

Company Registration No. 1285055

DARBY GROUP LIMITED

Report and Financial Statements

28 February 2009

**Deloitte LLP
Leeds**

TUESDAY



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DARBY GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

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DARBY GROUP LIMITED

REPORT AND FINANCIAL STATEMENTS 2009

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

| | |
|----------------|---------------------------------------------------|
| P Corke | (resigned 12 August 2009) |
| A Edwards | (appointed 6 June 2008, resigned 19 August 2009) |
| C H B Mills | |
| P Gyllenhammer | (appointed 25 June 2009, resigned 19 August 2009) |
| J Papadopolous | (appointed 25 June 2009, resigned 3 August 2009) |
| K Davenport | (appointed 25 June 2009, resigned 3 August 2009) |

SECRETARY

| | |
|---------------------------------------|----------------------------|
| R T Cooper | (resigned 19 August 2009) |
| J O Hambro Capital Management Limited | (appointed 19 August 2009) |

REGISTERED OFFICE

Ground Floor
Ryder Court
14 Ryder Street
London
SW1Y 6QR

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 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 2009

ACTIVITIES AND OPERATIONS

During the period, the company acted as the holding company for the Darby group of companies, charging certain management and rental fees to other group companies

RESULTS AND DIVIDENDS

The profit of the company for the year, after taxation, amounted to £219,000 (2008 profit of £1,080,000) The directors recommend no dividend for the period (2008 £nil)

POST BALANCE SHEET EVENTS

On 19 August 2009, the company sold its wholly owned subsidiary, Darby Glass Limited to existing management within the subsidiary, for a consideration of £1 At the date of the transaction, the company's investment in Darby Glass Limited had been fully impaired As a result, there is no further impairment arising from the disposal

Subsequent to the disposal, the principal activity of the company is acting as a property holding company

GOING CONCERN

The directors have considered the going concern assumption given the current challenging economic climate and future uncertainties in relation to the company's rental income streams and carrying value of its properties and have formed the conclusion that the company will continue to operate in the foreseeable future The directors have considered the forecast trading performance, the available cash and the letter of continuing financial support from the majority owners of the immediate parent company in making this assessment

DIRECTORS

The directors who served during the year and subsequently are shown on page 1

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 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 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



C H B Mills
Director

23 June 2010

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, and
- 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 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in shareholders' funds, the balance sheet, the cash flow statement and the related notes 1 to 16. 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 2009 and of its profit 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 LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Leeds

28 June 2010

DARBY GROUP LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 28 February 2009**

| | Note | 2009 £'000 | 2008 £'000 |
|----------------------------------------------------------|-------------|-----------------------|-----------------------|
| TURNOVER | 2 | 154 | 129 |
| Cost of sales | | (87) | (87) |
| Gross profit | | 67 | 42 |
| Administrative expenses | | (14) | (51) |
| OPERATING PROFIT/(LOSS) | 4 | 53 | (9) |
| Profit on disposal of fixed assets | | - | 71 |
| Waiver of intercompany creditor | 5 | - | 760 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 53 | 822 |
| Tax on profit on ordinary activities | 6 | 166 | 258 |
| PROFIT FOR THE YEAR | 14 | 219 | 1,080 |

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 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 At 28 February 2009

| | Note | 2009 £'000 | 2008 £'000 |
|-------------------------------------------------------|------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 7 | 1,757 | 1,844 |
| Investments | 8 | 308 | 308 |
| | | <u>2,065</u> | <u>2,152</u> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 2,332 | 2,195 |
| Cash at bank and in hand | | 210 | 210 |
| | | <u>2,542</u> | <u>2,405</u> |
| CREDITORS: amounts falling due within one year | 10 | <u>(362)</u> | <u>(340)</u> |
| NET CURRENT ASSETS | | <u>2,180</u> | <u>2,065</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>4,245</u> | <u>3,395</u> |
| PROVISIONS FOR LIABILITIES | 11 | <u>-</u> | <u>(191)</u> |
| NET ASSETS | | <u>4,245</u> | <u>4,026</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 1,382 | 1,382 |
| Share premium account | 13 | 3,153 | 3,153 |
| Profit and loss account | 14 | (290) | (509) |
| SHAREHOLDERS' FUNDS | | <u>4,245</u> | <u>4,026</u> |

