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Metroglass Holdings Limited
Financial Statements
for the period ended 31 March 2012

NPC# 23

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Metroglass Holdings Limited
Financial Statements
for the period ended 31 March 2012

Directors' report

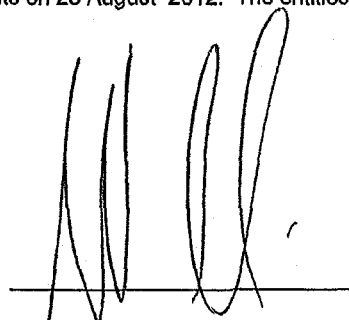
The Board of Directors has pleasure in presenting the annual report of Metroglass Holdings Limited, incorporating the financial statements and the auditors' report, for the period ended 31 March 2012. With the unanimous agreement of all shareholders, the Company has taken advantage of the reporting concessions available to it under section 211(3) of the Companies Act 1993.

The Board of Directors authorised these financial statements on 23 August 2012. The entities' owners do not have the power to amend these financial statements once issued.

For and on behalf of the Board:

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

Director

A handwritten signature in black ink, consisting of several loops, written over a horizontal line.

Director

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Independent Auditors' Report to the shareholders of Metroglass Holdings Limited

Report on the Financial Statements

We have audited the financial statements of Metroglass Holdings Limited ("the Company") on pages 5 to 30, which comprise the statements of financial position as at 31 March 2012, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for both the Company and the Group. The Group comprises the Company and the entities it controlled at 31 March 2012 or from time to time during the financial period.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company and the Group's preparation of financial statements that give a true and fair view of the matters to which they relate, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We have no relationship with, or interests in, Metroglass Holdings Limited or any of its subsidiaries other than in our capacities as auditors, providers of taxation and other assurance services. These services have not impaired our independence as auditors of the Company and the Group.



Independent Auditors' Report

Metroglass Holdings Limited

Opinion

In our opinion, the financial statements on pages 5 to 30:

- (i) comply with generally accepted accounting practice in New Zealand; and
- (ii) comply with International Financial Reporting Standards; and
- (iii) give a true and fair view of the financial position of the Company and the Group as at 31 March 2012, and their financial performance and cash flows for the period then ended.

Report on Other Legal and Regulatory Requirements

We also report in accordance with Sections 16(1)(d) and 16(1)(e) of the Financial Reporting Act 1993. In relation to our audit of the financial statements for the period ended 31 March 2012:

- (i) we have obtained all the information and explanations that we have required; and
- (ii) in our opinion, proper accounting records have been kept by the Company as far as appears from an examination of those records.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body, in accordance with Section 205(1) of the Companies Act 1993. Our audit work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an auditors' 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 shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers.

Chartered Accountants
24 August 2012

Auckland

Statements of Comprehensive Income

	Notes	Consolidated Period ended 31 March 2012 \$'000	Parent Period ended 31 March 2012 \$'000
Sales revenue		<u>21,543</u>	<u>-</u>
Total revenue		21,543	-
Operating expenditure	6	20,851	177
Other (gains)/losses, net	5	52	-
Finance costs	7	981	-
Finance Income	7	(23)	-
Amortisation of Intangibles	21	<u>322</u>	<u>-</u>
Profit (loss) before income taxation		<u>(640)</u>	<u>(177)</u>
Income taxation expense (benefit)	8	<u>(181)</u>	<u>(50)</u>
Loss for the period		<u>(459)</u>	<u>(127)</u>
Other comprehensive income/(loss) for the period		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the period attributable to shareholders	9	<u>(459)</u>	<u>(127)</u>

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

Statements of Financial Position

	Notes	Consolidated At 31 March 2012 \$'000	Parent At 31 March 2012 \$'000
Assets			
Current assets			
Cash and cash equivalents	15	7,002	-
Receivables	16	21,416	-
Inventories	17	12,795	-
Other current assets	19	1,140	-
Total current assets		42,353	-
Non-current assets			
Property, plant and equipment	20	22,477	-
Deferred tax assets	14	-	50
Intangible assets	21	129,187	-
Investment in subsidiaries	13	-	100,000
Total non-current assets		151,664	100,050
Total assets		194,017	100,050
Liabilities			
Current liabilities			
Payables and accruals	22	12,296	177
Tax liability		118	-
Derivative financial instruments	18	52	-
Other liabilities	23	375	-
Total current liabilities		12,841	177
Non-current liabilities			
Deferred tax liabilities	14	1,635	-
Interest bearing liabilities	24	80,000	-
Total non-current liabilities		81,635	-
Total liabilities		94,476	177
Net liabilities		99,541	99,873
Equity			
Contributed equity	9	100,000	100,000
Accumulated losses	9	(459)	(127)
Total equity		99,541	99,873

The above statements of financial position should be read in conjunction with the accompanying notes.

