

Metroglass Holdings Limited
Financial Statements

For the period ended 31 March 2013

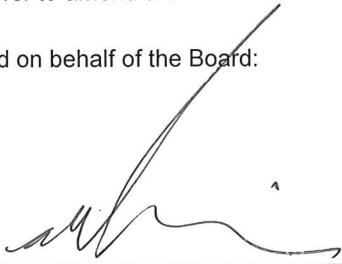
Director's report

The Board of Directors have pleasure in presenting the annual report of Metroglass Holdings Limited, incorporating the financial statements and the independent auditors' report, for the year ended 31 March 2013.

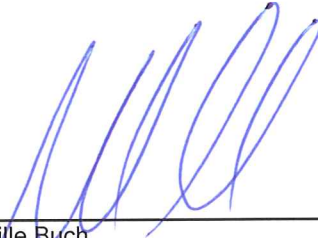
With the unanimous agreement of all shareholders, the Group has taken advantage of the reporting concessions available to it under section 211(3) of the Companies Act 1993.

The Board of Directors authorised these financial statements on 27 June 2013. The entities owners do not have the power to amend these financial statements once issued.

For and on behalf of the Board:



Nigel Rigby
Director



Neville Buch
Director

27-6-13

Date

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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 33, which comprise the statements of financial position as at 31 March 2013, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year 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 2013 or from time to time during the financial year.

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 and providers of taxation 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 33:

- (i) comply with generally accepted accounting practice in New Zealand; and
- (ii) give a true and fair view of the financial position of the Company and the Group as at 31 March 2013, and their financial performance and cash flows for the year 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 year ended 31 March 2013:

- (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.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants
27 June 2013

Auckland

Statements of Comprehensive Income

	Notes	Consolidated		Parent	
		2013	2012	2013	2012
		\$'000	\$'000	\$'000	\$'000
Sales revenue		135,612	21,543	-	-
Total revenue		135,612	21,543	-	-
Operating expenditure	5	117,106	20,851	855	177
Other (gains)/losses, net		(52)	52	-	-
Finance costs	6	5,750	981	-	-
Finance income		(218)	(23)	-	-
Amortisation of intangibles	19	1,724	322	-	-
Earnings (loss) before income taxation		11,302	(640)	(855)	(177)
Income taxation expense (benefit)	7	3,039	(181)	(198)	(50)
Earnings (loss) for the year		8,263	(459)	(657)	(127)
Other comprehensive income/(loss) for the year		(251)	-	-	-
Total comprehensive income/(loss) for the year attributable to shareholders		8,012	(459)	(657)	(127)

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

Statements of Financial Position

		Consolidated		Parent	
		2013	2012	2013	2012
Notes		\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
	14	7,971	7,002	-	-
	15	21,297	21,416	-	-
	16	10,927	12,795	-	-
	17	2,899	1,140	-	-
		43,094	42,353	-	-
Non-current assets					
	18	24,426	22,477	-	-
	13	-	-	248	50
	19	128,645	129,187	-	-
	12	-	-	100,000	100,000
		153,071	151,664	100,248	100,050
		196,165	194,017	100,248	100,050
Liabilities					
Current liabilities					
	20	16,091	12,296	144	177
		1,610	118	-	-
		251	52	-	-
	21	405	375	-	-
		18,357	12,841	144	177
Non-current liabilities					
		-	-	888	-
	13	255	1,635	-	-
	24	70,000	80,000	-	-
		70,255	81,635	888	-
		88,612	94,476	1,032	177
		107,553	99,541	99,216	99,873
Equity					
	8	100,000	100,000	100,000	100,000
	8	7,804	(459)	(784)	(127)
		(251)	-	-	-
		107,553	99,541	99,216	99,873

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

Statements of Changes in Equity

Balance as at 1 April 2011
Total comprehensive income (loss) attributable to shareholders
Issue of share capital

