

GROUP STRATEGIC REPORT, DIRECTOR'S REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016
FOR
SWC COMPOSITE PRODUCTS LIMITED

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FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

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SWC COMPOSITE PRODUCTS LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

DIRECTOR:

Mr P Richings

REGISTERED OFFICE:

Unit 1
The Gateway, Dunslow Road
Eastfield
Scarborough
North Yorkshire
YO11 3UT

REGISTERED NUMBER:

04354732 (England and Wales)

SENIOR STATUTORY AUDITOR:

Simon Paul Harrison

INDEPENDENT AUDITORS:

Townsend Harrison Limited
13 Yorkersgate
Malton
North Yorkshire
YO17 7AA

SWC COMPOSITE PRODUCTS LIMITED

GROUP STRATEGIC REPORT
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

The director presents his strategic report of the company and the group for the period 1 October 2014 to 31 March 2016.

REVIEW OF BUSINESS

The results for the period and the financial position at the period end were considered satisfactory by the director.

The director informally assesses the risks faced by the group on a regular basis and adopts appropriate strategies to manage and reduce risk. The risks arising from the group's financial instruments are liquidity, credit and interest rate risk. The director reviews and agrees informal policies for managing these risks.

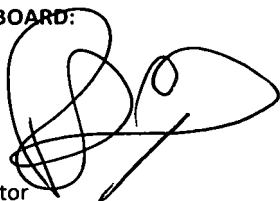
During the period the decision was made for the subsidiary to sell its trade and assets at market value. The sale took place on 31 March 2016. On 10 August 2016 the subsidiary entered into liquidation.

The director is in the process of reviewing the future of SWC Composite Products Limited.

The group has a loss on ordinary activities after tax for the period of £2,110,179 (2014 - £299,719).

At the period end the shareholders funds for the group were £78,045 (2014 £2,215,724).

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a large, stylized 'P' followed by a horizontal stroke and a loop.

Mr P Richings - Director

23 March 2017

SWC COMPOSITE PRODUCTS LIMITED

DIRECTOR'S REPORT
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

The director presents his report with the financial statements of the company and the group for the period 1 October 2014 to 31 March 2016.

PRINCIPAL ACTIVITY

The principal activity of the parent company for the period continued to be that of a holding company. The principal activity of the subsidiary undertaking continued to be that of manufacturing PVCu and aluminium products. On 31 March 2016 the subsidiary sold its trade and assets at market value. On 10 August 2016 the subsidiary entered into liquidation.

DIVIDENDS

An interim dividend of 10.865p per share was paid on 31 March 2015. The director recommends that no final dividend be paid.

The total distribution of dividends for the period ended 31 March 2016 will be £27,500.

FUTURE DEVELOPMENTS

The subsidiary entered into liquidation on 10 August 2016. The director is considering the future of SWC Composite Products Limited.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTOR

Mr P Richings held office during the whole of the period from 1 October 2014 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditor, Townsend Harrison Limited will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr P Richings - Director

23 March 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SWC COMPOSITE PRODUCTS LIMITED

We have audited the financial statements of SWC Composite Products Limited for the period ended 31 March 2016 on pages five to eighteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Director's 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.

Basis for Disclaimer of Opinion

The company's subsidiary entered into liquidation on 10 August 2016. The subsidiary did not prepare statutory accounts for the period to 31 March 2016 and no independent audit was performed. The group accounts have been prepared based on unaudited management accounts as provided by the subsidiary.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence and provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group Strategic Report and the Director's 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

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

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



Simon Paul Harrison (Senior Statutory Auditor)
for and on behalf of Townsend Harrison Limited
13 Yorkersgate
Malton
North Yorkshire
YO17 7AA

23 March 2017

SWC COMPOSITE PRODUCTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

	Notes	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
TURNOVER		15,844,387	15,386,635
Cost of sales		(11,930,660)	(11,602,017)
GROSS PROFIT		3,913,727	3,784,618
Distribution costs		(25,033)	(87,564)
Administrative expenses		(10,017,563)	(4,135,858)
		(6,128,869)	(438,804)
Other operating income		94,564	154,465
OPERATING LOSS		(6,034,305)	(284,339)
Profit/loss on sale of operations		3,907,066	-
		(2,127,239)	(284,339)
Interest receivable and similar income		6,623	211
		(2,120,616)	(284,128)
Amounts written off investments	4	-	(10)
		(2,120,616)	(284,138)
Interest payable and similar charges	5	(6,330)	(30)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(2,126,946)	(284,168)
Tax on loss on ordinary activities	7	16,767	(15,551)
LOSS FOR THE FINANCIAL PERIOD FOR THE GROUP		(2,110,179)	(299,719)

DISCONTINUED OPERATIONS

All of the group's activities were discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

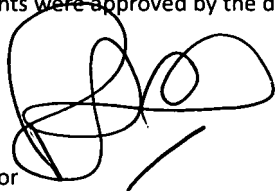
The group has no recognised gains or losses other than the losses for the current period or previous period.

