

Company Registration No. 1285055

DARBY GROUP LIMITED

Report and Financial Statements

28 February 2004

Deloitte & Touche LLP
Leeds



DARBY GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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DARBY GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

S J Bannister
P Corke
C H B Mills

SECRETARY

S J Bannister

REGISTERED OFFICE

Darby House
Sunningdale Road
Scunthorpe
North Lincs
DN17 2SS

BANKERS

Royal Bank of Scotland
Corporate Banking - East Midlands
P O Box 7895
Cumberland Place
Nottingham
NG1 7ZS

SOLICITORS

Addleshaw Booth & Co
Sovereign House
Sovereign Street
Leeds
LS1 1HQ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

DARBY GROUP LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the fourteen month period ended 28 February 2004.

ACTIVITIES

The company was the ultimate parent company of the Darby Group, a leading specialist processor of glass for the construction industry and related markets. On 19 March 2003 Jarvis Porter Group plc announced a cash offer for Darby Group plc, which was completed by 19 July 2003.

On 19 November 2003 the company re-registered as a private company. The company continues to act as the holding company for the Darby group of companies, charging management and rental fees to other group companies.

During the period the accounting reference date was changed to 28 February.

RESULTS AND DIVIDENDS

The company made a profit for the period after taxation of £168,000 (2002: £596,000). The Directors do not propose a dividend (2002: £276,000), the proposed dividend from the year ended 31 December 2002 having been cancelled following the acquisition of the company by Jarvis Porter Group plc.

DIRECTORS AND THEIR INTERESTS

The directors who served the company during the period were as follows:

P S P Knight	(resigned 25 April 2003)
M H Hayes	(resigned 6 May 2003)
S J Bannister	
P J P V Gyllenhammar	(resigned 25 April 2003)
P Corke	(appointed 24 June 2003)
C H B Mills	(appointed 25 April 2003)
M Maher	(appointed 25 April 2003, resigned 13 June 2003)
I Woodhead	(appointed 25 April 2003, resigned 13 June 2003)

Following the transfer of the shares to Jarvis Porter Group plc no director at 28 February 2004 held any interest in the shares of the company (31 December 2002: S J Bannister 8,500, P J P V Gyllenhammar 8,262,799). The interests of the directors at 28 February 2004 in the share capital of other group companies are disclosed in the accounts of Jarvis Porter Group plc.

AUDITORS

The previous auditors Ernst & Young LLP resigned during the period, and Deloitte & Touche LLP were appointed.

A resolution for the re-appointment of Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



S J Bannister

Secretary

30th September 2004

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed;
- 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. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DARBY GROUP LIMITED

We have audited the financial statements of Darby Group Limited for the fourteen month period ended 28 February 2004 which comprise the profit and loss account, the statement of recognised gains and losses, the reconciliation of movements in equity shareholders funds, the balance sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of 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 28 February 2004 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

27 October 2004

DARBY GROUP LIMITED

PROFIT AND LOSS ACCOUNT Period ended 28 February 2004

		14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
	Note		
TURNOVER (continuing operations)	2	548	897
Operating costs - administrative expenses		(351)	(621)
OPERATING PROFIT (continuing operations)	4	197	276
Income receivable from group undertakings		-	424
Interest receivable	5	-	2
Interest payable and similar charges	6	-	(23)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		197	679
Taxation	7	(29)	(83)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		168	596
Dividends	8	276	(276)
Retained profit transferred to reserves for the period	17	444	320

All activities relate to continuing operations.

DARBY GROUP LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES **Period ended 28 February 2004**

	14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
Profit for the financial period	168	596
Capital reorganisation costs	-	(22)
Total gains and losses recognised	<u>168</u>	<u>574</u>

RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
Note		
Shareholders' funds brought forward	6,031	5,733
Profit for the period	168	596
Capital reorganisation costs	-	(22)
Dividend	8 276	(276)
Shareholders' funds carried forward	<u>6,475</u>	<u>6,031</u>

DARBY GROUP LIMITED

BALANCE SHEET 28 February 2004

	Note	28 February 2004 £'000	31 December 2002 £'000
FIXED ASSETS			
Tangible assets	9	-	1,883
Investments	10	973	973
		<u>973</u>	<u>2,856</u>
CURRENT ASSETS			
Debtors	11	6,481	4,570
Cash at bank and in hand		842	-
		<u>7,323</u>	<u>4,570</u>
CREDITORS: amounts falling due within one year	12	<u>(1,821)</u>	<u>(1,133)</u>
NET CURRENT ASSETS		<u>5,502</u>	<u>3,437</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,475</u>	<u>6,293</u>
PROVISIONS FOR LIABILITIES AND CHARGES	14	<u>-</u>	<u>(262)</u>
NET ASSETS		<u>6,475</u>	<u>6,031</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,382	1,382
Share premium account	16	3,153	3,153
Profit and loss account	17	1,940	1,496
EQUITY SHAREHOLDERS' FUNDS		<u>6,475</u>	<u>6,031</u>

These financial statements were approved by the Board of Directors on ¹⁴~~30~~ September 2004.

