

Grouphomesafe Limited

Annual Report and Financial Statements

31 December 2013



Registered Number 2838541

Directors

DA Waters
J R Swan
N R Morgan
C L O'Hara

Secretary

J R Swan

Registered office

C/o Schlegel UK (2006) Limited
Unit 25 Henlow Industrial Estate
Henlow Camp
Bedfordshire
SG16 6DS

Bankers

HSBC plc
PO Box 68
130 New Street
Birmingham
B2 4JU

Solicitors

Pinsent Masons
1 Park Row
Leeds
LS1 5AB

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Strategic report

The directors present their strategic report of the company for the year ended 31 December 2013

Business review and key financial performance indicators

The results of the business and results is included in the directors' report for year ended 31 December 2013

After a slow first quarter the company has had another successful period with like for like sales levels increasing by 6% compared to prior year with strong growth in the hardware divisions. Operating margins decreased as a result of an increase in the level of stock provisions held, and cost incurred with a factory move from a sister company.

The reduction in headcount is a result of the disposal of the company's composite doors and die casting divisions in the prior year.

Shareholders' funds increased as a result of the profit for the year.

The company's key financial and performance indicators were

	2013 £000	2012 £000
Sales revenue continuing operations	69,148	65,049
Operating profit before exceptional items on continuing operations	5,936	6,158
Profit for the financial year	4,303	3,454
Total shareholders' funds	53,557	49,130
Average number of employees	382	483

Risk Management

The company considers risk management to be crucial to the company's success and to ensuring that adequate systems are in place to evaluate and limit risk exposure.

Management are responsible for the identification and evaluation of significant risk, together with the design and operation of suitable internal controls. The key risks are discussed below in principal risks and uncertainties. Risks are assessed on a continual basis, and may be associated with a variety of internal or external factors including financial and operational risks.

The Board reviews the risks and the system of control necessary to manage such risks, to ensure the effectiveness of the company's procedure in managing risks.

Principal risks and uncertainties

The company's principal risk and uncertainties are

Overall demand for products

The overall demand for products is influenced by the general economic climate in the UK and its impact on the level of customer confidence generally.

Reliance on a limited number of suppliers

The company is dependent on a limited number of third party suppliers predominantly based in the Far East. A major failure at one of these suppliers could adversely impact the supply of products for the company to sell which in turn could reduce revenues, profits and cash flow. Additionally such a failure could affect the company's reputation and brand values.

Strategic report

Exposure to increases in the cost of commodities

The raw materials used to manufacture the company's products include zinc, steel, brass, PVC compounds and glass. These commodities experience price volatility caused by changes in supply and demand, market fluctuations and government attitudes. An inability to pass on commodity cost increases into higher selling prices could reduce profits and cash generation.

Foreign currencies

The company purchases products from the Far East, the price of which are denominated in a foreign currency. The company enters into forward exchange contracts to minimise the fluctuations in the sterling cost associated with changes in exchange rates. In addition, a small percentage of sales are also denominated in currencies other than sterling.

Research and development

The company incurs expenditure on the research and development of new or enhanced products to maintain a competitive advantage, to reduce manufacturing costs or to meet industry or legislative standards. All costs are taken to the profit and loss account when incurred.

Safety, health and the environment

The Board recognises that the highest standards in health, safety and environmental issues are an essential part of sound business practice. The Board is committed to improving the impact on the environment from any of its operations and to incorporating the principles of sustainable development.

Employee involvement

The company recognises that the success of the business relies on the skill and dedication of its employees and therefore encourages two-way communication. The company encourages consultation at local level and performance and development reviews reinforce the link between business goals, an employee's contribution and their remuneration. An employee newsletter is circulated electronically and includes information on key events, charity and community involvement and employee achievements.

Charitable donations

During the year ended 31 December 2013, the company donated £3,000 (2012 - £4,000) for charitable purposes.

