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**Ayrshire Aluminium Co. Limited**

**Report and Financial Statements**

**Year Ended**

**30 June 2007**



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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, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

**Bankers**

Bank of Scotland, 30/34 King Street, Kilmarnock, Ayrshire, KA1 1NP

**Solicitors**

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

**Report of the directors for the year ended 30 June 2007**

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The directors present their report together with the audited financial statements for the year ended 30 June 2007

**Results and dividends**

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

**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

**Financial Risks and Uncertainties**

As a management company, the company's risks are wholly related to the performance of its subsidiary company, Scotia Double Glazing Limited. Further information is contained in the financial statements of Scotia Double Glazing Limited which are available from Companies House

**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 2007	1 July 2006
A J Crabb	8,000	8,000
M S Yarlett	16,501	16,501
R McKnight		

**Directors' Indemnity Insurance**

The directors have been indemnified by the company in respect of any costs incurred by them in defending any proceedings brought against them arising out of their positions as directors of Ayrshire Aluminium Co Limited.

**Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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.

**Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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



R McKnight

**Secretary**

8 May 2008

**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 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

*Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also 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.

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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 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



**BDO STOY HAYWARD LLP**

*Chartered Accountants*

*and Registered Auditors*

Ayr

8 May 2008

**Ayrshire Aluminium Co. Limited**

**Profit and loss account for the year ended 30 June 2007**

	Note	2007 £	2006 £
Turnover	2	195,000	185,000
Administrative expenses		191,950	183,645
		<hr/>	<hr/>
Operating profit	3	3,050	1,355
Interest receivable		192	
		<hr/>	<hr/>
Profit on ordinary activities before taxation		3,242	1,355
Taxation on profit on ordinary activities	6	624	64
		<hr/>	<hr/>
Profit on ordinary activities after taxation		2,618	1,291
		<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

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

The notes on pages 8 to 14 form part of these financial statements

Ayrshire Aluminium Co. Limited

Balance sheet at 30 June 2007

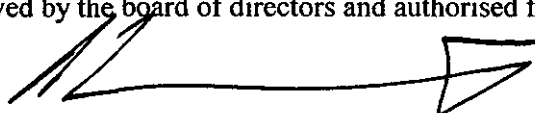
	Note	2007 £	2007 £	2006 £	2006 £
<b>Fixed assets</b>					
Tangible assets	7		1		1
Fixed asset investments	8		306,115		306,115
			<u>306,116</u>		<u>306,116</u>
<b>Current assets</b>					
Debtors	9	50,844		103,652	
Cash at bank and in hand		5,185		4,969	
		<u>56,029</u>		<u>108,621</u>	
<b>Creditors: amounts falling due within one year</b>	10	7,313		62,523	
		<u>7,313</u>		<u>62,523</u>	
<b>Net current assets</b>			48,716		46,098
<b>Total assets less current liabilities</b>			<u>354,832</u>		<u>352,214</u>
<b>Capital and reserves</b>					
Called up share capital	11		24,501		24,501
Capital redemption reserve	12		25,499		25,499
Profit and loss account	12		304,832		302,214
			<u>354,832</u>		<u>352,214</u>
<b>Shareholders' funds</b>			<u>354,832</u>		<u>352,214</u>

The financial statements were approved by the board of directors and authorised for issue on 8 May 2008

A J Crabb  
Director



R McKnight  
Director



The notes on pages 8 to 14 form part of these financial statements



**Ayrshire Aluminium Co. Limited**

**Cash flow statement for the year ended 30 June 2007**

	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Net cash inflow from operating activities</b>	13	47,149	3,970
<b>Returns on investments and servicing of finance</b>			
Interest received		192	
<b>Taxation</b>			
Corporation tax paid		(64)	
<b>Dividend paid</b>		(47,061)	
<b>Increase in cash</b>	14	216	3,970

The notes on pages 8 to 14 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, 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
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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 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**

	2007 £	2006 £
This is arrived at after charging		
Audit services	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

