

The British Glass Manufacturers Confederation

Financial statements

For the year ended 30 June 2010



Grant Thornton

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Company no 00539065

Company information

Company registration number:	00539065
Registered office:	Unit 9 Churchill Way Thorncliffe Business Park Chapelton SHEFFIELD S35 2PY
Director General:	Mr D Dalton
Secretary:	Mr J D Chusholm
Bankers:	National Westminster Bank plc
Solicitors:	Wrigleys Solicitors LLP 3rd Floor Fountain Precinct Balm Green SHEFFIELD S1 2JA
Auditor:	Grant Thornton UK LLP Registered Auditors Chartered Accountants 2 Broadfield Court SHEFFIELD S8 0XF

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Members of the council

President

S Pollock-Hill

Directors and Council members during the financial year

A T Curry
A Jones (resigned 31 December 2009)
A Norris
A Spencer (resigned 31 December 2009)
P Fitzgerald
A McLenaghan (resigned 31 December 2009)
S Clayton
J Marshall
J Firth (resigned 31 December 2009)
P Isasmendi
S Pollock-Hill
T Hughes
S Severs (appointed 12 November 2009)

Members of the Finance and General Purposes Committee

S Pollock-Hill
J Marshall
H Miller
M Dervan

Full members of the confederation

Representative

Allied Glass Containers Ltd	A Spencer
Beatson Clark plc	A Jones
Scilabware Ltd	Chris O'Connor
Biochem Glass	W Fludgate
Darby Glass	D Kyle
Dartington Crystal Ltd	N Hughes
Daedalian Glass	D Walmsley
Greatdale Ltd	I Dillon
Guardian Industries UK Ltd	P Isamendi
J B Treasure & Co Ltd	D C Elliott
James Kent (Ceramic Materials) Ltd	M Jones
Laboratory Sales (UK) Ltd	R Ashton
Nazeing Glass Works Ltd	S Pollock-Hill
O-I Ltd	J Marshall
Pilkington Glass	A Norris
Plowden & Thompson Ltd	S F R Beadman
Potters Ballotini Ltd	G Crutchley
PPG Industries (UK) Ltd	P D Nisbett
QVF Process Systems Ltd	R J Dimelow
Regina Industries Ltd	M Beardmore
Quinn Group	S Quinn
S Murray & Co	P Murray
St-Gobain Glass	D Shephard
Stevenson Reeves Ltd	R S Mein
Stolzle Flaconnage Ltd	S Clayton
Tuffx	G Price
Wilkinson Group plc	D Wilkinson

Associate members of the confederation

Representative

A E Chapman & Sons Ltd	A E Chapman
AFT (UK) Ltd	P Q West
AGI Glasspac	Darun Kumar
Allglass Reprocessors	Roy Webster
Civil and Marine Ltd	J Beck
Batoyle Ltd	J S Clark
T Berryman & Sons Ltd	M J Keogh
BOC Ltd	A C Wardell
Rio Tinto Ltd	J M Simon
Brewing Food and Beverage Association	Ruth Evans
Brunner Mond (UK) Ltd	J O Pugh
Cartonplast	O Hoffman
Ceutaaur Exports	N Mehta
C & S Inc	Mrs C Nsteka
Chameleon Business Media	D Drewery
Consol Glass	Launie Heekes
D M G Media	L Dennehy
Dyson Industries	M O'Brien
Edghurst Ltd	D Kelly
Total Glass Lubricants Europe GmbH	G Hampson
Emhart (UK) Ltd	G Parkinson
Enviros	A Meadow
European Construction Solutions Ltd	I Brierley
Eurotherm	M Bevan
Freeform Arts Trust Ltd	C Waller
General Chemical (GB) Ltd	G Worrall
Graphoidal Developments Ltd	L D Brown
Gujarat Glass Ltd	R Singhal
Hunpreco Ltd	J Lapping
Institute of Vitreous Enamellers	A Nutting
W B B Minerals Ltd	W Brown
I S Maintenance Ltd	C Farnsworth
Johnson Matthey Noble Metals	P Williams
Launch Packaging Design	D Wheelwright
Longcliffe Quarries Ltd	R J G Shields
J T Nex Ltd	A Tromans
Nthake Consultants	K Royds
Omya UK Ltd	M Nocivelli
Parkinson Spencer Refractories Ltd	D E Parkinson
PFG Building Glass (Pty) Ltd	Darryl Deetleefs
Poulten & Graf Ltd	H Graf
Premier Glazing Services Ltd	M O'Brien
Prince Minerals Ltd	J Curl
Pudsey Mould Co	D Fare
Ross UK Ltd	M Bazeley
Schott	M Woods
SEPR Chemicals Ltd	I Whittaker
Solios Thermal Ltd	M Curran
Source QX Ltd	L Potter
Swarovski & Co	K Kolb