CONSOLIDATED BALANCE SHEET
31 MARCH 2016

		2016	2014
	Notes	£	£
FIXED ASSETS			
Intangible assets	10	-	1,781,906
Tangible assets	11	-	420,816
Investments	12	20	-
		<u>20</u>	<u>2,202,722</u>
CURRENT ASSETS			
Stocks	13	-	602,014
Debtors	14	1,070,852	1,448,362
Cash at bank and in hand		150,597	303,237
		<u>1,221,449</u>	<u>2,353,613</u>
CREDITORS			
Amounts falling due within one year	15	1,143,424	2,320,905
		<u>1,143,424</u>	<u>2,320,905</u>
NET CURRENT ASSETS		<u>78,025</u>	<u>32,708</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>78,045</u>	<u>2,235,430</u>
PROVISIONS FOR LIABILITIES	17	-	19,706
NET ASSETS		<u><u>78,045</u></u>	<u><u>2,215,724</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	253,101	253,101
Share premium	19	2,277,900	2,277,900
Profit and loss account	19	(2,452,956)	(315,277)
SHAREHOLDERS' FUNDS	26	<u><u>78,045</u></u>	<u><u>2,215,724</u></u>

The financial statements were approved by the director on 23 March 2017 and were signed by:

Mr P Richings - Director

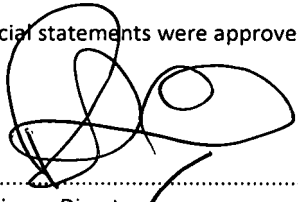


COMPANY BALANCE SHEET
31 MARCH 2016

	Notes	2016 £	2014 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	-	-
Investments	12	-	5,241,343
			<u>5,241,343</u>
CURRENT ASSETS			
Debtors	14	28,000	-
Cash at bank		2,977	2,289
		<u>30,977</u>	<u>2,289</u>
CREDITORS			
Amounts falling due within one year	15	32,939	1,338,874
NET CURRENT LIABILITIES			
		(1,962)	(1,336,585)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>(1,962)</u>	<u>3,904,758</u>
CAPITAL AND RESERVES			
Called up share capital	18	253,101	253,101
Share premium	19	2,277,900	2,277,900
Profit and loss account	19	(2,532,963)	1,373,757
SHAREHOLDERS' FUNDS			
	26	<u>(1,962)</u>	<u>3,904,758</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the director on 23/03/17 and were signed by:


.....
Mr P Richings - Director

SWC COMPOSITE PRODUCTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

		Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Net cash (outflow)/inflow from operating activities	Notes 1	(366,073)	1,384,792
Returns on investments and servicing of finance	2	293	181
Taxation		(23,119)	(38,029)
Capital expenditure and financial investment	2	106,588	(112,851)
Equity dividends paid		(27,500)	(20,248)
		(309,811)	1,213,845
Financing	2	157,171	(1,123,336)
(Decrease)/increase in cash in the period		(152,640)	90,509
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
(Decrease)/increase in cash in the period		(152,640)	90,509
Change in net funds resulting from cash flows		(152,640)	90,509
Movement in net funds in the period		(152,640)	90,509
Net funds at 1 October		303,237	212,728
Net funds at 31 March		150,597	303,237

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Operating loss	(6,034,305)	(284,339)
Depreciation charges	634,844	560,076
Loss/(profit) on disposal of fixed assets	3,346	(1,590)
Profit on sale of operations	3,907,066	-
Impairment of goodwill	1,457,924	-
Decrease/(increase) in stocks	602,014	(95,043)
Decrease/(increase) in debtors	377,510	(298,774)
(Decrease)/increase in creditors	(1,314,472)	1,504,462
Net cash (outflow)/inflow from operating activities	(366,073)	1,384,792