Metroglass Holdings Limited
Financial Statements
for the period ended 31 March 2012

Statements of Changes in Equity

		Consolidated			Parent		
		Contributed equity \$'000	Accumulated losses \$'000	Total \$'000	Contributed equity \$'000	Accumulated losses \$'000	Total \$'000
Balance at beginning of period	Notes 9	-	-	-	-	-	-
Transactions with owners							
Issue of share capital	9	<u>100,000</u>	-	<u>100,000</u>	<u>100,000</u>	-	<u>100,000</u>
Total transactions with owners		<u>100,000</u>	-	<u>100,000</u>	<u>100,000</u>	-	<u>100,000</u>
Total comprehensive income / (loss) attributable to shareholders	9	-	<u>(459)</u>	<u>(459)</u>	-	<u>(127)</u>	<u>(127)</u>
Balance as at 31 March 2012	9	<u>100,000</u>	<u>(459)</u>	<u>99,541</u>	<u>100,000</u>	<u>(127)</u>	<u>99,873</u>

The above statements of changes in equity should be read in conjunction with the accompanying notes.

Statements of Cash Flows

	Notes	Consolidated Period ended 31 March 2012 \$'000	Parent Period ended 31 March 2012 \$'000
Cash flows from operating activities			
Receipts from customers		17,091	-
Payments to suppliers and employees		(13,784)	-
Interest received		23	-
Interest paid		(981)	-
Income taxes (paid) received		-	-
Net cash inflow / (outflow) from operating activities		<u>2,349</u>	<u>-</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(398)	-
Acquisition of subsidiaries	25	<u>(181,505)</u>	<u>-</u>
Net cash inflow / (outflow) from investing activities		<u>(181,903)</u>	<u>-</u>
Cash flows from financing activities			
Drawdown of borrowings		80,000	-
Ordinary shares issued	9	100,000	-
Advances from subsidiaries		-	-
Net cash inflow / (outflow) from financing activities		<u>180,000</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		446	-
Cash and cash equivalents at the beginning of the period		-	-
Cash acquired		<u>6,556</u>	<u>-</u>
Cash and cash equivalents at end of period	15	<u>7,002</u>	<u>-</u>

The above statements of cash flows should be read in conjunction with the reconciliation of profit/loss after income tax to net inflow/outflow from operating activities.

Statements of Cash Flows (cont)

	Consolidated Period ended 31 March 2012 \$'000	Parent Period ended 31 March 2012 \$'000
Reconciliation of loss after income tax to net cash inflow from operating activities		
(Loss) for the period	<u>(459)</u>	<u>(127)</u>
Items not involving cash flows		
Depreciation expense	1,366	-
Intangibles amortisation expense	322	-
Change in market value of currency contracts	<u>52</u>	<u>-</u>
	<u>1,740</u>	<u>-</u>
Impact of changes in working capital items		
Accounts receivable and prepayments	(22,556)	-
Inventory	(12,795)	-
Trade creditors & employee entitlements	11,367	-
Working Capital acquired on acquisition of subsidiaries	22,082	-
Intercompany Advances	-	177
Warranty provision	375	-
Goods and services tax (GST)	894	-
Income tax liability	118	-
Deferred taxation	<u>1,635</u>	<u>(50)</u>
	<u>1,120</u>	<u>127</u>
Items classified as investing activities		
Loss (surplus) on disposal of assets	<u>(52)</u>	<u>-</u>
Net cash flow from operating activities	<u>2,349</u>	<u>-</u>

The above cash flow statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

1 General information

Metroglass Holdings Limited (the Parent) and its subsidiaries (together the Group) supply processed flat glass products primarily to the residential and commercial building trade. The Group has operations and sales in New Zealand.

The Parent is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is C/- Bell Gully, Level 22 Vero Centre, 48 Shortland Street, Auckland.

The incorporation date for Metroglass Holdings Limited was 8 November 2011.

These consolidated financial statements have been approved for issue by the Board of Directors on the date set out in the Directors' Report on page 1.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied during the period, unless otherwise stated. The financial statements include separate financial statements for Metroglass Holdings Limited as an individual entity and the consolidated entity consisting of the company and its subsidiaries.

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable New Zealand Financial Reporting Standards, as appropriate for profit-oriented entities.

This is the first reporting period for the Company and Group since its incorporation on 8 November 2011. The term 'period' has been used in these financial statements to describe trading from 8 November 2011 to 31 March 2012.

Compliance with IFRS

The separate and consolidated financial statements of Metroglass Holdings Limited also comply with International Financial Reporting Standards (IFRS).

Entities reporting

The financial statements for the 'Parent' are for Metroglass Holdings Limited as a separate legal entity.

The consolidated financial statements for the "Group" are for the economic entity comprising Metroglass Holdings Limited and its subsidiaries.

Statutory base

Metroglass Holdings Limited is a limited liability company which is domiciled and incorporated in New Zealand. It is registered under the Companies Act 1993.

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

Measurement Base

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain items as identified in specific accounting policies below.

Critical accounting estimates

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metroglass Holdings Limited ('company' or 'parent entity') as at 31 March 2012 and the results of all subsidiaries for the period then ended. Metroglass Holdings Limited and its subsidiaries together are referred to in these financial statements as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Notes to the financial statements (continued)

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated and parent financial statements are presented in New Zealand dollars, which is Metroglass Holdings Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Monetary assets and liabilities arising from transactions or overseas borrowings that remain unsettled at balance date are translated at closing rates.

(d) Revenue recognition

Revenue comprises the fair value for the sale of goods and services, net of value-added tax (including Goods and Services Tax), rebates and discounts and after eliminating sales within the Group. Revenue is recognised as follows:

(i) Sales of goods

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

Certain products are often sold with a warranty. Accumulated experience is used to estimate and provide for the warranty costs at the time of sale.

