

# **Ever 1508 Limited**

## **Directors' report and financial statements**

**30 September 2005**

Registered number 4160095



# Ever 1508 Limited

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	4
Balance sheet	5
Notes	6

# Ever 1508 Limited

## Directors' report

The directors present their annual report and financial statements for the 52 week period to 30 September 2005 (2004: 53 weeks).

### Principal activities and business review

Ever 1508 Limited is a holding company and 50% partner in the Four Seasons Partnership through which it holds an investment of 50% of the share capital in Four Seasons I LLC, a company incorporated in the United States of America.

### Proposed dividend

The directors do not recommend the payment of a dividend (2004: £nil).

### Directors and directors' interests

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

DA Moore  
C Richardson

None of the directors had any interests in the share capital of the Company during the period.

The interests of the directors in the share capital of Ultraframe Plc, the Company's ultimate parent company, are disclosed in the annual report and accounts of that company. The remuneration of the directors is paid by Ultraframe Plc and is disclosed in the annual report and accounts of that company.

### Auditors

In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually.



**Edward G Smethurst**  
*Secretary*

Enterprise Works  
Salthill Road  
Clitheroe  
Lancs  
BB7 1 PE

7 December 2005

# Ever 1508 Limited

## Statement of directors' responsibilities

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 and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts 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 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.

# Ever 1508 Limited

## Independent auditors' report to the members of Ever 1508 Limited

We have audited the financial statements on pages 4 to 10.

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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 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.

### Basis of audit opinion

We conducted our audit in accordance with 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 30 September 2005 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*  
**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*

7 December 2005

# Ever 1508 Limited

## Profit and loss account

*for the period ended 30 September 2005*

	Note	2005 £	2004 £
Administrative expenses		(29,927)	(40,625)
<b>Operating loss</b>		<b>(29,927)</b>	<b>(40,625)</b>
Interest payable and similar charges	2	(613,518)	(667,148)
<b>Loss on ordinary activities before taxation</b>		<b>(643,445)</b>	<b>(707,773)</b>
Taxation on loss on ordinary activities	3	78,314	207,296
<b>Loss on ordinary activities after taxation</b>	10,11	<b>(565,131)</b>	<b>(500,477)</b>

## Statement of total recognised gains and losses

*for the period ended 30 September 2005*

	2005 £	2004 £
<b>Loss for the period</b>	<b>(565,131)</b>	<b>(500,477)</b>
Currency translation differences on foreign currency net investments	276,357	(1,639,290)
<b>Total gains and losses relating to the period</b>	<b>(288,774)</b>	<b>(2,139,767)</b>

# Ever 1508 Limited

## Balance sheet

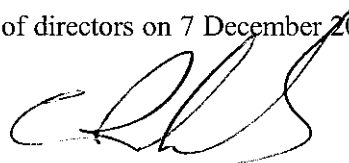
as at 30 September 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Investments	4	37,523,397	36,957,267
<b>Current assets</b>			
Debtors	5	1,689,205	1,754,014
Cash		2,261	2,227
		<u>1,691,466</u>	<u>1,756,241</u>
<b>Creditors: amounts falling due in less than one year</b>	6	<b>(18,151,498)</b>	<b>(7,642,824)</b>
		<u></u>	<u></u>
<b>Net current liabilities</b>		<b>(16,460,032)</b>	<b>(5,886,583)</b>
		<u></u>	<u></u>
<b>Total assets less current liabilities</b>		<b>21,063,365</b>	<b>31,070,684</b>
<b>Creditors: amounts falling due in more than one year</b>	7	<b>(25,986,962)</b>	<b>(35,711,385)</b>
<b>Provisions for liabilities and charges</b>	8	<b>(5,878)</b>	-
		<u></u>	<u></u>
<b>Net liabilities</b>		<b>(4,929,475)</b>	<b>(4,640,701)</b>
		<u></u>	<u></u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	(4,929,476)	(4,640,702)
		<u></u>	<u></u>
<b>Equity shareholders' deficit</b>		<b>(4,929,475)</b>	<b>(4,640,701)</b>
		<u></u>	<u></u>

