

Company Registration No. 1285055

**DARBY GROUP LIMITED**

**Report and Financial Statements**

**28 February 2007**

**Deloitte & Touche LLP  
Leeds**



# **DARBY GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

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# **DARBY GROUP LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2007**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

S J Bannister (resigned 29 June 2006)  
P Corke  
C H B Mills (resigned 1 October 2007 and reappointed on 27 November 2007)  
R P Baber (appointed 15 June 2006, resigned 30 November 2006)  
J Holstrom (appointed 27 November 2007, resigned 21 December 2007)  
A S Edwards (appointed 6 June 2008)

#### **SECRETARY**

S J Bannister (resigned 10 August 2006)  
R T Cooper (appointed 10 August 2006)

#### **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 year ended 28 February 2007

### **ACTIVITIES**

The company continues to act as the holding company for the Darby group of companies charging certain management and rental fees to other group companies

In November 2007 Browallia LLP purchased the share capital of Darby Group Limited and its subsidiaries from the administrators of Jarvis Porter Group plc, the previous parent company

### **RESULTS AND DIVIDENDS**

The company made a loss for the year after taxation of £2,491 000 (2006 loss of £394,000) The Directors do not propose the payment of a dividend (2006 £nil)

### **DIRECTORS**

The directors who served the company during the year and subsequently are set out on page 1 No director held any interest in the shares of the company (2006 none)

### **SUPPLIER PAYMENT POLICY**

The company's current policy concerning the payment of its suppliers is to agree terms and conditions for its transactions with suppliers and to abide by those terms, subject to those terms and conditions being met by the supplier

### **AUDITORS**

In the case of each of the persons who are directors of the company at the date when this report was approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

By elective resolution the directors have dispensed with the appointment of auditors annually

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



R T Cooper

Secretary

16 June 2008

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- 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 year ended 28 February 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in equity shareholders' funds, the balance sheet, and the related notes 1 to 15. 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**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 February 2007 and of its loss for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

*Deloitte + Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Leeds

17 June 2008

# DARBY GROUP LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 28 February 2007

	Note	28 February 2007 £'000	28 February 2006 £'000
<b>TURNOVER</b>	2	302	104
Operating costs - administrative expenses (including in 2007 exceptional amounts provided against intercompany debtors of £2,000,000 (2006 £nil) see note 8)		(2,122)	(55)
<b>OPERATING (LOSS)/PROFIT</b>	4	(1,820)	49
Amounts provided against investments in subsidiary undertakings (see note 7)	2	(665)	-
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,485)	49
Taxation	5	(6)	(443)
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED LOSS FOR THE YEAR</b>		(2,491)	(394)

All activities relate to continuing operations

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses for the current financial year and preceding financial year other than as stated in the profit and loss account above

## RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

There are no movements in shareholders' funds other than as stated in the profit and loss account above in both the current and preceding financial years

# DARBY GROUP LIMITED

## BALANCE SHEET 28 February 2007

	Note	28 February 2007 £'000	28 February 2006 £'000
<b>FIXED ASSETS</b>			
Tangible fixed assets	6	2,151	2,238
Investments	7	308	973
		<u>2,459</u>	<u>3,211</u>
<b>CURRENT ASSETS</b>			
Debtors	8	1,952	3,652
Cash at bank and in hand		75	110
		<u>2,027</u>	<u>3,762</u>
<b>CREDITORS: amounts falling due within one year</b>	9	(1,091)	(1,093)
<b>NET CURRENT ASSETS</b>		<u>936</u>	<u>2,669</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3 395</u>	<u>5 880</u>
<b>PROVISIONS FOR LIABILITIES</b>	10	(449)	(443)
<b>NET ASSETS</b>		<u>2,946</u>	<u>5,437</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,382	1,382
Share premium account	12	3,153	3,153
Profit and loss account	13	(1,589)	902
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>2 946</u>	<u>5,437</u>

These financial statements were approved by the Board of Directors on 16 June 2008

Signed on behalf of the Board of Directors

P Corke  
Director



# DARBY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2007

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable UK 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

No group accounts have been prepared as the Company has taken advantage of the exemption available to it as a medium sized intermediate holding company.

#### 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.

#### 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.

#### 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

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold buildings	40 years
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#### 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

Year ended 28 February 2007

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

All three Directors serving during the year ended 28 February 2007 also served as directors of the parent company Jarvis Porter Group PLC. Their total remuneration for the year ended 28 February 2007 was £123,000 (2006 £147,000) and S J Bannister received £7,000 (2006 £16,000) as a contribution to a defined contribution pension scheme. In the case of these directors in the year ended 28 February 2007 it is not practicable to allocate their total remuneration to individual group companies.