Associate members of the confederation

Representative (continued)

Teco Europe	R Duly
The Denby Pottery Co	I Duncan
The Wine & Spirit Association	K Coleman
Trimite Limited	C Davies
Uniq Prepared Foods	M Gould
Viridor Waste Management	P Simpson
Waterford Crystal	J Foley
William Croxson & Son Ltd	J Croxson

Report of the council

The directors present their report together with the audited financial statements for the year ended 30 June 2010

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 and financial performance

The group as a whole returned a profit for the year after taxation of £51,000 (2009 loss of £621,000) for British Glass and its subsidiary Company Glass Technology Services Limited

The financial year ending 30 June 2010 for the group was much improved on 2008/9 both in terms of performance against budget and the overall result. This essentially resulted from the positive up-turn in the global economic climate which had beneficial affects on trading in both elements of the businesses. Close cost control was again observed and still a core ethos within the business, ensuring that the limited resources available continue to be used to their maximum potential.

Once again British Glass went through some major internal restructuring essential in reaction to the global economic and financial situations, and in order to enable the group to maintain its position and be a stronger more flexible entity better able to serve the needs of members and customers.

During the next 12 months British Glass Manufacturers Confederation will continue to strive towards most ably providing services that fulfil the requirements and desires of the glass sector both for members and technical customers.

Throughout the coming year British Glass will continue to appropriately represent the UK glass industry in all necessary areas, and will continue to effect positive impacts for the wider industry. We will again be targeting to expand the wider commercial activities of the organisation to improve trading and enable a more effective and rapid servicing to the deficit in the group's pension scheme.

As the 2009/10 financial year draws to an end, we have already put appropriate plans in place to reorganise the resources available to best fit the current needs of the industry, and believe that we have now aligned ourselves well with their requirements. Not only will this realignment help the industry as a whole be more efficiently serviced with support, information and representation, but by improving cost-efficiency will also allow British Glass as an organisation to prosper.

As in previous years as a "not for profit" organisation our major KPI's are debtor days which continue to reduce and which aid the continuation of successful trading. Through this mechanism, year on year it can be seen that any loss made in the financial year is effectively dealt with and financed through the balance sheet. In addition, the recent addition to our KPI's of ratcheted pension scheme deficit management, will help address a longer-term threat more effectively. This scheme is currently in deficit and therefore is an issue to the business, it is the aim of the directors and the senior management of the organisation that this deficit is reduced as quickly as is possible. In line with this, the management of the group along with the trustee of the scheme have taken the decision to close the scheme to future accrual.

As a company we are looking to increase our efficiency and output to the industry. With the plans that are in place it is believed that a more timely conclusion to this problem is a wholly achievable goal, and is something that all involved parties are fully committed to delivering for mutual benefit.

As a business we continue to hold both ISO9001 and ISO17025 international quality standards, and during the year added the International Environmental Standard ISO14001 to our range of accreditations. In addition to this we have had a complete review of all of our Health & Safety systems in line with applicable UK law.

Report of the council

Business review and financial performance (continued)

In terms of our employment practices the organisation continued to provide employees with relevant information and has sought their views on matters of common concern through representatives and line management. Priority is given to ensuring that employees are aware of all significant matters affecting the group's trading position and of any significant organisational changes, along with any changes of employment law or company terms pertinent to them. It is the policy of the organisation to support the employment of people from all areas of the community where possible. The group continues to maintain a policy to develop and motivate all staff through training, career development and investment, aiming to benefit both the employee and the business.