Balance as at 31 March 2012

Consolidated			
Reserves	Contributed equity	Retained earnings	Total
\$'000	\$'000	\$'000	\$'000
-	-	-	-
-	-	(459)	(459)
-	100,000	-	100,000
-	100,000	(459)	99,541

Balance as at 1 April 2012
Total comprehensive income (loss) attributable to shareholders

-	100,000	(459)	99,541
(251)	-	8,263	8,012
(251)	100,000	7,804	107,553

Balance as at 31 March 2013

Balance as at 1 April 2011
Total comprehensive income (loss) attributable to shareholders
Issue of share capital

Parent			
Reserves	Contributed equity	Retained earnings	Total
\$'000	\$'000	\$'000	\$'000
-	-	-	-
-	-	(127)	(127)
-	100,000	-	100,000
-	100,000	(127)	99,873

Balance as at 31 March 2012

Balance as at 1 April 2012
Total comprehensive income (loss) attributable to shareholders

-	100,000	(127)	99,873
-	-	(657)	(657)
-	100,000	(784)	99,216

Balance as at 31 March 2013

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

Statements of Cash Flows (cont'd)

Reconciliation of profit after income tax to net inflow from operating activities

Earnings (loss) for the year

Items not involving cash flows

Depreciation expense
Intangibles amortisation
Movement in deferred tax
Movement in doubtful debt provision
Change in market value of currency contracts

Impact of changes in working capital items

Accounts receivable and prepayments
Inventory
Trade creditors & employee entitlements
Interest accruals
Working capital on acquisition of business assets
Warranty provision
Intercompany advances
Goods & services tax (GST) payable
Income tax liability

Items classified as investing activities

Loss (surplus) on disposal of assets

Net cash flow from operating activities

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
	8,263	(459)	(657)	(127)
	4,339	1,366	-	-
	1,724	322	-	-
	(1,002)	1,635	(198)	(50)
	121	2,282	-	-
	(52)	52	-	-
	5,130	5,657	(198)	(50)
	(1,761)	(24,838)	-	-
	1,868	(12,795)	-	-
	1,623	11,367	(33)	-
	1,251	-	-	-
	-	22,082	-	-
	30	375	-	-
	-	-	-	177
	(465)	894	-	-
	1,492	118	-	-
	4,038	(2,797)	(33)	177
	(41)	(52)	-	-
	(41)	(52)	-	-
	17,390	2,349	(888)	-

The above statements of cash flows 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 Company 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 Director's 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.

(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-orientated entities.

NZ IFRS - Reduced Disclosure Regime

The group has early adopted External Reporting Board Standard A1 'Accounting Standards Framework (For-profit Entities Update)' ('XRB A1'). For the purpose of complying with NZ GAAP, the group is eligible to apply Tier 2 For-profit Accounting Standards (New Zealand equivalents to International Financial Reporting Standards - Reduced Disclosure Regime ('NZ IFRS RDR')) on the basis that it does not have public accountability and is not a large for-profit public sector entity. The group has elected to report in accordance with NZ IFRS RDR and has applied disclosure concessions.

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

The 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 RDR 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 the assumptions and estimates are significant to the financial statements are disclosed in note 4.

Notes to the financial statements (cont'd)

(b) Principles of consolidation

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 2013 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.

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 value 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. Costs 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 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

(1) Functional and presentation currency

Items included in the financial statements of each 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.

Notes to the financial statements (cont'd)

(2) *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 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:

(1) *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.

(2) *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 services 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 statement of financial position 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 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 statement of financial position 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 (cont'd)

(f) Goods and Services Tax (GST)

The statements of comprehensive income have been prepared so that all components are stated exclusively 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 statements 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) 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 a 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 value 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 statements 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 statements of comprehensive income.

Notes to the financial statements (cont'd)

(j) Inventories

Raw materials and stores, work in progress and finished goods

Raw materials and stores, 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.

(k) 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.

(1) *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 statement of financial position date.

