



BDO Stoy Hayward
Chartered Accountants

75647

2.1.2

Ayrshire Aluminium Co. Limited

Abbreviated Financial Statements

Year Ended

30 June 2002



BDO Stoy Hayward
Chartered Accountants



Ayrshire Aluminium Co. Limited

Annual report and financial statements for the year ended 30 June 2002

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Directors

A J Crabb
M S Yarlett
P Vaughan
R McKnight

Secretary and registered office

R McKnight, Block 2, Bonnyton Industrial Estate, Munro Place, Kilmarnock, KA1 2NP

Company number

75647

Auditors

BDO Stoy Hayward, 64 Dalblair Road, Ayr, KA7 1UH

Bankers

Bank of Scotland, 46 Bank Street, Kilmarnock, Ayrshire, KA1 1EX

Solicitors

Mackintosh and Wylie, 23 The Foregate, Kilmarnock, Ayrshire, KA1 1LE

Ayrshire Aluminium Co. Limited

Report of the directors for the year ended 30 June 2002

The directors present their report together with the audited financial statements for the year ended 30 June 2002.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

Principal activities, review of business and future developments

The company's principal activity is as management company.

The directors are satisfied with the profit for the year and anticipate similar results in the coming year.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	30 June 2002	1 July 2001
A J Crabb	8,000	8,000
M S Yarlett	16,501	16,501
P Vaughan	8,499	8,499
R McKnight	-	-

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 of the company for that year. 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; 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ayrshire Aluminium Co. Limited

Report of the directors for the year ended 30 June 2002 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board


R McKnight

Secretary

21 March 2003

Ayrshire Aluminium Co. Limited**Report of the independent auditors**

Independent auditors' report to Ayrshire Aluminium Co. Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 4 to 14 together with the financial statements of the company for the year ended 30 June 2002 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated financial statements on pages 4 to 14 are properly prepared in accordance with that provision.



BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Ayr

21 March 2003

Ayrshire Aluminium Co. Limited

Profit and loss account for the year ended 30 June 2002

	Note	2002 £	2001 £
Administrative expenses		88,373	157,206
Operating profit/(loss)	2	21,627	12,794
Amounts written off investments	6	(3,500)	-
Profit on ordinary activities before taxation		18,127	12,794
Taxation on profit on ordinary activities	6	3,027	3,378
Profit on ordinary activities after taxation		15,100	9,416

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 7 to 14 form part of these financial statements.

Ayrshire Aluminium Co. Limited

Balance sheet at 30 June 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	7		1		1
Fixed asset investments	8		309,615		313,115
			<u>309,616</u>		<u>313,116</u>
Current assets					
Debtors	9	112,321		152,393	
Cash at bank and in hand		1,404		-	
		<u>113,725</u>		<u>152,393</u>	
Creditors: amounts falling due within one year	10	4,127		61,395	
Net current assets			<u>109,598</u>		<u>90,998</u>
Total assets less current liabilities			<u>419,214</u>		<u>404,114</u>
Capital and reserves					
Called up share capital	11		33,000		33,000
Capital redemption reserve	19		17,000		17,000
Profit and loss account	19		369,214		354,114
Equity shareholders' funds			<u>419,214</u>		<u>404,114</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 21 March 2003.

A J Crabb
Director



M S Yarlett
Director



The notes on pages 7 to 14 form part of these financial statements.

Ayrshire Aluminium Co. Limited

Cash flow statement for the year ended 30 June 2002

	Note	2002 £	2001 £
Net cash inflow/(outflow) from operating activities	14	5,089	(2,660)
Taxation			
Corporation tax paid		(3,378)	(487)
Increase/(decrease) in cash	15	1,711	(3,147)

The notes on pages 7 to 14 form part of these financial statements.

1 Accounting policies

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

The following principal accounting policies have been applied:

Consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 248 of the Companies Act 1985 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax and is attributable to one activity, that of management company providing services within the United Kingdom.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties, freehold land and certain buildings, evenly over their expected useful lives. It is calculated at the following rates:

Office Equipment	- 10% reducing balance
------------------	------------------------

Valuation of investments

Fixed assets investments are stated at cost in the case of investment in subsidiary company and valuation in respect of other investments.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

1 Accounting policies (*continued*)

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

The assets of the scheme are held separately from those of the company.

2 Operating profit

	2002 £	2001 £
This is arrived at after charging:		
Audit services	700	700
	<u> </u>	<u> </u>

3 Employees

Staff costs (including directors) consist of:

	2002 £	2001 £
Wages and salaries	61,959	119,422
Social security costs	5,737	13,051
Pension costs	19,524	23,540
	<u> </u>	<u> </u>
	87,220	156,013
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was 4 (2001 - 4).

4 Directors' remuneration

	2002 £	2001 £
Directors' emoluments	92,366	143,469
Company contributions to money purchase pension schemes	19,524	23,540
	<u> </u>	<u> </u>

There were 3 directors in the company's defined contribution pension scheme during the year (2001 - 3).

