

**COMPANIES HOUSE**

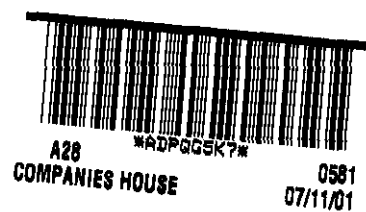
Grant Thornton 

**THE BRITISH GLASS  
MANUFACTURERS CONFEDERATION**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2001**



Company no 00539065

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# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## FINANCIAL STATEMENTS

For the year ended 30 June 2001

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Company registration number: 00539065

Registered office: Northumberland Road  
Sheffield  
S10 2UA

Director General: Mr D Workman (appointed 8 May 2001)

Secretary: Mr K B Barnsley

Bankers: National Westminster Bank plc

Solicitors: Blakesley Rice MacDonald  
Irwin Mitchell  
Keeble Hawson

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## FINANCIAL STATEMENTS

For the year ended 30 June 2001

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# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## MEMBERS OF THE COUNCIL

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### President

P Murray

### Council members during the financial year

T Barrow	
P Christie	
G Collett	(Resigned 16 November 2000)
A D Cunningham	(Resigned 16 November 2000)
D Currie	
E Dancer	
S Hammond	
G Hardcastle	
A J O Hoskins	
A Humphries	(Resigned 16 November 2000)
R A E Katz	(Resigned 16 November 2000)
E Kilty	
R Kirk	
R T Montgomery	
P Murray	
A Norris	(Appointed 16 November 2000)
E I H Palmer	
W Pardoe	
D Petit-Maire	(Appointed 11 May 2001)
A Rattray	
R Ritchie	(Appointed 11 May 2001)
C Scholey	
A Spencer	
G R Webster Gardiner	(Resigned 16 November 2000)
J Whitehouse	

### Members of the Finance and General Purposes Committee

A Rattray (Chairman)  
R T Montgomery  
R Kirk  
P Murray  
W Pardoe  
C Scholey

### Full members of the confederation at 30 June 2001

	Representative
Beatson Clark plc	R T Montgomery
Bibby Sterilin Ltd	J Whitehouse
Biochem Glass	W Fludgate
Caithness Glass plc	R A Brooke
Corning Ltd	I G Strother
Cumbria Crystal Ltd	I Dillon
Dartington Glass Ltd	E Dancer
Edinburgh Crystal Glass Co Ltd	W Soutar

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## MEMBERS OF THE COUNCIL

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### Full members of the confederation at 30 June 2001 (continued)

	Representative
Epsom Glass Industries Ltd	A Sayer
FBG Anchor	S Williams
Grantley of Yorkshire Ltd	J Bentley
Allied Glass Containers Ltd	A Spencer
Laboratory Sales (UK) Ltd	R Aston
Lancaster Glass Fibre Ltd	M Clokey
Lewis & Towers Ltd	J Daniels
St Gobain Glass	D Shephard
S Murray & Co	P Murray
Nazeing Glass Works Ltd	M Tarrant
Newell Ltd	K Parkinson
Pilkington Glass Ltd	A Cunningham
Rexam Glass Barnsley	C Scholey
Plowden & Thompson Ltd	S F R Beadman
Potters Ballotini Ltd	G Crutchley
Poulsen Selfe & Lee Ltd	A D Gosling
PPG Industries (UK) Ltd	P D Nisbett
QVF Process Systems Ltd	R J Dimelow
R & D Glass Ltd	R Pauli
Regina Industries Ltd	G W Schuller
Rockware Glass Ltd	E Kilty
Royal Brierley Crystal Ltd	G Webster-Gardiner
Royal Doulton Crystal Ltd	D Nightingale
Sean Quinn Group	S Quinn
Stevenson Reeves Ltd	R S Mein
Stolzle Flaconnage Ltd	P Christie
Stuart & Sons Ltd	G J Rogers
J B Treasure & Co Ltd	D C Elliott
United Glass Ltd	S Hammond
Wilkinson Group plc	D J Wilkinson

