Clytha Holdings Limited

Annual report and consolidated financial statements

Registered Number 2543555

30 June 2017

Contents

Company information

Directors:	SOL Jonsson SJ Wightman M Wadsworth K Jonsson R Barr (appointed 01/05/2017)
Company secretary:	J Hopkins
Registered office:	Eland Road Denaby Main Doncaster South Yorkshire DN12 4HA
Registered number:	2543555 (England and Wales)
Auditor:	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA
Bankers:	Lloyds Banking Group P O Box 85 14 Church Street Sheffield S1 1HP
Solicitors:	HLW Commercial House Commercial Street Sheffield S1 2AT

Strategic report

The director's present their strategic report for the year ended 30 June 2017

Background

The UK construction sector was flat in the year and the company outperformed the market. The new PURe range continues to grow as is the SF52 curtain wall suite and our customers are benefitting from our expanded product offering

A strategic decision was taken to downsize Senior Glass Systems and this resulted in a much lower turnover at that company.

Results

A summary of the company results for the year ended 30 June 2017 is as follows:

	2017 £	Restated 2016 £
Turnover	34,418,465	32,659,323
Operating Profit before exceptionals	3,079,529	1,826,327

Operating profit for the group has been impacted by ongoing losses at Senior Glass Systems Limited.

Objectives, strategy and risk

The Company's objectives are:

- To strive to become recognised as a competent and reliable supplier of aluminium products
- To continuously improve product quality and delivery performance
- To maintain and improve the well-being of its employees
- To maximise financial returns

The Company's strategy in the short term towards achieving these objectives is:

- To continually review our health, safety and environmental policies, procedures and performance and to make expeditiously, any improvements identified as necessary.
- To work to strengthen relationships with our customers, suppliers, contractors and other stakeholders.
- To seek to maximise cash generation to allow us to prioritise reinvestment in the company's assets, to enhance the plant reliability, minimise energy consumption and ensure the best possible safety and environmental standards.

The principal risks faced by the business are:

Health and safety

We recognise that some of our operations have a safety risk and with this in mind, the company puts this at the top of its agenda and is continually seeking to enhance performance.

Strategic Report (continued)

Exchange rates

Aluminium is a global commodity priced in US dollars and any movement in the exchange rate has a cost impact on the company. This position is monitored continually and where necessary price adjustments are made to protect the sales margin.

Environmental

The company strives to achieve environmental best practice across its operations. To achieve this, policies, procedures and performance are kept under continuous review.

Plant reliability

Plant reliability is paramount to our on-going business and as such, there is a proactive policy of targeted preventative maintenance as we continue to prioritise those items critical to operational performance.

Financial indicators

The Company's financial performance indicators include the review of margins and profitability together with maximising sales per employee.

Non- financial performance indicators include the measurement of employee's health and safety in addition to the Company's environmental impact and energy consumption.

The following table includes some of those key indicators:

	June 2017	Restated June 2016
Gross Margin (Gross Profit / Turnover)	**40.5%**	39.8%
Profit Margin (Operating profit before exceptionals) /Turnover)	**8.9%**	5.6%
Sales per Employee (Turnover / average number of employees)	**£195,559**	£164,117

There were improvements in all the Financial indicators despite the poor results at Senior Glass Systems Limited

Future trends and developments

A decision has been taken to take Senior Glass Limited independent of Clytha Group and hopefully this will be to the benefit of both parties. It is anticipated that Senior Architectural Systems Limited will continue to grow and the results of the first months of the new financial year are encouraging. The effect of the UK leaving the European Union is still uncertain and any impact on the company is not quantifiable.

By order of the board

SOL Jónsson
Director

Eland Road
Denaby Main
Doncaster
DN12 4HA
South Yorkshire
28 March 2018

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2017.

Proposed dividend

The directors do not recommend payment of a dividend *(2016: £300,672)*.

