

**Harvey Steel Lintels Limited**

**Directors' report and financial  
statements**

Registered number 2729505

31 December 2007

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## Company Information

<b>Directors</b>	D L Harvey M Chadwick C O'Nuallain M McCabe
<b>Secretary</b>	Grafton Group Secretarial Services Limited
<b>Company Number</b>	2729505
<b>Registered Office</b>	Aquis Court 31 Fishpool Street St Albans Hertfordshire AL3 4RF
<b>Auditors</b>	KPMG LLP Chartered Accountants Arlington Business Park Theale Reading RG7 4SD

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

### Principal activity

The company's principal activity is the design, manufacture and sale of steel lintels

### Review of trading

The results for the year are set out on page 5

An enhanced business review has not been performed as the company is exempt on the grounds of size

### Proposed dividend

The directors paid a dividend of £1,500,000 during the year (2006 nil) The retained profit for the year after taxation of £451,012 (2006 £429,077) has been transferred to reserves

### Directors

The directors who held office during the year were as follows

D L Harvey  
M Chadwick  
C O'Neill  
M McCabe

### Political and charitable contributions

The company made no political contributions during the year (2006 £nil) Donations to UK charities amounted to £nil (2006 £nil)

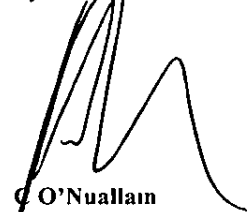
### Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director 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

### Auditors

KPMG LLP were re-appointed auditors during the year In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



C O'Neill  
Director

Dated 24<sup>th</sup> Oct '08

Aquis Court  
31 Fishpool Street  
St Albans  
Hertfordshire  
AL3 4RF

## **Statement of director's responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Under applicable law the directors are also responsible for preparing a Directors' report that complies with that law.

## **Independent auditors' report to the members of Harvey Steel Lintels Limited**

We have audited the financial statements of Harvey Steel Lintels Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. 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 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 directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we 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.

**Independent auditors' report to the members of Harvey Steel Lintels Limited**  
*(continued)*

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- 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

*KPMG LLP*

**KPMG LLP**  
Chartered Accountants  
Registered Auditor  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

*20K October 2008*

**Profit and loss account**  
*for the year ended 31 December 2007*

	<i>Note</i>	<b>2007</b> £	<b>2006</b> £
<b>Turnover</b>	<i>1</i>	<b>1,654,149</b>	<b>1,503,990</b>
Cost of sales		<b>(658,224)</b>	<b>(711,197)</b>
<b>Gross profit</b>		<b>995,925</b>	<b>792,793</b>
Distribution costs		<b>(314,784)</b>	<b>(87,021)</b>
Administrative expenses		<b>(306,095)</b>	<b>(331,022)</b>
<b>Operating profit</b>		<b>375,046</b>	<b>374,750</b>
Interest receivable and similar income	<i>5</i>	<b>73,966</b>	<b>48,327</b>
<b>Profit on ordinary activities before taxation</b>	<i>2</i>	<b>449,012</b>	<b>423,077</b>
Taxation on profit on ordinary activities	<i>6</i>	<b>2,000</b>	<b>6,000</b>
<b>Profit for the year</b>	<i>13</i>	<b>451,012</b>	<b>429,077</b>

The profit and loss account contains all recognised gains and losses of the company for the current and prior year

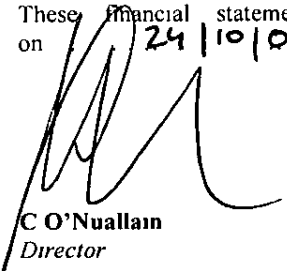
All turnover and operating profit is derived from continuing activities



**Balance sheet**  
*at 31 December 2007*

	<i>Note</i>	<b>2007</b> £	<b>2007</b> £	<b>2006</b> £	<b>2006</b> £
<b>Fixed assets</b>					
Tangible assets	7		1,648		3,764
<b>Current assets</b>					
Stocks	8	72,181		173,127	
Debtors	9	2,068,301		1,960,592	
Cash at bank and in hand		97,841		884,816	
		<u>2,238,323</u>		<u>3,018,535</u>	
<b>Creditors, amounts falling due within one year</b>	10	<u>(995,542)</u>		<u>(728,882)</u>	
<b>Net current assets</b>			<u>1,242,781</u>		<u>2,289,653</u>
<b>Total assets less current liabilities</b>			<u>1,244,429</u>		<u>2,293,417</u>
<b>Provisions for liabilities and charges</b>	11		-		-
<b>Net assets</b>			<u>1,244,429</u>		<u>2,293,417</u>
<b>Capital and reserves</b>					
Called up share capital	12		2		2
Profit and loss account	13		<u>1,244,427</u>		<u>2,293,415</u>
<b>Equity shareholders' funds</b>	14		<u>1,244,429</u>		<u>2,293,417</u>