This report was approved by the board and signed on its behalf by



J R Swan
Secretary
03 June 2014

Directors report

The directors present their annual report and audited financial statements for the year ended 31 December 2013

Principal activities

The principal activities of the company are the distribution of window and door hardware, the manufacture of door locks, the manufacture of pile weatherstrip, the operation of a specialist sash window renovation franchise, and that of cold roll forming engineers, supplying specialist products primarily to the replacement window industry. The company's principal activities are anticipated to continue in the forthcoming year.

Results

The profit for the financial year amounted to £4,303,000 (2012 - £3,454,000). The operating profit on continuing operations and before exceptional items was £5,936,000 (2012 - £6,158,000).

The directors do not recommend the payment of a dividend (2012 - £nil).

Directors

The directors who served during the year and up to the date of approving these financial statements were as follows:

DA Waters

J R Swan

N R Morgan

C L O'Hara (Appointed 24th January 2013)

N A Moss (Appointed 16th May 2013, resigned 8th October 2013)

Directors' indemnity insurance

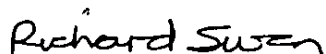
The Company maintains liability insurance for its Directors and Officers, with a cover limit for each claim or series of claims against them in that capacity. The Directors have also granted a qualifying third party indemnity provision under Section 234 of the Companies Act 2006. Neither the Company's indemnity nor the insurance provides cover in the event of a Director being proved to have acted fraudulently or dishonestly. Directors' indemnity provisions were in place during the financial year and up to the date of approval of the financial statements.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

This report was approved by the board and signed on its behalf



J R Swan

Secretary

03 June 2014

Company Number 2838541

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, director's 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, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditors

As of the date of this report, each director has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board

Richard Swan

J R Swan
Director
03 June 2014

Independent auditors' report

to the members of Grouphomesafe Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

This opinion is to be read in the context of what we say in the remainder of this report

What we have audited

The financial statements, which are prepared by Grouphomesafe Limited, comprise

- the balance sheet as at 31 December 2013,
- the profit and loss account for the year then ended, and
- the notes to the financial statements, which included a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates, they have made assumptions and considered future events

What an audit of the financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities 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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Simon O'Brien (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 June 2014

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £000	2012 £000
Turnover			
Continuing operations		69,148	65,049
Discontinued operations		-	10,247
	2	69,148	75,296
Cost of sales	3	(49,853)	(56,512)
		19,295	18,784
Gross profit			
Administrative expenses	3	(13,359)	(13,973)
Operating profit before exceptional items			
Continuing operations		5,936	6,158
Discontinued operations		-	(1,347)
		5,936	4,811
Exceptional items	7	-	3,021
Operating profit after exceptional items			
Continuing operations		5,936	9,179
Discontinued operations		-	(1,347)
Operating profit		5,936	7,832
Interest receivable and similar income	8	-	11
Interest payable and similar charges	9	(29)	(271)
Loss on disposal of operations		-	(3,902)
		5,907	3,670
Profit on ordinary activities before taxation			
Tax on profit on ordinary activities	10	(1,604)	(216)
		4,303	3,454
Profit for the financial year	22		

There are no recognised gains or losses other than the profit for the year

There is no material difference between the profit on ordinary activities before taxation and profit for the financial year stated above and their historical cost equivalent

Balance sheet

at 31 December 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Intangible assets	11	1,125	1,310
Tangible assets	12	4,917	4,528
Investments	13	10,503	11,824
		<u>16,545</u>	<u>17,662</u>
Current assets			
Stocks	14	7,272	6,608
Debtors amounts falling due within one year	15	9,351	8,921
Debtors amounts falling due after more than one year	16	47,714	45,758
Cash at bank and in hand		7,631	3,726
		<u>71,968</u>	<u>65,013</u>
Creditors amounts falling due within one year	17	(16,873)	(11,643)
Net current assets		<u>55,095</u>	<u>53,370</u>
Total assets less current liabilities		<u>71,640</u>	<u>71,032</u>
Creditors amounts falling due after more than one year	18	(12,415)	(15,956)
Provisions for liabilities	19	(5,668)	(5,946)
Net assets		<u>53,557</u>	<u>49,130</u>
Capital and reserves			
Called up share capital	21	115,657	115,657
Capital contribution	22	207	83
Profit and loss account	22	(62,307)	(66,610)
Total shareholders' funds	22	<u>53,557</u>	<u>49,130</u>