### Associate members of the confederation at 30 June 2001

	Representative
Acheson Colloids Company	I Trundley
AFT (UK) Ltd	P Q West
Appleby Calumite Ltd	M Abraham
Batoyle Ltd	J S Clark
T Berryman & Sons Ltd	M J Keogh
B G plc	K Sheperd
BOC Ltd	A C Wardell
Borax Europe Ltd	J M Simon
Brunner Mond (UK) Ltd	J O Pugh
Burwell Reed & Kinghorn Ltd	B B Reed
A E Chapman & Sons Ltd	A Chapman
D M G Media	S Byrne
Dyson Hotwork Ltd	J V Laming

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## MEMBERS OF THE COUNCIL

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### Associate members of the confederation at 30 June 2001 (continued)

	Representative
Dyson Industries Ltd	J Fox
Elna UK	S J Kelly
Emhart (UK) Ltd	G Parkinson
Esdale Ltd	F Eastwood
Eutectic Company Ltd	A J Dawe
General Chemical (GB) Ltd	R Beaumont
Graphoidal Developments Ltd	L D Brown
Sibelko	R S Leonard
Inex Vision Systems Division	D Bragg
International Bottle Co Ltd	R Clark
Irish Glass Bottle Co Ltd	B Gorey
I S Maintenance Ltd	C Farnsworth
R Kent	R Kent
Laidlaw Drew Ltd	R S Pont
W S Lee	W S Lee
Leerco Engineering Ltd	G Green
Longcliffe Quarries Ltd	R J G Shields
Maul Technology Co	J B Johnston
F X Nachtmann Bleikristallwerke GmbH	W Frank
J T Nex Ltd	A Thomas
Omya UK Ltd	M Nocivelli
Parkinson Spencer Refractories Ltd	D E Parkinson
SEPR Chemicals Ltd	I Whittaker
Solvay Chemicals	C Telling
Stein Atkinson	R Nickels
Sunglass	S Kelly
Swarovski & Co	K Kolb
Tecoglass	R Duly
Waterford Crystal	J Kennedy

# **THE BRITISH GLASS MANUFACTURERS CONFEDERATION**

## **REPORT OF THE COUNCIL**

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The directors present their report together with the audited financial statements for the year ended 30 June 2001.

### **Principal activity**

The main activities of British Glass are as a trade association and research establishment, representing and working on research projects, for all sectors of the glass industry and associated industries.

### **Business review**

There was a profit for the year ended 30 June 2001 after taxation of £91,700 (2000: loss £52,800) for British Glass and its subsidiary company Glass Technology Services Ltd. The group profit is encouraging and is a significant improvement on the results of last year. Fixed costs have been held in line with the previous year. All costs will continue to be monitored and controlled to give further savings in the year to come.

Federation activities, handled through British Glass, have been focused on a number of issues affecting many if not all of our members.

A few examples include the progression of the UK's packaging legislation, the continuing need for lobby against the imposition of an aggregate's tax on the industry's raw materials and, worst of all, a very heavy levy on the gas and electricity used by the industry which could easily miss its target and penalise companies which have already carried out energy saving measures, but do not employ enough people to benefit from the suggested recycling of the money into reductions in National Insurance Contributions.

These activities reflect the changes in legislation and standards which impact on businesses, and British Glass successfully aims to influence and direct these changes wherever possible to benefit the industry.

### **Members and directors**

Membership details are set out on pages 1 to 3.

### **Directors' responsibilities for the financial statements**

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 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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**THE BRITISH GLASS MANUFACTURERS CONFEDERATION**

**REPORT OF THE COUNCIL**

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**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE COUNCIL

A handwritten signature in black ink, appearing to be 'K B Bamsley', with a long horizontal stroke extending to the right.

Mr K B Bamsley  
Secretary

25 October 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
THE BRITISH GLASS MANUFACTURERS CONFEDERATION**

We have audited the financial statements on pages 7 to 20 which have been prepared under the accounting policies set out on page 7 and 8.

