

Registrar.

**Ayrshire Aluminium Co. Limited**

**Report and Financial Statements**

**Year Ended**

**30 June 2005**

**BDO**  
BDO Stoy Hayward  
Chartered Accountants



# **Ayrshire Aluminium Co. Limited**

## **Annual report and financial statements for the year ended 30 June 2005**

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### **Directors**

A J Crabb  
M S Yarlett  
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 LLP, 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

**Report of the directors for the year ended 30 June 2005**

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The directors present their report together with the audited financial statements for the year ended 30 June 2005.

**Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors recommend the payment of a final dividend of NIL (2004 - £2.13) per ordinary share.

**Principal activities, review of business and future developments**

The company's principal activity is as a management company.

The directors are satisfied with the results for the year, and feel that the company and its subsidiary are well placed to take advantage of opportunities coming their way in the future.

**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 2005	1 July 2004
A J Crabb	8,000	8,000
M S Yarlett	16,501	16,501
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 2005 (*Continued*)**

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**Auditors**

BDO Stoy Hayward LLP 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**

A handwritten signature in black ink, appearing to be 'R McKnight', written over a horizontal line.

R McKnight

**Secretary**

6 June 2006

## **Ayrshire Aluminium Co. Limited**

### **Report of the independent auditors**

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#### **To the shareholders of Ayrshire Aluminium Co. Limited**

We have audited the financial statements of Ayrshire Aluminium Co. Limited for the year ended 30 June 2005 on pages 5 to 15 which have been prepared under the accounting policies set out on page 8.

#### *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 are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 audit opinion*

We conducted our audit in accordance with United Kingdom 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.

**Ayrshire Aluminium Co. Limited**

**Report of the independent auditors (*Continued*)**

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*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD LLP**

*Chartered Accountants  
and Registered Auditors  
Ayr*

6 June 2006

**Ayrshire Aluminium Co. Limited****Profit and loss account for the year ended 30 June 2005**

	Note	2005 £	2004 £
Turnover	2	175,000	240,000
Administrative expenses		171,599	182,201
		<hr/>	<hr/>
Operating profit	3	3,401	57,799
Interest receivable		49	51
Interest payable and similar charges	4	(137)	(13)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		3,313	57,837
Taxation on profit on ordinary activities	7	-	10,989
		<hr/>	<hr/>
Profit on ordinary activities after taxation		3,313	46,848
Dividends	8	-	52,250
		<hr/>	<hr/>
Retained profit/(accumulated loss)	14	3,313	(5,402)
		<hr/>	<hr/>

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.

The notes on pages 8 to 15 form part of these financial statements.

# Ayrshire Aluminium Co. Limited

## Balance sheet at 30 June 2005

	Note	2005 £	2005 £	2004 £	2004 £
<b>Fixed assets</b>					
Tangible assets	9		1		1
Fixed asset investments	10		306,115		306,115
			<u>306,116</u>		<u>306,116</u>
<b>Current assets</b>					
Debtors	11	106,267		123,760	
Cash at bank and in hand		999		2,093	
		<u>107,266</u>		<u>125,853</u>	
<b>Creditors: amounts falling due within one year</b>	12	62,459		84,359	
		<u>62,459</u>		<u>84,359</u>	
<b>Net current assets</b>			44,807		41,494
<b>Total assets less current liabilities</b>			<u>350,923</u>		<u>347,610</u>
<b>Capital and reserves</b>					
Called up share capital	13		24,501		24,501
Capital redemption reserve	14		25,499		25,499
Profit and loss account	14		300,923		297,610
			<u>350,923</u>		<u>297,610</u>
<b>Equity shareholders' funds</b>	22		<u>350,923</u>		<u>347,610</u>

The financial statements were approved by the Board on 6 June 2006.

A J Crabb  
Director



R McKnight  
Director



The notes on pages 8 to 15 form part of these financial statements.



**Ayrshire Aluminium Co. Limited**

**Cash flow statement for the year ended 30 June 2005**

	Note	2005 £	2005 £	2004 £	2004 £
<b>Net cash inflow from operating activities</b>	15		9,983		68,779
<b>Returns on investments and servicing of finance</b>					
Interest received		49		51	
Interest paid: other		(137)		(13)	
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>			(88)		38
<b>Taxation</b>					
Corporation tax paid			(10,989)		(1,102)
<b>Cash (outflow)/inflow before financing</b>			(1,094)		67,715
<b>Financing</b>					
Buy back of ordinary share capital			-		(68,500)
<b>Decrease in cash</b>	16		(1,094)		(785)

The notes on pages 8 to 15 form part of these financial statements.

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention.

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 medium sized 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, evenly over their expected useful lives. It is calculated at the following rates:

Office Equipment	- 10% reducing balance
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### *Valuation of investments*

Fixed assets investments are stated at cost in the case of the investment in the subsidiary company.

### *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:

- 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.

### *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 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

**3 Operating profit**

	2005 £	2004 £
This is arrived at after charging:		
Audit services	1,500	1,500
	<u>          </u>	<u>          </u>

**4 Interest payable and similar charges**

	2005 £	2004 £
Interest on tax	137	13
	<u>          </u>	<u>          </u>

**5 Employees**

Staff costs (including directors) consist of:

	2005 £	2004 £
Wages and salaries	131,398	142,968
Social security costs	15,947	16,720
Pension costs	22,644	20,952
	<u>          </u>	<u>          </u>
	169,989	180,640
	<u>          </u>	<u>          </u>

The average number of employees (including directors) during the year was 3 (2004 - 3).