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Returns on investments and servicing of finance		
Interest received	6,623	211
Interest paid	(6,330)	(30)
Net cash inflow for returns on investments and servicing of finance	293	181
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(419,556)	(116,641)
Purchase of fixed asset investments	(20)	-
Sale of tangible fixed assets	526,164	3,790
Net cash inflow/(outflow) for capital expenditure and financial investment	106,588	(112,851)
Financing		
Amount introduced by directors	5,334,501	20,248
Amount withdrawn by directors	(5,177,330)	(1,143,584)
Net cash inflow/(outflow) from financing	157,171	(1,123,336)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/10/14 £	Cash flow £	At 31/3/16 £
Net cash:			
Cash at bank and in hand	303,237	(152,640)	150,597
	<u>303,237</u>	<u>(152,640)</u>	<u>150,597</u>
Total	<u>303,237</u>	<u>(152,640)</u>	<u>150,597</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 31 March 2016. Please see note 4 to these accounts regarding the subsidiary's financial information. Intra-group sales and profits are eliminated fully on consolidation.

Turnover

Turnover represents amounts receivable from ordinary activities for goods and services net of VAT and trade discounts.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2003, is tested annually for any impairment

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- over the remaining life of the lease.
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on cost

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. The value of work in progress is based upon the production stage the job is at and as a percentage of the final sales price.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged against income on a straight lines basis over the lease term.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

Revenue recognition

Revenue comprises the fair value at the lower of cost and net realisable value. The value of work in progress is based upon the production stage the job is at and as a percentage of the final sales price.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

1. ACCOUNTING POLICIES - continued

Employer financed retirement benefit scheme (efrbs)

During the previous period the company's subsidiary established an Employer Financed Retirement Benefit Scheme for the benefit of its officers, employees and their wider families, The S W C Trade Frames Limited 2012 EFRBS ("the Scheme").

In accordance with UITF 32 "Employee Benefit Trusts and other intermediate payment arrangements" the Company does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.

Invoice discounting

The company uses invoice discounting for some of its trade debt. Invoice discounting costs are recognised as they accrue and are included in the profit and loss account with other bank charges. The full amount due from debtors is shown in current assets and the liability to the invoice discounting company is shown in current liabilities.

Trust

The company has created a trust whose beneficiaries will include employees of the company and their dependents. Assets held under this trust will be controlled by trustees who will be acting independently and entirely at their own discretion.

Where assets are held in the trust and these are considered by the company to be in respect of services already provided by employees to the company, the company will account for these assets of the company until the earlier of it no longer having de facto control of these assets and it not obtaining future economic benefit from these assets. The value transferred will be charged in the company's profit and loss account for the year to which it relates.

2. STAFF COSTS

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Wages and salaries	9,072,987	3,766,016
Social security costs	227,030	198,618
Other pension costs	30,392	19,669
	<u>9,330,409</u>	<u>3,984,303</u>

The average monthly number of employees during the period was as follows:

Period 1/10/14 to 31/3/16	Period 1/4/13 to 30/9/14
<u>108</u>	<u>99</u>

3. DIRECTORS' EMOLUMENTS

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Director's remuneration	204,782	162,583
Director's pension contributions to money purchase schemes	<u>7,800</u>	<u>7,800</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

3. DIRECTORS' EMOLUMENTS - continued

Information regarding the highest paid director for the period ended 31 March 2016 is as follows:

	Period 1/10/14 to 31/3/16 £
Emoluments etc	24,747

During the previous period the subsidiary company, in order to motivate and incentivise its officers and employees, has, made contributions to a previously established employer financed retirement benefit scheme for the benefit of the Company's officers, employees and their wider families, The S W C Trade Frames Limited 2012 EFRBS ("the Scheme").

Contributions were made to the Scheme during the previous accounting period and these created value in that Scheme. The amount of such value which is held on terms which are discretionary was £742,550. Because no earmarking has yet taken place in respect of this amount, it is not considered that this amount can be regarded as directors' remuneration and, therefore, it has been excluded from the overall figure above and the remuneration of the highest paid director.

4. AMOUNTS WRITTEN OFF INVESTMENTS

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Amounts written off investment	-	10

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Bank interest	6,330	30

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after charging/(crediting):

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Hire of plant and machinery	26,388	88,868
Other operating leases	262,500	256,250
Depreciation - owned assets	310,862	236,094
Loss/(profit) on disposal of fixed assets	3,346	(1,590)
Goodwill amortisation	323,982	323,982
Auditors' remuneration	14,635	11,300
Audit-related assurance services	-	2,610
Taxation advisory services	21,535	4,105
Other non- audit services	26,235	5,881

Employer Financed Retirement Benefit Scheme Contribution £nil (2014 - £750,200).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss on ordinary activities for the period was as follows:

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Current tax:		
UK corporation tax	2,939	18,246
Deferred tax	(19,706)	(2,695)
Tax on loss on ordinary activities	<u>(16,767)</u>	<u>15,551</u>

8. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial period was £(3,879,220) (2014 - £12,360 profit).