**4 Employees**

Staff costs (including directors) consist of

	2007 £	2006 £
Wages and salaries	142,040	139,925
Social security costs	16,984	16,644
Pension costs	31,320	26,985
	<u>190,344</u>	<u>183,554</u>

The average number of employees (including directors) during the year was 3 (2006 3)

**5 Directors' remuneration**

	2007 £	2006 £
Directors' emoluments	169,607	163,362
Company contributions to money purchase pension schemes	31,320	26,985
	<u>          </u>	<u>          </u>

There were 2 directors in the company's defined contribution pension scheme during the year (2006 2)

**6 Taxation on profit on ordinary activities**

	2007 £	2006 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	624	64
	<u>          </u>	<u>          </u>
The tax assessed for the period is at the small companies rate of corporation tax in the UK		
	2007 £	2006 £
Profit on ordinary activities before tax	3,242	1,355
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the small companies rate of corporation tax in the UK of 20% (2006 19%)	648	257
Effect of		
Charged at nil rate band		(193)
Rate change	(24)	
	<u>          </u>	<u>          </u>
Current tax charge for period	624	64
	<u>          </u>	<u>          </u>

**7 Tangible fixed assets**

	Office equipment £
<i>Cost</i>	
At 1 July 2006 and 30 June 2007	182
<i>Depreciation</i>	
At 1 July 2006 and 30 June 2007	181
<i>Net book value</i>	
At 30 June 2006 and 30 June 2007	1

**8 Fixed asset investments**

	Shares £
<i>Cost</i>	
At 1 July 2006 and 30 June 2007	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 2007

	Aggregate share capital and reserves		Profit / (loss) for the year	
	2007	2006	2007	2006
	£	£	£	£
<i>Subsidiary undertakings</i>				
Scotia Double Glazing Limited	425,821	361,813	64,008	72,705

**9 Debtors**

	2007 £	2006 £
Amounts receivable after more than one year		
Amounts owed by group undertakings	50,844	103,652
	<u>50,844</u>	<u>103,652</u>

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

	2007 £	2006 £
Corporation tax	624	64
Dividends payable	5,189	52,250
Directors' loans		8,829
Accruals and deferred income	1,500	1,380
	<u>7,313</u>	<u>62,523</u>

**11 Share capital**

	2007 £	Authorised 2006 £	Allotted, called up and fully paid 2007 £	2006 £
Ordinary shares of £1 each	50,000	50,000	24,501	24,501
	<u>50,000</u>	<u>50,000</u>	<u>24,501</u>	<u>24,501</u>

**12 Reserves**

	Capital redemption reserve £	Profit and loss account £
At 1 July 2006	25,499	302,214
Profit for the year		2,618
	<u>25,499</u>	<u>304,832</u>
At 30 June 2007	25,499	304,832

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

	2007 £	2006 £
Operating profit	3,050	1,355
Decrease in debtors	52,808	2,615
Decrease in creditors	(8,709)	
	<u>47,149</u>	<u>3,970</u>
Net cash inflow from operating activities	<u>47,149</u>	<u>3,970</u>

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

	2007 £	2006 £
Increase in cash	216	3,970
	<u>216</u>	<u>3,970</u>
Movement in net funds	216	3,970
Opening net funds	4,969	999
	<u>5,185</u>	<u>4,969</u>
Closing net funds	<u>5,185</u>	<u>4,969</u>

**15 Analysis of net funds**

	At 1 July 2006 £	Cash flow £	At 30 June 2007 £
Cash at bank and in hand	4,969	216	5,185
	<u>4,969</u>	<u>216</u>	<u>5,185</u>

**16 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 2007, these amounted to £658,306 (2006 £595,094)

**17 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 £31,320 (2006 £26,985)

**18 Related party disclosures**

*Related party transactions and balances*

All of the company's turnover in the years to 30 June 2007 and 30 June 2006 relates to management services supplied to its subsidiary Scotia Double Glazing Limited

At 30 June 2007, £50,844 (2006 £103,652) was owed to the company by Scotia Double Glazing Limited

**19 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