	28 February 2007 No.	28 February 2006 No.
<b>Average number of persons employed (excluding directors)</b>		
Administration	1	1
	<hr/>	<hr/>
	28 February 2007 £'000	28 February 2006 £'000
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	24	23
Social security costs	2	2
Other pension costs	1	1
	<hr/>	<hr/>
	27	26
	<hr/>	<hr/>

### 4. OPERATING (LOSS)/PROFIT

	28 February 2007 £'000	28 February 2006 £'000
<b>Operating profit is after charging</b>		
Amounts provided against intercompany debtors	2,000	-
Depreciation - owned assets	87	22
	<hr/>	<hr/>

Auditors' remuneration has been borne by Darby Glass Ltd in the current and prior year and is allocated as £4,000 in both years.

# DARBY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 28 February 2007

### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	28 February 2007 £'000	28 February 2006 £'000
The tax charge is made up as follows		
<b>Current tax</b>		
UK corporation tax at 30% (2006 30%)	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Deferred tax movements	6	443
<b>Total tax on profit/(loss) on ordinary activities</b>	6	443

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/(loss) before tax is as follows

	28 February 2007 £'000	28 February 2006 £'000
<b>(Loss)/profit on ordinary activities before tax</b>	(2,485)	49
Profit/(loss) on ordinary activities at standard UK corporation tax rate of 30% (2006 30%)	(746)	15
Effects of		
Capital allowances in excess of depreciation	6	(454)
Tax charge arising on transfer of property	-	454
Amounts provided against intercompany balances not available for tax relief	800	-
Utilisation of tax losses during the year	(13)	(15)
Group relief not paid for	(47)	-
<b>Total current tax</b>	-	-

### 6. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000
<b>Cost</b>	
At 28 February 2006 and 2007	3,292
<b>Accumulated amortisation</b>	
At 28 February 2006	1,054
Charge for year	87
At 28 February 2007	1,141
<b>Net book value</b>	
At 28 February 2007	2,151
At 28 February 2006	2,238

# DARBY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2007

### 7. INVESTMENTS

	£'000
<b>Cost</b>	
At 28 February 2006 and at 28 February 2007	2,433
<b>Provision for impairment</b>	
At 28 February 2006	1,460
Additional impairment charged in the year	665
At 28 February 2007	2,125
<b>Net book value</b>	
At 28 February 2007	308
At 28 February 2006	973

During the year the company has reviewed the net assets of its main trading subsidiary Darby Glass Limited, and in the light of the continuing net liability position of the company provided in full against the remaining investment value held

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%

### 8. DEBTORS

	28 February 2007 £'000	28 February 2006 £'000
Amounts receivable from group companies	1,952	3,652

The Directors have assessed the recoverability of amounts receivable from group companies and provided £2,000,000 against this amount in the period

# DARBY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2007

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 February 2007 £'000	28 February 2006 £'000
Amounts owed to group companies	1,070	1,072
Other creditors	21	21
	<u>1,091</u>	<u>1,093</u>

Subsequent to the year end as part of the reconstruction of the group through the disposal of Darby Group Limited to Browallia LLP intercompany creditors of £760,000 were waived

### 10. PROVISIONS FOR LIABILITIES

	28 February 2007 £'000	28 February 2006 £'000
Deferred taxation (Capital allowances in excess of depreciation)	-	443
The provision for deferred tax is as follows		
Provision at start of period	443	-
Deferred tax charge in profit and loss account for year	6	443
Provision at end of period	<u>449</u>	<u>443</u>

A deferred tax asset of £nil (2006 £12,000) has been recognised in respect of losses incurred in the year and set against capital allowances in excess of depreciation above

### 11. CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
<b>Authorised</b>		
Ordinary shares of 5p each	<u>1,784</u>	<u>1,784</u>
<b>Issued and fully paid</b>		
27,634,594 Ordinary shares of 5p each	<u>1,382</u>	<u>1,382</u>

# DARBY GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2007

### 12. SHARE PREMIUM ACCOUNT

	28 February 2007 £'000	28 February 2006 £'000
Share premium account	3,153	3,153

### 13. PROFIT AND LOSS ACCOUNT

	£'000
At 28 February 2006	902
Loss for the period	(2,491)
At 28 February 2007	(1,589)

### 14. 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. It also acts as a Guarantor for two property leases used by subsidiary company Darby Glass Limited at its sites in Portsmouth and Glengarnock.

The Company is the lessee of industrial premises in Gloucester, Wolverhampton, and Birtley which are occupied and solely utilised by the Company's wholly owned subsidiary Darby Glass Limited. Rent charges are paid directly by Darby Glass Limited, and the directors have therefore deemed that the disclosure on commitments under operating leases should be made in the statutory accounts of Darby Glass Limited.

The Company also acts as Guarantor to its subsidiary Darby Glass Limited in respect of purchases from certain suppliers, and the leasing of various vehicles.

### 15. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company of Darby Group Limited at 28 February 2007 was 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.

In November 2007 Browallia LLP purchased the share capital of Darby Group Limited and its subsidiaries from the administrators of Jarvis Porter Group plc, the previous parent company.