Directors

The directors who held office during the period were as follows:
SOL Jonsson
SJ Wightman
D Fletcher (resigned 01/05/2017)
M Wadsworth
K Jonsson
R Barr (appointed 01/05/2017)

Disclosure of information to auditor

The directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

SOL Jonsson
Director

Eland Road
Denaby Main
Doncaster
South Yorkshire
DN12 4HA
28 March 2018

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and parent company will continue in business.
- Use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Clytha Holdings Limited

Opinion

We have audited the financial statements of Clytha Holdings Limited ("the company") for the year ended 30 June 2017 which comprise the consolidated profit and loss account, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Adrian Stone (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

28 March 2018

Consolidated profit and loss account
for the year ended 30 June 2017

	Note	2017 £	Restated 2016 £
Turnover	2	**34,418,465**	32,659,323
Cost of sales		**(20,489,298)**	(19,660,419)
Gross profit		**13,929,167**	12,998,904
Administrative expenses		**(10,849,638)**	(11,515,747)
Analysis of operating profit			
Operating profit before exceptional items		**3,079,529**	1,826,327
Exceptional items included within administrative expenses	3	**-**	(343,170)
Operating profit		**3,079,529**	1,483,157
Gain on sale of fixed assets		**5,850**	28,937
Other interest receivable and similar income	6	**-**	187,800
Interest payable and similar charges	7	**(366,690)**	(303,586)
Profit before taxation	3	**2,718,689**	1,396,308
Tax on profit	8	**(522,578)**	(333,222)
Profit for the financial year		**2,196,111**	1,063,086

No other comprehensive income has been recognised by the group in the current or preceding financial year.

All profits are from continuing operations.

The accompanying notes form part of the financial statements.

Consolidated balance sheet
at 30 June 2017

	Note	2017			Restated 2016
		£	£	£	£
Fixed assets					
Intangible assets	*10*		**6,425**		9,175
Tangible assets	*11*		**3,816,916**		3,711,974
			3,823,341		3,721,149
Current assets					
Stock	*13*	**6,500,689**		4,833,989	
Debtors (including £78,192 (*2016: £nil)* due in over one year)	*14*	**10,112,712**		9,801,637	
Cash		**1,598,423**		1,162,240	
		18,211,824		15,797,866	
Creditors: amounts falling due within one year	*15*	**(15,124,209)**		(14,505,891)	
Net current assets			**3,087,615**		1,291,975
Total assets less current liabilities			**6,910,956**		5,013,124
Creditors: amounts falling due after more than one year	*16*		**(185,459)**		(393,611)
Provisions for liabilities and charges	*17*		**(38,807)**		(128,934)
Net assets			**6,686,690**		4,490,579
Capital and reserves					
Called up share capital	*18*		**8,352**		8,352
Capital redemption reserve			**170,750**		170,750
Profit and loss account			**6,507,588**		4,311,477
Shareholders' funds			**6,686,690**		4,490,579

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 28 March 2018 and were signed on its behalf by:

SOL Jonsson
Director

Company balance sheet
at 30 June 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	*11*		**109,008**		187,935
Investments	*12*		**51,000**		91,750
			160,008		279,685
Current assets					
Debtors	*14*	**1,251,538**		2,082,480	
Cash		**9,367**		2,983	
		1,260,905		2,085,463	
Creditors: amounts falling due within one year	*15*	**(668,790)**		(1,128,494)	
Net current assets			**592,115**		956,969
Total assets less current liabilities			**752,123**		1,236,654
Creditors: amounts falling due after more than one year	*16*		**-**		(7,566)
Net assets			**752,123**		1,229,088
Capital and reserves					
Called up share capital	*18*		**8,352**		8,352
Capital redemption reserve			**170,750**		170,750
Profit and loss account			**573,021**		1,049,986
Shareholders' funds			**752,123**		1,229,088

The accompanying notes form part of the financial statements.

These financial statements were approved by the board of directors on 28 March 2018 and were signed on its behalf by:

SOL Jonsson
Director

Consolidated statement of changes in equity

	Called up share capital	Capital Redemption Reserve	Profit and Loss account	Total Equity
	£	£	£	£
Balance at 1 July 2015	8,352	170,750	3,549,063	3,728,165
Total Comprehensive Income for the year				
Profit for the financial year as previously reported	-	-	1,213,099	1,213,099
Prior year adjustment	-	-	(150,013)	(150,013)
Transactions with owners recorded directly in equity				
Dividend paid	-	-	(300,672)	(300,672)
Balance at 30 June 2016	**8,352**	**170,750**	**4,311,477**	**4,490,579**
Balance at 1 July 2016	8,352	170,750	4,311,477	4,490,579
Total Comprehensive Income for the year				
Profit for the financial year	-	-	2,196,111	2,196,111
Balance at 30 June 2017	**8,352**	**170,750**	**6,507,588**	**6,686,690**

The accompanying notes form part of the financial statements.

