



BELL & COMPANY
CHARTERED ACCOUNTANTS

SIDEY GLAZIERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 4 JULY 2000

Company Registration No. 65477 (Scotland)



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Partners: J.H. DEWAR C.A; N.W. FRASER B.A.,C.A; R.M. HOWES M.A, F.C.A; C. CARNEGIE F.C.C.A. Consultant: I.J.A. MOIR C.A.

Registered to carry out audit work and authorised to carry on investment business by the Institute of Chartered Accountants of Scotland

SIDEY GLAZIERS LIMITED

COMPANY INFORMATION

Directors	M. Dobson C.P. Arbuthnott G McKenna	(Appointed 1 May 2000)
Secretary	R Hendry	
Company number	65477	
Registered office	19 Feus Road Perth PH1 2AS	
Auditors	Bell & Company Moray House 39 St John Street Perth PH1 5HQ	
Bankers	Bank Of Scotland High Street Dunkeld PH8 0AL	
Solicitors	Brodies WS 15 Atholl Crescent Edinburgh EH3 8HA	

SIDEY GLAZIERS LIMITED

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SIDEY GLAZIERS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 4 JULY 2000

The directors present their report and financial statements for the period ended 4 July 2000.

Principal activities and review of the business

The principal activity of the company continued to be glazing and double glazing contracting.

The results for the year and the financial position at the year end were considered satisfactory by the directors who anticipate that the company will continue to trade profitably.

Results and dividends

The results for the period are set out on pages 4 to 5.

An interim ordinary dividend was paid amounting to £36,000. The directors do not recommend payment of a final dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings is at least equal to the value shown in the financial statements.

Post balance sheet events

No significant events have occurred after the balance sheet date.

Future developments

The directors are confident that their policies will ensure the continued growth of the company.

Directors

The following directors have held office since 30 June 1999:

M. Dobson

C.P. Arbuthnott

G McKenna

(Appointed 1 May 2000)

Directors' interests

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

	Ordinary shares of £ 1 each	
	4 July 2000	30 June 1999
M. Dobson	-	-
C.P. Arbuthnott	-	-
G McKenna	-	-

The directors' interests in the share capital of the company's holding company, Erwin Limited, are disclosed in the directors report of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Bell & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

SIDEY GLAZIERS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

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.

By order of the board



R Hendry

Secretary

30 March 2001

SIDEY GLAZIERS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF SIDEY GLAZIERS LIMITED

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 9.

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.

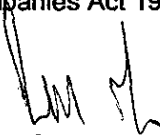
Basis of opinion

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 4 July 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Bell & Company

30 March 2001

Chartered Accountants
Registered Auditor

Moray House
39 St John Street
Perth
PH1 5HQ

SIDEY GLAZIERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 4 JULY 2000

	Notes	2000 £	1999 £
Turnover	2	5,257,762	4,150,435
Cost of sales		(4,392,177)	(3,422,694)
Gross profit		<u>865,585</u>	<u>727,741</u>
Administrative expenses		(781,805)	(619,823)
Operating profit	3	<u>83,780</u>	<u>107,918</u>
Other interest receivable and similar income		886	2,602
Interest payable and similar charges	4	(45,181)	(43,565)
Profit on ordinary activities before taxation		<u>39,485</u>	<u>66,955</u>
Tax on profit on ordinary activities	5	(11,069)	(16,247)
Profit on ordinary activities after taxation		<u>28,416</u>	<u>50,708</u>
Dividends	6	(36,000)	(36,000)
Retained (loss)/profit for the period	15	<u>(7,584)</u>	<u>14,708</u>

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.

SIDEY GLAZIERS LIMITED

PROFIT AND LOSS ACCOUNT (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

Note of historical cost profits and losses

	2000	1999
	£	£
Reported profit on ordinary activities before taxation	39,485	66,955
<i>Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount</i>	501	1,185
Historical cost profit on ordinary activities before taxation	39,986	68,140
Historical cost (loss)/profit for the period retained after taxation, extraordinary items and dividends	(7,083)	15,893