9. DIVIDENDS

	Period 1/10/14 to 31/3/16 £	Period 1/4/13 to 30/9/14 £
Interim	<u>27,500</u>	<u>20,248</u>

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 October 2014 and 31 March 2016	<u>4,319,768</u>
AMORTISATION	
At 1 October 2014	2,537,862
Amortisation for period	323,982
Impairments	<u>1,457,924</u>
At 31 March 2016	<u>4,319,768</u>
NET BOOK VALUE	
At 31 March 2016	-
At 30 September 2014	<u>1,781,906</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

11. TANGIBLE FIXED ASSETS

Group	Short leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 October 2014	213,094	1,648,761	117,894	1,979,749
Additions	5,965	79,517	334,074	419,556
Disposals	(219,059)	(1,728,278)	(451,968)	(2,399,305)
At 31 March 2016	-	-	-	-
DEPRECIATION				
At 1 October 2014	72,967	1,428,634	57,332	1,558,933
Charge for period	34,685	161,873	114,304	310,862
Eliminated on disposal	(107,652)	(1,590,507)	(171,636)	(1,869,795)
At 31 March 2016	-	-	-	-
NET BOOK VALUE				
At 31 March 2016	-	-	-	-
At 30 September 2014	140,127	220,127	60,562	420,816

12. FIXED ASSET INVESTMENTS

Group	Shares in group undertakings £
COST	
Additions	20
At 31 March 2016	20
NET BOOK VALUE	
At 31 March 2016	20
Company	
	Shares in group undertakings £
COST	
At 1 October 2014 and 31 March 2016	5,241,343
PROVISIONS	
Impairments	5,241,343
At 31 March 2016	5,241,343
NET BOOK VALUE	
At 31 March 2016	-
At 30 September 2014	5,241,343

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

12. FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary**SWC Scarborough Limited (formerly SWC Trade Frames Limited)**

Nature of business: Manufacturer of PVCu and aluminium products

Class of shares:	% holding	31/3/16 £	30/9/14 £
Ordinary	100.00		
Aggregate capital and reserves		80,006	1,770,400
(Loss)/profit for the period		<u>(3,401,027)</u>	<u>11,902</u>

The subsidiary company went into liquidation on 10 August 2016. The above has been based on management information provided by the company as statutory accounts have not been prepared for the period ended 31 March 2016.

13. STOCKS

	Group	
	2016 £	2014 £
Stocks	-	90,340
Raw materials	-	478,389
Work-in-progress	-	33,285
	<u>-</u>	<u>602,014</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £	2014 £	2016 £	2014 £
Trade debtors	1,098,943	1,404,429	-	-
Bad debt provision	(28,091)	(89,325)	-	-
Amounts owed by group undertakings	-	-	28,000	-
Other debtors	-	660	-	-
Prepayments and accrued income	-	132,598	-	-
	<u>1,070,852</u>	<u>1,448,362</u>	<u>28,000</u>	<u>-</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016 £	2014 £	2016 £	2014 £
Trade creditors	639,834	676,182	-	-
Amounts owed to group undertakings	-	-	-	1,332,184
Tax	(1,934)	18,246	2,939	3,090
Social security and other taxes	34,638	28,722	-	-
VAT	116,539	187,184	-	600
Other creditors	159,329	18,190	-	-
Directors' loan accounts	177,419	20,248	27,500	-
Accruals and deferred income	17,599	1,372,133	2,500	3,000
	<u>1,143,424</u>	<u>2,320,905</u>	<u>32,939</u>	<u>1,338,874</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

16. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

Group

	Other operating leases	
	2016	2014
	£	£
Expiring:		
In more than five years	-	175,000
	<u>-</u>	<u>175,000</u>

17. PROVISIONS FOR LIABILITIES

	Group	
	2016	2014
	£	£
Deferred tax		
Accelerated capital allowances	-	19,706
	<u>-</u>	<u>19,706</u>