(ii) Sales of services

Glazier services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(e) Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Notes to the financial statements (continued)

(f) Goods and Services Tax (GST)

The statement of comprehensive income has been prepared so that all components are stated exclusive of GST. All items in the statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

(g) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(h) Impairment of non financial assets

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment irrespective of whether any circumstances identifying a possible impairment have been identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'other expenses' in the statement of comprehensive income.

(k) Inventories

(i) Raw materials, work in progress and finished goods

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Investments and other financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at the initial recognition and re-evaluates this designation at every reporting date.

(i) Financial assets at fair value through profit and loss

This category has two sub categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non current assets. Loans and receivables are included in 'other current assets' in the statement of financial position.

Notes to the financial statements (continued)

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset of a group of financial assets is impaired.

(m) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value.

No derivatives have been designated as hedges. All derivatives are accounted for as trading instruments at fair value through profit or loss. Changes in the fair value of these derivative instruments are recognised immediately in the statement of comprehensive income within other losses (gains).

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The fair value of the interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swaps at the reporting date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The fair value of intangible assets acquired as part of a business combination is established by using valuation techniques. These include the use of recent arm's length transactions, reference to other assets that are substantially the same and discounted cash flow.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Depreciation of property, plant and equipment is calculated using diminishing value income tax rates so as to expense the cost of the assets over their useful lives. The rates are as follows:

Category	Depreciation rate	Depreciation basis
Leasehold improvements	9-48%	DV
Plant & equipment	9-60%	DV
Motor vehicles	18-36%	DV
Furniture, fixtures & fittings	11-60%	DV

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Capital work in progress is not depreciated until commissioned.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within 'Operating expenditure' in the statement of comprehensive income.

(p) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of businesses is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the financial statements (continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

(ii) Computer Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding three years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as property plant and equipment. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation of computer software is calculated using diminishing value income tax rates so as to expense the cost of the assets over their useful lives. The rate is as follows:

Category	Amortisation rate	Amortisation basis
Computer software	48-60%	DV

(iii) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life, being 10 years, of the customer relationship.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are recognised initially at fair value.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is defined as an asset that takes longer than 12 months and is over \$100,000 to construct. Other borrowing costs are expensed.

(s) Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(t) Investments in subsidiaries

Investments in subsidiaries in the Parent company financial statements are stated at cost less impairment.

(u) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Bonus plans

The Group recognises a liability and an expense for bonuses on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes to the financial statements (continued)

(v) Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(w) Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date.

Dividend distribution to the Company shareholders is recognised as a liability in the Company's and the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

(x) Changes in accounting policies

There have been no significant changes in accounting policies during the current period.

(y) Standards, interpretations and amendment to published standards that came into effect during the reporting period

NZ IAS 24 (revised) Related party disclosures – effective from 1 January 2011. NZ IAS 24 supersedes IAS 24 'Related party disclosures' issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. The revised standard clarifies and simplifies the definition of a related party. When the revised standard is applied, the Group and Parent will need to disclose any transactions between its subsidiaries and its associates. The Group has applied the revised standard from 1 January 2011.

(z) Standards, interpretations and amendment to existing standards that are not yet effective and have not yet been early adopted by the Group

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting period beginning on or after 1 April 2011 or later periods, but the Group has not early adopted them.

NZ IFRS 9 Financial Instruments – effective from 1 January 2013. This standard is the first in a step in the process to replace IAS 39 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess IFRS 9's full impact and has not yet decided when to adopt IFRS 9.

(aa) Standards, amendments and interpretations effective in 2011 but not relevant

The following standards, amendments and interpretations to the published standards are mandatory for accounting periods beginning on or after 1 January 2012 but they are not relevant to the Groups operations:

NZ IAS 12 (amendment) Income Taxes – effective from 1 January 2012. The revision introduces a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. As the Group currently holds no investment property it is anticipated that there will be no impact from the application of this new standard.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and plans to use interest rate swaps to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, aging analysis for credit risk.

(a) Market risk

(i) Foreign exchange risk

Approximately 50% of annual flat sheet glass raw materials are purchased in foreign currencies, being USD, Euro and AUD. In accordance with the Group Treasury policy, foreign exchange rate risk is managed prospectively out over a period of 6 months with allowable limits of 100%..

(ii) Commodity price risk

The primary raw material used by the Group is flat glass which is imported from suppliers around the world. While there are numerous manufacturers of flat sheet glass, the Group is exposed and therefore manages access to supply. Price is an important variable in the determination of supply, and the Group is clearly exposed to changes in glass prices.

Notes to the financial statements (continued)

(iii) Cash flow and fair value interest rate risk

As the Group and Parent have no significant interest bearing assets, the Group and Parent's income and operating cash flows are substantially independent of changes in market interest rates on interest bearing assets.

The Group and Parent's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group and Parent to cash flow interest rate risk. During the period the Group and Parent's borrowings at variable rates were denominated in New Zealand dollars.

The following table summarises the sensitivity of the group's financial assets and financial liabilities to interest rate risk, foreign exchange risk and other price risk.