Company statement of changes in equity

	Called up share capital	Capital Redemption Reserve	Profit and Loss account	Total Equity
	£	£	£	£
Balance at 1 July 2015	8,352	170,750	1,137,451	1,316,553
Total Comprehensive Income for the year				
Profit for the financial year	-	-	213,207	213,207
Transactions with owners recorded directly in equity				
Dividend paid	-	-	(300,672)	(300,672)
Balance at 30 June 2016	**8,352**	**170,750**	**1,049,986**	**1,229,088**
Balance at 1 July 2016	8,352	170,750	1,049,986	1,229,088
Total Comprehensive Income for the year				
Loss for the financial year	-	-	(476,965)	(476,965)
Transactions with owners recorded directly in equity				
Dividend paid	-	-	-	-
Balance at 30 June 2017	**8,352**	**170,750**	**573,021**	**752,123**

The accompanying notes form part of the financial statements.

Consolidated cash flow statement

for the year ended 30 June 2017

	2017	Restated 2016
	£	£
Cash inflow from operating activities		
Profit for the year	**2,196,111**	1,063,086
Taxation	**522,578**	333,222
Interest payable and similar charges	**366,690**	303,586
Gain on sale of fixed assets	**(5,850)**	(28,937)
Depreciation of fixed assets	**932,255**	854,137
Amortisation of Goodwill	**2,750**	2,750
	4,014,534	2,527,844
(Increase) in stocks	**(1,666,700)**	(411,397)
Decrease / (increase) in debtors	**(311,075)**	233,577
Increase / (decrease)in creditors	**950,441**	(83,569)
	2,987,200	2,266,455
Tax received/(paid)	**(235,379)**	114,982
Net cash from operating activities	**2,751,821**	2,381,437
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	**73,250**	55,623
Acquisition of tangible fixed assets	**(1,104,597)**	(600,582)
Equity dividends paid	**-**	(300,672)
Cash outflow from investing activities	**(1,031,347)**	(845,631)
Cash flows from financing activities		
Addition to / (repayment of) invoicing discounting facility	**(246,690)**	5,349
Addition to / (repayment of) bank loans	**(110,000)**	(110,000)
Repayment of hire purchase loans	**(410,911)**	(233,909)
Repayment of director loans	**(150,000)**	(200,000)
Interest paid	**(366,690)**	(303,586)
Net cash flows from financing activities	**(1,284,291)**	(842,146)
Net increase / (Decrease) in cash equivalents	**436,183**	693,660
Cash and cash equivalents at start of period	**1,162,240**	468,580
Cash and cash equivalents at end of period	**1,598,423**	1,162,240

The accompanying notes form part of the financial statements.

Notes to the financial statements

1 Accounting policies

Clytha Holdings Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 02543555 and the registered address is Eland Road, Denaby Main, Doncaster, South Yorkshire,DN12 4HA.

These group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of theses financial statements is sterling.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

Basis of consolidation

The consolidated financial statements incorporate the results of the parent company, Clytha Holdings Limited, and its subsidiary undertakings.

The acquisition method has been adopted in accounting for subsidiary undertakings. Under this method the results of the subsidiaries are included in the consolidated profit and loss account from the date of acquisition. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and amortised over a period of twenty years.

Under s408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraph 1.8 to 1.12. The following exemptions available under FRS102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- Key Management Personnel compensation has not been included a second time.
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report on page 2.

The group meets its day-to-day working capital requirements through an invoice discounting facility secured against 80% of the Group's debtor book and an overdraft facility of £75,000.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities and meet its covenants.

