Harvey Steel Lintels Limited

Directors' report and financial statements

Registered number 2729505

31 December 2008

Company Information

Directors	D L Harvey C 6 Nualláin M McCabe L Martin B O'Hara
Secretary	Grafton Group Secretarial Services Limited
Company Number	2729505
Registered Office	Aquis Court 31 Fishpool Street St Albans Hertfordshire AL3 4RF
Auditors	KPMG LLP Chartered Accountants Arlington Business Park Theale Reading RG7 4SD

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

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 £nil during the year *(2007: £1,500,000)*. The retained profit for the year after taxation of £325,715 *(2007: £451,012)* has been transferred to reserves.

Directors

The directors who held office during the year were as follows:

D L Harvey	
M Chadwick	(Resigned 30 May 2008)
C ó Nualláin	
M McCabe	
L Martin	(Appointed 30 May 2008)
B O'Hara	(Appointed 12 December 2008)

Political and charitable contributions

The company made no political contributions during the year *(2007: £nil)*. Donations to UK charities amounted to £nil *(2007: £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

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

D. Harvey
Director

Aquis Court
31 Fishpool Street
St Albans
Hertfordshire
AL3 4RF

Dated...16 October 2009...........................

Statement of directors' 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 the year.

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 auditor's 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 2008 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 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 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 2008 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

29th October 2009

Profit and loss account
for the year ended 31 December 2008

	Note	2008	2007
		£	£
Turnover	*1*	**1,301,202**	1,654,149
Cost of sales		**(444,517)**	(658,224)
Gross profit		**856,685**	995,925
Distribution costs		**(252,520)**	(314,784)
Administrative expenses		**(323,896)**	(306,095)
Operating profit		**280,269**	375,046
Interest receivable and similar income	*5*	**46,608**	73,966
Profit on ordinary activities before taxation	*2*	**326,877**	449,012
Taxation on profit on ordinary activities	*6*	**(1,162)**	2,000
Profit for the year	*13*	**325,715**	451,012

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 2008

	Note	2008	2008	2007	2007
		£	£	£	£
Fixed assets					
Tangible assets	7		225		1,648
Current assets					
Stocks	8	78,982		72,181	
Debtors	9	1,880,279		2,068,301	
Cash at bank and in hand		929,652		97,841	
		2,888,913		2,238,323	
Creditors: amounts falling due within one year	10	(1,318,994)		(995,542)	
Net current assets			1,569,919		1,242,781
Total assets less current liabilities			1,570,144		1,244,429
Provisions for liabilities and charges			-		-
Net assets			1,570,144		1,244,429
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		1,570,142		1,244,427
Equity shareholders' funds	14		1,570,144		1,244,429

These financial statements were approved and authorised for issue by the board of directors on...16 October 2009......and were signed on its behalf by:

D. Harvey
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 year.

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

	2008 £	2007 £
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit fee (estimated share of the audit fee borne by the parent company)	**4,000**	8,400
Depreciation and other amounts written off tangible fixed assets:		
Owned	**1,423**	2,117
Hire of plant and machinery - rentals payable under operating leases	**8,617**	2,489
Hire of other assets - rentals payable under operating leases	**21,600**	14,400

3 Remuneration of directors

	2008 £	2007 £
Directors' remuneration	**96,318**	96,882
Directors' pension contributions	**8,507**	17,366
	104,825	114,248

Retirement benefits are accruing to 1 *(2007: 1)* director under money purchase pension schemes.

4 Staff numbers and costs

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

	2008 Number of employees	2007 Number of employees
Administration	**3**	3
Manufacturing	**6**	7
Total number of employees	**9**	10

The aggregate payroll costs of these persons were as follows:

	2008 £	2007 £
Wages and salaries	**300,395**	342,177
Social security costs	**32,279**	36,625
Other pension costs	**15,620**	29,169
	348,294	407,971

Notes *(continued)*

5 Interest receivable and similar income

	2008 £	2007 £
Bank interest	**28,308**	55,716
On inter-company loans	**18,300**	18,250
	46,608	73,966