31 March 2012	Carrying amount \$'000	Interest rate risk		Foreign exchange risk		Other price risk	
		-1% Profit & Equity \$'000	+1% Profit & Equity \$'000	-10% Profit & Equity \$'000	+10% Profit & Equity \$'000	-10% Profit & Equity \$'000	+10% Profit & Equity \$'000
Financial Assets							
Cash	7,002	(49)	49	-	-	-	-
Accounts receivable	23,698	-	-	-	-	-	-
Financial Liabilities							
Derivatives	52	-	-	-	-	-	-
Trade payables	7,516	-	-	(105)	105	-	-
Borrowings	80,000	576	(576)	-	-	-	-
Increase/(decrease)		527	(527)	(105)	105	-	-

Parent	Carrying amount \$'000	Interest rate risk		Foreign exchange risk		Other price risk	
		-1% Profit & Equity \$'000	+1% Profit & Equity \$'000	-10% Profit & Equity \$'000	+10% Profit & Equity \$'000	-10% Profit & Equity \$'000	+10% Profit & Equity \$'000
Financial Liabilities							
Trade payables	177	-	-	-	-	-	-
Increase/(decrease)		-	-	-	-	-	-

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management after consideration with the Board where appropriate.

Credit risk further arises in relation to financial guarantees given to certain parties. Such guarantees are only provided in exceptional circumstances and are subject to specific board approval.

There is no significant concentration of credit exposure at 31 March 2012 due to the profile of the Group's receivables at that date.

See note 16 for further information on credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

In addition to cash reserves, the Group has negotiated working capital and capital expenditure facilities with its banking partners. At 31 March 2012 the Group had cash of \$7 million. Information in respect of negotiated credit facilities at 31 March 2012 is shown below.

Notes to the financial statements (continued)

**Consolidated
Working Capital
Facility
At
31 March 2012
\$'000**

Committed credit facilities	8,500
Drawdown at balance date	(4,500)
Unavailable for drawdown	<u>-</u>
Available credit facilities	<u>4,000</u>

The \$4.5 million drawn down at balance date relates to Letters of Credit and bank guarantees. The Parent has no Working Capital Facility.

The table below analyses the group's non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Derivative financial liabilities are included in the analysis if their contractual maturities are essential for an understanding of cash flows.

Consolidated 2012	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	> 5 years \$'000	Total \$'000
Bank Borrowings	-	-	80,000	-	80,000
Forward foreign exchange contracts	52	-	-	-	52
Interest	-	-	-	-	-
Trade payables	<u>7,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,516</u>
Total	<u>7,568</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>87,568</u>

Parent 2012	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	> 5 years \$'000	Total \$'000
Trade payables	<u>177</u>	<u>177</u>	<u>-</u>	<u>-</u>	<u>177</u>
Total	<u>177</u>	<u>177</u>	<u>-</u>	<u>-</u>	<u>177</u>

(d) Capital risk management

The Group and the Parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. At present, the Group's borrowing Facility Agreement entered into by Metroglass Finance Limited restricts the payment of dividends.

The Group monitors capital on the basis of the gearing ratio. The Group gearing ratio at 31 March 2012 was as follows:

Notes to the financial statements (continued)

	At 31 March 2012 \$'000
Bank borrowings	80,000
Less: cash and cash equivalents (note 15)	<u>7,002</u>
Net debt	72,998
Equity	99,541
Gearing ratio	42.3%

(e) Financial Instrument by Category

	Assets at fair value through earnings \$'000	Loans and receivables \$'000	Total \$'000
Consolidated – 31 March 2012			
Assets as per statement of financial position			
Derivative financial instruments	-	-	-
Trade and other receivables excluding prepayments	-	21,416	21,416
Cash and cash equivalents	<u>-</u>	<u>7,002</u>	<u>7,002</u>
	<u>-</u>	<u>28,418</u>	<u>28,418</u>

	Liabilities at fair value through earnings \$'000	Other financial liabilities at amortised cost \$'000	Total \$'000
Consolidated – 31 March 2012			
Liabilities as per statement of financial position			
Banking borrowings	-	80,000	80,000
Derivative financial instruments	52	-	52
Trade and other payables excluding statutory liabilities	<u>-</u>	<u>7,516</u>	<u>7,516</u>
	<u>52</u>	<u>87,516</u>	<u>87,568</u>

	Liabilities at fair value through earnings \$'000	Other financial liabilities at amortised cost \$'000	Total \$'000
Parent – 31 March 2012			
Liabilities as per statement of financial position			
Trade and other payables excluding statutory liabilities	<u>-</u>	<u>177</u>	<u>177</u>
	<u>-</u>	<u>177</u>	<u>177</u>

The Group complies with the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy: Quoted prices (unadjusted) in active markets (level 1); Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); Inputs for the asset or liability that are based on unobservable inputs (level 3).

At 31 March 2012 all financial instruments were fair valued using valuation techniques where all significant inputs were based on observable market data and all financial instruments are categorised as level 2.

Specific valuation techniques used to value the Groups financial instruments are as follows;

- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.

These fair values are based on valuations provided by the banks as at 31 March 2012.

Notes to the financial statements (continued)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Acquisitions

When acquiring a business, judgements and best estimates are made about the fair value of assets and liabilities acquired as well as the allocation of the purchase price, using appropriate, competent and professional advice before making any such allocations (note 25).

b) Income taxes

Deferred tax has been calculated on the assumption that there will be no change in tax law or circumstances of the Group that will result in tax losses not being available to the Group in the future and based on forecasts and assumptions in relation to the utilisation of these losses in the foreseeable future. This requires estimate and judgement (notes 8 and 14).

c) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date.

d) Allowance for doubtful debts

Receivables are reduced by an allowance for amounts that may become uncollectible in the future. Collections and payments from the customers are continuously monitored and a provision for estimated credit losses is maintained based upon our historical experience and any specific customer collection issues that we have identified. The ability to make reasonable and reliable estimates of allowances for doubtful accounts based on significant historical experience has been demonstrated.