The directors have reasonable expectations that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 June 2017. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the

Notes *(continued)*

1 Accounting policies *(continued)*

operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Classification of financial instruments

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes *(continued)*

1 Accounting policies *(continued)*

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss. Other financial instruments relate to forward contracts for the purchase of aluminium in the year.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.
Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Improvements to leasehold property	- Over life of lease
Plant and machinery	- Over 15 years
Plant and machinery – Paint line	- Over 20 years
Fixtures and fittings	- Over 4 years
Motor vehicles	- Over 4 years
Computer equipment	- Over 5 years

Purchased goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations is capitalised and amortised over a period of ten years.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Notes *(continued)*

1 Accounting policies *(continued)*

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the entity's non-financial assets other than stock, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

1 Accounting policies *(continued)*

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. Revenue is recognised net of any rebates in place and excluding turnover taxes.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control.

the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Prior year adjustment

In the year to 30th June 2016, a customer rebate for £150,012 was not provided and therefore in these accounts sales for June 2016 have been restated by that amount. The turnover for 2016 has reduced and other creditors have increased in the balance sheet as a result of this adjustment.

Notes *(continued)*

2 Turnover

Turnover by geographical market	**2017** **£**	Restated 2016 £
United Kingdom	**34,060,813**	32,404,084
Rest of Europe	**357,652**	225,745
North America	**-**	10,740
Other	**-**	18,754
	34,418,465	32,659,323

All turnover is generated from principle activity of the group.

3 Expenses and auditor's remuneration

		2017 **£**	2016 £
Profit on ordinary activities before taxation is stated after charging/(crediting):			
Auditor's remuneration			
Company	- audit of these financial statements	**9,500**	9,000
	- other services	**50,000**	40,000
Group	- audit of financial statements of subsidiaries pursuant to legislation	**25,000**	24,000
	- other services relating to taxation	**10,500**	10,000
Depreciation	- owned assets	**547,219**	460,830
	- assets on hire purchase contracts	**385,036**	393,307
Operating leases	- plant and machinery	**341,399**	382,308
	- property	**855,755**	794,916
Gain on sale of fixed assets		**(5,850)**	(28,937)
Amortisation of acquired goodwill		**2,750**	2,750

Exceptional items:	**2017** **£**	2016 £
Bad debts	**-**	343,170

Notes *(continued)*

4 Remuneration of directors

	2017	2016
	£	£
Directors' emoluments	**459,353**	473,653
Group contributions to money purchase pension schemes	**14,556**	13,932

The emoluments of the highest paid director, excluding pension contributions were £189,226 *(2016: £191,025)* and company pension contributions of £6,076 *(2016: £5,899)* were made to a money purchase scheme on his behalf.

	Number of directors	
	2017	2016
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**3**	3

The total amounts owed to Directors as at the year-end are as follows:

	2017	2016
	£	£
Directors' loans payable (note 15)	-	150,000

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the period, analysed by category, was as follows:

	2017	2016
	Number	Number
Administration	**73**	78
Warehouse and distribution	**103**	121
	176	199

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	**4,940,365**	5,090,668
Social security costs	**423,696**	429,897
Other pension costs	**220,972**	212,902
	5,585,033	5,733,467

Notes *(continued)*

6 Interest receivable and similar income

	2017	2016
	£	£
Net gain on financial assets measured at fair value through profit or loss	**-**	187,800

7 Interest payable and similar charges

	2017	2016
	£	£
Net loss on financial liabilities measured at fair value through profit or loss	**137,200**	-
On bank loans and overdrafts	**229,490**	303,586
Total interest payable and similar charges	**366,690**	303,586

8 Taxation

Analysis of charge in period

	2017	2016
	£	£
UK corporation tax		
Current tax on income for the period	**641,379**	342,835
Adjustments in respect of prior periods	**(28,674)**	(106,425)
Total current tax	**612,705**	236,410
Deferred tax (see note 17)		
Origination and reversal of timing differences	**(51,217)**	18,638
Adjustment in respect of previous years	**(33,614)**	91,566
Effect of tax rate change on opening balance	**(5,296)**	(13,392)
Total deferred tax	**(90,127)**	96,812
Tax on profit on ordinary activities	**522,578**	333,222

Notes *(continued)*

8 Taxation *(continued)*

Reconciliation of effective tax rate

The total tax charge for the period is lower *(2016: higher)* than the standard rate of corporation tax in the UK of 19.75% *(2016: 20%)*. The differences are explained below.