(2) *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.

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

Notes to the financial statements (cont'd)

(I) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. The Group has not adopted hedge accounting for interest rate swaps.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

(1) Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases the amount accumulated in equity is reclassified to profit or loss in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified in profit or loss.

(2) Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Notes to the financial statements (cont'd)

(m) 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 statement of financial position 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 statement of financial position 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.

(n) 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 statements 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
<i>Leasehold improvements</i>	9-48%	DV
<i>Plant & equipment</i>	9-60%	DV
<i>Motor vehicles</i>	18-36%	DV
<i>Furniture, fixtures and fittings</i>	11-60%	DV

Notes to the financial statements (cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position 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 statements of comprehensive income.

(o) Intangible assets

(1) 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 subsidiaries 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.

(2) 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	Depreciation rate	Depreciation basis
Computer software	48-60%	DV

(3) 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.

(p) Trade and other payables

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

Notes to the financial statements (cont'd)

(q) 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 statement of financial position 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.

(r) 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.

(s) Investments in subsidiaries

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

(t) Employee benefits

(1) *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.

(2) *Bonus plans*

The Group recognises a liability and an expense for bonuses on a formula that takes into consideration the profit attributable to the group'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 (cont'd)

(u) 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.

(v) 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 Group shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

(w) Changes in accounting policy and disclosures

New and amended standards adopted by the group

The following new standards and amendments to standards relevant to the group have been adopted as of 1 July 2012 and have been applied in the preparation of these financial statements.

External Reporting Board Standard A1 Accounting Standards Framework (For-profit Entities Update) ('XRB A1') (effective for annual reporting periods beginning on or after 1 December 2012)

The Group has elected to early adopt XRB A1 that establishes a for-profit tier structure and outlines which suite of accounting standards entities in different tiers must follow. The group is eligible to and has elected to report in accordance with Tier 2 For-profit Accounting Standards (NZ IFRS RDR). In adopting NZ IFRS RDR, the group has taken advantage of a number of disclosure concessions. There were no other impacts on the current or prior year financial statements for transitioning to NZ IFRS RDR.

3 Financial risk management

The Company'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 Company'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 Company. The Company uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. The Company 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

(1) 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 Company Treasury policy, foreign exchange rate risk is managed prospectively out over a period of 12 months with allowable limits of coverage declining from 100% over a six month term to 70% over a 12 month term. Where deemed acceptable by the directors, coverage can be extended out over a period of 15 months.

Notes to the financial statements (cont'd)

(2) *Cash flow and fair value interest rate risk*

As the Company has no significant interest bearing assets or liabilities, the Company's income and operating cash flows are substantially independent of changes in market interest rates on interest bearing financial assets.

(3) *Interest rate risk*

The Group adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis. The Group enters into interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

(b) **Financial Instruments by Category**

31 March 2013

Assets as per statement of financial position

Cash and cash equivalents
Receivables

Consolidated		
Assets at fair value through earnings	Loans and receivables	Total
\$'000	\$'000	\$'000
-	7,971	7,971
-	21,297	21,297
-	29,268	29,268

31 March 2013

Liabilities as per statement of financial position

Trade and other payables excluding statutory liabilities
Derivative financial instruments
Interest bearing liabilities

Consolidated		
Liabilities at fair value through earnings	Loans and receivables	Total
\$'000	\$'000	\$'000
-	8,272	8,272
251	-	251
-	70,000	70,000
251	78,272	78,523

31 March 2013

Liabilities as per statement of financial position

Trade and other payables excluding statutory liabilities

Parent		
Liabilities at fair value through earnings	Loans and receivables	Total
\$'000	\$'000	\$'000
-	144	144
-	144	144

Notes to the financial statements (cont'd)

31 March 2012

Assets as per statement of financial position

Cash and cash equivalents
Receivables

Consolidated		
Assets at fair value through earnings	Loans and receivables	Total
\$'000	\$'000	\$'000
-	7,002	7,002
-	21,416	21,416
-	28,418	28,418