Signed on behalf of the Board of Directors



S J Bannister

Director

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 February 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below and applied consistently in both the current and prior period.

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Group accounts

Under the exemption contained in Section 228 of the Companies Act 1985, no group accounts are prepared as the company is itself a wholly owned subsidiary undertaking of Jarvis Porter Group plc, a company incorporated in England which prepares group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Fixed Assets

The Company does not revalue any of its fixed assets. Upon acquisition, differing useful lives are ascribed to major components of an asset where applicable.

Depreciation

With the exception of freehold land, depreciation is provided on tangible fixed assets on a straight line basis to write off their cost over their estimated lives, as follows:

- Freehold buildings - 40 years
- Motor vehicles - 4 years

Pensions

The Group operates a defined contribution scheme for certain directors and employees. The assets of the scheme are held separately from those of the Group. The pension charge represents the contributions payable in the period.

Taxation

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and law as that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. TURNOVER

All turnover arises in the United Kingdom and is in respect of rentals receivable from, and management charges to, other group companies.

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Period ended 28 February 2004

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' remuneration

				14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
	Salary	Benefits	Bonus		
M S Abrahams	-	-	-	-	14
M H Hayes	42	6	70**	118	115
S J Bannister	24	4	42**	70	87
P J P V Gyllenhammar	6	-	-	6	18
P S P Knight	36*	-	-	36	26
P Corke	-	-	-	-	-
C H B Mills	-	-	-	-	-
M Maher	-	-	-	-	-
I Woodhead	-	-	-	-	-
	<u>108</u>	<u>10</u>	<u>112</u>	<u>230</u>	<u>260</u>

* includes £28,000 as compensation for loss of office. ** settled by Jarvis Porter Group plc.

Directors' pension benefit

	14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
M H Hayes	8	22
S J Bannister	5	14
	<u>13</u>	<u>36</u>

Company contributions toward a defined contribution pension scheme of 10% of basic salary are payable in respect of each Executive Director. Both M. H. Hayes and S. J. Bannister elected to have an additional element of their basic salary paid as pension contributions.

	No.	No.
Average number of persons employed		
Administration	<u>4</u>	<u>6</u>
	<u>4</u>	<u>6</u>
	<u>£'000</u>	<u>£'000</u>
Staff costs during the period (including directors)		
Wages and salaries	215	242
Social security costs	15	18
Other pension costs	13	36
	<u>243</u>	<u>296</u>

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Period ended 28 February 2004

4. OPERATING PROFIT

	14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
Operating profit is after charging/(crediting)		
Depreciation - owned assets	66	68
Profit on disposal of tangible fixed assets	1	-
Operating leases		
Plant and machinery	2	5
Auditors' remuneration		
Audit	25	13
Non-audit	8	26
	<u> </u>	<u> </u>

5. INTEREST RECEIVABLE

	14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
Bank deposits and loan interest rebates	-	2
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
Bank loans and overdrafts	-	23
	<u> </u>	<u> </u>

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Period ended 28 February 2004

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is made up as follows:

	14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
Current tax		
UK corporation tax at 30% (2002: 30%)	8	55
Adjustments in respect of prior years	(15)	-
Total current tax	(7)	55
Deferred tax		
Origination and reversal of timing differences	36	28
Total tax on profit on ordinary activities	29	83

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	14 month period ended 28 February 2004 £'000	Year ended 31 December 2002 £'000
Profit on ordinary activities before tax	197	679
Profit on ordinary activities at standard UK corporation tax rate of 30% (2002: 30%)	59	204
Effects of:		
Expenses not deductible for tax purposes	4	(121)
Capital allowances in excess of depreciation	(4)	(2)
Utilisation of tax losses during the year	(32)	(26)
Marginal rate difference	(5)	-
Unprovided deferred tax movement	27	
Group relief	(41)	
Prior period adjustments	(15)	-
Total current tax	(7)	55

8. DIVIDENDS

In the year ended 31 December 2002 dividends proposed amounted to £276,000. This proposed dividend was cancelled during the 14 month period ended 28 February 2004 following the acquisition of the company by Jarvis Porter Group plc. No further dividends have been proposed.