Bad debts as a percentage of revenue at 0.5% reflect the mature market conditions in New Zealand. The bad debt and doubtful expense during the 2012 financial period was \$111,000.

If the Group allowance for credit losses as a percentage of revenue had been 1% higher or lower during the period, then profit before tax would have varied by approximately \$215,000.

e) Economic lives of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are long-lived assets that are amortised over their useful lives. Useful lives are based on management's estimates of the period over which the assets will generate revenue. The values of intangible assets with indefinite lives are reviewed annually for impairment. Other non current assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable and at the end of the first full year following acquisition.

If the useful economic life of intangible assets had been longer by an average of one year during the period ended 31 March 2012, then the annualised amortisation charge would be \$0.1 million lower, or approximately \$1.3million. The Group's annualised depreciation charge would have been approximately \$0.8 million lower if the useful lives had been longer by an average of one year, or approximately \$1.4 million higher if the useful lives had been an average of one year shorter.

5 Other (gains)/losses, net

	Consolidated Period ended 31 March 2012 \$'000	Parent Period ended 31 March 2012 \$'000
Foreign exchange contracts held for trading, net	52	-

Notes to the financial statements (continued)

6 Operating Expenditure

	Consolidated Period ended 31 March 2012 \$'000	Parent Period ended 31 March 2012 \$'000
Product and furnace cost	7,627	-
Employee benefits	7,831	-
Rent	1,309	-
Overheads	1,995	102
Vehicle costs	553	-
(Gain)/loss on disposal of assets	(52)	-
Bad and doubtful debts provided and written off	111	-
Directors fees	<u>75</u>	<u>75</u>
	19,449	177
Audit fees	23	-
Other fees paid to auditors – Tax	<u>13</u>	<u>-</u>
	36	-
<i>Depreciation</i>		
Plant and equipment	653	-
Motor vehicles	208	-
Furniture, fixtures and fittings	56	-
Other	<u>449</u>	<u>-</u>
	1,366	-
Total operating expenditure	<u>20,851</u>	<u>177</u>

7 Finance (income)/costs

	Consolidated Period ended 31 March 2012 \$'000	Parent Period ended 31 March 2012 \$'000
Bank loans	981	-
	<u>(23)</u>	<u>-</u>
Cash on hand	<u>958</u>	<u>-</u>

8 Income taxation

	Consolidated Period ended 31 March 2012 \$'000	Parent Period ended 31 March 2012 \$'000
Earnings (loss) before income taxation	<u>(640)</u>	<u>(177)</u>
Income taxation expense (benefit) at the rate of 28%	(179)	(50)
Non assessable income	<u>2</u>	<u>-</u>
Income taxation expense (benefit)	<u>(181)</u>	<u>(50)</u>
Represented by:		
Current taxation	118	-
Deferred taxation (note 14)	<u>(299)</u>	<u>(50)</u>
	<u>(181)</u>	<u>(50)</u>

The Parent and Company has nil imputation credits.

Notes to the financial statements (continued)

9 Reserves and retained earnings

	Consolidated At 31 March 2012 \$'000	Parent At 31 March 2012 \$'000
Issued and paid up capital		
Ordinary shares		
Balance at the beginning of period	-	-
Issued	<u>100,000</u>	<u>100,000</u>
Balance at end of period	<u>100,000</u>	<u>100,000</u>

	Consolidated At 31 March 2012 \$'000	Parent At 31 March 2012 \$'000
Total issued and paid up capital		
Ordinary shares	<u>100,000</u>	<u>100,000</u>
Balance at end of period	<u>100,000</u>	<u>100,000</u>

Ordinary Shares

As at 31 March 2012 there were 100,010,000 shares issued and fully paid. All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

	Consolidated At 31 March 2012 \$'000	Parent At 31 March 2012 \$'000
Retained earnings		
Balance beginning of period	-	-
Profit/(loss) for the period	<u>(459)</u>	<u>(127)</u>
Balance at end of period	<u>(459)</u>	<u>(127)</u>

10 Contingencies

As at 31 March 2012 the parent entity and Group had no contingent liabilities or assets.

11 Commitments

(a) Lease commitments: as lessee

(i) Operating leases

The Group leases premises, plant and equipment. Operating leases held over properties give the group the right to renew the lease subject to a mutual redetermination of the lease rental by the lessee and lessor based on an independent third party market rent review. There are no options to purchase in respect of plant and equipment held under operating leases.

	Consolidated At 31 March 2012 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:	
Within one year	5,455
One to two years	4,789
Two to five years	12,027
Beyond five years	<u>13,863</u>
Commitments not recognised in the financial statements	<u>36,134</u>

Notes to the financial statements (continued)

At balance date, there were capital expenditure commitments of \$nil in addition to those recorded in the statement of financial position.

12 Related party transactions

(a) Parent entities

The ultimate parent entity within the Group is Metroglass Holdings Limited. There is no ultimate controlling shareholder.

(b) Directors

The names of persons who were directors of the company at any time during the financial period are as follows:
Nathanial Thomson, Neville Buch, and Brent Jones.