As a whole the organisation, directors, senior management and the staff are looking to the future with optimism given the potential that is within the group, and it is our mission to realise this potential and continue to improve on the financial performance of the 2009/10 financial year to improve our longer-term fortunes.

Financial performance

The financial situation within British Glass shows that during the 2009/10 financial year we have worked successfully on the continued reduction of our cost base, we have also increased our turnover after the disappointing results for 2008/09. Though limited in its current impact, we will continue to make the business as streamlined as possible in order to improve this in the future.

In terms of straightforward membership, British Glass aims to adapt the organisation, structure and output to maintain/improve its revenues so that we can continue to provide the necessary support and representation to the Glass industry in the UK.

Glass Technology Services Limited, as the primary subsidiary of British Glass, continues to significantly contribute in this field by providing R&D activities on a commercial basis to the glass industry on a global scale, and aims to continue to expand this area. Additionally, we are looking to develop additional services within the federation in order to help reduce the historic trading gap between cost and income seen from federation provision. We have already significantly reduced both the debtors and creditors, and this has proved to be vital to the business during the tough economic times we have recently had to weather. It is our aim to continue this trend into the coming financial year whilst increasing turnover and thus profit, this will in turn allow the company the opportunity to reduce its existing pension scheme deficit.

Members and directors

Membership details are set out on pages 1 to 4.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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. The financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments 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

Report of the council

Statement of directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of those financial instruments is to raise finance for the company's operations. The main risk arising from the company's financial instruments is liquidity risk. The council reviews and agrees policies for managing risks and these are summarised below. The policies have remained unchanged from previous years.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Companies Act 2006.

BY ORDER OF THE COUNCIL



Mr J D Chisholm
Secretary
21 October 2010



Independent auditor's report to the members of British Glass Manufacturers Confederation

We have audited the financial statements of British Glass Manufacturers Confederation for the year ended 30 June 2010 which comprise the principal accounting policies, the consolidated profit and loss account, the group and parent company balance sheets, the consolidated cash flow statement, the group statement of total recognised gains and losses (consolidated) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Council for the financial year for which the financial statements are prepared is consistent with the financial statements.



Independent auditor's report to the members of British Glass Manufacturers Confederation

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Peter Edwards
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
SHEFFIELD
21 October 2010

Principal accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

The principal accounting policies of the group as set out below, have remained unchanged from the previous years

Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertaking (see note 9) drawn up to 30 June 2010. Profits or losses on intra-group transactions are eliminated in full

Turnover

Turnover is the total amount receivable 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 any losses on all contracts in the year in which the loss is first foreseen

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation

Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land by equal annual instalments over their estimated useful economic lives. The periods generally applicable are

Freehold buildings	20 - 40 years
Machinery and equipment	2 - 30 years

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of lease payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term

Investments

Investments are included at cost less amounts written off

Principal accounting policies

Stocks

Stocks are stated at the lower of cost and net realisable value

Deferred tax

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

Retirement benefits

Defined Contribution Pension Scheme

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

Defined Benefit Pension Scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by the group.

The current service costs and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included net in other finance costs/income. Actuarial gains and losses are reported in the statement on total recognised gains and losses.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at date of the transaction. Monetary assets and liabilities are translated at the exchange rate ruling at the balance sheet date.

