

Company Registration No. 03935708 (England and Wales)

HIGH-TECH WINDOWS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002



HIGH-TECH WINDOWS LIMITED

COMPANY INFORMATION

Directors	E I Cheshire C J Cheshire L H Dalby J B Green
Secretary	J B Green
Company number	03935708
Registered office	Staverton Technology Park Gloucester Road Staverton Cheltenham Gloucestershire GL51 6TQ
Auditors	Hazlewoods Staverton Court Staverton Cheltenham Gloucestershire GL51 0UX
Business address	Staverton Technology Park Gloucester Road Staverton Cheltenham Gloucestershire GL51 6TQ

HIGH-TECH WINDOWS LIMITED

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HIGH-TECH WINDOWS LIMITED

DIRECTORS' REPORT for the year ended 30 June 2002

The directors present their report and financial statements for the year ended 30 June 2002.

Principal activities and review of the business

The principal activity of the company until 30 June 2001 was that of a holding company. From this date the principal activity of the company was, and continues to be, the sale and installation of double-glazed windows, doors and conservatories.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect an increase in the level of activity in the forthcoming year ending 30 June 2003.

Results and dividends

The results for the year 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 1 July 2001:

E I Cheshire
C J Cheshire
L H Dalby
J B Green

Directors' interests

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

	'A' Ordinary Shares of £ 1 each	
	30 June 2002	1 July 2001
E I Cheshire	-	-
C J Cheshire	-	-
L H Dalby	-	-
J B Green	50	50

	'B' Ordinary shares of £ 1 each	
	30 June 2002	1 July 2001
E I Cheshire	50	50
C J Cheshire	-	-
L H Dalby	-	-
J B Green	-	-

	'C' Ordinary shares of £ 1 each	
	30 June 2002	1 July 2001
E I Cheshire	-	-
C J Cheshire	10	10
L H Dalby	-	-
J B Green	-	-

HIGH-TECH WINDOWS LIMITED

DIRECTORS' REPORT (CONTINUED)

for the year ended 30 June 2002

	'D' Ordinary shares of £ 1 each	
	30 June 2002	1 July 2001
E I Cheshire	-	-
C J Cheshire	-	-
L H Dalby	10	10
J B Green	-	-

Auditors

Hazlewoods have expressed their willingness to continue in office.

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

 22/11/2002
J B Green
Director
.....

HIGH-TECH WINDOWS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HIGH-TECH WINDOWS LIMITED

We have audited the financial statements of High-tech Windows Limited on pages 4 to 20 for the year ended 30 June 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the 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 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 transactions with the company is not disclosed.

We read the directors' report 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 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hazlewoods

Chartered Accountants

Registered Auditors

25 November 2002

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

HIGH-TECH WINDOWS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2002

		Year ended 30 June 2002 £	Period ended 30 June 2001 £
Turnover	Notes 2		
Continuing operations		-	-
Acquisitions		5,708,025	-
		<u>5,708,025</u>	<u>-</u>
Discontinued activities		-	244,000
		<u>5,708,025</u>	<u>244,000</u>
Cost of sales		(3,691,220)	-
Gross profit		<u>2,016,805</u>	<u>244,000</u>
Distribution costs		(705,523)	-
Administrative expenses		(1,104,823)	(135,068)
Other operating income		18,435	-
		<u>Operating profit</u>	<u>Operating profit</u>
	4		
Continuing operations		(35,086)	(135,068)
Acquisitions		259,980	-
		<u>224,894</u>	<u>(135,068)</u>
Discontinued activities		-	244,000
		<u>224,894</u>	<u>108,932</u>
Investment income	5	-	471,603
Other interest receivable and similar income		4,367	-
Amounts written off investments	6	-	(366,049)
Interest payable and similar charges	7	(22,242)	(21,166)
		<u>Profit on ordinary activities before taxation</u>	<u>Profit on ordinary activities before taxation</u>
		207,019	193,320
Tax on profit on ordinary activities	8	(50,770)	(18,918)
Profit on ordinary activities after taxation		<u>156,249</u>	<u>174,402</u>
Dividends	9	(151,000)	(75,200)
Retained profit for the year	20	<u>5,249</u>	<u>99,202</u>