31 March 2012

Liabilities as per statement of financial position

Trade and other payables excluding statutory liabilities
Derivative financial instruments
Interest bearing liabilities

Consolidated		
Liabilities at fair value through earnings	Loans and receivables	Total
\$'000	\$'000	\$'000
-	7,599	7,599
52	-	52
-	80,000	80,000
52	87,599	87,651

31 March 2012

Liabilities as per statement of financial position

Trade and other payables excluding statutory liabilities

Parent		
Liabilities at fair value through earnings	Loans and receivables	Total
\$'000	\$'000	\$'000
-	177	177
-	177	177

Notes to the financial statements (cont'd)

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.

(i) Acquisitions

When acquiring a business, judgements and best estimates are made about the fair value allocation of the purchase price, using appropriate, competent and professional advice before making any such allocations. Refer Note 23.

(ii) 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. Refer Note 13.

(iii) Allowance for doubtful debts

Receivables are reduced by an allowance for amounts that may become uncollectible in the future. Collections and payments from our 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. Refer Note 15.

(iv) Economic lives of other non-current intangible assets and property, plant and equipment

Other non current 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. Refer Notes 18 and 19.

Notes to the financial statements (cont'd)

5 Operating expenditure

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Product and furnace cost	43,480	7,627	-	-
Employee benefits	46,505	7,831	161	-
Rent	5,722	1,309	-	-
Overheads	12,253	1,995	396	102
Vehicle costs	3,635	553	-	-
(Gain)/loss on disposal of assets	(41)	(52)	-	-
Bad and doubtful debts provided and written off	727	111	-	-
Directors fees	298	75	298	75
	112,579	19,449	855	177
Audit fees	140	23	-	-
Other fees paid to auditors - Tax	48	13	-	-
	188	36	-	-
Depreciation				
Plant and equipment	2,951	653	-	-
Motor vehicles	1,102	208	-	-
Furniture, fixtures and fittings	286	56	-	-
Other	-	449	-	-
	4,339	1,366	-	-
Total operating expenditure	117,106	20,851	855	177

6 Finance costs

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Other interest expense	5,750	981	-	-
	5,750	981	-	-

Other interest expenditure relates to external interest expense and costs associated with letters of credit

Notes to the financial statements (cont'd)

7 Income taxation

Earnings (loss) before income taxation

Income taxation expense at the rate of 28%

Non deductible items

Non assessable income

Tax losses transferred to subsidiary

Prior year adjustment

Represented by:

Current taxation

Deferred taxation

13

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Earnings (loss) before income taxation	11,302	(640)	(855)	(177)
Income taxation expense at the rate of 28%	3,165	(179)	(239)	(50)
Non deductible items	71	-	-	-
Non assessable income	-	(2)	-	-
Tax losses transferred to subsidiary	-	-	41	-
Prior year adjustment	(197)	-	-	-
	3,039	(181)	(198)	(50)
Represented by:				
Current taxation	4,106	118	(195)	-
Deferred taxation	(1,067)	(299)	(3)	(50)
	3,039	(181)	(198)	(50)

8 Reserves and retained earnings

Issued and paid up capital

Ordinary shares

Balance at beginning of year

Shares issued during the year

Balance at end of year

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	100,000	-	100,000	-
Shares issued during the year	-	100,000	-	100,000
Balance at end of year	100,000	100,000	100,000	100,000

Ordinary Shares

As at 31 March 2013 there were 100,010,000 issued and fully paid ordinary shares. All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

Retained earnings

Balance at beginning of year

Earnings/(Loss) for the year

Balance at end of year

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of year	(459)	-	(127)	-
Earnings/(Loss) for the year	8,263	(459)	(657)	(127)
Balance at end of year	7,804	(459)	(784)	(127)