Consolidated profit and loss account

	Note	2010 £'000	2009 £'000
Turnover	2	1,830	1,384
Cost of sales		<u>(1,737)</u>	<u>(1,982)</u>
Gross profit/(loss)		93	(598)
Other operating income		<u>-</u>	<u>-</u>
Operating profit/(loss)		93	(598)
Net interest	4	(42)	(23)
Profit/(loss) on ordinary activities before tax		<u>51</u>	<u>(621)</u>
Tax on profit/(loss) on ordinary activities	5/6	-	-
Retained profit/(loss) for the year	15	<u>51</u>	<u>(621)</u>

All the activities of the group are classed as continuing

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

Balance sheets

	Note	Group 2010 £'000	2009 £'000	Company 2010 £'000	2009 £'000
Fixed assets					
Tangible assets	8	1,294	1,364	1,294	1,364
Investments	9	-	-	-	-
		<u>1,294</u>	<u>1,364</u>	<u>1,294</u>	<u>1,364</u>
Current assets					
Stocks	10	28	124	3	9
Debtors	11	234	295	5	101
Cash at bank and in hand		86	-	86	-
		<u>348</u>	<u>419</u>	<u>94</u>	<u>110</u>
Creditors amounts falling due within one year	12	<u>(182)</u>	<u>(305)</u>	<u>(182)</u>	<u>(276)</u>
Net current assets/(liabilities)		<u>166</u>	<u>114</u>	<u>(88)</u>	<u>(166)</u>
Total assets less current liabilities and net assets excluding pension liability		1,460	1,478	1,206	1,198
Pension liability	14	<u>(481)</u>	<u>(514)</u>	<u>(481)</u>	<u>(514)</u>
Net assets including pension liability		<u>979</u>	<u>964</u>	<u>725</u>	<u>684</u>
Capital and reserves					
Profit and loss account	15	979	964	725	684
Members' funds	16	<u>979</u>	<u>964</u>	<u>725</u>	<u>684</u>

The financial statements were approved and authorised for issue by the Finance and General Purposes Committee of the Confederation on 21 October 2010

Mr S Pollock-Hill
Chairman

Company registration number 00539065

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

Consolidated cash flow statement

	Note	2010 £'000	2009 £'000
Net cash inflow/(outflow) from operating activities	17	152	(229)
Returns on investments and servicing of finance			
Interest paid		(4)	-
Taxation		-	-
Net cash outflow from returns on investments and servicing of finance		(4)	-
Capital expenditure and financial investment			
Purchase of tangible fixed assets		-	(25)
Net cash outflow from capital expenditure and financial investment		-	(25)
Financing			
Capital element of finance lease rentals		-	(6)
Loan from The Glass Manufacturers Educational Trust		-	94
Net cash inflow/(outflow) from financing		-	88
Increase/(decrease) in cash	18/19	148	(166)

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

Group statement of total recognised gains and losses

	2010 £'000	2009 £'000
Profit/(loss) for the financial year	51	(621)
Actuarial losses on pension scheme (note 14)	(36)	(464)
Total recognised gains/(losses) for the year	<u>15</u>	<u>(1,085)</u>

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

Notes to the financial statements

1 Going Concern

The directors are aware of the fact that there is a constant need to assess the status of the group as a going concern. With the current forecasts and the restructuring changes that have been made, along with the closure to future accrual of the defined benefit pension scheme means that the management and directors believe that for at least the next 18 months the group is a going concern.

2 Turnover and profit/(loss) on ordinary activities before taxation

Turnover is attributable to the following classes of business

	Turnover		Gross profit/(loss)	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Member services	345	504	119	(344)
Research and development, contracts, fees and sales	1,485	880	(26)	(254)
	<u>1,830</u>	<u>1,384</u>	<u>93</u>	<u>(598)</u>

An analysis of turnover by geographical market is given below

	2010 £'000	2009 £'000
United Kingdom	1,009	1,024
Overseas	<u>821</u>	<u>360</u>
	<u>1,830</u>	<u>1,384</u>

The profit/(loss) on ordinary activities before taxation is stated after:

	2010 £'000	2009 £'000
Auditor's remuneration	14	14
Depreciation		
Tangible fixed assets owned	56	53
Tangible fixed assets held under finance leases and hire purchase contracts	14	14
Operating lease payments – equipment	<u>5</u>	<u>5</u>

Liability Limitation Agreement with the auditor

The group has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 30 June 2010. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the directors on 12 November 2009.

