax on profit on ordinary activities	7	(18,918)
Profit on ordinary activities after taxation		174,402
Dividends	8	(75,200)
Retained profit for the period	19	99,202

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

HIGH-TECH WINDOWS LIMITED

BALANCE SHEET as at 30 June 2001

	Notes	£	2001 £
Fixed assets			
Intangible assets	9		200,000
Tangible assets	10		259,174
Investments	11		34,000
			<u>493,174</u>
Current assets			
Stocks	12	78,419	
Debtors	13	614,350	
Cash at bank and in hand		183,921	
		<u>876,690</u>	
Creditors: amounts falling due within one year	14	(1,081,900)	
Net current liabilities			<u>(205,210)</u>
Total assets less current liabilities			<u>287,964</u>
Creditors: amounts falling due after more than one year	15		(145,943)
Provisions for liabilities and charges	16		(42,699)
			<u>99,322</u>
Capital and reserves			
Called up share capital	18		120
Profit and loss account	19		99,202
Shareholders' funds	20		<u>99,322</u>

The financial statements were approved by the Board on

 . 12-10-2001 .

E I Cheshire
Director

HIGH-TECH WINDOWS LIMITED

CASH FLOW STATEMENT for the period ended 30 June 2001

		Period ended 30 June 2001 £
Net cash inflow/(outflow) from operating activities		461,501
Returns on investments and servicing of finance		
Interest paid	(18,500)	
Dividends received	471,603	
Net cash inflow/(outflow) for returns on investments and servicing of finance		453,103
Capital expenditure and financial investment		
Payments to acquire intangible assets	(200,000)	
Payments to acquire tangible assets	(259,174)	
Payments to acquire investments	(400,049)	
Net cash outflow for capital expenditure		(859,223)
Equity dividends paid		(33,000)
Net cash inflow/(outflow) before management of liquid resources and financing		22,381
Financing		
Issue of ordinary share capital	120	
Issue of shares	120	
Other new long term loans	120,000	
Other new short term loans	41,420	
Increase/decrease) in debt	161,420	
Net cash inflow/(outflow) from financing		161,540
Increase/(decrease) in cash in the period		183,921

HIGH-TECH WINDOWS LIMITED

NOTES TO THE CASH FLOW STATEMENT for the period ended 30 June 2001

1	Reconciliation of operating profit to net cash outflow from operating activities	2001 £
	Operating profit	108,932
	Increase in stocks	(78,419)
	Increase in debtors	(614,350)
	Increase in creditors within one year	1,045,338
	Net cash outflow from operating activities	461,501

2	Analysis of net debt	28 February 2000	Cash flow	Other non-cash changes	30 June 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	-	183,921	-	183,921
	Debt:				
	Hire purchase contracts	-	-	(63,898)	(63,898)
	Debts falling due within one year	-	(41,420)	-	(41,420)
	Debts falling due after one year	-	(120,000)	-	(120,000)
		-	(161,420)	(63,898)	(225,318)
	Net debt	-	22,501	(63,898)	(41,397)

3	Reconciliation of net cash flow to movement in net debt	2001 £
	Increase in cash in the period	183,921
	Cash inflow from increase in debt and lease financing	(161,420)
	Change in net debt resulting from cash flows	22,501
	Transfer from subsidiary undertaking	(63,898)
	Movement in net debt in the period	(41,397)
	Opening net debt	-
	Closing net debt	(41,397)

4	Major non-cash transactions
	On 30 June 2001, hire purchase liabilities totalling £63,898 were transferred from the company's subsidiary undertaking as part of the transfer of the latter's business, the details of which are set out in note 9 to the financial statements.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the period ended 30 June 2001

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies all of which are in accordance with applicable Accounting Standards.

1.2 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for goods and services supplied.

1.3 Goodwill

Purchased goodwill, including that attributable to the acquisition of subsidiary and associated undertakings, is capitalised and is to be written off over a period of ten years. This period is considered by the directors to be its useful economic life.