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

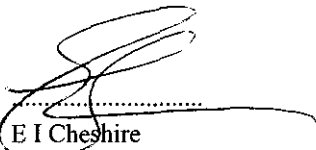
HIGH-TECH WINDOWS LIMITED

BALANCE SHEET as at 30 June 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Intangible assets	10		179,996		200,000
Tangible assets	11		277,647		259,174
Investments	12		34,000		34,000
			<u>491,643</u>		<u>493,174</u>
Current assets					
Stocks	13	77,141		78,419	
Debtors	14	577,321		614,350	
Cash at bank and in hand		155,170		183,921	
		<u>809,632</u>		<u>876,690</u>	
Creditors: amounts falling due within one year	15	(1,013,438)		(1,081,900)	
Net current liabilities			(203,806)		(205,210)
Total assets less current liabilities			<u>287,837</u>		<u>287,964</u>
Creditors: amounts falling due after more than one year	16		(136,169)		(145,943)
Provisions for liabilities and charges	17		(47,097)		(42,699)
			<u>104,571</u>		<u>99,322</u>
Capital and reserves					
Called up share capital	19		120		120
Profit and loss account	20		104,451		99,202
Shareholders' funds	21		<u>104,571</u>		<u>99,322</u>

The financial statements were approved by the Board on

22/11/2002


E I Cheshire
Director

HIGH-TECH WINDOWS LIMITED

CASH FLOW STATEMENT for the year ended 30 June 2002

	Year ended 30 June 2002 £	Period ended 30 June 2001 £
Net cash inflow from operating activities	160,919	461,501
Returns on investments and servicing of finance		
Interest received	4,367	-
Interest paid	(22,242)	(18,500)
Dividends received	-	471,603
Net cash (outflow)/inflow for returns on investments and servicing of finance	(17,875)	453,103
Taxation	(45,831)	-
Capital expenditure and financial investment		
Payments to acquire intangible assets	-	(200,000)
Payments to acquire tangible assets	(22,022)	(259,174)
Payments to acquire investments	-	(400,049)
Receipts from sales of tangible assets	24,000	-
Net cash inflow/(outflow) for capital expenditure	1,978	(859,223)
Equity dividends paid	(63,200)	(33,000)
Net cash inflow/(outflow) before management of liquid resources and financing	35,991	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
Repayment of other long term loans	(38,580)	-
Repayment of other short term loans	(1,420)	-
Capital element of hire purchase contracts	(88,239)	-
(Decrease)/increase in debt	(128,239)	161,420
Net cash (outflow)/inflow from financing	(128,239)	161,540
(Decrease)/increase in cash in the year	(92,248)	183,921

HIGH-TECH WINDOWS LIMITED

NOTES TO THE CASH FLOW STATEMENT for the year ended 30 June 2002

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2002	2001	
			£	£	
	Operating profit		224,894	108,932	
	Depreciation of tangible assets		105,630	-	
	Amortisation of intangible assets		20,004	-	
	Profit on disposal of tangible assets		(10,824)		
	Decrease/(increase) in stocks		1,278	(78,419)	
	Decrease/(increase) in debtors		37,029	(614,350)	
	(Decrease)/increase in creditors within one year		(216,092)	1,045,338	
	(Decrease) in warranty provision		(1,000)	-	
	Net cash inflow/(outflow) from operating activities		160,919	461,501	
2	Analysis of net debt	1 July 2001	Cash flow	Other non-cash changes	30 June 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	183,921	(28,751)	-	155,170
	Bank overdrafts	-	(63,497)	-	(63,497)
		183,921	(92,248)	-	91,673
	Debt:				
	Hire purchase contracts	(63,898)	88,239	(115,257)	(90,916)
	Debts falling due within one year	(41,420)	1,420	-	(40,000)
	Debts falling due after one year	(120,000)	38,580	-	(81,420)
		(225,318)	128,239	(115,257)	(212,336)
	Net debt	(41,397)	35,991	(115,257)	(120,663)
3	Reconciliation of net cash flow to movement in net debt		2002	2001	
			£	£	
	(Decrease)/increase in cash in the year		(92,248)	183,921	
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		128,239	(161,420)	
	Change in net debt resulting from cash flows		35,991	22,501	
	Other non-cash changes (note 4)		(115,257)	(63,898)	
	Movement in net debt in the year		(79,266)	(41,397)	
	Opening net debt		(41,397)	-	
	Closing net debt		(120,663)	(41,397)	

HIGH-TECH WINDOWS LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED) **for the year ended 30 June 2002**

4 Major non-cash transactions

During the year the company entered into hire purchase contracts with an inception value of £115,257.