3 Directors and employees

Staff costs during the year were as follows

	2010 £'000	2009 £'000
Wages and salaries	851	1,026
Social security costs	83	79
Other pension costs (note 14)	74	96
Compensation for loss of office	<u>58</u>	<u>-</u>
	<u>1,066</u>	<u>1,201</u>

Notes to the financial statements

3 Directors and employees (continued)

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

	2010 Number	2009 Number
Management	5	9
Administration	6	10
Technical	21	22
	<u>32</u>	<u>41</u>

The Confederation is governed by a Council, the Members of which are its Directors for the purposes of the Companies Act 2006. 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.

4 Net interest payable

	Group 2010 £'000	2009 £'000
Bank interest payable	(4)	-
Net finance income in respect of defined benefit pension schemes (note 14)	168	183
Net finance cost in respect of defined benefit pension schemes (note 14)	<u>(206)</u>	<u>(206)</u>
	<u>(42)</u>	<u>(23)</u>

5 Tax on (loss)/profit on ordinary activities

(a) Analysis of charge in the year

	2010 £000	2009 £000
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 21% (2009: 28%)	-	-
Adjustment in respect of prior year	-	-
Total current tax	<u>-</u>	<u>-</u>

The company

Unrelieved tax losses of £789,000 (2009: £760,000) remain available to offset against future taxable trading profits. The related deferred tax asset has not been accounted for.

Notes to the financial statements

6 Reconciliation of tax on ordinary activities

The tax charge is explained as follows

	2010 £'000	2009 £'000
Profit/(loss) on ordinary activities before tax	51	(621)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 21% (2009 28%)	11	(174)
Effect of		
Expenses not deductible for tax purposes	16	13
Income not taxable for tax purposes	(16)	(34)
Capital allowances for the period in excess of depreciation	(14)	(1)
Unrelieved tax losses and other deductions arising in the period	3	196
Current tax charge for the year	-	-

7 Profit/(loss) for the financial year

The parent company has taken advantage of section 230 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent company's profit for the year was £77,000 (2009 Loss of £367,000).

8 Tangible fixed assets

The group and the company

	Freehold land and building £'000	Machinery and equipment £'000	Total £'000
Cost			
At 1 July 2009 and at 30 June 2010	1,461	707	2,168
Depreciation			
At 1 July 2009	252	552	804
Provided in the year	45	25	70
At 30 June 2010	297	577	874
Net book amount at 30 June 2010	1,164	130	1,294
Net book amount at 30 June 2009	1,209	155	1,364

9 Fixed assets investments

At 30 June 2010 the group held 100% of the equity of Glass Technology Services Limited a subsidiary company dealing in sale of equipment and services.

The subsidiary company has been consolidated in the group accounts.

Notes to the financial statements

10 Stocks

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Raw materials and consumable stores	3	20	3	9
Work in progress	9	99	-	-
Finished goods	16	5	-	-
	<u>28</u>	<u>124</u>	<u>3</u>	<u>9</u>

11 Debtors

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Trade debtors	229	276	-	82
Prepayments and other debtors	5	5	5	5
VAT debtor	-	14	25	14
	<u>234</u>	<u>295</u>	<u>30</u>	<u>101</u>

12 Creditors: amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Bank overdraft	-	62	-	62
Trade creditors	36	77	36	77
Social security and other taxes	38	50	38	21
Accruals and deferred income	14	22	14	22
Other creditors (loan from The Glass Manufacturers' Educational Trust)	94	94	94	94
	<u>182</u>	<u>305</u>	<u>182</u>	<u>276</u>

The loan from The Glass Manufacturers' Educational Trust is to be repaid by 30 June 2011. Interest payments of 2% will be paid across to the Trust each month, and should grant monies be required the company will repay the amount accordingly.

Notes to the financial statements

13 Borrowings

Borrowings are repayable as follows

	Group		Company	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Within one year				
Overdraft	-	62	-	62
Loan from The Glass Manufacturers' Educational Trust	94	94	94	94
	<u>94</u>	<u>156</u>	<u>94</u>	<u>156</u>

14 Retirement benefits

Defined Contribution Pension Scheme

The Confederation operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the Confederation.