1.4 Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates:

Short leasehold land and buildings	Over the life of the lease
Plant and machinery	10% of cost per annum
Fixtures, fittings & equipment	15% of cost per annum
Motor vehicles	25% of cost per annum

1.5 Leasing

Assets acquired under hire purchase and finance leases are recorded in the balance sheet as tangible fixed assets at their equivalent capital value. The corresponding liability is included under creditors due within or after one year. The interest element is charged to profit and loss account and represents a constant proportion of the balance of capital repayments outstanding.

The cost of and income from operating leases is respectively charged and credited to the profit and loss account on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. Cost is represented by direct materials and labour together with attributable amounts of fixed and variable overheads incurred in bringing each product to its present location and condition. Net realisable value is estimated selling price less further costs to completion and disposal.

1.8 Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.9 Deferred taxation

Provision is made for deferred taxation using the liability method (calculated at the rate at which it is estimated that tax will be payable) in respect of timing differences between profits as computed for tax purposes and profits as stated in the financial statements, to the extent that those differences will give rise to tax liabilities in the foreseeable future.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

1 Accounting policies (continued)

1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group financial statements.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Investment income 2001 £

Income from shares in group undertakings	471,603
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4 Amounts written off investments 2001 £

Amounts written off fixed asset investments:	
- permanent diminution in value	366,049

Amounts written off investments relate to the permanent diminution in value of High TW Limited, the company's subsidiary undertaking.

5 Interest payable 2001 £

Other interest	21,166
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HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

6	Directors and employees	2001
		£
	Directors' emoluments	
	Emoluments for qualifying services	85,216
	Company pension contributions to money purchase schemes	12,719
		97,935

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2.

Number of employees

There were no employees during the period apart from the directors.

Employment costs	2001
	£
Wages and salaries	85,216
Social security costs	8,783
Other pension costs	12,719
	106,718

7	Taxation	2001
		£
	U.K. current year taxation	
	U.K. corporation tax at 20%	18,918

8	Dividends	2001
		£
	'C' Ordinary interim paid	24,000
	'D' Ordinary interim paid	9,000
	'A' Ordinary final proposed	8,000
	'C' Ordinary final proposed	10,267
	'D' Ordinary final proposed	23,933
		75,200

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

9 Intangible fixed assets

	Goodwill £
Cost	
At 28 February 2000	-
Additions	200,000
At 30 June 2001	<u>200,000</u>

Purchased goodwill arose on the transfer of the business, including all assets and liabilities, of High TW Limited, the company's subsidiary undertaking. The transfer took place on 30 June 2001 for consideration of £364,650, the details of which are disclosed below:

Category	Value of assets transferred
Tangible fixed assets	259,174
Current assets	841,605
Current liabilities	(867,487)
Creditors due after more than one year	(25,943)
Provisions for liabilities and charges	(42,699)
	<u>164,650</u>
Consideration	364,650
Goodwill	<u>200,000</u>

During the period the company charged £244,000 to High TW Limited, in respect of management charges.
At the period end, £34,000 was owed to High TW Limited by the company.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

10 Tangible fixed assets

	Short leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 28 February 2000	-	-	-	-	-
Additions	60,815	27,018	28,883	142,458	259,174
At 30 June 2001	60,815	27,018	28,883	142,458	259,174
Depreciation					
At 28 February 2000 & at 30 June 2001	-	-	-	-	-
Net book value					
At 30 June 2001	60,815	27,018	28,883	142,458	259,174

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Net book values			
At 30 June 2001	8,295	103,159	111,454
Depreciation charge for the period			
30 June 2001	-	-	-

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

11 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 28 February 2000	-
Additions	400,049
At 30 June 2001	400,049
Amounts written off	
At 28 February 2000	-
Amounts written off in the period	366,049
At 30 June 2001	366,049
Net book value	
At 30 June 2001	34,000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
High TW Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
High TW Limited	34,000	(197,539)

Amounts written off relate to the permanent diminution in value of the company's investment in its subsidiary undertaking after the transfer of the business from the latter, details of which are disclosed in note 9 to the financial statements.

