

Company Registration No. 03935708 (England and Wales)

HIGH-TECH WINDOWS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003



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 2003

The directors present their report and financial statements for the year ended 30 June 2003.

Principal activities and review of the business

The principal activity of the company continued to be that of 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 2004.

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 6 to the financial statements.

Directors

The following directors have held office since 1 July 2002:

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

Directors' interests

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

	'A' Ordinary Shares of £ 1 each	
	30 June 2003	1 July 2002
E I Cheshire	-	-
C J Cheshire	-	-
L H Dalby	-	-
J B Green	50	50

	'B' Ordinary Shares of £ 1 each	
	30 June 2003	1 July 2002
E I Cheshire	50	50
C J Cheshire	-	-
L H Dalby	-	-
J B Green	-	-

	'C' Ordinary Shares of £ 1 each	
	30 June 2003	1 July 2002
E I Cheshire	-	-
C J Cheshire	10	10
L H Dalby	-	-
J B Green	-	-

	'D' Ordinary Shares of £ 1 each	
	30 June 2003	1 July 2002
E I Cheshire	-	-
C J Cheshire	-	-
L H Dalby	10	10
J B Green	-	-

HIGH-TECH WINDOWS LIMITED

DIRECTORS' REPORT (CONTINUED) for the year ended 30 June 2003

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



.....
J B Green
Director
28/10/2003

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 19 for the year ended 30 June 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

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 auditor's 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 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 2003 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 Auditor

29 October 2003

Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

HIGH-TECH WINDOWS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2003

	Notes	2003 £	2002 £
Turnover	2	5,539,241	5,708,025
Cost of sales		(3,607,905)	(3,691,220)
Gross profit		1,931,336	2,016,805
Distribution costs		(610,029)	(705,523)
Administrative expenses		(1,071,764)	(1,104,823)
Other operating income		11,201	18,435
Operating profit	3	260,744	224,894
Other interest receivable and similar income		1,477	4,367
Interest payable and similar charges	4	(17,336)	(22,242)
Profit on ordinary activities before taxation		244,885	207,019
Tax on profit on ordinary activities	5	(58,412)	(50,770)
Profit on ordinary activities after taxation		186,473	156,249
Dividends	6	(166,000)	(151,000)
Retained profit for the year	17	20,473	5,249

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 2003

	Notes	2003 £	2002 £
Fixed assets			
Intangible assets	7	159,992	179,996
Tangible assets	8	204,018	277,647
Investments	9	34,000	34,000
		<u>398,010</u>	<u>491,643</u>
Current assets			
Stocks	10	85,449	77,141
Debtors	11	558,254	577,321
Cash at bank and in hand		141,651	155,170
		<u>785,354</u>	<u>809,632</u>
Creditors: amounts falling due within one year	12	<u>(960,698)</u>	<u>(1,013,438)</u>
Net current liabilities		<u>(175,344)</u>	<u>(203,806)</u>
Total assets less current liabilities		<u>222,666</u>	<u>287,837</u>
Creditors: amounts falling due after more than one year	13	(49,055)	(136,169)
Provisions for liabilities and charges	14	<u>(48,567)</u>	<u>(47,097)</u>
		<u>125,044</u>	<u>104,571</u>
Capital and reserves			
Called up share capital	16	120	120
Profit and loss account	17	124,924	104,451
Shareholders' funds	18	<u>125,044</u>	<u>104,571</u>

The financial statements were approved by the Board on 28/10/2003


E I Cheshire
Director

HIGH-TECH WINDOWS LIMITED

CASH FLOW STATEMENT for the year ended 30 June 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		379,001		160,919
Returns on investments and servicing of finance				
Interest received	1,477		4,367	
Interest paid	(17,336)		(22,242)	
Net cash outflow for returns on investments and servicing of finance		(15,859)		(17,875)
Taxation		(48,011)		(45,831)
Capital expenditure				
Payments to acquire tangible assets	(5,861)		(22,022)	
Receipts from sales of tangible assets	-		24,000	
Net cash (outflow)/inflow for capital expenditure		(5,861)		1,978
Equity dividends paid		(214,000)		(63,200)
Net cash inflow before management of liquid resources and financing		95,270		35,991
Financing				
Repayment of other long term loans	(40,000)		(38,580)	
Repayment of other short term loans	-		(1,420)	
Capital element of hire purchase contracts	(36,167)		(88,239)	
Net cash outflow from financing		(76,167)		(128,239)
Increase/(decrease) in cash in the year		19,103		(92,248)