The financial statements on pages 8 to 22 were approved for issue by the Board of Directors on 03 June 2014

Richard Swan

J R Swan
Director

Notes to the financial statements

at 31 December 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and on a going concern basis in accordance with applicable UK accounting standards (UK GAAP) and the Companies Act 2006, which are unchanged

The company is a wholly owned subsidiary and is included in the consolidated financial statements of Tyman Plc as at 31 December 2013. Consequently, the company took advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996)

The financial statements contain information for the company as an individual company and do not contain consolidated information as the parent of a group. The company has taken advantage of section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is consolidated within the financial statements of Tyman Plc

Turnover

Turnover is measured at the fair value of consideration received and excludes value-added taxes and represents net invoice value. Turnover is recognised when the significant risks and rewards of ownership have been transferred to a third party, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the company

Research and development

All expenditure on research and development is charged against the profit for the year in which it is incurred

Goodwill

On the acquisition of a business, fair values are attributed to the net assets acquired. Goodwill arises where the fair value of the consideration given for a business exceeds the fair value of such net assets. Goodwill arising on acquisitions is capitalised and amortised on a systematic basis over its useful economic life of 20 years

Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the purchase price and directly attributable costs, for example, initial delivery and handling costs and installation and assembly costs. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows

Freehold buildings	-	50 years
Leasehold buildings	-	15 years or lease term if less
Plant and machinery	-	3 to 10 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials, consumables and goods for resale - purchase cost on first-in, first out basis

Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Notes to the financial statements

at 31 December 2013

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, at rates that have been enacted or substantially enacted at the balance sheet date

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or, if appropriate, at the forward contract rate. All differences are taken to the profit and loss account

Derivative instruments

The company uses forward foreign currency contracts to reduce exposure to movements in foreign currency exchange rates. The company considers that its derivative instruments qualify for hedge accounting when certain criteria are met. The company does not apply FRS26 to its derivative instruments

Forward foreign currency contracts

If the forward foreign currency contract satisfies the following conditions

- it is related to a firm foreign currency commitment,
- it is in the same currency as the hedged item, and
- it reduces the risk of the impact of foreign currency exchange movements on the company's operations

then the rates under such contracts are used to record the hedged item

Where the contract is used to hedge a committed future transaction no gains or losses are recorded until the transaction occurs

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Pension costs

For defined contributions schemes, the amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments in the balance sheet

Provisions

These comprise liabilities of uncertain timing or amount. Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are discounted where the time value of money is material

Notes to the financial statements

at 31 December 2013

1. Accounting policies (continued)

Share based payments

The company participates in the group's equity-settled share based remuneration scheme (Long Term Incentive Plan, "LTIP") for certain employees under which the entity receives services from employees as consideration for equity instruments (share options) of the group

The fair value of the employee services received in exchange for the grant of options is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest, with any changes in estimate recognised in the income statement, with a corresponding adjustment in equity. The fair value under LTIP is measured using probability model to predict target EPS levels

2. Turnover

An analysis of turnover by geographical market is given below

	2013 £000	2012 £000
Continuing operations		
United Kingdom	63,890	60,116
Europe	4,475	4,241
Rest of World	783	692
	<u>69,148</u>	<u>65,049</u>
Discontinued operations		
United Kingdom	-	10,247
	<u>-</u>	<u>10,247</u>
	<u>69,148</u>	<u>75,296</u>

All business is attributable to one class of business, being the design, manufacture and sale of door and window hardware and related products

3. Cost of sales and operating expenses

	2013		2012	
	Continuing £000	Discontinued £000	Total £000	Total £000
Cost of sales	49,853	-	49,853	56,512
Administrative expenses	13,359	-	13,359	13,973
Exceptional items	-	-	(3,021)	(3,021)