	2017	Restated 2016
	£	£
Profit before taxation	**2,718,689**	1,396,308
Current tax at 19.75% *(2016: 20%)*	**536,941**	279,262
Effects of:		
Expenses not deductible for tax purposes	**173,759**	42,401
Fixed asset timing differences	**7,609**	7,704
Adjustments in respect of prior periods (current & inter co)	**(28,675)**	(106,425)
Adjustments in respect of prior periods (deferred tax)	**(33,614)**	91,566
Income not taxable for tax purposes	**(136,433)**	-
Adjust closing deferred tax to average rate	**(6,279)**	(11,288)
Adjust opening deferred tax to average rate	**9,270**	-
Prior year adjustment	-	30,002
Total tax charge (see above)	**522,578**	333,222

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2016) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2016. The deferred tax liability at 30 June 2017 has been calculated based on these rates.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2017. This will reduce the company's future current tax charge accordingly and reduce the deferred tax liability.

9 Dividends

The amounts are set out below:	2017	2016
	£	£
7,500 A shares of £1 each	-	270,000
479 E shares of £1 each	-	30,672
	-	300,672

In 2017 there were dividends waived of £3,500 for the C Preference Shares (*2016: dividends waived of £3,500 for the C Preference Shares*).

Notes *(continued)*

10 Intangible fixed assets

Group	**Purchased goodwill £**	**Goodwill on consolidation £**	**Total £**
Cost			
At beginning of year	66,500	59,768	126,268
Additions	-	-	-
At end of year	66,500	59,768	126,268
Amortisation			
At beginning of year	57,325	59,768	117,093
Charge for year	2,750	-	2,750
At end of year	60,075	59,768	119,843
Net book value			
At end of year	**6,425**	-	**6,425**
At beginning of year	9,175	-	9,175

Company	**Purchased Goodwill £**
Cost	
At beginning and end of year	30,000
Amortisation	
At beginning and end of year	30,000
Net book value	
At beginning and end of year	-

Amortisation charged in the year has been recognised in Administrative expenses in the year.

Notes *(continued)*

11 Tangible fixed assets

Group	Improvements to leasehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At beginning of year	858,756	5,076,236	1,079,668	1,409,730	1,540,350	9,964,740
Additions	-	499,040	155,129	302,914	147,514	1,104,597
Disposals	-	-	-	(354,289)	-	(354,289)
At end of year	858,756	5,575,276	1,234,797	1,358,355	1,687,864	10,715,048
Depreciation						
At beginning of year	580,681	2,678,329	993,362	737,802	1,262,592	6,252,766
Charge for year	45,412	318,191	82,070	347,537	139,045	932,255
On disposals	-	-	-	(286,889)	-	(286,889)
At end of year	626,093	2,996,520	1,075,432	798,450	1,401,637	6,898,132
At 30 June 2017	**232,663**	**2,578,756**	**159,365**	**559,905**	**286,227**	**3,816,916**
At 30 June 2016	278,075	2,397,907	86,306	671,928	277,758	3,711,974

Company	Improvements to leasehold property	Fixtures and fittings	Motor vehicles	Computer equipment	Total
	£	£	£	£	£
Cost					
At beginning of year	283,232	28,245	322,214	107,317	741,008
Additions	-	-	-	-	-
Disposals	-	-	(136,988)	-	(136,988)
At end of year	283,232	28,245	185,226	107,317	604,020
Depreciation					
At beginning of year	245,357	28,245	174,121	105,350	553,073
Charge for year	6,886	0	60,853	903	68,642
Disposals	-	-	(126,703)	-	(126,703)
At end of year	252,243	28,245	108,271	106,253	495,012
Net book value					
At 30 June 2016	**30,989**	-	**76,955**	**1,064**	**109,008**
At 30 June 2015	37,875	-	148,093	1,967	187,935

Included in the total group net book value of fixed assets is £788,568 *(2016: £1,995,371)*, in respect of assets held under finance leases and similar hire purchase contracts. Depreciation in the year on assets at the year-end held under finance leases and similar hire purchase contracts was £385,036 *(2016: £393,307)*.