HIGH-TECH WINDOWS LIMITED

NOTES TO THE CASH FLOW STATEMENT for the year ended 30 June 2003

1	Reconciliation of operating profit to net cash inflow from operating activities	2003 £	2002 £
	Operating profit	260,744	224,894
	Depreciation of tangible assets	79,490	105,630
	Amortisation of intangible assets	20,004	20,004
	Profit on disposal of tangible assets	-	(10,824)
	(Increase)/decrease in stocks	(8,308)	1,278
	Decrease in debtors	19,067	37,029
	Increase/(decrease) in creditors within one year	3,004	(216,092)
	Increase/(decrease) in warranty provision	5,000	(1,000)
	Net cash inflow from operating activities	379,001	160,919

2	Analysis of net debt	1 July 2002 £	Cash flow £	Other non-cash changes £	30 June 2003 £
	Net cash:				
	Cash at bank and in hand	155,170	(13,519)	-	141,651
	Bank overdrafts	(63,497)	32,622	-	(30,875)
		91,673	19,103	-	110,776
	Debt:				
	Hire purchase	(90,916)	36,167	-	(54,749)
	Debts falling due within one year	(40,000)	40,000	(40,000)	(40,000)
	Debts falling due after one year	(81,420)	-	40,000	(41,420)
		(212,336)	76,167	-	(136,169)
	Net debt	(120,663)	95,270	-	(25,393)

3	Reconciliation of net cash flow to movement in net debt	2003 £	2002 £
	Increase/(decrease) in cash in the year	19,103	(92,248)
	Cash outflow from decrease in debt and lease financing	76,167	128,239
	Change in net debt resulting from cash flows	95,270	35,991
	New hire purchase	-	(115,257)
	Movement in net debt in the year	95,270	(79,266)
	Opening net debt	(120,663)	(41,397)
	Closing net debt	(25,393)	(120,663)

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2003

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

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

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 Operating profit

2003

2002

£

£

Operating profit is stated after charging:

Amortisation of intangible assets

20,004

20,004

Depreciation of tangible assets

79,490

105,630

Operating lease rentals - land and buildings

61,245

56,756

Auditors' remuneration

5,950

5,800

and after crediting:

Profit on disposal of tangible assets

-

(10,824)

4 Interest payable

2003

2002

£

£

On bank loans and overdrafts

345

370

Hire purchase interest

4,941

7,332

On overdue tax

-

40

Other interest

12,050

14,500

17,336

22,242

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

5	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	60,564	46,633
	Adjustment for prior years	1,378	(1,261)
	Current tax charge	61,942	45,372
	Deferred tax		
	Deferred tax charge/credit current year	(3,530)	5,398
		58,412	50,770
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	244,885	207,019
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00 % (2002 : 19.75 %)	73,466	40,886
	Effects of:		
	Non deductible expenses	4,806	1,578
	Depreciation add back	29,848	22,675
	Capital allowances	(14,855)	(18,890)
	Adjustments to previous periods	1,378	(1,261)
	Other tax adjustments	(32,701)	384
		(11,524)	4,486
	Current tax charge	61,942	45,372
6	Dividends	2003 £	2002 £
	Ordinary interim paid	84,000	21,000
	Ordinary final proposed	82,000	130,000
		166,000	151,000

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2002 & at 30 June 2003	200,000
Amortisation	
At 1 July 2002	20,004
Charge for the year	20,004
At 30 June 2003	40,008
Net book value	
At 30 June 2003	159,992
At 30 June 2002	179,996

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

8 Tangible fixed assets

	Short leasehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2002	60,815	27,885	35,088	255,751	379,539
Additions	-	-	1,436	4,425	5,861
Disposals	-	-	-	(8,627)	(8,627)
At 30 June 2003	60,815	27,885	36,524	251,549	376,773
Depreciation					
At 1 July 2002	3,187	3,597	12,957	82,151	101,892
On disposals	-	-	-	(8,627)	(8,627)
Charge for the year	3,187	4,560	10,580	61,163	79,490
At 30 June 2003	6,374	8,157	23,537	134,687	172,755
Net book value					
At 30 June 2003	54,441	19,728	12,987	116,862	204,018
At 30 June 2002	57,628	24,288	22,131	173,600	277,647

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 2003	-	84,344	84,344
At 30 June 2002	6,809	126,470	133,279
Depreciation charge for the year			
30 June 2003	-	39,861	39,861
30 June 2002	1,486	37,514	39,000

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 July 2002 & at 30 June 2003	400,049
Provisions for diminution in value	
At 1 July 2002 & at 30 June 2003	366,049
Net book value	
At 30 June 2003	34,000
At 30 June 2002	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 2003 £	Profit for the year 2003 £
High TW Limited	34,000	-

The subsidiary company is dormant.