**Respective responsibilities of the directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

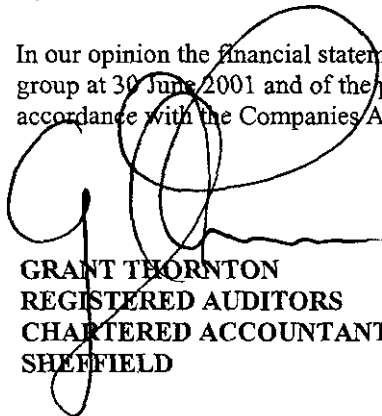
**Basis of opinion**

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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group at 30 June 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
SHEFFIELD**

25 October 2001

# **THE BRITISH GLASS MANUFACTURERS CONFEDERATION**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention, except that leasehold premises are shown at their revalued amount. The principal accounting policies of the group have remained unchanged from the previous year.

### **BASIS OF CONSOLIDATION**

The group financial statements consolidate those of the company and of its subsidiary undertaking (see Note 6) drawn up to 30 June 2001. Profits or losses on intra-group transactions are eliminated in full.

### **TURNOVER**

Turnover is the total amount receivable by the Confederation for goods supplied and services provided, excluding VAT and trade discounts.

### **LONG-TERM CONTRACTS**

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Costs associated with long-term contracts are included in stocks to the extent that they cannot be matched with contract work accounted for as turnover. Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost or valuation of tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold premises	30 years
Machinery and equipment	2 - 10 years

The leasehold land is held on a 1,000 year lease from 1957 at a nominal annual rent.

### **LEASED ASSETS**

Payments made under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

### **INVESTMENTS**

Investments are included at costs less amounts written off.

### **STOCKS**

Stocks and work in progress have been valued at the lower of cost and net realisable value

# **THE BRITISH GLASS MANUFACTURERS CONFEDERATION**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **RETIREMENT BENEFITS**

#### **Defined Benefit Pension Scheme**

The pension costs charged against profits are based on actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the scheme, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the average remaining service lives of current employees in the scheme.

### **GOVERNMENT GRANTS**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

### **FIXED ASSETS**

Following the implementation of FRS 15 "Tangible Fixed Assets" the company has adopted a policy of not revaluing fixed assets. The carrying amount of tangible fixed assets previously revalued has been retained at their book amount in accordance with the transitional provisions of FRS 15.

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2001

	Note	2001 £'000	2000 £'000
Turnover	1	1,770.6	1,481.1
Cost of sales		<u>(1,711.6)</u>	<u>(1,581.6)</u>
Gross profit/(loss)		59.0	(100.5)
Other operating income		<u>29.8</u>	<u>46.9</u>
Operating profit/(loss)	1	88.8	(53.6)
Interest receivable		2.9	0.8
Retained profit/(loss) for the year	9	<u>91.7</u>	<u>(52.8)</u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

BALANCE SHEETS AT 30 JUNE 2001

	Note	The group		The company	
		2001 £'000	2000 £'000	2001 £'000	2000 £'000
<b>Fixed assets</b>					
Tangible assets	4	<u>1,032.7</u>	<u>1,060.0</u>	<u>1,032.7</u>	<u>1,060.0</u>
<b>Current assets</b>					
Stocks	6	58.1	110.7	1.6	85.7
Debtors	7	412.4	252.8	617.0	533.4
Cash at bank and in hand		241.4	29.4	234.0	24.6
		<u>711.9</u>	<u>392.9</u>	<u>852.6</u>	<u>643.7</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>337.9</u>	<u>221.7</u>	<u>264.3</u>	<u>191.2</u>
<b>Net current assets</b>		<u>374.0</u>	<u>171.2</u>	<u>588.3</u>	<u>452.5</u>
<b>Total assets less current liabilities</b>		<u>1,406.7</u>	<u>1,231.2</u>	<u>1,621.0</u>	<u>1,512.5</u>
<b>Provisions for liabilities and charges</b>					
Deferred income		202.9	119.1	202.9	119.1
		<u>1,203.8</u>	<u>1,112.1</u>	<u>1,418.1</u>	<u>1,393.4</u>
<b>Capital and reserves</b>					
Revaluation reserve	9	695.3	1,091.0	695.3	1,091.0
Profit and loss account	9	508.5	21.1	722.8	302.4
<b>Members' funds</b>	10	<u>1,203.8</u>	<u>1,112.1</u>	<u>1,418.1</u>	<u>1,393.4</u>

The accounts were approved by the Finance and General Purposes Committee of the Confederation on 25 October 2001.