These financial statements of Darby Group Limited (registered number 1285055) were approved by the Board of Directors on 23 June 2010

Signed on behalf of the Board of Directors



C H B Mills

Director

DARBY GROUP LIMITED

CASH FLOW STATEMENT **Year ended 28 February 2009**

| | 2009 £'000 | 2008 £'000 |
|-----------------------------------------------|-----------------------------|-----------------------------|
| Cash from operating activities | | |
| Operating profit | 53 | 62 |
| Depreciation | 87 | 87 |
| (Increase) in debtors | (137) | (243) |
| (Decrease)/Increase in creditors | (3) | 9 |
| (Profit) on disposal of fixed assets | - | (71) |
| | <hr/> | <hr/> |
| Cash outflow from operating activities | - | (156) |
| Cash from investing activities | | |
| Sales proceeds from disposal of fixed assets | - | 291 |
| | <hr/> | <hr/> |
| Cash inflow from investing activities | - | 291 |
| Cash inflow during the year | - | 135 |
| Cash at start of the year | 210 | 75 |
| | <hr/> | <hr/> |
| Cash at end of the year | <u>210</u> | <u>210</u> |

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2009

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.

Consolidation

The company is the parent company of a medium sized group of companies and therefore has taken advantage of the exemption from preparing consolidated accounts in accordance with s228 of the Companies Act 1985.

Going Concern

The directors have considered the going concern assumption given the current challenging economic climate and future uncertainties on the company's revenues and profits and have formed the conclusion that the company will continue to operate in the foreseeable future. The directors have considered the forecast trading performance, the available cash and the letter of continuing financial support from the majority owners of the immediate parent company in making this assessment.

Turnover

Turnover represents the invoiced value of services provided, excluding Value Added Tax.

Related party transactions

The Group has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Darby Group Limited group.

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 is provided on all tangible fixed assets, 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 |
|--------------------|----------|

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 substantively 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

Turnover in both years materially originated from, and was destined for, the United Kingdom.

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 28 February 2009

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

| | 2009 £'000 | 2008 £'000 |
|------------------------------|---------------|---------------|
| Directors' emoluments | | |
| Emoluments | 8 | 11 |

The emoluments above relate to P Corke. The other directors are remunerated by other group companies and their remuneration is disclosed in those financial statements. It is not practicable to ascertain what proportion of these emoluments relates to the Company.

| | 2009 No. | 2008 No. |
|-----------------------------------------------------------------|-------------|-------------|
| Average number of persons employed (including directors) | | |
| Administration | 1 | 2 |

| | 2009 £'000 | 2008 £'000 |
|----------------------------------------------------------|---------------|---------------|
| Staff costs during the year (including directors) | | |
| Wages and salaries | 7 | 34 |
| Social security costs | 1 | 3 |
| Pension costs | - | 1 |
| | 8 | 38 |

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

| | 2009 £'000 | 2008 £'000 |
|----------------------------------------------------------------------------------------------|---------------|---------------|
| Depreciation | | |
| Owned assets | 87 | 87 |
| Fees payable to the Company's auditors for the audit of the Company's annual accounts | | |
| Audit fees | 8 | 8 |
| Taxation services | 2 | 2 |

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 28 February 2009

5. WAIVER OF INTERCOMPANY CREDITOR

| | 2009 £'000 | 2008 £'000 |
|---------------------------------|---------------|---------------|
| Waiver of intercompany creditor | - | 760 |