Notes to the financial statements

at 31 December 2013

4. Operating profit

This is stated after charging

	2013 £000	2012 £000
Auditors' remuneration - audit of the financial statements	60	55
Research and development expenditure written off	217	184
Total staff costs (note 5)	11,807	12,527
Amortisation of intangible fixed assets (note 11)	185	332
Depreciation of tangible fixed assets (note 12)	1,147	1,291
Operating lease rentals - land and buildings	1,052	1,239
- plant and machinery	121	196
	<u> </u>	<u> </u>

5. Staff costs

	2013 £000	2012 £000
Wages and salaries	10,397	10,856
Social security costs	942	1,167
Other pension costs (note 23)	344	421
Share based payments (note 20)	124	83
	<u>11,807</u>	<u>12,527</u>

The average monthly number of employees during the year was made up as follows

	2013 No	2012 No
Manufacturing	283	369
Distribution	54	63
Administration	45	51
	<u>382</u>	<u>483</u>

6. Directors' emoluments

Their aggregate remuneration comprised

	2013 £000	2012 £000
Emoluments	<u>795</u>	<u>485</u>
Company contributions to pension schemes	<u>49</u>	<u>54</u>

Notes to the financial statements

at 31 December 2013

6. Directors' emoluments (continued)

Four of the directors are members of defined contribution pension schemes (2012 Four) Compensation for loss of office of £183,000 was paid to two directors during the prior year

In respect of the highest paid director

	2013 £000	2012 £000
Emoluments	325	158
Company contributions to pension schemes	17	15

7. Exceptional Items

	2013 £000	2012 £000
Onerous lease provision release (Note 19)	-	(3,021)
Loss on disposal of investments (Note 12)	1,321	-
Forgiveness of intercompany liability	(1,321)	-
	-	(3,021)

8. Interest receivable

	2013 £000	2012 £000
Bank interest receivable	-	11

9. Interest payable and similar charges

	2013 £000	2012 £000
Unwinding of discount on provisions	29	271

Notes to the financial statements

at 31 December 2013

10. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013 £000	2012 £000
<i>Current tax</i>		
Corporation tax	1,510	1,763
Adjustment in respect of prior years	-	(1,500)
	<u>1,510</u>	<u>263</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(57)	(138)
Effect of change in UK rate of tax	151	91
	<u>94</u>	<u>(47)</u>
Tax on profit on ordinary activities	<u>1,604</u>	<u>216</u>

An adjustment has been made to deferred tax to recognise the planned change in the UK Corporation tax rate to 20% with effect from 1 April 2015

(b) Factors affecting current charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%) The differences are explained below

	2013 £000	2012 £000
Profit on ordinary activities before taxation	5,907	3,670
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	<u>1,373</u>	<u>899</u>
<i>Effects of</i>		
Disallowed expenses and non-taxable income	29	714
Depreciation in excess of capital allowances	58	48
Short term timing differences	50	102
Adjustment in respect of prior years	-	(1,500)
Current tax charge for the year (note 10 (a))	<u>1,510</u>	<u>263</u>

Notes to the financial statements

at 31 December 2013

10. Tax on profit on ordinary activities (continued)

(c) Deferred tax

Deferred taxation assets recognised in the financial statements and the amounts not recognised are as follows

	<i>Recognised</i>	<i>Not</i>	<i>Recognised</i>	<i>Not</i>
	<i>2013</i>	<i>recognised</i>	<i>2012</i>	<i>recognised</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Accelerated capital allowances	486	-	503	-
Other timing differences	511	-	588	-
Deferred taxation asset	997	-	1,091	-
				<i>£000</i>
At 1 January 2013				1,091
Profit and loss account movement during the year (note 10 (a))				(94)
At 31 December 2013				997

11. Intangible fixed assets

	<i>Goodwill</i>
	<i>£000</i>
Cost	
At 1 January 2013 and 31 December 2013	3,407
Accumulated amortisation	
At 1 January 2013	2,097
Charge for year	185
At 31 December 2013	2,282
Net book value	
At 31 December 2013	1,125
At 1 January 2013	1,310