The Confederation is also a member of the Federated Superannuation System for Universities, 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.

Defined Benefit Pension Schemes

The British Glass Manufacturers Confederation Pension and Assurance Scheme

The Confederation operates a defined benefit 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. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The major assumptions used by the actuary in calculating the FRS 17 deficit were:

	2010	2009	2008	2007	2006
	%	%	%	%	%
Rate of increase in salaries	3.3	4.4	5.3	4.6	4.7
Rate of increase for pensions in payment	3.4	3.4	4.3	3.6	3.2
Rate of inflation	3.4	3.4	4.3	3.6	3.2
Discount rate	5.3	6.2	6.5	5.8	5.2

The current mortality assumptions include sufficient allowance for future improvements in mortality rates based on the mortality table known as AMCOO and AFCCO. The assumed life expectations on retirement age 62 are:

	At 30 June 2010	At 30 June 2009
Retiring today		
Males	25.8	25.6
Females	27.1	27.0
Retiring in 20 years		
Males	28.7	28.6
Females	29.2	29.1

Notes to the financial statements

14 Retirement benefits (continued)

The assets in the scheme at 30 June 2010 and the expected long-term rates of return were

	Rate of return %	2010 value £'000	Rate of return %	2009 value £'000	Rate of Return %	2008 value £'000	Rate of Return %	2007 value £'000	Rate of Return %	2006 value £'000
Deposited administration contract	6.0	2,384	6.0	2,136	6.0	2,348	6.0	2,256	6.0	2,204
Annuities	5.3	873	6.2	728	6.5	684	5.8	734	5.2	561
Total market value of assets		3,257		2,864		3,032		2,990		2,765
Present value of scheme liabilities		(3,738)		(3,378)		(3,206)		(3,188)		(3,426)
Net pension liability		(481)		(514)		(174)		(198)		(661)

An analysis of the movements in the pension liability during the year is shown below

	2010 £'000	2009 £'000
Deficit in scheme at beginning of year	(514)	(174)
Current service cost	(74)	(94)
Contributions	51	277
Expected return on assets	168	183
Other finance expense	(206)	(206)
Actuarial loss	(36)	(464)
Expenses paid by scheme	(8)	(10)
Gain/(loss) on settlements/curtailments	138	(26)
Deficit in scheme at 30 June	(481)	(514)
	2010 £'000	2009 £'000
Liabilities at 1 July	3,378	3,102
Current accrual cost	94	124
Interest cost	206	206
Experience gains on scheme liabilities	35	-
Gain on changes in assumptions	248	(96)
(Gain)/loss on settlements and curtailments	(138)	26
Experience change in secured pensioner value	(79)	112
Benefits paid	(6)	(96)
Liabilities at 30 June	3,738	3,378
Assets at 1 July	2,864	2,928
Expected return on assets	168	183
(Gain)/loss on asset return	247	(560)
Employer contributions (gross)	51	277
Death in service insurance premiums paid	(15)	(17)
Expenses paid by the scheme	(8)	(10)
Employee contributions	35	47
Experience change in secured pensioner value	(79)	112
Benefits paid	(6)	(96)
Assets at 30 June	3,257	2,864

Notes to the financial statements

14 Retirement benefits (continued)

Analysis of the amount charged to operating loss

	2010 £'000	2009 £'000
Current service cost	74	94
Total operating charge	74	94

Analysis of the amount credited to finance income

	2010 £'000	2009 £'000
Expected return on pension scheme assets	168	183
Interest on pension scheme liabilities	(206)	(206)
Net return	(38)	(23)

Analysis of the amount recognised in the statement of total recognised gains and losses

	2010 £'000	2009 £'000
Actual return less expected return on pension scheme assets	247	(560)
Experience gains and losses arising on the scheme liabilities	(35)	-
Changes in the assumptions underlying the present value of the scheme liabilities	(248)	96
Actuarial loss	(36)	(464)