Notes *(continued)*

12 Fixed asset investments

Company	**Shares**
	£
Cost and net book value	
At beginning of year	91,750
Impairment in year	(40,750)
At end of year	51,000

The impairment charge relates to the investment in dormant companies being written down now that the dormant companies have been struck off.

The companies in which the company holds an investment in are as follows:

Subsidiary holding	**Country of incorporation**	**Principal activity**	**Class and % of shares held**
Senior Architectural Systems Limited	England	Specialist aluminium stockholders	Ordinary 100%
Senior Glass Systems Limited	England	Glass manufacturers	Ordinary 100%

The registered office of the above subsidiaries is the same as that on Page 1 of these accounts

13 Stock

	Group	
	2017	2016
	£	£
Raw materials	**770,030**	653,168
Work in progress	**8,334**	45,854
Goods held for resale	**5,722,325**	4,134,967
	6,500,689	4,833,989

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £18,623,465 (2016: £17,699,626)

The total carrying amount of stocks pledged as security for liabilities in the year amounted to £6,500,689 (2016: £4,833,989).

Notes *(continued)*

14 Debtors

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Amounts due within one year				
Trade debtors	**9,140,826**	8,966,836	-	-
Other debtors	**893,694**	698,201	**1,029**	4,961
Amounts owed by group undertakings	-	-	**1,227,890**	2,060,301
Deferred tax asset (note 17)	-	-	**22,619**	17,218
Other financial assets	-	136,600	-	-
	10,034,520	9,801,637	**1,251,538**	2,082,480
Amounts due over one year				
Trade debtors	**78,192**	-	-	-
	10,112,712	9,801,637	**1,251,538**	2,082,480

Amounts owed by group undertakings are receivable on demand.

Other financial assets represent the fair value of the Group's forward contracts for the purchase of aluminium at 30 June 2017. The face value at this date of these contracts totalled £251,000 (*2016:* £2,311,250).

15 Creditors: amounts falling due within one year

	Group		Company	
		Restated		
	2017	2016	**2017**	2016
	£	£	**£**	£
Invoice discounting facility	**5,697,941**	5,944,631	-	-
Bank loans	**36,417**	109,997	-	-
Obligations under finance leases and hire purchase contracts	**147,042**	386,221	**7,566**	57,164
Trade creditors	**6,934,756**	5,893,022	**12,630**	23,844
Other creditors	**1,101,033**	1,002,993	**91,542**	41,077
Amounts owed to group undertakings	-	-	**75,628**	188,403
Other taxes and social security	**571,950**	762,283	**462,340**	648,922
Corporation tax	**616,570**	239,244	**1,584**	1,584
Shares classified as liabilities	**17,500**	17,500	**17,500**	17,500
Dividends payable	-	-		
Shareholder Loans	-	150,000	-	150,000
Other financial liabilities	**1,000**	-		-
	15,124,209	14,505,891	**668,790**	1,128,494

Amounts owed to group undertakings are payable on demand.

The invoice discounting facility commenced in July 2013 and was for an initial period of 2 years with a rate of interest at 2.25% above Lloyds Banking Group base rate. It is then cancellable by either party giving 3 months' notice. It is secured against the trade debtor balances of the Group.

Notes *(continued)*

15 Creditors: amounts falling due within one year *(continued)*

Included within creditors are bank loans for £36,417 *(2016: £146,417)*, with interest payable at 2.75% above the bank base rate, secured by debentures across all group companies. The bank loans are secured against various assets of the company and are repayable over 3 years. Interest is payable at 3.25 % per annum.

Other financial liabilities represent the fair value of the Group's forward contracts for the purchase of aluminium. See note 14 for additional detail.