Certain properties leased by the Group are owned or controlled by directors of the Group. Consequently Brent Jones was considered a related party during the period.

(c) Key management and personnel compensation

Key management personnel compensation for the period ended 31 March 2012 is set out below.

Key management personnel include group executive and support managers as well as branch managers and assistant branch managers. Compensation paid to key management personnel in the form of salary and bonuses is presented below. Additional benefits include access to a company owned vehicle and health insurance entitlements.

**Consolidated
Period ended
31 March 2012
\$'000**

Short term benefits

1,422
1,422

(d) Subsidiaries

Interests in subsidiaries are set out in note 13.

(e) Directors and specified executives

Disclosures relating to directors and specified executives are set out in note 12 (c) and note 12 (f).

(f) Transactions with related parties

The following transactions occurred with related parties:

Certain properties leased by the Group are owned or controlled by employees of the Group. Consequently, the following employees (including former employees) are / were considered related parties: Jon Tye and Mike Fisher.

The group leases land and buildings from companies which certain directors or senior management have a controlling interest. The leases were negotiated on an 'arms length' basis and as such as considered fair and reasonable to both lessee and lessor. The leases are on market value terms and subject to market rate adjustments, as determined by reference to an independent market value assessment of rentals, over the term of the lease. The related party entity and amounts paid to each during the period are shown below. There were no outstanding amounts owing at balance date.

**Consolidated
Period ended
31 March 2012
\$'000**

Leased land and buildings
Epoch Christchurch Limited
AVF Tye Family Trust & JR Tye Family Trust
Coastal Properties Tauranga Limited

173
17
96
286

Notes to the financial statements (continued)

13 Investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(b):

Name of entity	Country of incorporation	Principle Activities	Equity holding 2012 %
Metroglass Finance Limited	New Zealand	Finance company	100
Metropolitan Glass & Glazing Limited	New Zealand	Glass and glazing sales & services	100
IGM Software Limited	New Zealand	Software design & development	100
Canterbury Glass & Glazing Limited	New Zealand	Non trading	100
Christchurch Glass & Glazing Limited	New Zealand	Non trading	100
Taranaki Glass & Glazing Limited	New Zealand	Non trading	100
Hawkes Bay Glass & Glazing Limited	New Zealand	Non trading	100

All the above companies have a balance date of 31 March 2012.

14 Deferred Tax

	Consolidated At 31 March 2012		Parent At 31 March 2012	
	\$'000 Assets	\$'000 Liabilities	\$'000 Assets	\$'000 Liabilities
Components of deferred taxation				
Tax loss available for carry forward	-	-	50	-
Property, plant and equipment	350	-	-	-
Inventory and receivables	1,047	-	-	-
Intangibles	-	(3,835)	-	-
Provisions and accruals	803	-	-	-
Deferred taxation asset (liability), net	<u>2,200</u>	<u>(3,835)</u>	<u>50</u>	<u>-</u>
		<u>(1,635)</u>	<u>50</u>	

Consolidated Movement 31 March 2012 (\$'000)	PP&E	Inventory & Receivables	Intangibles	Provisions & Accruals	Total
Opening deferred taxation asset (liability)	-	-	-	-	-
Arising on acquisition	309	985	(3,903)	675	(1,934)
Charged to statement of comprehensive income	<u>41</u>	<u>62</u>	<u>68</u>	<u>128</u>	<u>299</u>
	<u>350</u>	<u>1,047</u>	<u>(3,835)</u>	<u>803</u>	<u>1,635</u>

Parent Movement 31 March 2012 (\$'000)	Tax Losses	Total
Opening deferred taxation asset (liability)	-	-
Charged to statement of comprehensive income	<u>50</u>	<u>50</u>
	<u>50</u>	<u>50</u>

15 Current assets – Cash and cash equivalents

	Consolidated At 31 March 2012 \$'000
Cash at bank and on hand	7,002
Cash on deposit	<u>-</u>
	<u>7,002</u>

The Parent has no cash and cash equivalents.

Notes to the financial statements (continued)

(a) Cash at bank and on hand; Cash on deposit

Cash at bank and on hand are non-interest bearing.

(b) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

16 Current assets – Receivables

	Consolidated At 31 March 2012 \$'000
Net trade receivables	
Trade receivables	23,698
Provision for doubtful trade receivables	<u>(2,282)</u>
	<u>21,416</u>

The Parent has \$nil trade receivables.

(a) Bad and doubtful trade receivables

The Group extends credit to its customers based on an assessment of credit worthiness. Terms differ by customer and may extend to 90 days past invoice date. A portion of the Group's receivables are also subject to contractual retentions which can last up to and exceed 12 months. At balance date, a portion of the Group's receivables are past due as defined by the applicable credit terms.

The ageing profile of debtors follows:

	Consolidated At 31 March 2012 \$'000
Current	12,161
30 - 59 days	3,663
60 – 89 days	1,103
90 days and later	<u>6,771</u>
	<u>23,698</u>

The ageing profile above does not necessarily reflect whether an amount is past due and impaired as customer credit terms vary and a significant amount of the aged receivable is subject to contractual retentions.