Group

	Deferred tax
	£
Balance at 1 October 2014	19,706
Credit to Profit and Loss Account during period	(19,706)
	<u>-</u>
Balance at 31 March 2016	<u>-</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2014
			£	£
253,101	Ordinary	£1	253,101	253,101
			<u>253,101</u>	<u>253,101</u>

19. RESERVES

Group

	Profit and loss account	Share premium	Totals
	£	£	£
At 1 October 2014	(315,277)	2,277,900	1,962,623
Deficit for the period	(2,110,179)		(2,110,179)
Dividends	(27,500)		(27,500)
	<u>(2,452,956)</u>	<u>2,277,900</u>	<u>(175,056)</u>
At 31 March 2016	<u>(2,452,956)</u>	<u>2,277,900</u>	<u>(175,056)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

19. RESERVES - continued

Company

	Profit and loss account £	Share premium £	Totals £
At 1 October 2014	1,373,757	2,277,900	3,651,657
Deficit for the period	(3,879,220)		(3,879,220)
Dividends	(27,500)		(27,500)
At 31 March 2016	<u>(2,532,963)</u>	<u>2,277,900</u>	<u>(255,063)</u>

20. PENSION COMMITMENTS

The subsidiary undertaking operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the subsidiary undertaking in an independently administered fund. The pension cost charge represents contributions payable by the subsidiary undertaking to the fund. At 31 March 2016 no provision was made as the information was not available (2014 - £3,307).

21. CONTINGENT LIABILITIES

The subsidiary company has previously contributed to an Employee Retention Trust and more recently, including in this period, an Employer Financed Retirement Benefit Scheme. The Employee Retention Trust and Employer Financed Retirement Benefit Scheme have been created for the benefit of the subsidiary company's officers, employees and their wider families. The contributions to date made to these structures total £4,600,000. In the previous period the subsidiary company had accrued for a contribution of £1,150,000 into an Employee Benefit Reward Scheme, during the current period a contribution was made of £6,038,743 into the Employee Benefit Reward Scheme. The subsidiary company, via the schemes' promoters, is presently in correspondence with HM Revenue & Customs in relation to the deductibility of this expenditure for taxation purposes. The scheme promoters have instructed and obtained Counsel's Opinion on the effectiveness of these structures. They, and the directors of the subsidiary company, are confident that the contributions into these structures are allowable and deductible against the company's profits chargeable to Corporation Tax, and that any legal challenge will be settled in the company's favour. Accordingly, no provision for any potential taxation liability has been provided for in these accounts.

22. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the periods ended 31 March 2016 and 30 September 2014:

	2016 £	2014 £
Mr P Richings		
Balance outstanding at start of period	(20,248)	(964,584)
Amounts advanced	5,177,330	1,566,443
Amounts repaid	(5,334,501)	(622,107)
Balance outstanding at end of period	<u>(177,419)</u>	<u>(20,248)</u>

The above loans are unsecured, interest free and repayable on demand. The balance outstanding is included in creditors due within one year.

23. RELATED PARTY DISCLOSURES

Ms Richings

Sister of the director

The sister of the director, Ms Richings, is a director of the subsidiary undertaking, SWC Scarborough Limited. Her remuneration details for the period were £44,741 (2014 - £14,160).

23. RELATED PARTY DISCLOSURES - continued**East Coast Developments (Yorkshire) Limited**

A company in which Mr P Richings is a 50% shareholder and director

During the period SWC Scarborough Limited paid an amount for rental of the premises at Dunslow Road to the property owner, East Coast Developments (Yorkshire) Limited. All rentals were paid on normal commercial terms. Details of the amount paid for the period ended 31 March 2016 are £262,500 (2014 - £256,250).

SWC Scarborough Limited (formerly SWC Trade Frames Limited)

A wholly owned subsidiary undertaking.

SWC Scarborough Limited, a wholly owned subsidiary undertaking, bought services from the company amounting to £15,000 (2014 - £18,000) during the period.

SWC Scarborough Limited paid for services on the company's behalf of £1,806 (2014 - £3,000) and also settled the company's corporation tax liability of £3,090 (2014 - £2,045) and VAT liability of £3,289 (2014 - £4,490).

At 31 March 2016 the company was owed £28,000 (owed to 2014 - £1,332,184) by SWC Scarborough Limited. P Richings, is also a director of SWC Scarborough Limited.

P Richings

Dividends to directors

During the period a dividend of £27,500 (2014 - £20,248) was paid to P Richings, director.

24. POST BALANCE SHEET EVENTS

The company's subsidiary SWC Scarborough Limited entered into liquidation on 10 August 2016.