**6 Directors' remuneration**

	2005 £	2004 £
Directors' emoluments	151,922	161,777
Company contributions to money purchase pension schemes	22,644	20,952
	<u>          </u>	<u>          </u>

There were 3 directors in the company's defined contribution pension scheme during the year (2004 - 3).

**7 Taxation on profit on ordinary activities**

	2005 £	2004 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	10,989
	<u>          </u>	<u>          </u>

The tax assessed for the period is at the small companies rate of corporation tax in the UK.

	2005 £	2004 £
Profit on ordinary activities before tax	3,313	57,837
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the small companies rate of corporation tax in the UK of 19% (2004 - 19%)	629	10,989
Effect of:		
Charged at nil rate band	(629)	-
	<u>          </u>	<u>          </u>
Current tax charge for period	-	10,989
	<u>          </u>	<u>          </u>

**8 Dividends**

	2005 £	2004 £
<i>Equity shares</i>		
Ordinary shares		
Final proposed of Nil (2004 - £2.13) per share	-	52,250
	<u>          </u>	<u>          </u>

**9 Tangible fixed assets**

	Office equipment £
<i>Cost</i>	
At 1 July 2004 and 30 June 2005	182
<i>Depreciation</i>	—
At 1 July 2004 and 30 June 2005	181
<i>Net book value</i>	—
At 30 June 2004 and 30 June 2005	1
	=

**10 Fixed asset investments**

	Shares £
<i>Cost</i>	
At 1 July 2004 and 30 June 2005	306,115
	=

*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
<i>Subsidiary undertakings</i>			
Scotia Double Glazing Limited	Scotland	100%	Manufacture and installation of double glazing products.

The following figures have been extracted from audited financial statements for the year ended 30 June 2005:

	Aggregate share capital and reserves		Profit / (loss) for the year
	2005	2004	2005
	£	£	£
<i>Subsidiary undertakings</i>			
Scotia Double Glazing Limited	289,108	336,676	(47,568)
	=	=	=

**Ayrshire Aluminium Co. Limited**

**Notes forming part of the financial statements for the year ended 30 June 2005 (Continued)**

**11 Debtors**

	2005 £	2004 £
Amounts receivable after more than one year		
Amounts owed by group undertakings	106,267	123,760
	<u>          </u>	<u>          </u>

**12 Creditors: amounts falling due within one year**

	2005 £	2004 £
Corporation tax	-	10,989
Other taxation and social security	-	2,170
Proposed dividend	52,250	52,250
Directors' loans	8,829	-
Accruals and deferred income	1,380	18,950
	<u>          </u>	<u>          </u>
	62,459	84,359
	<u>          </u>	<u>          </u>

**13 Share capital**

	2005 £	Authorised 2004 £	Allotted, called up and fully paid 2005 £	2004 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	50,000	50,000	24,501	24,501
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

During May 2004, Ayrshire Aluminium Co. Limited repurchased 8,499 of the issued £1 Ordinary shares.

**14 Reserves**

	Capital redemption reserve £	Profit and loss account £
At 1 July 2004	25,499	297,610
Profit for the year	-	3,313
	<hr/>	<hr/>
At 30 June 2005	25,499	300,923
	<hr/>	<hr/>

**15 Reconciliation of operating profit to net cash inflow from operating activities**

	2005 £	2004 £
Operating profit	3,401	57,799
Decrease/(increase) in debtors	17,493	(8,080)
(Decrease)/increase in creditors	(10,911)	19,060
	<hr/>	<hr/>
Net cash inflow from operating activities	9,983	68,779
	<hr/>	<hr/>

**16 Reconciliation of net cash flow to movement in net funds**

	2005 £	2004 £
Decrease in cash	(1,094)	(785)
	<hr/>	<hr/>
Movement in net funds	(1,094)	(785)
Opening net funds	2,093	2,878
	<hr/>	<hr/>
Closing net funds	999	2,093
	<hr/>	<hr/>

**17 Analysis of net funds**

	At 1 July 2004 £	Cash flow £	At 30 June 2005 £
Cash at bank and in hand	2,093	(1,094)	999
	<u>          </u>	<u>          </u>	<u>          </u>

**18 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 2005, these amounted to £664,843 (2004 : £663,760).

**19 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 £22,644 (2004 : £20,952).

**20 Related party disclosures**

*Related party transactions and balances*

All of the company's turnover in the years to 30 June 2005 and 30 June 2004 relates to management services supplied to its subsidiary Scotia Double Glazing Limited.

At 30 June 2005, £106,267 (2004 - £123,760) was owed to the company by Scotia Double Glazing Limited.

**21 Ultimate controlling party**

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



**22 Reconciliation of movements in shareholders' funds**

	2005 £	2004 £
Profit for the year	3,313	46,848
Dividends	-	(52,250)
	<hr/>	<hr/>
Shares redeemed	3,313	(5,402)
	-	(8,499)
Purchase of own shares	-	(60,001)
	<hr/>	<hr/>
Net additions to/(deductions from) shareholders' funds	3,313	(73,902)
Opening shareholders' funds	347,610	421,512
	<hr/>	<hr/>
Closing shareholders' funds	350,923	347,610
	<hr/>	<hr/>