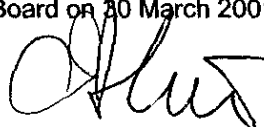
SIDEY GLAZIERS LIMITED

BALANCE SHEET AS AT 4 JULY 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	7		611,666		532,882
Current assets					
Stocks	8	293,666		192,753	
Debtors	9	1,123,350		1,102,919	
Cash at bank and in hand		472		194	
		<u>1,417,488</u>		<u>1,295,866</u>	
Creditors: amounts falling due within one year	10	<u>(1,374,915)</u>		<u>(1,177,870)</u>	
Net current assets			42,573		117,996
Total assets less current liabilities			<u>654,239</u>		<u>650,878</u>
Creditors: amounts falling due after more than one year	11		(45,620)		(40,275)
Provisions for liabilities and charges	12		<u>(22,900)</u>		<u>(17,300)</u>
			<u>585,719</u>		<u>593,303</u>
Capital and reserves					
Called up share capital	14		51,500		51,500
Revaluation reserve	15		51,573		52,715
Profit and loss account	15		482,646		489,088
Shareholders' funds - equity interests	16		<u>585,719</u>		<u>593,303</u>

The financial statements were approved by the Board on 30 March 2001


M. Dobson
Director


C.P. Arbuthnott
Director

SIDEY GLAZIERS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 4 JULY 2000

	2000 £	1999 £
Net cash inflow from operating activities	263,102	105,099
Returns on investments and servicing of finance		
Interest received	886	2,602
Interest paid	(45,181)	(43,565)
Net cash outflow for returns on investments and servicing of finance	(44,295)	(40,963)
Taxation	(14,291)	(17,104)
Capital expenditure		
Payments to acquire tangible assets	(138,809)	(76,538)
Receipts from sales of tangible assets	6,100	4,379
Net cash outflow for capital expenditure	(132,709)	(72,159)
Equity dividends paid	(36,000)	(36,000)
Net cash inflow/(outflow) before management of liquid resources and financing	35,807	(61,127)
Financing		
Hire purchase finance advanced in year (net)	4,538	7,092
Net cash inflow from financing	4,538	7,092
Increase/(decrease) in cash in the period	40,345	(54,035)

SIDEY GLAZIERS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 4 JULY 2000

1	Reconciliation of operating profit to net cash inflow from operating activities	2000	1999
		£	£
	Operating profit	83,780	107,918
	Depreciation of tangible assets	55,912	52,876
	(Profit)/loss on disposal of tangible assets	(1,987)	1,868
	(Increase)/decrease in stocks	(100,913)	4,470
	Increase in debtors	(20,431)	(262,638)
	Increase in creditors within one year	246,741	200,605
	Net cash inflow from operating activities	263,102	105,099
2	Analysis of net debt	30 June 1999	Cash flow Other non-cash changes 4 July 2000
		£	£ £ £
	Net cash:		
	Cash at bank and in hand	194	278 - 472
	Bank overdrafts	(313,213)	40,067 - (273,146)
		<u>(313,019)</u>	<u>40,345</u> <u>-</u> <u>(272,674)</u>
	Debt:		
	Finance leases	(72,561)	38,107 (42,645) (77,099)
	Net debt	(385,580)	78,452 (42,645) (349,773)
3	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	Increase/(decrease) in cash in the period	40,345	(54,035)
	Cash outflow from decrease in debt and lease financing	38,107	40,559
	Change in net debt resulting from cash flows	78,452	(13,476)
	New finance lease	(42,645)	(47,651)
	Movement in net debt in the period	35,807	(61,127)
	Opening net debt	(385,580)	(324,453)
	Closing net debt	(349,773)	(385,580)

SIDEY GLAZIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 4 JULY 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain freehold land and buildings.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	2% per annum straight line
Leasehold land and buildings	10% per annum reducing balance
Plant and equipment	20% per annum reducing balance
Office equipment	15% per annum reducing balance
Motor vehicles	25% per annum reducing balance

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets. Finance lease assets are depreciated over the shorter of the lease term and their useful lives. Hire purchase assets are depreciated in accordance with the tangible fixed assets and depreciation policy noted above. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Raw materials and consumables are valued at the lower of cost and net realisable value. Work in progress is stated at a value based on the stage of completion of each contract.