Dr A Rattray

Member of the Council of the Confederation



The accompanying accounting policies and notes form an integral part of these financial statements.

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June 2001

	Note	2001 £'000	2000 £'000
Net cash inflow from operating activities	11	169.1	148.6
Returns on investments and servicing of finance			
Interest received		2.9	0.8
Net cash inflow from returns on investments and servicing of finance		2.9	0.8
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(93.9)	(179.6)
Sale of tangible fixed assets		-	35.7
Grants received		100.0	123.2
Net cash inflow/(outflow) from capital expenditure		6.1	(20.7)
Increase in cash	12	178.1	128.7

The accompanying accounting policies and notes form an integral part of these financial statements.

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## NOTE OF HISTORICAL COST PROFITS AND LOSSES

For the year ended 30 June 2001

	2001 £'000	2000 £'000
Profit/(loss) on ordinary activities before taxation	91.7	(52.8)
Difference between historical cost depreciation charge and depreciation charge based on revalued amounts	28.9	28.9
Historical cost profit/(loss) on ordinary activities before taxation	<u>120.6</u>	<u>(23.9)</u>
Historical cost profit/(loss) transferred to reserves	<u>120.6</u>	<u>(23.9)</u>



# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

### 1 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover is attributable to the following classes of business:

	Turnover		Gross profit/(loss)	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Member services	568.1	573.4	(8.0)	6.0
Research group:				
Research and development, contracts, fees and sales	1,202.5	907.7	67.0	(106.5)
	<u>1,770.6</u>	<u>1,481.1</u>	<u>59.0</u>	<u>(100.5)</u>

An analysis of turnover by geographical market is given below:

	2001	2000
	£'000	£'000
United Kingdom	1,519.9	1,347.4
Overseas	250.7	133.7
	<u>1,770.6</u>	<u>1,481.1</u>

Operating profit/(loss) is stated after charging/(crediting):

	2001	2000
	£'000	£'000
Rent receivable	(29.8)	(34.2)
Auditors' remuneration	8.2	7.8
Depreciation	93.8	84.0
Operating lease payments - equipment	20.5	84.0
Tangible fixed assets - permanent diminution	27.4	-
Government grants	16.2	4.1

### 2 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2001	2000
	£'000	£'000
Wages and salaries	731.8	731.2
Social security costs	50.9	56.9
Pension costs (note 16)	51.5	61.6
	<u>834.2</u>	<u>849.7</u>

The average number of employees of the Confederation is set out below:

	2001	2000
	number	number
Management	8	8
Administration	8	8
Technical	18	18
	<u>34</u>	<u>34</u>

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

### 2 DIRECTORS AND EMPLOYEES (CONTINUED)

The Confederation is governed by a Council, the Members of which are its Directors for the purposes of the Companies Act 1985. The Memorandum of Association prohibits the appointment of any Member of the Council to any salaried office of the Confederation. Neither the President nor any Member of Council received any remuneration during the year.

### 3 PROFIT FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a profit of £24,700 (2000: £17,200) which is dealt with in the financial statements of the company.

### 4 TANGIBLE FIXED ASSETS

The group and the company

	Leasehold premises £'000	Machinery and equipment £'000	Total £'000
Cost or valuation			
At 1 July 2000	940.0	1,079.8	2,019.8
Additions	-	93.9	93.9
At 30 June 2001	940.0	1,173.7	2,113.7
Depreciation			
At 1 July 2000	172.2	787.6	959.8
Provided in the year	31.4	62.4	93.8
Diminution in value	-	27.4	27.4
At 30 June 2001	203.6	877.4	1,081.0
Net book amount at 30 June 2001	736.4	296.3	1,032.7
Net book amount at 30 June 2000	767.8	292.2	1,060.0

The figures above for cost or valuation include valuations as follows:

	Leasehold premises	
	2001	2000
	£'000	£'000
1995 valuation	940.0	940.0

If leasehold premises had not been revalued they would have been included on the historical cost basis at the following amounts:

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

### 4 TANGIBLE FIXED ASSETS (CONTINUED)

	Leasehold premises £'000
Cost	228.6
Accumulated depreciation	172.5
Net book amount at 30 June 2001	56.1
Net book amount at 30 June 2000	60.6

### 5 FIXED ASSETS INVESTMENTS

At 30 June 2001 the group held more than 20% of the equity of Glass Technology Services Ltd a subsidiary undertaking:

Class of share capital held	Proportion held by parent company	Nature of business
Ordinary	100%	Sale of equipment and services

The subsidiary undertaking has been consolidated in the group accounts.

### 6 STOCKS

	The group		The company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Raw materials and consumable stores	38.5	46.6	1.6	46.6
Work in progress	19.6	64.1	-	39.1
	58.1	110.7	1.6	85.7

### 7 DEBTORS

	The group		The company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Trade debtors	345.2	207.0	54.1	33.4
Amounts owed by subsidiary undertakings	-	-	495.7	454.2
Prepayments and other debtors	67.2	45.8	67.2	45.8
	412.4	252.8	617.0	533.4

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Bank overdraft	76.4	42.5	76.4	42.5
Payments received on account	33.1	34.3	1.1	33.8
Trade creditors	134.7	75.2	134.7	75.2
Social security and other taxes	59.7	48.2	19.3	20.6
Accruals and deferred income	34.0	21.5	32.8	19.1
	<u>337.9</u>	<u>221.7</u>	<u>264.3</u>	<u>191.2</u>

The National Westminster Bank plc holds a first legal mortgage over the leasehold premises as security against overdraft facilities.

### 9 RESERVES

#### The group

	Revaluation reserve £'000	Profit and loss account £'000
At 1 July 2000	1,091.0	21.1
Transfer for periods to 30 June 2000	(366.8)	366.8
Transfer	(28.9)	28.9
Profit for the year	-	91.7
At 30 June 2001	<u>695.3</u>	<u>508.5</u>

#### The company

	Revaluation reserve £'000	Profit and loss account £'000
At 1 July 2000	1,091.0	302.4
Transfer for periods to 30 June 2000	(366.8)	366.8
Transfer	(28.9)	28.9
Profit for the year	-	24.7
At 30 June 2001	<u>695.3</u>	<u>722.8</u>

Clause 4 of the Memorandum of Association of the Confederation requires that the income and property of the Confederation be applied solely towards the promotion of the objects of the Confederation and prohibits its distribution directly or indirectly, by way of dividend, gift, division, bonus or otherwise by way of profit to the Members of the Confederation.

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

### 10 RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2001 £'000	2000 £'000
Profit/(loss) for the financial year	91.7	(52.8)
Members' funds at 1 July 2000	1,112.1	1,164.9
Members' funds at 30 June 2001	<u>1,203.8</u>	<u>1,112.1</u>

### 11 NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2001 £'000	2000 £'000
Operating profit/(loss)	88.8	(53.6)
Depreciation	121.2	84.9
Release of grant	(16.2)	(4.1)
Profit on sale of tangible fixed assets	-	(12.6)
Decrease in stock	52.6	36.4
(Increase)/decrease in debtors	(159.6)	56.9
Increase in creditors	82.3	40.7
Net cash inflow from operating activities	<u>169.1</u>	<u>148.6</u>

### 12 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001 £'000	2000 £'000
Increase in cash in the year	<u>178.1</u>	<u>128.7</u>
Change in net debt resulting from cash flows	178.1	128.7
Net debt at 1 July 2000	<u>(13.1)</u>	<u>(141.8)</u>
Net debt at 30 June 2001	<u>165.0</u>	<u>(13.1)</u>

### 13 ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2000 £'000	Cash flow £'000	At 30 June 2001 £'000
Cash in hand and at bank	29.4	212.0	241.4
Overdrafts	(42.5)	(33.9)	(76.4)
	<u>(13.1)</u>	<u>178.1</u>	<u>165.0</u>