No dividends have been declared or paid during the period to 31 March 2013 (2012: \$nil)

Notes to the financial statements (cont'd)

9 Contingencies

As at 31 March 2013 the Group had no contingent liabilities or assets (2012: \$nil)

10 Commitments

Lease commitments: as lessee

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.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year
One to two years
Two to five years
Beyond five years
Commitments not recognised in the financial statements

Consolidated		Parent	
2013	2012	2013	2012
\$'000	\$'000	\$'000	\$'000
4,872	5,455	-	-
4,730	4,789	-	-
11,214	12,027	-	-
10,015	13,863	-	-
30,832	36,134	-	-

At balance date, there were capital expenditure commitments of approximately \$19.8m (2012: \$nil) in addition to those recorded in the Statement of financial position.

11 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 year are as follows: Neville Buch, Brent Jones, Craig Mathieson, Nigel Rigby and Nathaniel Thomson. With the exception of Nigel Rigby, all of these persons were also directors as at 31 March 2012. Nigel Rigby was appointed director on 10 October 2012.

Certain properties leased by the Group are owned or controlled by directors of related companies. Consequently, the following directors are considered related parties: Brent Jones.

Notes to the financial statements (cont'd)

(c) Subsidiaries

Interests in subsidiaries are set out in note 12.

(d) 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 are considered related parties: Jon Tye and Mike Fisher.

The Group leases land and buildings from companies which certain directors or employees 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 year are shown below. There were no outstanding amounts owing at balance date (2012: nil)

Leasehold land and buildings

Epoch Chch Limited
AVF Tye Family Trust & JR Tye Family Trust
Coastal Properties Tauranga Limited

Consolidated		Parent	
2013	2012	2013	2012
\$'000	\$'000	\$'000	\$'000
1,108	173	-	-
101	17	-	-
417	96	-	-
1,626	286	-	-

12 Investments in subsidiaries

Name of entity	Country of incorporation	Principle activities	Equity holding	
			2013	2012
			%	%
Metroglass Finance Ltd	New Zealand	Finance company	100	100
Metropolitan Glass & Glazing Limited	New Zealand	Glass manufacturing	100	100
IGM Software Limited	New Zealand	Software development	100	100
Canterbury Glass & Glazing Limited	New Zealand	Non-trading	100	100
Christchurch Glass & Glazing Limited	New Zealand	Non-trading	100	100
Taranaki Glass & Glazing Limited	New Zealand	Non-trading	100	100
Hawkes Bay Glass & Glazing Limited	New Zealand	Non-trading	100	100

Notes to the financial statements (cont'd)

13 Deferred taxation

Consolidated deferred tax assets and liabilities are attributable to the following:

	Consolidated					
	2013	2012	2013	2012	2013	2012
	<i>Assets</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Liabilities</i>	<i>Net</i>	<i>Net</i>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	599	350	-	-	599	350
Inventory and receivables	898	1,047	-	-	898	1,047
Intangibles	-	-	(3,416)	(3,835)	(3,416)	(3,835)
Provisions and accruals	1,664	803	-	-	1,664	803
	3,161	2,200	(3,416)	(3,835)	(255)	(1,635)

Movement in temporary differences during the year:

	Consolidated				
	Balance 1 Apr 2011	Arising on acquisition	Recognised in income	Recognised in equity	Balance 31 Mar 2012
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	-	309	41	-	350
Inventory and receivables	-	985	62	-	1,047
Intangibles	-	(3,903)	68	-	(3,835)
Provisions and accruals	-	675	128	-	803
	-	(1,934)	299	-	(1,635)

	Consolidated				
	Balance 1 Apr 2012	Fair value review	Recognised in income	Recognised in equity	Balance 31 Mar 2013
	\$'000	\$'000	\$'000	\$'000	\$'000
Property, plant & equipment	350	-	249	-	599
Inventory and receivables	1,047	-	(149)	-	898
Intangibles	(3,835)	-	419	-	(3,416)
Provisions and accruals	803	378	483	-	1,664
	(1,635)	378	1,002	-	(255)