10 Stocks and work in progress	2003 £	2002 £
Raw materials and consumables	46,716	48,010
Work in progress	38,733	29,131
	85,449	77,141

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

11 Debtors	2003	2002
	£	£
Trade debtors	430,395	432,692
Other debtors	2,729	5,643
Prepayments and accrued income	125,130	138,986
	<u>558,254</u>	<u>577,321</u>
12 Creditors: amounts falling due within one year	2003	2002
	£	£
Bank overdraft	30,875	63,497
Net obligations under hire purchase contracts	47,114	36,167
Trade creditors	334,440	356,558
Amounts owed to subsidiary undertakings	34,000	34,000
Corporation tax	60,564	46,633
Other taxes and social security costs	107,479	101,773
Directors' current accounts	23,209	31,529
Other creditors	200,772	193,481
Accruals and deferred income	40,245	19,800
Proposed dividend	82,000	130,000
	<u>960,698</u>	<u>1,013,438</u>

The bank overdraft and a loan of £40,000 (2002 -£40,000), 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 2003

13 Creditors: amounts falling due after more than one year	2003 £	2002 £
Other loans	41,420	81,420
Net obligations under hire purchase contracts	7,635	54,749
	<u>49,055</u>	<u>136,169</u>
Analysis of loans		
Wholly repayable within five years	81,420	121,420
	<u>81,420</u>	<u>121,420</u>
Included in current liabilities	(40,000)	(40,000)
	<u>41,420</u>	<u>81,420</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	1,420	41,420
	<u>41,420</u>	<u>81,420</u>
Net obligations under hire purchase contracts		
Repayable within one year	47,114	36,167
Repayable between one and five years	7,635	54,749
	<u>54,749</u>	<u>90,916</u>
Included in liabilities falling due within one year	(47,114)	(36,167)
	<u>7,635</u>	<u>54,749</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 2003

14 Provisions for liabilities and charges

	Warranty provision £	Deferred taxation £	Total £
Balance at 1 July 2002	35,000	12,097	47,097
Profit and loss account	5,000	(3,530)	1,470
Balance at 30 June 2003	40,000	8,567	48,567

Deferred taxation provided in the financial statements is as follows:

	2003 £	2002 £
Accelerated capital allowances	8,567	12,097

15 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	52,353	30,409

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

16	Share capital	2003 £	2002 £
	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
		<u>1,000,000</u>	<u>1,000,000</u>
	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
		<u>120</u>	<u>120</u>

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

17 Statement of movements on profit and loss account

Profit and loss account

	£
Balance at 1 July 2002	104,451
Retained profit for the period	20,473
	<u>124,924</u>
Balance at 30 June 2003	

18 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the financial year	186,473	156,249
Dividends	(166,000)	(151,000)
	<u>20,473</u>	<u>5,249</u>
Net addition to shareholders' funds	20,473	5,249
Opening shareholders' funds	104,571	99,322
	<u>125,044</u>	<u>104,571</u>
Closing shareholders' funds		

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

19 Financial commitments

At 30 June 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003	2002
	£	£
Expiry date:		
Within one year	9,333	9,880
Between two and five years	45,000	45,000
	<u>54,333</u>	<u>54,880</u>

20 Directors' emoluments

	2003	2002
	£	£
Emoluments for qualifying services	55,353	174,782
Company pension contributions to money purchase schemes	52,108	29,376
	<u>107,461</u>	<u>204,158</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 2).

21 Transactions with directors

During the period ended 30 June 2001 J B Green and E C Cheshire, directors of the company, made loans to the company of £25,000 each, with no fixed repayment dates, on which interest accrues at 2% above Lloyds TSB Bank plc base rates. During the year interest of £2,100 (2002 - £2,900) was charged by the directors on their loan accounts which at the end of the year totalled £23,209 (2002 - £31,529).

HIGH-TECH WINDOWS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 30 June 2003

22 Employees

Number of employees

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

	2003 Number	2002 Number
Management	12	7
Production	33	33
Sales	28	31
	<u>73</u>	<u>71</u>

Employment costs

	£	£
Wages and salaries	1,012,781	1,136,292
Social security costs	89,264	101,120
Other pension costs	52,353	30,409
	<u>1,154,398</u>	<u>1,267,821</u>

23 Control

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