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with SSAP 24.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

SIDEY GLAZIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

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 Operating profit	2000 £	1999 £
Operating profit is stated after charging:		
Depreciation of tangible assets	55,912	52,876
Operating lease rentals		
- Plant and machinery	79,732	48,334
- Other assets	50,608	33,844
Auditors' remuneration	3,600	4,348
	<u> </u>	<u> </u>

4 Interest payable	2000 £	1999 £
On bank loans and overdrafts	36,993	33,057
Hire purchase interest	7,830	10,211
On overdue tax	358	297
	<u> </u>	<u> </u>
	45,181	43,565
	<u> </u>	<u> </u>

5 Taxation	2000 £	1999 £
U.K. current year taxation		
U.K. corporation tax at 20% (1999 - 21%)	5,469	16,247
Deferred taxation	5,600	-
	<u> </u>	<u> </u>
	11,069	16,247
	<u> </u>	<u> </u>

6 Dividends	2000 £	1999 £
Ordinary interim paid	36,000	36,000
	<u> </u>	<u> </u>

SIDEY GLAZIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

7 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and equipment £	Office equipment £	Motor vehicles £	Total £
Cost or valuation						
At 30 June 1999	351,087	40,727	245,304	89,155	183,386	909,659
Additions	34,221	12,768	69,630	22,190	-	138,809
Disposals	-	-	(6,750)	-	(3,000)	(9,750)
At 4 July 2000	385,308	53,495	308,184	111,345	180,386	1,038,718
Depreciation						
At 30 June 1999	41,222	20,767	147,861	41,943	124,984	376,777
On disposals	-	-	(2,862)	-	(2,775)	(5,637)
Charge for the period	7,022	2,485	22,638	8,671	15,096	55,912
At 4 July 2000	48,244	23,252	167,637	50,614	137,305	427,052
Net book value						
At 4 July 2000	337,064	30,243	140,547	60,731	43,081	611,666
At 29 June 1999	309,865	19,960	97,443	47,212	58,402	532,882

Included in freehold land and buildings is land valued at £21,134 which is not depreciated.

The above noted land and the freehold property thereon were revalued on 30 June 1991, by the former and current directors, at £100,000; having been valued by Graham and Sibbald, Chartered Surveyors, on 31 May 1991, on an open market basis, at £105,000. Freehold property also includes property which was revalued on 2 July 1996 by Bidwells, Chartered Surveyors, at £92,500.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 30 June 1999	291,835
Additions	34,221
At 4 July 2000	326,056
Depreciation based on cost	
At 30 June 1999	37,488
Charge for the period	6,521
At 4 July 2000	44,009
Net book values	
At 4 July 2000	282,047

SIDEY GLAZIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

7 Tangible Assets

(continued)

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

	Plant and equipment £	Office equipment £	Motor vehicles £	Total £
Net book values				
At 4 July 2000	67,740	18,876	12,375	98,991
At 29 June 1999	52,044	17,759	26,150	95,953
Depreciation charge for the period				
4 July 2000	12,553	2,832	4,125	19,510
29 June 1999	10,892	2,250	3,217	16,359

8 Stocks and work in progress

	2000 £	1999 £
Raw materials and consumables	268,465	175,363
Work in progress	25,201	17,390
	293,666	192,753

9 Debtors

	2000 £	1999 £
Trade debtors	682,409	707,236
Amount owed by parent undertaking	366,574	359,379
Other debtors	5,691	5,138
Prepayments and accrued income	68,676	31,166
	1,123,350	1,102,919

SIDEY GLAZIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

10 Creditors: amounts falling due within one year	2000	1999
	£	£
Bank loans and overdrafts	273,146	313,213
Payments received on account	93,977	51,442
Net obligations under finance lease and hire purchase contracts	31,479	32,286
Trade creditors	757,619	638,456
Corporation tax	8,769	17,591
Other taxes and social security costs	119,480	78,112
Directors' current accounts	1,663	2,913
Accruals and deferred income	88,782	43,857
	<u>1,374,915</u>	<u>1,177,870</u>

The Bank of Scotland holds standard security over 19 Feus Road and a Bond and Floating Charge over the whole assets of the company.

The Bank also holds a cross letter of guarantee on account of Sidey Glaziers Limited from its holding company, Erwin Limited, in respect of all sums due.

11 Creditors: amounts falling due after more than one year	2000	1999
	£	£
Net obligations under hire purchase contracts	<u>45,620</u>	<u>40,275</u>
Net obligations under hire purchase contracts		
Repayable within one year	31,479	32,286
Repayable between one and five years	45,620	40,275
	<u>77,099</u>	<u>72,561</u>
Included in liabilities falling due within one year	(31,479)	(32,286)
	<u>45,620</u>	<u>40,275</u>

SIDEY GLAZIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

12 Provisions for liabilities and charges

	Deferred taxation £
Balance at 30 June 1999	17,300
Profit and loss account	5,600
Balance at 4 July 2000	<u>22,900</u>

Deferred taxation provided in the financial statements is as follows:

	2000 £	Fully provided 1999 £
Accelerated capital allowances	<u>22,900</u>	<u>17,300</u>

The revaluation of properties does not constitute a timing difference and the potential amount of deferred tax on this has therefore not been quantified.