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Period ended 28 February 2004

9. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant vehicles and equipment £'000	Total £'000
Cost			
At 31 December 2002	2,722	31	2,753
Transfers to other group companies	(2,716)	-	(2,716)
Disposals	(6)	(31)	(37)
At 28 February 2004	-	-	-
Depreciation			
At 31 December 2002	863	7	870
Provided during the year	63	3	66
Transfers to other group companies	(920)	-	(920)
Disposals	(6)	(10)	(16)
At 28 February 2004	-	-	-
Net book value			
At 28 February 2004	-	-	-
At 31 December 2002	1,859	24	1,883

10. INVESTMENTS

	£'000
Cost	
At 31 December 2002 and at 28 February 2004	2,433
Accumulated depreciation	
At 31 December 2002 and at 28 February 2004	1,460
Net book value	
At 31 December 2002 and at 28 February 2004	973

The company holds investments in subsidiary companies in which the company's interest is more than 10%:

Company	Country of registration or incorporation	Principal Activity	Class and Percentage of shares held
Darby Glass Limited	England and Wales	Glass Processing	Ordinary 100%
Rhino Toughened Glass Limited	England and Wales	Non-trading	Ordinary 100%
DTP (Exports) Limited	England and Wales	Non-trading	Ordinary 100%
Curved Tempered Glass Limited	England and Wales	Non-trading	Ordinary 100%
Darby Midlands Limited	England and Wales	Non-trading	Ordinary 100%
Darbyseal Limited	England and Wales	Non-trading	Ordinary 100%
Hoylake Products Limited	England and Wales	Non-trading	Ordinary 100%
Darby South East Limited	England and Wales	Non-trading	Ordinary 100%
Darby West Limited	England and Wales	Non-trading	Ordinary 100%
Unique Sealed Units Limited	England and Wales	Non-trading	Ordinary 100%
Deltaglas Limited	England and Wales	Non-trading	Ordinary 100%
Seal Units (Norwich) Limited	England and Wales	Non-trading	Ordinary 100%
Poplar Glass Limited	England and Wales	Non-trading	Ordinary 100%
Starwise Sealed Units Limited	England and Wales	Non-trading	Ordinary 100%

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 February 2004

11. DEBTORS

	28 February 2004 £'000	31 December 2002 £'000
Amounts receivable from group companies	6,481	4,566
Prepayments and accrued income	-	4
	<u>6,481</u>	<u>4,570</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2004 £'000	31 December 2002 £'000
Bank overdraft	-	382
Amounts owed to group companies	1,760	341
Corporation tax	9	55
Other creditors	21	21
Accruals and deferred income	31	58
Proposed dividend	-	276
	<u>1,821</u>	<u>1,133</u>

13. OPERATING LEASES

Annual commitments under non-cancellable operating leases are as follows:

	28 February 2004 Other £'000	31 December 2002 Other £'000
Operating leases which expire:		
Within two to five years	-	5
	<u>-</u>	<u>5</u>

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 February 2004

14. PROVISIONS FOR LIABILITIES AND CHARGES

	28 February 2004 £'000	31 December 2002 £'000
Deferred taxation	-	262
The provision for deferred tax is as follows:		
Provision at start of period	262	234
Transfer of provision to Jarvis Porter (Property Holdings) Ltd on transfer of fixed assets	(298)	-
Deferred tax charge in profit and loss account for period	36	28
Provision at end of period	-	262
The deferred tax liability consists of:		
Capital allowances in advance of depreciation	-	294
Tax losses	-	(32)
Provision for deferred tax	-	262

A deferred tax asset has not been recognised in respect of losses incurred in the period, as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised at 28 February 2004 is £27,883 (31 December 2002: £Nil). The recoverability of the deferred tax asset is dependent on future taxable profits in excess of those arising from deferred tax liabilities.

15. CALLED UP SHARE CAPITAL

	28 February 2004 £'000	31 December 2002 £'000
Authorised		
Ordinary shares of 5p each	1,784	1,784
Issued and fully paid		
27,634,594 Ordinary shares of 5p each	1,382	1,382

16. SHARE PREMIUM ACCOUNT

	28 February 2004 £'000	31 December 2002 £'000
Share premium account	3,153	3,153

The share premium account was reduced by £5,000,000 on 4 July 2002 following approval by shareholders and the High Court. The reduction in the share premium account was credited against the deficit on the profit and loss reserve of the Company as at 4 July 2002, eliminating the deficit brought forward and creating a special reserve within the profit and loss reserve of the Company (see note 17) in order to protect the interests of creditors.

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period ended 28 February 2004

17. PROFIT AND LOSS ACCOUNT

	£'000
At 31 December 2002	1,496
Profit for the period	168
Dividends (see note 8)	276
	<hr/>
28 February 2004	1,940
	<hr/>

The profit and loss account reserve of £1,496,000 includes a special reserve of £1,311,000 which is treated as a non-distributable reserve for the purposes of section 264 of the Companies Act 1985 until all creditors of the Company as at 4th July 2002 have either been paid in full or have otherwise given their assent.

18. GUARANTOR

The Company acts as Guarantor for the property lease at its former site in Basingstoke, sold in December 2001, in the event of the buyer defaulting.

19. ULTIMATE PARENT COMPANY

The ultimate parent company of Darby Group Limited is Jarvis Porter Group plc. The accounts of Jarvis Porter Group plc can be obtained from the Company Secretary, Darby House, Sunningdale Road, Scunthorpe, DN17 2SS.