Ayrshire Aluminium Co. Limited

Notes forming part of the financial statements for the year ended 30 June 2002 (*Continued*)

5 Amounts written off investments

The value of SRU debentures held by the company is considered to have reduced by £3,500 and this amount has been written off the investment.

6 Taxation on profit on ordinary activities

	2002 £	2001 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	3,027	3,378

The tax assessed for the period is higher than the small companies rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	18,127	12,794
Profit on ordinary activities at the small companies rate of corporation tax in the UK of 20% (2001 - 20%)	3,625	2,559
Effect of:		
Expenses not deductible for tax purposes	(300)	1,000
Marginal relief	(256)	(181)
Rate change	(42)	-
Current tax charge for period	3,027	3,378

7 Tangible fixed assets

	Office equipment £
<i>Cost</i>	
At 1 July 2001 and 30 June 2002	182
<i>Depreciation</i>	
At 1 July 2001 and 30 June 2002	181
<i>Net book value</i>	
At 30 June 2001 and 30 June 2002	1

8 Fixed asset investments

	Shares £	Other investments £	Total £
<i>Cost</i>			
At 1 July 2001	306,115	7,000	313,115
Amounts written off	-	(3,500)	(3,500)
	<hr/>	<hr/>	<hr/>
At 30 June 2002	306,115	3,500	309,615
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 June 2002	306,115	3,500	309,615
	<hr/>	<hr/>	<hr/>
At 30 June 2001	306,115	7,000	313,115
	<hr/>	<hr/>	<hr/>

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Scotia Double Glazing Limited	Scotland	100%	

The following figures have been extracted from audited financial statements for the year ended 30 June 2002:

	Aggregate share capital and reserves		Profit / (loss) for the year	
	2002	2001	2002	2001
	£	£	£	£
Scotia Double Glazing Limited	275,680	240,925	34,755	(27,643)
	<hr/>	<hr/>	<hr/>	<hr/>

Ayrshire Aluminium Co. Limited

Notes forming part of the financial statements for the year ended 30 June 2002 (Continued)

9 Debtors

	2002 £	2001 £
Amounts receivable after more than one year		
Amounts owed by group undertakings	112,321	152,393

10 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts (secured)	-	307
Corporation tax	3,027	3,378
Accruals and deferred income	1,100	57,710
	4,127	61,395

11 Share capital

	2002 £	Authorised 2001 £	Allotted, called up and fully paid 2002 £	2001 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	50,000	50,000	33,000	33,000

12 Contingent liabilities

The bank borrowings are secured by means of a bond and floating charge, over all assets of the company. Ayrshire Aluminium Co. Limited has given a guarantee and letter of offset in respect of the bank borrowings of Scotia Double Glazing Limited. As at 30 June 2002, these amounted to £333,391 (2001: £276,268).

13 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £19,524 (2001: £23,540).

Ayrshire Aluminium Co. Limited

Notes forming part of the financial statements for the year ended 30 June 2002 (Continued)

14 Reconciliation of operating profit before exceptional items to net cash inflow/(outflow) from operating activities

	2002 £	2001 £
Operating profit before exceptional items	21,627	12,794
Decrease/(increase) in debtors	40,072	(17,953)
Decrease/(increase) in creditors	(56,610)	2,499
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	5,089	(2,660)
	<hr/>	<hr/>

15 Reconciliation of net cash flow to movement in net debt

	2002 £	2001 £
Increase/(decrease) in cash	1,711	(3,147)
	<hr/>	<hr/>
Movement in net debt	1,711	(3,147)
Opening net (debt)/funds	(307)	2,840
	<hr/>	<hr/>
Closing net funds/(debt)	1,404	(307)
	<hr/>	<hr/>

Ayrshire Aluminium Co. Limited

Notes forming part of the financial statements for the year ended 30 June 2002 (*Continued*)

16 Analysis of net debt

	At 1 July 2001 £	Cash flow £	At 30 June 2002 £
Cash at bank and in hand	-	1,404	1,404
Bank overdrafts	(307)	307	-
		<u>1,711</u>	
Total	<u>(307)</u>	<u>1,711</u>	<u>1,404</u>

17 Related party disclosures

Related party transactions and balances

All of the company's turnover in the years to 30 June 2002 and 30 June 2001 relates to management services supplied to its subsidiary Scotia Double Glazing Limited. At 30 June 2002, £112,321 (2001 - £152,393) was owed to the company by Scotia Double Glazing Limited.

18 Ultimate parent company and parent undertaking of larger group

The directors consider M S Yarlett, whose shareholding is disclosed in the directors report, to be in ultimate control of the company.

19 Reserves

	Capital redemption reserve £	Profit and loss account £
At 1 July 2001	17,000	354,114
Profit for the year	-	15,100
	<u>17,000</u>	<u>369,214</u>
At 30 June 2002	<u>17,000</u>	<u>369,214</u>

Ayrshire Aluminium Co. Limited

Notes forming part of the financial statements for the year ended 30 June 2002 (*Continued*)

20 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit for the year	15,100	9,416
Opening shareholders' funds	404,114	394,698
	<hr/>	<hr/>
Closing shareholders' funds	419,214	404,114
	<hr/>	<hr/>