These financial statements were approved by the board of directors on 7 December 2005 and were signed on its behalf by:



**DA Moore**  
Director



**C Richardson**  
Director

# Ever 1508 Limited

## 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, on a going concern basis.

The Company is reliant on its parent undertaking, Ultraframe Plc, for its continued support. Ultraframe Plc has indicated its continued support for the foreseeable future.

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

The Company, through its interest in the Four Seasons Partnership, is party to a joint arrangement which is not an entity as defined by Financial Reporting Standard 9. The Company accounts directly for its share of the income and expenditure, assets, liabilities and cash flows in this joint arrangement.

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

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or at an average rate for the period where rates do not fluctuate significantly. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Foreign currency investments financed by borrowings in foreign currencies have been translated at the closing rates of exchange. The resulting exchange differences have been taken to reserves, offset by the exchange gains and losses on the foreign currency borrowings.

#### ***Related party transactions***

The directors have taken advantage of the exemption contained in Financial Reporting Standard 8, paragraph 3(c) and have not disclosed related party transactions with group companies.

#### ***Taxation***

The charge for taxation is based on the profit/(loss) for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for deferred taxation in accordance with Financial Reporting Standard 19.



# Ever 1508 Limited

## Notes (continued)

### 2 Interest payable and similar charges

	2005 £	2004 £
On bank loans and overdrafts	624,718	627,998
Exchange (gain)/loss	(11,200)	39,150
	<u>613,518</u>	<u>667,148</u>

### 3 Taxation

	2005 £	2004 £
<i>UK corporation tax</i>		
Current tax on the loss for the period	(81,876)	(200,593)
Adjustments in respect of prior periods	(2,316)	(3,660)
	<u>(84,192)</u>	<u>(204,253)</u>
Foreign taxation	-	-
Total current tax	<u>(84,192)</u>	<u>(204,253)</u>
Deferred foreign taxation	5,878	(3,043)
	<u>(78,314)</u>	<u>(207,296)</u>

The UK corporation tax credits above represent consideration for the Company tax losses as these are surrendered by way of group relief to UK group companies.

	2005 £	2004 £
Loss before taxation	(643,445)	(707,773)
Expected tax charge at UK corporation tax rate of 30% (2004: 30%)	<u>(193,034)</u>	<u>(212,332)</u>
Expenses not deductible for tax purposes	111,158	11,739
Prior year adjustment	(2,316)	(3,660)
	<u>(84,192)</u>	<u>(204,253)</u>

# Ever 1508 Limited

## Notes (continued)

### 4 Investments

	Shares in group undertakings £
<i>Cost</i>	
At the beginning of the period	36,957,267
Exchange differences	566,130
<b>At 30 September 2005</b>	<b>37,523,397</b>

The Company, via its 50% interest in Four Seasons Partnership, held the following shares in group undertakings, incorporated in the United States of America:

<i>Group undertaking</i>	<i>Principal activity</i>	<i>Class and percentage of shares held</i>
Four Seasons I LLC	Holding company	50%

### 5 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	1,689,205	1,754,014

### 6 Creditors: amounts falling due in less than one year

	2005 £	2004 £
Bank loans and overdrafts	10,860,370	1,915,540
Amounts owed to group undertakings	7,283,711	5,719,099
Accruals and deferred income	7,417	8,185
	<b>18,151,498</b>	<b>7,642,824</b>

### 7 Creditors: amounts falling due in more than one year

	2005 £	2004 £
Bank loans and overdrafts	-	9,724,423
Amounts owed to group undertakings	25,986,962	25,986,962
	<b>25,986,962</b>	<b>35,711,385</b>