Movements in the provision for impairment of receivables are as follows:

	Consolidated Period ended 31 March 2012 \$'000
Opening Balance	-
Acquisition of subsidiary	2,364
Provision for impairment recognised during the period	111
Unused amounts reversed	-
Receivables written off during the period as uncollectible	<u>(193)</u>
Balance at end of period	<u>2,282</u>

The creation and release of the provision for impaired receivables has been included in 'operating expenditure' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Notes to the financial statements (continued)

Aging of 'past due and impaired'

	Consolidated At 31 March 2012 \$'000
Current	-
30 - 59 days	-
60 - 89 days	-
90 days and later	<u>2,282</u>
	<u>2,282</u>

(b) Foreign exchange and interest rate risk

Refer to note 3 for an analysis of Group's exposure to foreign currency risk in relation to trade and other receivables.

A summarised analysis of the sensitivity of trade and other receivables to foreign exchange and interest rate risk can be found in note 3.

(c) Fair value and credit risk

Due to the short-term nature of these receivables, the carrying value is assumed to approximate the fair value.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Group does not hold any collateral as security. Refer to note 3 for more information on the risk management policy of the Group.

17 Current assets – Inventories

	Consolidated At 31 March 2012 \$'000
Raw materials, primarily flat glass stock-sheets	11,898
Work in progress	<u>897</u>
	<u>12,795</u>

The Parent has no inventory. Note 24 details security held under the Group's banking arrangements which includes inventories.

18 Derivative financial instruments

	Consolidated At 31 March 2012 \$'000
Current derivative financial instruments: liabilities	
Forward foreign exchange contracts, net at fair value through earnings	<u>52</u>
Total current derivative financial instrument liabilities	<u>52</u>

The Parent has no derivative financial instruments.

(a) Forward Exchange Contracts

The notional or principle contract amounts of foreign exchange contracts outstanding at balance date are:

	Consolidated At 31 March 2012 \$'000
Nominal forward foreign exchange contracts	<u>4,128</u>

The majority of the forward exchange contracts relate to the purchase of glass stocks and are predominately denominated in US Dollars.

Notes to the financial statements (continued)

In 2012, the forward foreign exchange contracts had a net realised/unrealised loss of \$52,000. This has been included in the statement of comprehensive income in Other (gains)/losses – net in Note 5.

(b) Re-pricing analysis

The following tables identify the periods in which interest rates are subject to review on interest bearing financial assets and liabilities, and provides the current weighted average interest rate of each item.

		Consolidated 2012					
	Effective Interest Rates	Current \$'000	1 – 2 years \$'000	2-5 years \$'000	> 5 years \$'000	Not Sensitive \$'000	Total \$'000
Assets							
Cash and bank balances	2%	<u>7,002</u>	-	-	-	-	<u>7,002</u>
Total assets		<u>7,002</u>	-	-	-	-	<u>7,002</u>
Liabilities							
Bank borrowings	7.3%	<u>80,000</u>	-	-	-	-	<u>80,000</u>
Total liabilities		<u>80,000</u>	-	-	-	-	<u>80,000</u>
Less: Non rate sensitivity borrowings							
		<u>-</u>	-	-	-	-	<u>-</u>
Re-pricing gap		<u>72,998</u>	-	-	-	-	<u>72,998</u>

(c) Fair Value Summary

The fair value for the above derivatives is based on valuations provided by the group's bankers.

19 Other current assets

	Consolidated At 31 March 2012 \$'000	Parent At 31 March 2012 \$'000
Other Current assets		
Prepayments, spare parts and other	1,140	-

20 Property, plant and equipment

Consolidated \$'000	Plant and Equipment	Furniture, fittings and equipment	Motor vehicles	Total
Period ended 31 March 2012				
Opening net book amount	-	-	-	-
Acquisition of subsidiaries	19,369	956	3,384	23,709
Additions	28	56	50	134
Depreciation charge	(1,086)	(73)	(207)	(1,366)
Closing net book amount	18,311	939	3,227	22,477
At 31 March 2012				
Cost or valuation	19,397	1,012	3,434	23,843
Accumulated depreciation	(1,086)	(73)	(207)	(1,366)
Net book amount	18,311	939	3,227	22,477

The parent has no property plant and equipment.

Notes to the financial statements (continued)

21 Intangible assets

Consolidated at 31 March 2012	Opening NBV \$'000	Acquisitions / Additions \$'000	Amortisation expense \$'000	Impairment \$'000	Closing NBV \$'000
Movements in intangible net book value					
Customer relationships	-	14,500	(242)	-	14,258
Computer software	-	492	(80)	-	412
Goodwill	-	114,517	-	-	114,517
	<u>-</u>	<u>129,509</u>	<u>(322)</u>	<u>-</u>	<u>129,187</u>

Customer relationships have a remaining useful life of approximately 10 years. Computer software has a remaining useful life of approximately 2 years.

(a) Impairment tests for goodwill

Goodwill of \$114.5 million arose on acquisition of 100% of the share capital of Metropolitan Glass and Glazing Limited and subsidiaries on 31 January 2012, as disclosed in note 25(b). This recent transaction, undertaken between a willing but not anxious buyer and seller in an open and unrestricted market, supported by an independent valuation, provides evidence as to the valuation of the acquired subsidiaries, and supports the carrying value of goodwill arising.

The parent has no intangible assets.