25. ULTIMATE CONTROLLING PARTY

P Richings, the sole shareholder and director of the company, is the ultimate controlling party.

26. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Group**

	2016	2014
	£	£
Loss for the financial period	(2,110,179)	(299,719)
Dividends	(27,500)	(20,248)
Net reduction of shareholders' funds	(2,137,679)	(319,967)
Opening shareholders' funds	2,215,724	2,535,691
Closing shareholders' funds	78,045	2,215,724

Company

	2016	2014
	£	£
(Loss)/profit for the financial period	(3,879,220)	12,360
Dividends	(27,500)	(20,248)
Net reduction of shareholders' funds	(3,906,720)	(7,888)
Opening shareholders' funds	3,904,758	3,912,646
Closing shareholders' funds	(1,962)	3,904,758

SWC COMPOSITE PRODUCTS LIMITED

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

	Period 1/10/14 to 31/3/16		Period 1/4/13 to 30/9/14	
	£	£	£	£
Sales		15,844,387		15,386,635
Cost of sales				
Opening stock - raw materials	374,785		409,961	
Opening work in progress	136,889		20,725	
Opening stock - finished goods	90,340		76,285	
Purchases	8,750,209		9,255,838	
Wages	2,351,407		2,203,758	
Social security	227,030		198,618	
Other direct costs	-		38,846	
	11,930,660		12,204,031	
Closing stock - raw materials	-		(374,785)	
Closing work in progress	-		(136,889)	
Closing stock - finished goods	-		(90,340)	
		11,930,660		11,602,017
GROSS PROFIT		3,913,727		3,784,618
Other income				
Discounts received	44,576		90,374	
Sundry receipts	49,988		64,091	
Deposit account interest	1,425		20	
Other interest received	5,198		191	
		101,187		154,676
		4,014,914		3,939,294
Expenditure				
Hire of plant and machinery	25,033		87,564	
Rent	262,500		256,250	
Rates and water	171,101		155,513	
Light and heat	102,508		94,734	
Directors' salaries	204,782		155,083	
Directors' pension contributions	7,800		7,800	
Wages	6,516,798		1,407,175	
Pensions	22,592		11,869	
Hire of plant and machinery	1,355		1,304	
Training	(1,520)		(1,003)	
Telephone	25,771		20,266	
Post and stationery	53,462		53,937	
Advertising	15,754		13,658	
Travelling	25,241		25,121	
Motor expenses	193,950		198,956	
Insurance	23,350		20,427	
Repairs and renewals	83,261		51,188	
Waste disposal	18,148		10,037	
Cleaning	17,336		14,780	
EFRBS contributions	-		750,200	
Management fee	15,000		18,000	
Computer running costs	24,158		12,337	
Sundry expenses	30,797		24,463	
Consultancy	4,898		4,128	
Legal and professional fees	28,094		162,600	
Auditors' remuneration	14,635		11,300	
Auditors' remuneration for non audit work	47,770		12,596	
Carried forward	7,934,574	4,014,914	3,580,283	3,939,294

This page does not form part of the statutory financial statements

SWC COMPOSITE PRODUCTS LIMITED

CONSOLIDATED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 OCTOBER 2014 TO 31 MARCH 2016

	Period 1/10/14 to 31/3/16		Period 1/4/13 to 30/9/14	
	£	£	£	£
Brought forward	7,934,574	4,014,914	3,580,283	3,939,294
Bad debts	(33,048)		47,864	
Impairment losses for intangible fixed assets	1,457,924		-	
		9,359,450		3,628,147
		(5,344,536)		311,147
Finance costs				
Bank charges	32,423		29,552	
Credit card	12,533		7,237	
Bank interest	6,330		30	
		51,286		36,819
		(5,395,822)		274,328
Depreciation				
Goodwill	323,982		323,982	
Short leasehold	34,685		30,941	
Plant and machinery	161,873		164,365	
Motor vehicles	114,304		40,788	
		634,844		560,076
		(6,030,666)		(285,748)
(Loss)/Profit on disposal of fixed assets				
Plant and machinery	-		1,040	
Motor vehicles	(3,346)		550	
		(3,346)		1,590
		(6,034,012)		(284,158)
Amounts written off investments				
Amounts written off investment		-		10
		(6,034,012)		(284,168)
Exceptional items				
Profit/loss on sale of operations		3,907,066		-
NET LOSS		(2,126,946)		(284,168)