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.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2002

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 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 and hire purchase commitments

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 year ended 30 June 2002

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 year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Cost of sales and net operating expenses

	2002			2001		
	Continuing	Discontinued	Total	Continuing	Discontinued	Total
	£	£	£	£	£	£
Cost of sales	3,691,220	-	3,691,220	-	-	-
Distribution costs	705,523	-	705,523	-	-	-
Administrative expenses	1,104,823	-	1,104,823	135,068	-	135,068
Other operating income	(18,435)	-	(18,435)	-	-	-
	<u>5,483,131</u>	<u>-</u>	<u>5,483,131</u>	<u>135,068</u>	<u>-</u>	<u>135,068</u>

The total figures for continuing operations in 2002 include the following amounts relating to acquisitions: cost of sales £3,698,220, distribution costs £667,237, administrative expenses £1,101,023 and other operating income £18,435.

4 Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	20,004	-
Depreciation of tangible assets	105,630	-
Operating lease rentals - land and buildings	56,756	-
Auditors' remuneration	5,800	-
and after crediting:		
Profit on disposal of tangible assets	<u>(10,824)</u>	<u>-</u>

During the period ended 30 June 2001 auditors' remuneration of £1,075 was incurred on behalf of the company by its subsidiary undertaking.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2002

5	Investment income	2002	2001
		£	£
	Income from shares in group undertakings	-	471,603
		<u> </u>	<u> </u>
6	Amounts written off investments	2002	2001
		£	£
	Amounts written off fixed asset investments:		
	- permanent diminution in value	-	366,049
		<u> </u>	<u> </u>
	Amounts written off investments relate to the permanent diminution in value of High TW Limited, the company's subsidiary undertaking.		
7	Interest payable	2002	2001
		£	£
	On bank loans and overdrafts	370	-
	Hire purchase interest	7,332	-
	On overdue tax	40	-
	Other interest	14,500	21,166
		<u> </u>	<u> </u>
		22,242	21,166
		<u> </u>	<u> </u>

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2002

8	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	46,633	18,918
	Adjustment for prior years	(1,261)	-
	Current tax charge	<u>45,372</u>	<u>18,918</u>
	Deferred tax		
	Deferred tax charge	5,398	-
		<u>50,770</u>	<u>18,918</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>207,019</u>	<u>193,320</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.75% (2001 : 20.00%)	<u>40,886</u>	<u>38,664</u>
	Effects of:		
	Non deductible expenses	1,578	74,575
	Depreciation	22,675	-
	Capital allowances	(18,890)	-
	Adjustments to previous periods	(1,261)	-
	Dividends and distributions received	-	(94,321)
	Other tax adjustments	384	-
	Current tax charge	<u>45,372</u>	<u>18,918</u>
9	Dividends	2002 £	2001 £
	Ordinary interim paid	21,000	33,000
	Ordinary final proposed	130,000	42,200
		<u>151,000</u>	<u>75,200</u>

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2002

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2001 & at 30 June 2002	200,000
Amortisation	
At 1 July 2001	-
Charge for the year	20,004
At 30 June 2002	20,004
Net book value	
At 30 June 2002	179,996
At 30 June 2001	200,000

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.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2002

11 Tangible fixed assets

	Short leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2001	60,815	27,018	28,883	142,458	259,174
Additions	-	867	6,205	130,207	137,279
Disposals	-	-	-	(16,914)	(16,914)
At 30 June 2002	60,815	27,885	35,088	255,751	379,539
Depreciation					
At 1 July 2001	-	-	-	-	-
On disposals	-	-	-	(3,738)	(3,738)
Charge for the year	3,187	3,597	12,957	85,889	105,630
At 30 June 2002	3,187	3,597	12,957	82,151	101,892
Net book value					
At 30 June 2002	57,628	24,288	22,131	173,600	277,647
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 2002	6,809	126,470	133,279
At 30 June 2001	8,295	103,159	111,454
Depreciation charge for the year			
30 June 2002	1,486	37,514	39,000
30 June 2001	1,486	43,392	44,878

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2002

12 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 July 2001 & at 30 June 2002	400,049
Provisions for diminution in value	
At 1 July 2001 & at 30 June 2002	366,049
Net book value	
At 30 June 2002	34,000
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	-

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 on 30 June 2001. Since this date the subsidiary company has been dormant.