22 Current liabilities – Payables and accruals

	Consolidated At 31 March 2012 \$'000	Parent At 31 March 2012 \$'000
Unsecured		
Trade accounts payable	7,221	177
Onerous lease provision	260	-
Employee termination provision	530	-
Approved issuer levy	19	-
Capital expenditure accounts payable	35	-
Employee entitlements	3,337	-
Goods and services (GST) payable	894	-
	<u>12,296</u>	<u>177</u>

(a) Foreign currency risk

The carrying amounts of the Group's trade and capital expenditure payables are denominated in the following currencies:

	Consolidated At 31 March 2012 \$'000	Parent At 31 March 2012 \$'000
NZ Dollars	6,011	177
AU Dollars	143	-
US Dollars	1,224	-
Euros	138	-
	<u>7,503</u>	<u>177</u>

For an analysis of the sensitivity of trade and other payables to foreign currency risk refer to note 3.

Notes to the financial statements (continued)

23 Other liabilities

Consolidated
At
31 March 2012
\$'000

Provision for warranties	375
	<u>375</u>

The parent had no other liabilities.

(a) Service warranties

Provision is made for the estimated warranty claims in respect of products sold which are still under warranty at balance date. These claims are primarily expected to be settled in the next financial year but this may be extended into the following year if claims are made late in the warranty period and are subject to confirmation by suppliers that component parts are defective. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(b) Movements in provisions

Movements in warranty provision during the financial period are set out below:

Consolidated
Period ended
31 March 2012
\$'000

Opening Balance	-
Acquisition of subsidiaries	375
Provision for losses recognised during the period	-
Amounts incurred and charged	-
Balance at period end	<u>375</u>

24 Non-current liabilities – Interest bearing liabilities

Consolidated
At
31 March 2012
\$'000

Bank borrowings	80,000
Total non-current interest bearing liabilities	<u>80,000</u>

The Parent has no interest bearing liabilities.

(a) Assets pledged as security

The bank loans are secured under both a General Security Deed and Specific Security Deed which results in registered charges over assets of the Group and positive and negative pledge undertakings.

(b) Interest rate risk exposures

For the Group's exposure to interest rate risk, including the contractual re-pricing dates and the effective weighted average interest rate by maturity periods see Note 18. Exposures arise predominantly from liabilities bearing variable interest rates.

(c) Fair value

The carrying value of the Group's bank borrowings also represents the fair value of the borrowings.

(d) Principle repayment schedule

Following is a schedule of repayments on bank borrowings.

Notes to the financial statements (continued)

Consolidated
At
31 March 2012
\$'000

Principle repayment schedule – bank borrowings
Current (refer to note 23)
Later than one, not later than two years
Later than two, not later than three years
Later than three, not later than five years
Later than five years

-
-
80,000
-
80,000

25 Business Combinations

(a) Acquisition of subsidiary

On 8 November 2011 the Company acquired 100% of the shares of Metroglass Finance Limited for consideration of \$nil and therefore, obtained control over this entity. On 31 January 2012 Metroglass Finance Limited issued additional share capital to Metroglass Holdings Limited for consideration of \$100 million. From 8 November 2011 the operating results of Metroglass Finance Limited, consisting of an operating loss after taxation of \$737,280 have been included in the statements of comprehensive income. The following table summarises the consideration paid for Metroglass Finance Limited and the amounts of assets acquired and liabilities assumed recognised at 31 January 2012, as well as the fair value at the acquisition date of the interest in Metroglass Finance Limited.

2012
\$'000

Consideration
Loan instruments issued by acquirer
Total consideration

100,000
100,000

Recognised amounts of identifiable assets acquired and liabilities assumed:

Other receivable
Total identifiable net assets
Goodwill (note 21)

100,000
100,000
-
100,000

Since acquisition date the acquired company has contributed revenues of \$nil and a loss for the period of \$0.7million. The acquired company did not operate prior to acquisition.

(b) Acquisition of subsidiary

On 31 January 2012 the Group acquired 100% of the shares of Metropolitan Glass and Glazing Limited for consideration of \$181.5 million and therefore, obtained control over this entity and its subsidiaries. From 31 January 2012 the operating results of Metropolitan Glass and Glazing Limited, consisting of a profit before income taxation of \$561k, have been included in the profit and loss component of the statements of comprehensive income. The following table summarises the consideration paid for Metropolitan Glass and Glazing Limited and the provisional amounts of assets acquired and liabilities assumed recognised at the acquisition date, as well as the provisional fair value at the acquisition date of the interest in Metropolitan Glass and Glazing Limited.

Notes to the financial statements (continued)

	2012 \$'000
Consideration	
At 31 January 2012	
Cash	<u>181,505</u>
Total consideration	<u>181,505</u>
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	6,556
Trade and other receivables	20,967
Provision for doubtful debts	(2,364)
Inventories	14,090
Property plant and equipment	23,709
Intangibles	14,992
Payables	<u>(10,962)</u>
Total identifiable new assets	<u>66,988</u>
Goodwill (note 21)	<u>114,517</u>
	<u>181,505</u>

Goodwill arising on acquisition comprises other intangible assets that do not qualify for separate recognition. None of the goodwill arising is expected to be deductible for tax purposes.

Since acquisition date the acquired company has contributed revenues of \$25.5 million and a profit for the period of \$0.4 million.

The acquired company generated sales of \$126.9 million and a profit of \$3.6 million for the year ended 31 March 2012.

26 Events subsequent to period end

There are no events subsequent to period end.