16 Creditors: falling due after more than one year

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Obligations under finance leases and hire purchase contracts	**185,459**	357,191	-	7,566
Bank loans	-	36,420	-	
	185,459	393,611	-	7,566

Analysis of debt

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Debts can be analysed as falling due:				
In one year or less, or on demand	**5,898,899**	6,608,349	36,417	224,664
Between one and two years	**111,276**	219,983	-	7,566
Between two and five years	**74,183**	173,628	-	-
Greater than five years	-	-	-	-
	6,084,358	7,001,960	36,417	232,230

The maturity of obligations under finance lease and hire purchase contracts is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Within one year	**147,042**	386,221	**7,566**	57,164
In the second to fifth years	**185,459**	357,191	-	7,566
	332,501	743,412	**7,566**	64,730

Notes *(continued)*

17 Provisions for liabilities and charges

Group

	Deferred taxation
	£
At beginning of period	128,934
Credited to the profit and loss account in the period	(90,127)
At end of period	**38,807**

The amount provides for deferred taxation are set out below:	**2017** **£**	2016 £
Origination and reversal of timing differences	**173,871**	230,865
Short term timing differences	**(14,443)**	25,784
Tax losses carried forward and other deductions	**(120,621)**	(127,715)
	38,807	128,934

Company

	Deferred taxation
	£
At beginning of period	17,218
Credited to the profit and loss account	5,401
At end of period	**22,619**

The amount provided for deferred taxation are set out below:	**2017** **£**	2016 £
Difference between accumulated depreciation and capital allowances	**(22,619)**	(16,981)
Other timing differences	**-**	(237)
	(22,619)	(17,218)

Notes *(continued)*

18 Called up share capital

Allotted, called up and issued

Number	*Class*	*Nominal value*	**2017** £	2016 £
7,500 *(2016: 7,500)*	A shares	£1	**7,500**	7,500
17,500 *(2016: 17,500)*	C preference	£1	**17,500**	17,500
479 *(2016: 479)*	E shares	£1	**479**	479
373 *(2016: 373)*	F shares	£1	**373**	373
			25,852	25,852

All share capital is fully paid with the exception of 373 of F shares.

	2017 £	2016 £
Shares classified as equity	**8,352**	8,352
Shares classified as debt	**17,500**	17,500
	25,852	25,852

Rights of A shares

Dividends

Dividends payable per annum after the payment of dividends on C preference shares.

Winding up

On winding up, a sum equal to the arrears on the dividends will be paid after the payment of arrears on the C preference shares dividends but in priority to the capital of any shares. On winding up, after the payment of dividend arrears on A shares and C preference shares, and the return of capital on the C preference shares, the remaining assets of the company will be distributed to the A shareholders up to a maximum of £3,500,000.

Voting

A shares carry one vote per share.

Rights of C preference shares

Dividends

Cumulative Preferential Dividends of 20% per annum on capital.

Winding up

On winding up, a sum equal to the arrears on the dividends will be paid in priority to the capital and other dividend arrears of the company. On winding up, after the payment of dividend arrears on A shares and C shares, the capital paid up will be repaid in priority to the A shares.

Voting

The shares carry no voting rights.

Notes *(continued)*

18 Called up share capital *(continued)*

Rights of E Shares

Winding up

On winding up, after the payment of dividend arrears on A shares and C preference shares, and the return of capital on the A shares and C preference shares and the remaining distribution to the A shareholders as set out above, the balance of the assets remaining will be distributed to the holders of the E shares.

Voting

E shares carry one vote per share.

Rights of F Shares

The holders of F shares have the same voting and dividend rights as holders of A shares with no equity rights.

19 Pension scheme

The group participates in a group personal pension scheme. The pension cost charge for the period represents contributions payable by the group to the fund and amounted to £220,972 *(2016: £212,902)*. There were no outstanding or prepaid contributions at the beginning or end of the financial period.

20 Commitments

Total commitments under non-cancellable operating leases:

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Property				
Amount payable in one year	**797,841**	816,843	-	-
Amount payable in two to five years	**2,574,024**	2,840,024	-	-
Amount payable after five years	**3,612,180**	4,216,313	-	-
	6,984,045	7,873,180	-	-
Plant and machinery				
Amount payable in one year	**325,684**	338,375	-	-
Amount payable in two to five years	**713,884**	379,692	-	-
Amount payable after five years	-	-	-	-
	1,039,568	718,067	-	-
	8,023,613	8,591,247	-	-

21 Related Parties

During the year, the company has transacted with other subsidiaries which are wholly controlled by Clytha Holdings Limited and which form part of the consolidated Group for that entity.

An exemption from disclosing related – party transactions with wholly owned Group entities has been claimed under FRS 102.33.1A.

The company has no trading or outstanding balances with any other related parties.