12 Stocks and work in progress

	2001 £
Raw materials and consumables	45,083
Work in progress	33,336
	78,419

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

13 Debtors	2001
	£
Trade debtors	454,394
Other debtors	5,523
Prepayments and accrued income	154,433
	<u>614,350</u>
14 Creditors: amounts falling due within one year	2001
	£
Net obligations under finance leases	37,955
Trade creditors	461,044
Amounts owed to subsidiary undertakings	34,000
Corporation tax	47,092
Other taxes and social security costs	132,356
Directors' current accounts	72,189
Other creditors	223,708
Accruals and deferred income	31,356
Proposed dividend	42,200
	<u>1,081,900</u>

Other creditors of £41,420 are secured by a fixed and floating charge over the assets of the company.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

15 Creditors: amounts falling due after more than one year	2001
	£
Other loans	120,000
Net obligations under finance leases	25,943
	<u>145,943</u>
Analysis of loans	
Wholly repayable within five years	161,420
	<u>161,420</u>
Included in current liabilities	(41,420)
	<u>120,000</u>
Loan maturity analysis	
In more than one year but not more than two years	40,000
In more than two years but not more than five years	80,000
	<u></u>
Net obligations under finance leases	
Repayable within one year	37,955
Repayable between two and five years	25,943
	<u>25,943</u>

Other loans are secured by a fixed and floating charge over the assets of the company.

16 Provisions for liabilities and charges	Warranty provision	Deferred taxation	Total
	£	£	£
Transfer from subsidiary undertaking at end of period	36,000	6,699	42,699
	<u></u>	<u></u>	<u></u>

Deferred taxation provided in the financial statements is as follows:

	Fully provided
	2001
	£
Accelerated capital allowances	6,699
	<u></u>

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

17 Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Contributions totalling £12,719 were paid over to the scheme during the period.

18 Share capital	2001 £
Authorised	
499,990 'A' Ordinary Shares of £ 1 each	499,990
499,990 'B' Ordinary shares of £ 1 each	499,990
10 'C' Ordinary shares of £ 1 each	10
10 'D' Ordinary shares of £ 1 each	10
	1,000,000
Allotted, called up and fully paid	
50 'A' Ordinary Shares of £ 1 each	50
50 'B' Ordinary shares of £ 1 each	50
10 'C' Ordinary shares of £ 1 each	10
10 'D' Ordinary shares of £ 1 each	10
	120

During the period a total of 120 ordinary shares of £1 each were issued at par value for total consideration of £120. The shares carry equal voting, dividend entitlement and distribution rights in the event of a winding up.

19 Statement of movements on profit and loss account

	Profit and loss account £
Retained profit for the period	99,202

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the period ended 30 June 2001

20 Reconciliation of movements in shareholders' funds	2001
	£
Profit for the financial period	174,402
Dividends	(75,200)
	99,202
Proceeds from issue of shares	120
Net addition to shareholders' funds	99,322
Opening shareholders' funds	-
Closing shareholders' funds	99,322

21 Financial commitments

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings
	2001
	£
Expiry date:	
Between two and five years	45,000

22 Transactions with directors

During the period, J B Green and E C Cheshire, two of the company's directors, made loans to the company of £25,000 each. These accrue interest at 2% above Lloyds TSB Bank Plc base rate but have no fixed repayment dates.

During the year interest of £1,850 was paid to each of the directors in respect of the loans. At the year end, the balances due on their respective loan accounts was £19,630 to J B Green and £19,579 to E C Cheshire.

23 Control

The company is controlled by its directors, whose shareholdings are set out in the directors' report.