The history of experience gains and losses is shown below

	2010 £'000	2009 £'000	2008 £'000	2007 £'000	2006 £'000
Difference between expected and actual return on scheme assets					
Amount	247	(560)	(326)	87	45
Percentage of scheme assets	7.6%	(19.6%)	(10.8%)	2.9%	1.6%
Experience gains and losses on scheme liabilities					
Amount	(35)	-	20	(16)	(4)
Percentage of value of scheme liabilities	(0.9%)	0.0%	0.6%	(0.5%)	0.1%
Effect of changes in assumptions					
Amount	(248)	96	203	(519)	(18)
Percentage of value of scheme liabilities	(6.6%)	3.4%	6.3%	(16.3%)	(0.5%)

Universities Superannuation Scheme

The Confederation also participates in the Universities Superannuation 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 2008. 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 is assumed that the valuation rate of interest would be 3.3% per annum, that salary scale increases would be 4.3% per annum and that pensions would increase by 3.3% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the scheme was £28,843 million and the actuarial value of the assets was sufficient to cover 71% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Notes to the financial statements

14 Retirement benefits (continued)

No contributions were made to the Universities Superannuation Scheme during the year

The total charge during the year was as follows

	2010 £'000	2009 £'000
Federated Superannuation System for Universities	-	2
The British Glass Manufacturers Confederation Pension and Assurance Scheme	74	94
	<u>74</u>	<u>96</u>

15 Reserves

The group

	2010 £'000	2009 £'000
Balance brought forward	964	2,049
Profit/(loss) for the financial year ended 30 June 2010	51	(621)
Actuarial losses in respect of defined pension benefit scheme	(36)	(464)
	<u>15</u>	<u>(1,085)</u>
Balance carried forward	<u>979</u>	<u>964</u>

The company

	2010 £'000	2009 £'000
Balance brought forward	684	1,515
Profit/(loss) for the financial year ended 30 June 2010	77	(367)
Actuarial losses in respect of defined pension benefit scheme	(36)	(464)
	<u>41</u>	<u>(831)</u>
Balance carried forward	<u>725</u>	<u>684</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

Notes to the financial statements

16 Reconciliation of movements in Members' funds

	2010 £'000	2009 £'000
Profit/(loss) for the financial year	51	(621)
Actuarial losses	(36)	(464)
Net increase/(decrease) to shareholders' funds	15	(1,085)
Opening shareholders' funds	964	2,049
Closing shareholders' funds	979	964

17 Net cash inflow/(outflow) from operating activities

	2010 £'000	2009 £'000
Operating profit/(loss)	93	(598)
Depreciation	70	67
Decrease in stock	96	127
Decrease in debtors	61	325
Decrease in creditors	(61)	(3)
FRS 17 pension provision	(107)	(147)
Net cash inflow/(outflow) from operating activities	152	(229)

18 Reconciliation of net cash flow to movement in net debt

	2010 £'000	2009 £'000
Increase/(decrease) in cash in the year	148	(166)
Cash inflow from increase in debt and lease finance	-	(88)
Change in net debt resulting from cash flows	148	(254)
New finance leases	-	-
Movement in net debt	148	(254)
Net debt at 1 July 2009	(156)	98
Net debt at 30 June 2010	(8)	(156)

Notes to the financial statements

19 Analysis of changes in net debt

	At 1 July 2009 £'000	Cash flow £'000	At 30 June 2010 £'000
Cash in hand and at bank	-	86	86
Overdrafts	(62)	62	-
	(62)	148	86
Debt			
Loan from The Glass Manufacturers' Educational Trust	(94)	-	(94)
	(156)	148	(8)

20 Capital commitments

Commitments contracted for but not provided for in the financial statements amount to £nil (2009 £nil)

21 Leasing commitments

Operating lease payments amounting to £10,000 (2009 £10,000) are due within one year. The leases to which these amounts relate expire as follows

	Vehicles	
	2010 £'000	2009 £'000
Between two and five years	10	10
	10	10

22 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

23 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.

The members of Council consider that The Glass Manufacturers' Educational Trust was a related party of the company during the year, due to the loan made from the Trust to the Confederation.