Notes to the financial statements

at 31 December 2013

12. Tangible fixed assets

	<i>Freehold land and buildings £000</i>	<i>Long leasehold buildings £000</i>	<i>Short leasehold buildings £000</i>	<i>Plant and machinery £000</i>	<i>Total £000</i>
Cost					
At 1 January 2013	2,573	139	1,471	21,748	25,931
Additions	50	-	82	1,404	1,536
Disposals	-	(139)	-	(2,043)	(2,182)
At 31 December 2013	2,623	-	1,553	21,109	25,285
Accumulated depreciation					
At 1 January 2013	503	139	1,190	19,571	21,403
Provided during the year	53	-	117	977	1,147
Disposals	-	(139)	-	(2,043)	(2,182)
At 31 December 2013	556	-	1,307	18,505	20,368
Net book value					
At 31 December 2013	2,067	-	246	2,604	4,917
At 1 January 2013	2,070	-	281	2,177	4,528

13. Investments

	<i>£000</i>
Cost	
At 1 January 2013	87,558
Disposal	(40,669)
At 31 December 2013	46,889
Provision for diminution in value	
At 1 January 2013	75,734
Disposal	(39,348)
At 31 December 2013	36,386
Net book value	
At 31 December 2013	10,503
At 1 January 2013	11,824

Notes to the financial statements

at 31 December 2013

13. Investments (continued)

The following were wholly owned direct subsidiary undertakings at 31 December 2013

Balance UK Limited
ERA Products Limited
ERA Security Hardware Limited
EWS (Manufacturing) Limited
Schlegel Building Products Limited (formerly Linear Limited)
Ventrolla Limited

All the subsidiaries are non-trading companies as at the year end. All the companies are registered in England and Wales. In the opinion of the directors, the aggregate value of the Company's investments in subsidiary undertakings is not less than the amount included in the balance sheet.

At the 31 December 2012, the company held a 100% holding in GHSD1 Limited, GHSD3 Limited and LSSD UK (No. 1) Limited, these companies which were non-trading were dissolved during 2013.

14. Stocks

	2013 £000	2012 £000
Raw materials and consumables	1,341	1,363
Work in progress	389	320
Finished goods and goods for re-sale	5,542	4,925
	<u>7,272</u>	<u>6,608</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

15. Debtors: amounts falling due within one year

	2013 £000	2012 £000
Trade debtors	8,170	7,980
Amounts owed by group undertakings	70	20
Other debtors	135	158
Prepayments and accrued income	976	763
	<u>9,351</u>	<u>8,921</u>

16. Debtors: amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed by group undertakings	46,717	44,667
Deferred tax asset (note 10 (c))	997	1,091
	<u>47,714</u>	<u>45,758</u>

Notes to the financial statements

at 31 December 2013

17. Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	10,680	7,572
Amounts owed to group undertakings	97	372
Corporation tax	2,135	1,725
Other taxation and social security costs	310	334
Other creditors	1,719	543
Accruals and deferred income	1,932	1,097
	<u>16,873</u>	<u>11,643</u>

18. Creditors: amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed to group undertakings	11,543	12,863
Other creditors	872	3,093
	<u>12,415</u>	<u>15,956</u>

19. Provisions for liabilities

	Property Related £000	Other £000	Total £000
At 1 January 2013	5,596	350	5,946
Provided during year	-	380	380
Released during year	(236)	(100)	(336)
Utilisation	(648)	(458)	(1,106)
Transfer	-	755	755
Unwinding of discount on provisions	29	-	29
At 31 December 2013	<u>4,741</u>	<u>927</u>	<u>5,668</u>

The property related provisions represent the estimated net present value of future lease rental, dilapidations and other property costs for facilities that are surplus to business requirements and where the Company has a legal obligation. The provision has been discounted and is stated at its present value. The impact of discounting reduces the onerous lease provision by £100,000 to the carrying value shown above. In calculating the provision, the potential benefit of subletting the sites has not been recognised due to its inherent uncertainty. The leases have terms of up to 4 years to expiry. Other provisions mainly comprise product liability provisions.