6 Taxation

	2008 £	2008 £	2007 £	2007 £
Current tax				
UK corporation tax	-		-	
Adjustment in respect of a previous year	-		-	
Total current taxation		-		-
Deferred tax (note 11)				
Origination and reversal of timing differences	**500**		1,000	
Adjustment in respect of a previous year	**662**		(3,000)	
Total deferred tax		**1,162**		(2,000)
Tax charge/ (credit) on profit on ordinary activities		**1,162**		(2,000)

The tax assessed in the year is different from the standard rate of corporation tax in the UK of 28.5% (*2007: 30%*). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	**325,715**	449,012
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28.5% *(2007:30%)*	**92,829**	134,704
Effects of:		
Share schemes deduction	-	(7,000)
Tax group relief received for nil consideration	**(92,329)**	(126,704)
Other short-term timing differences	**(500)**	(1,000)
Adjustment to tax charge in respect of previous years	-	-
Current tax charge 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 £
Cost			
At beginning of year	74,804	3,637	78,441
Additions	-	-	-
Disposals	-	-	-
At end of year	74,804	3,637	78,441
Depreciation			
At beginning of year	73,305	3,488	76,793
Charge for the year	1,286	137	1,423
Released on disposal	-	-	-
At end of year	74,591	3,625	78,216
Net book value			
At 31 December 2008	**213**	**12**	**225**
At 31 December 2007	1,499	149	1,648

8 Stocks

	2008 **£**	2007 £
Raw materials	**78,982**	72,181

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

9 Debtors

	2008 **£**	2007 £
Trade debtors	**134,605**	260,035
Amounts owed by group undertakings	**1,719,056**	1,743,447
Prepayments and accrued income	**21,986**	59,025
Deferred tax (note 11)	**4,632**	5,794
	1,880,279	2,068,301

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	**61,503**	33,793
Amounts owed to group undertakings	**1,226,025**	896,272
Corporation tax	**10,804**	10,804
Taxation and social security	**3,087**	6,577
Accruals and deferred income	**17,575**	48,096
	1,318,994	995,542

11 Deferred taxation

	2008 £	2007 £
Deferred tax asset (included within debtors – note 9)	**4,632**	5,794
	4,632	5,794

Deferred taxation provided in the financial statements is as follows:

	Amount provided	
	2008 £	2007 £
Accelerated capital allowances	**1,204**	(2,976)
Other timing differences	**3,428**	8,770
Deferred tax asset	**4,632**	5,794

The movement in deferred tax in the year is:	Deferred tax £
At beginning of year	**5,794**
Credit for the year	**(1,162)**
At end of year	**4,632**

Notes *(continued)*

12 Called up share capital

	2008	2007
	£	£
Authorised		
1,000 ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
2 ordinary shares of £1 each	**2**	2

13 Movement on reserves

	Profit and loss account
At 1 January 2008	1,244,427
Retained profit for the year	325,715
Dividend paid	-
At 31 December 2008	**1,570,142**

14 Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
Profit for year	**325,715**	451,012
Dividend paid	**-**	(1,500,000)
Opening shareholders' funds	**1,244,429**	2,293,417
Closing shareholders' funds	**1,570,142**	1,244,429

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 *(2007: £25,000,000)*. Harvey Steel Lintels Limited, along with other UK subsidiaries of Grafton Group plc, acts as guarantor for the group bank borrowings which at the balance sheet date amounted to £619,960,000 *(2007: £544,550,000)*.

Notes *(continued)*

16 Commitments

(a) There were no capital commitments at 31 December 2008 *(2007: £nil)*.

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

	Land and buildings		Other operating leases	
	2008	2007	**2008**	2007
	£	£	**£**	£
Operating leases which expire:				
Within 1 year	-	14,400	-	715
Between two and five years	-	-	**6,552**	6,552
Over five years	**21,600**	-	-	-
	21,600	14,400	**6,552**	7,267

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 £15,620 *(2007: £13,158)*. There were no outstanding charges or prepaid contributions at the end of the year *(2007: £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 £nil (*2007: £16,011*).

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, Sandyford Industrial Estate, Dublin 18, Ireland.