In the prior year, as part of the reconstruction of the Jarvis Porter plc Group through the disposal of Darby Group Limited to Browallia LLP, intercompany creditors of £760,000 were waived. This gave rise to a £228,000 credit in the tax computation for the prior year.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 2009 £'000 | 2008 £'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| The tax charge is made up as follows | | |
| Current tax | | |
| UK corporation tax at 28% (2008 30%) | 25 | - |
| Total current tax | 25 | - |
| Deferred tax | | |
| Origination and reversal of timing differences | - | (192) |
| Adjustments in respect of previous periods | (191) | (66) |
| Total deferred tax | (191) | (258) |
| Total tax credit on profit on ordinary activities | (166) | (258) |
| 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 | | |
| Profit on ordinary activities before tax | 53 | 822 |
| Profit on ordinary activities at standard UK corporation tax rate of 28% (2008 30%) | 15 | 247 |
| Effects of | | |
| Expenses not deductible for tax purposes | 10 | 1 |
| Profit on disposal of non-qualifying fixed assets | - | (21) |
| Current year IBAs | - | (21) |
| Effect of tax rates | - | (4) |
| Capital allowance in excess of depreciation | - | 26 |
| Non-taxable income | - | (228) |
| Total current tax | 25 | - |

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 28 February 2009

7 TANGIBLE FIXED ASSETS

| | Freehold land and buildings £'000 |
|------------------------------------------|------------------------------------------------------|
| Cost | |
| At 29 February 2008 and 28 February 2009 | 3,071 |
| Accumulated depreciation | |
| At 29 February 2008 | 1,227 |
| Charge for the year | 87 |
| At 28 February 2009 | 1,314 |
| Net book value | |
| At 28 February 2009 | 1,757 |
| At 28 February 2008 | 1,844 |

8. INVESTMENTS

| Company | £'000 |
|------------------------------------------|--------------|
| Cost | |
| At 29 February 2008 and 28 February 2009 | 2,433 |
| Provision for impairment | |
| At 29 February 2008 and 28 February 2009 | 2,125 |
| Net book value | |
| At 28 February 2008 and 2009 | 308 |

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 |
|-------------------------------|-----------------------------------------------------|-------------------------------|------------------------------------------------|
| 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 Year ended 28 February 2009

9. DEBTORS

| | 2009 £'000 | 2008 £'000 |
|-----------------------------------------|---------------|---------------|
| Amounts receivable from group companies | 2,332 | 2,195 |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2009 £'000 | 2008 £'000 |
|---------------------------------|---------------|---------------|
| Amounts owed to group companies | 311 | 311 |
| Corporation Tax | 25 | - |
| Other creditors | 26 | 29 |
| | 362 | 340 |

11. PROVISIONS FOR LIABILITIES

| | 2009 £'000 | 2008 £'000 |
|---------------------------------------------------------|---------------|---------------|
| Deferred taxation | - | 191 |
| The provision for deferred tax is as follows | | |
| Provision at start of period | 191 | 449 |
| Deferred tax credit in profit and loss account for year | (191) | (258) |
| Provision at end of period | - | 191 |

12. CALLED UP SHARE CAPITAL

| | 2009 £'000 | 2008 £'000 |
|-----------------------------------|---------------|---------------|
| Authorised | | |
| 35 68m Ordinary shares of 5p each | 1,784 | 1,784 |
| Issued and fully paid | | |
| 27 6m Ordinary shares of 5p each | 1,382 | 1,382 |

13. SHARE PREMIUM ACCOUNT

| | 2009 £'000 | 2008 £'000 |
|-----------------------|---------------|---------------|
| Share premium account | 3,153 | 3,153 |

DARBY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 28 February 2009

14. PROFIT AND LOSS ACCOUNT

| | 2009 | 2008 |
|----------------------|--------------|--------------|
| | £'000 | £'000 |
| At start of the year | (509) | (1,589) |
| Profit for the year | 219 | 1,080 |
| At end of the year | <u>(290)</u> | <u>(509)</u> |

15. ULTIMATE PARENT COMPANY

At the balance sheet, the immediate parent company is Browallia LLP. The ultimate controlling party is North Atlantic Smaller Companies Investment Trust plc, a company incorporated in the United Kingdom. Results of Darby Group Limited are included in the consolidated financial statements of North Atlantic Smaller Companies Investment Trust plc.

16. POST BALANCE SHEET EVENTS

On 19 August 2009, the company sold its wholly owned subsidiary, Darby Glass Limited to existing management within the subsidiary, for a consideration of £1. At the date of the transaction, the company's investment in Darby Glass Limited had been fully impaired. As a result, there is no further impairment arising from the disposal.