13 Stocks and work in progress

	2002 £	2001 £
Raw materials and consumables	48,010	45,083
Work in progress	29,131	33,336
	77,141	78,419

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2002

14 Debtors	2002 £	2001 £
Trade debtors	432,692	454,394
Other debtors	5,643	5,523
Prepayments and accrued income	138,986	154,433
	<u>577,321</u>	<u>614,350</u>
	<u><u>577,321</u></u>	<u><u>614,350</u></u>
15 Creditors: amounts falling due within one year	2002 £	2001 £
Bank overdraft	63,497	-
Net obligations under hire purchase contracts	36,167	37,955
Trade creditors	356,558	461,044
Amounts owed to subsidiary undertakings	34,000	34,000
Corporation tax	46,633	47,092
Other taxes and social security costs	101,773	132,356
Directors' current accounts	31,529	72,189
Other creditors	193,481	223,708
Accruals and deferred income	19,800	31,356
Proposed dividend	130,000	42,200
	<u>1,013,438</u>	<u>1,081,900</u>
	<u><u>1,013,438</u></u>	<u><u>1,081,900</u></u>

The bank overdraft and a loan of £40,000 (2001 - £41,420), included in other creditors, are secured by fixed and floating charges over the assets of the company.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2002

16 Creditors: amounts falling due after more than one year	2002 £	2001 £
Other loans	81,420	120,000
Net obligations under hire purchase contracts	54,749	25,943
	<u>136,169</u>	<u>145,943</u>
Analysis of loans		
Wholly repayable within five years	121,420	161,420
	<u>121,420</u>	<u>161,420</u>
Included in current liabilities	(40,000)	(41,420)
	<u>81,420</u>	<u>120,000</u>
Loan maturity analysis		
In more than one year but not more than two years	40,000	40,000
In more than two years but not more than five years	41,420	80,000
	<u>40,000</u>	<u>80,000</u>
Net obligations under hire purchase contracts		
Repayable within one year	36,167	37,955
Repayable between one and five years	54,749	25,943
	<u>90,916</u>	<u>63,898</u>
Included in liabilities falling due within one year	(36,167)	(37,955)
	<u>54,749</u>	<u>25,943</u>

Other loans 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 year ended 30 June 2002

17 Provisions for liabilities and charges

	Warranty provision £	Deferred taxation £	Total £
Balance at 1 July 2001	36,000	6,699	42,699
Profit and loss account	(1,000)	5,398	4,398
Balance at 30 June 2002	35,000	12,097	47,097

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	12,097	6,699

18 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 £30,409 (2001 - £12,719) were paid over to the scheme during the year.

19 Share capital

	2002 £	2001 £
Authorised		
499,990 'A' Ordinary Shares of £ 1 each	499,990	499,990
499,990 'B' Ordinary shares of £ 1 each	499,990	499,990
10 'C' Ordinary shares of £ 1 each	10	10
10 'D' Ordinary shares of £ 1 each	10	10
	1,000,000	1,000,000
Allotted, called up and fully paid		
50 'A' Ordinary Shares of £ 1 each	50	50
50 'B' Ordinary shares of £ 1 each	50	50
10 'C' Ordinary shares of £ 1 each	10	10
10 'D' Ordinary shares of £ 1 each	10	10
	120	120

The shares carry equal voting, dividend entitlement and distribution rights in the event of a winding up.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2002

20 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 July 2001	99,202
Retained profit for the period	5,249
Balance at 30 June 2002	<u>104,451</u>

21 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	156,249	174,402
Dividends	(151,000)	(75,200)
	<u>5,249</u>	<u>99,202</u>
Proceeds from issue of shares	-	120
	<u>5,249</u>	<u>99,322</u>
Opening shareholders' funds	99,322	-
Closing shareholders' funds	<u>104,571</u>	<u>99,322</u>

22 Financial commitments

At 30 June 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2002 £	2001 £
Expiry date:		
Between two and five years	9,880	-
In over five years	45,000	45,000
	<u>54,880</u>	<u>45,000</u>

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2002

23 Directors' emoluments	2002 £	2001 £
Emoluments for qualifying services	174,782	85,216
Company pension contributions to money purchase schemes	29,376	12,719
	<u>204,158</u>	<u>97,935</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2001 - 2).

24 Transactions with directors

During the period ended 30 June 2001, 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 £1,450 (2001 - £1,850) was charged to the company by each of the directors in respect of the loans. At the year end, the balances due on their respective loan accounts was £15,790 (2001 - £19,630) to J B Green and £15,739 (2001 - £19,579) to E C Cheshire.

25 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Management	7	4
Production	33	-
Sales	31	-
	<u>71</u>	<u>4</u>

Employment costs

	£	£
Wages and salaries	1,136,292	85,216
Social security costs	101,120	8,783
Other pension costs	30,409	12,719
	<u>1,267,821</u>	<u>106,718</u>

26 Control

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