These financial statements were approved and authorised for issue by the board of directors on 24/10/08 and were signed on its behalf by

  
C O'Neill  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard (FRS) 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is consolidated within Grafton Group plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Grafton Group plc, within which this company is included, can be obtained from Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, Ireland

#### ***Fixed assets and depreciation***

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold buildings	-	50 - 100 years
Leasehold land and buildings	-	Lease term or up to 100 years
Plant, equipment and computer systems	-	3 - 20 years
Fixtures and fittings	-	10 years
Plant hire equipment	-	2 - 8 years
Motor vehicles	-	3 - 6 years

Freehold land is not depreciated by the company

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account for the year

## Notes (continued)

### 1 Accounting policies (continued)

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is capitalised in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as operating leases and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value, after deduction of provisions for slow-moving or obsolete stock.

#### *Pension costs*

Full details of the pension arrangements for the company's employees are set out in note 17. Amounts charged in respect of contributions to money purchase defined contribution schemes equate to the contributions payable in the period.

#### *Turnover*

Turnover, operating profit, and profit or losses on ordinary activities before taxation derive from the provision of goods and services to customers during the year. Turnover is derived from the one principal activity of the company, and wholly from within the UK.

Turnover represents the fair value of goods, excluding value added tax, delivered to or collected by third party customers in the year. Goods are deemed to have been delivered to customers, when the customer has access to the significant benefits inherent in the goods and exposure to the risks inherent in those benefits.

Rebates are recognised as they become receivable and are reflected within cost of sales.

#### *Taxation*

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**Notes (continued)**

**2 Profit on ordinary activities before taxation**

	2007 £	2006 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditor's remuneration		
Audit fee (estimated share of the audit fee borne by the parent company)	8,400	5,200
Depreciation and other amounts written off tangible fixed assets		
Owned	2,117	2,979
Hire of plant and machinery - rentals payable under operating leases	2,489	5,720
Hire of other assets - rentals payable under operating leases	14,400	21,600
	<u>          </u>	<u>          </u>

**3 Remuneration of directors**

	2007 £	2006 £
Directors' remuneration	96,882	93,750
Directors' pension contributions	17,366	8,028
	<u>          </u>	<u>          </u>
	114,248	101,778
	<u>          </u>	<u>          </u>

Retirement benefits are accruing to 1 (2006 - 1) director under money purchase pension schemes

**4 Staff numbers and costs**

The average number of persons employed by the company was as follows

	2007 Number of employees	2006 Number of employees
Administration	3	3
Manufacturing	7	6
	<u>          </u>	<u>          </u>
Total number of employees	10	9
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows

	2007 £	2006 £
Wages and salaries	342,177	308,104
Social security costs	36,625	40,136
Other pension costs	29,169	33,692
	<u>          </u>	<u>          </u>
	407,971	381,932
	<u>          </u>	<u>          </u>

## Notes (continued)

### 5 Interest receivable and similar income

	2007 £	2006 £
Bank interest	55,716	30,077
On inter-company loans	18,250	18,250
	<u>73,966</u>	<u>48,327</u>

### 6 Taxation

	2007 £	2007 £	2006 £	2006 £
<b>Current tax</b>				
UK corporation tax	-	-	-	-
Adjustment in respect of a previous year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current taxation		-		-
<b>Deferred tax (note 11)</b>				
Origination and reversal of timing differences	1,000	1,000	1,000	1,000
Adjustment in respect of a previous year	(3,000)	(7,000)	(7,000)	(7,000)
	<u>(2,000)</u>	<u>(2,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>
Total deferred tax		(2,000)		(6,000)
Tax (credit)/charge on profit on ordinary activities		<u>(2,000)</u>		<u>(6,000)</u>

The tax assessed in the period is different from the standard rate of corporation tax in the UK of 30% (2006 30%)  
The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	449,012	423,077
	<u>449,012</u>	<u>423,077</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	134,704	126,923
<i>Effects of</i>		
Share schemes deduction	(7,000)	-
Tax group relief received for nil consideration	(126,704)	(125,923)
Other short-term timing differences	(1,000)	(1,000)
Adjustment to tax charge in respect of previous years	-	-
	<u>-</u>	<u>-</u>
Current tax credit for the year	-	-