Notes to the financial statements (cont'd)

Parent company deferred tax assets and liabilities are attributable to the following:

Parent						
2013	2012	2013	2012	2013	2012	
Assets	Assets	Liabilities	Liabilities	Net	Net	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Tax losses	236	50	-	-	236	50
Provisions and accruals	12	-	-	-	12	-
	248	50	-	-	248	50

Movement in temporary differences during the year:

Parent				
Balance 1 Apr 2011	Recognised in income	Recognised in equity	Balance 31 Mar 2012	
\$'000	\$'000	\$'000	\$'000	
Tax losses	-	50	-	50
Inventory and receivables	-	-	-	-
Intangibles	-	-	-	-
Provisions and accruals	-	-	-	-
	-	50	-	50

Parent				
Balance 1 Apr 2012	Recognised in income	Recognised in equity	Balance 31 Mar	
\$'000	\$'000	\$'000	\$'000	
Tax losses	50	186	-	236
Inventory and receivables	-	-	-	-
Intangibles	-	-	-	-
Provisions and accruals	-	12	-	12
	50	198	-	248

14 Cash and cash equivalents

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Cash on hand	1	1	-	-
Cash at bank	2,973	2,920	-	-
Short term deposits	4,997	4,081	-	-
	7,971	7,002	-	-

15 Receivables

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Trade receivables	23,700	23,698	-	-
Provision for doubtful trade receivables	(2,403)	(2,282)	-	-
	21,297	21,416	-	-

Notes to the financial statements (cont'd)

(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 60 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:

Current
30 - 59 days
60 - 89 days
90 days and later

Consolidated		Parent	
2013	2012	2013	2012
\$'000	\$'000	\$'000	\$'000
12,324	12,161	-	-
4,100	3,663	-	-
877	1,103	-	-
6,399	6,771	-	-
23,700	23,698	-	-

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 as follows:

Opening balance
Acquisition of subsidiary
Provision for impairment recognised during the year
Receivables written off during the year as uncollectible
Balance at end of year

Consolidated		Parent	
2013	2012	2013	2012
\$'000	\$'000	\$'000	\$'000
2,282	-	-	-
-	2,364	-	-
727	111	-	-
(606)	(193)	-	-
2,403	2,282	-	-

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.

The ageing profile of 'past due and impaired' is as follows:

Current
30 - 59 days
60 - 89 days
90 days and later

2013	2012	2013	2012
\$'000	\$'000	\$'000	\$'000
-	-	-	-
-	-	-	-
-	-	-	-
2,403	2,282	-	-
2,403	2,282	-	-

Notes to the financial statements (cont'd)

16 Inventories

Raw materials, primarily flat glass stock-sheets
Work in progress

Consolidated		Parent	
2013	2012	2013	2012
\$'000	\$'000	\$'000	\$'000
10,072	11,898	-	-
855	897	-	-
10,927	12,795	-	-

17 Other current assets

Prepayments
Other

Consolidated		Parent	
2013	2012	2013	2012
\$'000	\$'000	\$'000	\$'000
2,126	310	-	-
773	830	-	-
2,899	1,140	-	-

18 Property, plant and equipment

Opening balance
Cost or valuation
Accumulated depreciation
Net book value as at 1 April 2011

Consolidated			
Plant & equipment	Furniture, fittings & equipment	Motor Vehicles	Total
\$'000	\$'000	\$'000	\$'000
-	-	-	-
-	-	-	-
-	-	-	-

2012

Opening net book value
Acquisition of subsidiary
Additions
Depreciation expense
Closing net book value

-	-	-	-
19,369	956	3,384	23,709
28	56	50	134
(1,086)	(73)	(207)	(1,366)
18,311	939	3,227	22,477

Represented by:

Cost or valuation
Accumulated depreciation

Net book value as at 31 March 2012

19,397	1,012	3,434	23,843
(1,086)	(73)	(207)	(1,366)
18,311	939	3,227	22,477

2013

Opening net book value
Fair value review
Additions
Disposals
Depreciation expense
Closing net book value

18,311	939	3,227	22,477
(290)	(113)	304	(99)
4,157	326	2,587	7,070
(332)	(24)	(327)	(683)
(2,951)	(286)	(1,102)	(4,339)
18,895	842	4,689	24,426

Represented by:

Cost or valuation
Accumulated depreciation

Net book value as at 31 March 2013

23,395	1,244	6,011	30,650
(4,500)	(402)	(1,322)	(6,224)
18,895	842	4,689	24,426

The parent entity has no property, plant and equipment

Notes to the financial statements (cont'd)

19 Intangible assets

	Customer relationships	Goodwill on acquisitions	Computer software	Total
	\$'000	\$'000	\$'000	\$'000
2012				
Opening net book value	-	-	-	-
Acquisition of subsidiary	14,500	114,517	492	129,509
Amortisation expense	(242)	-	(80)	(322)
Closing net book value	14,258	114,517	412	129,187

2013

Opening net book value	14,258	114,517	412	129,187
Fair value review	-	972	98	1,070
Additions/disposals	-	-	112	112
Amortisation expense	(1,450)	-	(274)	(1,724)
Closing net book value	12,808	115,489	348	128,645

20 Payables and accruals

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Trade accounts payable	8,210	7,221	144	177
Onerous lease provision	-	260	-	-
Employee termination provision	250	530	-	-
Approved issuer levy	25	19	-	-
Capital expenditure accounts payable	62	35	-	-
Employee entitlements	4,365	3,337	-	-
Goods and services tax payable	429	894	-	-
Other payables and accruals	16	-	-	-
Other interest accruals	1,251	-	-	-
Branch profit share	1,483	-	-	-
	16,091	12,296	144	177

21 Other liabilities

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Warranties	405	375	-	-
	405	375	-	-

Notes to the financial statements (cont'd)

(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 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 year are set out below:

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Opening balance	375	-	375	-
Provision acquired	-	375	-	375
Provision for losses recognised during the year	30	-	30	-
Closing Balance	405	375	405	375

22 Events subsequent to period end

There are no events subsequent to period end.

23 Business combinations

(a) Acquisition of subsidiary - Metroglass Finance Limited

On 8 November 2011 the Company acquired 100% of the shares of Metroglass Finance Limited for \$nil consideration 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	100,000
Total consideration	100,000
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Other receivable	100,000
Total identifiable net assets	100,000
Goodwill	-
	100,000

Notes to the financial statements (cont'd)

(b) Acquisition of subsidiary - Metropolitan Glass & Glazing Limited

On 31 January 2012 the Group acquired 100% of the shares of Metropolitan Glass & 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 & Glazing Limited, consisting of profit before income taxation of \$19,285,000 (2012: \$561,000), 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 & 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 & Glazing Limited. A subsequent review of the fair values of property, plant & equipment; intangibles and payables has resulted in a net increase in goodwill in acquisition of \$972,000.

	Final review	Provisional review
	\$'000	\$'000
Consideration		
Cash	181,505	181,505
Total consideration	181,505	181,505
Recognised amounts of identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents	6,556	6,556
Trade and other receivables	20,967	20,967
Provision for doubtful debts	(2,364)	(2,364)
Inventories	14,090	14,090
Property, plant and equipment	23,618	23,709
Intangibles	15,083	14,992
Payables	(11,934)	(10,962)
Total identifiable net assets	66,016	66,988
Goodwill	115,489	114,517
	181,505	181,505

24 Interest bearing liabilities

	Consolidated		Parent	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Bank borrowings	70,000	80,000	-	-
	70,000	80,000	-	-

The parent entity 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) Fair value

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