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

### 14 CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2001 and 30 June 2000.

### 15 LEASING COMMITMENTS

Operating lease payments amounting to £19,800 (2000: £14,800) are due within one year. The leases to which these amounts relate expire as follows:

	Machinery and equipment	
	2001 £'000	2000 £'000
Between one and five years	19.8	10.1
In five years or more	-	4.7
	<u>19.8</u>	<u>14.8</u>

### 16 PENSIONS

The Confederation operates a pension scheme for the benefit of certain staff. The British Glass Manufacturers Confederation Pension and Assurance Scheme applies to all staff not eligible for the universities schemes described below. This is a defined benefit scheme contracted out of the State Earnings Related Pension Scheme, and is insured with Legal and General Assurance Society Limited under a with profit deposit administration policy. The scheme is funded on the actuarial advice of the Society based on the latest actuarial valuation of the Scheme.

The method used for calculating the contribution rate for retirement benefits is known as the Projected Unit method with a 5 year control period.

In the opinion of the actuary, given at April 2000, the scheme's assets existing on 1 April 2000 represented 114% of the scheme liabilities as at that date and the resources of the scheme were likely to meet in full the liabilities of the scheme as they fell due. This opinion was based on a contribution rate of 12.8% which has been paid to 1 April 2001, and will be reviewed on the basis of the result of the actuarial valuation.

The assumptions used in the actuarial valuation were as follows.

Inflation	4.00%
Rate of salary increase	5.50%
Expected rate of return on investment assets	7.50%
Increase in pensions in payment	3.75%

The assets in the scheme and the expected long-term rate of return at 31 March 2000 were:

	Value £'000
Market value of assets	
Deposit administration contract	<u>1,305.0</u>
Present value of scheme liabilities	<u>1,115.0</u>
Surplus in the scheme	<u>190.0</u>

# THE BRITISH GLASS MANUFACTURERS CONFEDERATION

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2001

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### 16 PENSIONS (CONTINUED)

Surplus not recognised as recoverable	190.0
Net pension asset	-

The cost included in these accounts is £53,800 (2000: £34,745).

The Confederation also participates in the Universities Superannuation Scheme, a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme. The assets of the scheme are held in a separate trustee administered fund.

The latest actuarial valuation of the scheme was at 31 March 1999. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments and the rates of increase in salary and pensions. It was assumed that the valuation rate of interest would be 4.5% per annum, that salary scale increases would be 3.6% per annum and that pensions would increase by 2.6% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the scheme was £18,870 million and the actuarial value of the assets was sufficient to cover 108% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The group received a refund in respect of pension costs of £5,329 (2000: costs £14,714). The contribution rate payable by the institution was 14% of pensionable salaries. The actuary to the Universities Superannuation Scheme has confirmed that it is appropriate to take the pensions costs in the institution's accounts to be equal to the actual contributions paid during the year. In particular, the contribution rate recommended following the 1999 valuation has regard to the surplus disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread surplus in a prudent manner over the future lifetime of current scheme members. The last member of the Universities Superannuation scheme retired on 31 March 2000.

The Confederation is also a member of the Federated Superannuation System for Universities, a defined contribution scheme administered by a Central Council with the main object of securing that superannuation provision is made continuously and without interruption during the service of those who are engaged in higher education and research. The benefits of this scheme are secured by protective trusts for the members and/or their dependants on retirement or earlier death by means of a legal agreement between each individual member and the Confederation as Employer.

The cost included in these accounts is £3,000 (2000: £2,842).

### 17 LIABILITIES OF MEMBERS

Under Clause 6 of the Memorandum of Association all members undertake to contribute to the assets of the Confederation such an amount as may be required, not exceeding £5 in the event of it being wound up during their period of membership, and within one year afterwards.

### 18 TAXATION

The company has unrelieved tax losses of £198,000 (2000: £160,000) that remain available to offset against future taxable trading profits.

# **THE BRITISH GLASS MANUFACTURERS CONFEDERATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2001

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### **19 TRANSACTIONS WITH RELATED PARTIES**

The members of Council consider that British Glass Foundation was a related party of the company during the year. The British Glass Manufacturers Confederation received no management and ancillary fees in respect of goods and services provided from the organisation.