# Ever 1508 Limited

## Notes (continued)

### 7 Creditors: amounts falling due in more than one year (continued)

Following the 2005 financial year end, the Group arranged an extension of existing syndicated bank facilities through to December 2006, in line with the planned refinancing of the business prior to the expiration of the current facilities. The maturity profile of bank debt drawn down at the financial year end for balance sheet reporting purposes is based on circumstances prevailing at the balance sheet date and does not reflect the extended repayment terms subsequently agreed. This would have the effect of reclassifying bank debt repayments due of £9,892,035 in the 2005 year end financial statements, from creditors falling due within one year to falling due in more than one year.

The maturity profile of the Company's bank loans and overdraft at 30 September 2005 were as follows:

	2005 £	2004 £
<i>Amounts due</i>		
Less than one year	10,860,370	1,915,540
Between one and two years	-	9,724,423
	<u>10,860,370</u>	<u>11,639,963</u>

The majority (73%) of the US dollar borrowings are fixed, by way of interest rate swaps, at an annual interest rate of 4.59% plus a margin of up to 2.5% through to June 2006. The remainder of the US dollar borrowings are subject to floating rates based on dollar LIBOR plus the same margin to 30 June 2006. Thereafter, all US dollar borrowings are subject to floating rates based on dollar LIBOR plus a margin that potentially rises (on a phased incremental basis) up to 9% in December 2006.

There are no fixed repayment terms on the amounts owed to group undertakings.

### 8 Provisions for liabilities and charges

	Deferred taxation £
At beginning of period	-
Movement in period	5,878
<b>At 30 September 2005</b>	<u><b>5,878</b></u>

The deferred taxation relates to other timing differences.

### 9 Called up share capital

	£
<i>Authorised</i>	
Ordinary shares of £1 each	100
<i>Allotted, called up and fully paid</i>	
Ordinary shares of £1 each	1

# Ever 1508 Limited

## Notes (continued)

### 10 Reserves

	2005 £	2004 £
Profit and loss account at beginning of period	(4,640,702)	(2,500,935)
Loss for the period	(565,131)	(500,477)
Currency translation differences on foreign currency net investments	276,357	(1,639,290)
Profit and loss account at end of period	<u>(4,929,476)</u>	<u>(4,640,702)</u>

### 11 Reconciliation of movement in shareholders' deficit

	2005 £	2004 £
Shareholders' deficit at beginning of period	(4,640,701)	(2,500,934)
Loss for the period	(565,131)	(500,477)
Currency translation differences on foreign currency net investments	276,357	(1,639,290)
Shareholders' deficit at end of period	<u>(4,929,475)</u>	<u>(4,640,701)</u>

### 12 Contingent liabilities

The Company is party to banking facilities for certain members of the Ultraframe Plc group of companies arranged by The Royal Bank of Scotland Plc. The Company and certain other members of the Ultraframe Plc group of companies have provided security to The Royal Bank of Scotland as agent for the lenders in the form of a fixed and floating charge and an unlimited intercompany composite cross guarantee as part of these arrangements. At 30 September 2005, the total bank debt outstanding was £23,962,000 (2004: £27,783,000). In addition, pending final determination of the litigation between Four Seasons and Patio Enclosures (as disclosed in the annual report and accounts of Ultraframe Plc), collateral has been put in place in favour of Patio Enclosures, in accordance with US legal procedures. Consequently, the Group has given an indemnity for \$10,000,000 (2004: \$8,800,000) to the Group's bankers in respect of a bank letter of credit issued as required collateral.

### 13 Ultimate parent company

The Company is a subsidiary undertaking of Ultraframe Plc which is registered in England and Wales. The largest group in which the results of the Company are consolidated is that headed by Ultraframe Plc.

The consolidated accounts of Ultraframe Plc are available to the public and may be obtained from The Secretary, Ultraframe Plc, Enterprise Works, Clitheroe, Lancs, BB7 1PE.