Notes to the financial statements

at 31 December 2013

20. Share based payments

In 2013, the company participated in the group's Long Term Incentive Plan ("LTIP"). The nil cost options awarded under the LTIP were valued using a probability model to predict EPS Levels. The charge to the income statement was £124,000 (2012: £83,449).

LTIP

Conditional, annual awards of share are granted under the LTIP to certain executive directors and senior managers at the discretion of the Remuneration Committee. Provided to participant remains an employee of the group and the performance conditions are met, awards will vest three years after the date of the grant at no cost to the employee. The percentage of shares that will actually vest is dependent upon the group's earnings per share growth over a three year measurement period. The Remuneration Committee also has the discretion to adjust the number of shares vesting depending on the Tyman Plc total shareholders return performance during the measurement period. Further information on the LTIP and the performance conditions is given in the remuneration report of the company's parent company Tyman Plc.

The fair value of the awards granted under the LTIP and the assumptions used in calculation of the share based payment charge are as follows:

	LTIP
Valuation model	Probability model to predict EPS levels
Date of Grant	14 November 2013
Number granted	167,340
Share price at date of award	228 pence
Fair value (pence)	106 pence
Exercise price (pence)	Nil pence
Expected life of award	3 years
Vesting conditions	Continuous service and cumulative underlying EPS over 3 years 2013 to 2015 in range of 45.0 to 51.5 pence

21. Called up share capital

	Authorised	
	2013	2012
	£000	£000
140,000,000 ordinary shares of £1 each (2012: 140,000,000)	140,000	140,000
	Allotted, called up and fully paid	
	2013	2012
	£000	£000
Ordinary shares of £1 each	115,657	115,657,411

Notes to the financial statements

at 31 December 2013

22. Reconciliation of shareholders' funds and movement on reserves

	Called up share capital £000	Capital contribution £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2012	115,657	-	(70,064)	45,593
Profit for the financial year	-	-	3,454	3,454
Share based payments	-	83	-	83
At 31 December 2012	115,657	83	(66,610)	49,130
Profit for the financial year	-	-	4,303	4,303
Share based payments	-	124	-	124
At 31 December 2013	115,657	207	(62,307)	53,557

23. Pension commitments

Defined Contribution Pension Schemes

The total pension cost for the year amounted to £344,000 (2012 - £421,000) which represents contributions payable by the company to the fund. Outstanding contributions payable to the fund at the year-end included in accruals were £47,000 (2012 - £48,000).

24. Derivatives

The Company purchases forward foreign currency contracts to hedge currency exposure on future commitments. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values, are as follows:

	2013 £000	2012 £000
Forward foreign currency contracts	(385)	(10)

25. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2012 - £nil).

26. Contingent liabilities

The company is party to a cross guarantee in respect of the bank borrowings of Jasper Acquisition Holdings Limited at 31 December 2013 the total value of borrowings drawn under this agreement were £124,509,000 (2012 - £72,775,000).

Notes to the financial statements

at 31 December 2013

27. Commitments under operating leases

At 31 December the company had annual commitments under non-cancellable operating leases as set out below

	2013		2012	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£000	£000	£000	£000
Operating leases which expire				
Within one year	-	53	-	34
In two to five years	614	178	40	165
After five years	428	-	994	-
	<u>1,042</u>	<u>231</u>	<u>1,034</u>	<u>199</u>

28. Related party transactions

The company has taken advantage of the exemption in FRS8 as a wholly owned subsidiary not to disclose details of related party transactions required by the standard

29. Ultimate parent company

The ultimate parent company and the controlling party at the balance sheet date was Tyman Plc, a company incorporated and registered in England and Wales. Copies of the financial statements of Tyman Plc can be obtained from the registered office at

Tyman Plc
65 Buckingham Gate
London
SW1E 6AS

The immediate holding company of this company is Jasper Acquisition Holdings Limited

The largest and smallest group for which financial statements have been prepared is that headed by Tyman Plc