13 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,514 (1999 - £3,928). Prepaid contributions by the company at the year end totalling £937 (1999 - £nil) are included in debtors.

14 Share capital	2000 £	1999 £
Authorised		
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
51,500 Ordinary shares of £ 1 each	<u>51,500</u>	<u>51,500</u>

SIDEY GLAZIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

15 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 30 June 1999	52,715	489,088
Retained loss for the period	-	(7,584)
Transfer from revaluation reserve to profit and loss account	(1,142)	1,142
Balance at 4 July 2000	<u>51,573</u>	<u>482,646</u>

16 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial period	28,416	50,708
Dividends	(36,000)	(36,000)
Net (depletion in)/addition to shareholders' funds	<u>(7,584)</u>	<u>14,708</u>
Opening shareholders' funds	593,303	578,595
Closing shareholders' funds	<u>585,719</u>	<u>593,303</u>

17 Financial commitments

At 4 July 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2000 £	1999 £	2000 £	Other 1999 £
Expiry date:				
Within one year	45,592	31,375	9,333	-
Between two and five years	-	-	92,191	48,334
	<u>45,592</u>	<u>31,375</u>	<u>101,524</u>	<u>48,334</u>

18 Directors' emoluments

	2000 £	1999 £
Emoluments for qualifying services	46,792	46,792
Term assurance premiums	4,220	4,221
	<u>51,012</u>	<u>51,013</u>

SIDEY GLAZIERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 4 JULY 2000

19 Employees

Number of employees

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

	2000 Number	1999 Number
Manufacturing and installation	36	24
Administration	25	17
Sales	7	5
Directors	2	2
	<u>70</u>	<u>48</u>

Employment costs

	£	£
Wages and salaries	1,002,509	717,081
Social security costs	85,284	58,553
Other pension costs	4,514	3,928
	<u>1,092,307</u>	<u>779,562</u>

20 Control

The company is controlled by the directors, who also control the parent company, Erwin Limited, a company registered in Scotland.

21 Related party transactions

During the year an ordinary dividend of £36,000 was paid to the parent company, Erwin Limited. There were no other material transactions with related parties during the year. The balance with the parent company at the year end, included in debtors, is £366,574 (1999 - £359,379).

SIDEY GLAZIERS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 4 JULY 2000

	2000		1999	
	£	£	£	£
Turnover				
Sales		5,257,762		4,150,435
Cost of sales				
Decrease in stocks	(100,913)		1,706	
Manufacturing costs	3,396,326		2,325,190	
Installation costs	689,211		652,408	
Selling costs	357,993		393,638	
Bad debts	12,660		12,660	
Depreciation of fixed assets	36,900		37,092	
		(4,392,177)		(3,422,694)
Gross profit		865,585		727,741
Administrative expenses		(781,805)		(619,823)
Operating profit		83,780		107,918
Other interest receivable and similar income				
Bank interest received		886		-
Other interest received		-		2,602
Interest payable				
Bank interest	36,993		33,057	
Hire purchase interest	7,830		10,211	
Interest on overdue tax	358		297	
		(45,181)		(43,565)
Profit before taxation		39,485		66,955

SIDEY GLAZIERS LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE PERIOD ENDED 4 JULY 2000

	2000	1999
	£	£
Administrative expenses		
Wages and salaries	306,570	228,064
Staff pension scheme costs	4,514	3,928
Directors' remuneration	46,792	46,792
Term assurance premiums	4,220	4,221
Rent	50,608	33,844
Rates	32,286	31,855
Insurance	34,207	29,560
Heat and light	27,774	19,766
Cleaning	4,747	4,345
Property repairs	4,983	5,341
Small tools and repairs	20,231	14,336
Telephone	29,229	28,792
Postage and stationery	25,250	14,378
Computer running costs	996	1,384
Management charge	1,200	1,200
Hire of plant and machinery	25,563	20,379
Vehicle contract hire	79,732	48,334
Management accountancy fees	11,603	13,751
Audit fees	3,600	4,348
Legal and other professional expenses	28,864	14,375
Miscellaneous expenses	21,811	33,178
Depreciation of fixed assets	19,012	15,784
Gain/loss on disposal of fixed assets	(1,987)	1,868
	781,805	619,823