No payment has been made nor liability incurred for group relief received

## Notes (continued)

### 7 Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
<b>Cost</b>			
At beginning and end of year	74,804	3,637	78,441
Disposals	-	-	-
	<u>74,804</u>	<u>3,637</u>	<u>78,441</u>
<b>Depreciation</b>			
At beginning of year	71,476	3,201	74,677
Charge for the year	1,829	287	2,116
Released on disposal	-	-	-
	<u>73,305</u>	<u>3,488</u>	<u>76,793</u>
<b>Net book value</b>			
At 31 December 2007	<u>1,499</u>	<u>149</u>	<u>1,648</u>
At 31 December 2006	<u>3,328</u>	<u>436</u>	<u>3,764</u>

### 8 Stocks

	2007 £	2006 £
Raw materials	<u>72,181</u>	<u>173,127</u>

In the opinion of the directors there is no material difference between the replacement cost of stocks and their balance sheet amounts

### 9 Debtors

	2007 £	2006 £
Trade debtors	260,035	184,514
Amounts owed by group undertakings	1,743,447	1,719,250
Prepayments and accrued income	59,025	53,034
Deferred tax (note 11)	5,794	3,794
	<u>2,068,301</u>	<u>1,960,592</u>

**Notes (continued)**

**10 Creditors amounts falling due within one year**

	2007 £	2006 £
Trade creditors	33,793	176,550
Amounts owed to group undertakings	896,272	505,728
Corporation tax	10,804	10,804
Taxation and social security	6,577	-
Accruals and deferred income	48,096	35,800
	<u>995,542</u>	<u>728,882</u>

**11 Provision for liabilities and charges**

	2007 £	2006 £
Deferred tax asset (included within debtors – note 9)	5,794	3,794
	<u>5,794</u>	<u>3,794</u>

Deferred taxation provided in the financial statements is as follows

	Amount provided	
	2007 £	2006 £
Accelerated capital allowances	(2,976)	(2,206)
Other timing differences	8,770	6,000
	<u>5,794</u>	<u>3,794</u>
Deferred tax asset	<u>5,794</u>	<u>3,794</u>

The movement in deferred tax in the year is

	Deferred tax £
At beginning of year	3,794
Credit to the profit and loss for the year	2,000
	<u>5,794</u>
<b>At end of year</b>	<u><b>5,794</b></u>

## Notes (continued)

### 12 Called up share capital

	2007 £	2006 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1 000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

### 13 Movement on reserves

	Profit and loss account
At 1 January 2007	2,293 415
Retained profit for the year	451,012
Dividend paid	(1,500,000)
	<hr/>
At 31 December 2007	1,244,427
	<hr/>

### 14 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for year	451,012	429,077
Dividend paid	(1,500,000)	
Opening shareholders' funds	2,293,417	1,864,340
	<hr/>	<hr/>
Closing shareholders' funds	1,244,429	2,293 417
	<hr/>	<hr/>

### 15 Contingent liabilities

Harvey Steel Lintels Limited acts as a guarantor to Lloyds TSB Bank plc in respect of facilities made available to other group companies which at the balance sheet date amounted to £25,000,000 (2006 £25,000,000). Harvey Steel Lintels Limited, along with other UK subsidiaries of Grafton Group plc, acts as guarantor for the group sterling bank borrowings which at the balance sheet date amounted to £544,550,000 (2006 £490,254,000).



## Notes (continued)

### 16 Commitments

- (a) There were no capital commitments at 31 December 2007 (2006 £nil)
- (b) Annual commitments under non-cancellable operating leases are as follows

	Land and buildings		Other operating leases	
	2007	2006	2007	2006
	£	£	£	£
Operating leases which expire				
Within 1 year	14,400	-	715	2,860
Between two and five years	-	21,600	6,552	2,860
Over five years	-	-	-	-
	<u>14,400</u>	<u>21,600</u>	<u>7,267</u>	<u>5,720</u>

### 17 Pension scheme

The company is a member of a group defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £13,158 (2006 £14,440). There were no outstanding charges or prepaid contributions at the end of the year (2006 £nil).

Additional contributions were paid by the company into private pension schemes of individual employees. Contributions payable to these schemes during the year came to £16,011 (2006 £19,252).

### 18 Ultimate parent company and parent undertaking of which the company is a member

The company's immediate parent company is Grafton Group (UK) plc, incorporated in the United Kingdom.

The largest group in which the results of the company are consolidated is that headed by Grafton Group plc, incorporated in the Republic of Ireland. The consolidated accounts of this company are available to the public and may be obtained from Grafton Group plc, Heron House, Corrig Road, Sandymount Industrial Estate, Dublin 18, Ireland.