

NE Investments Limited

Directors' report and financial statements

Registered number 06329935

Year ended 31 October 2017

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Directors

A Kirk
B Kennedy
P Kennedy
S Kennedy
A Morison

Company number

6329935

Registered Office

Hamilton House
Church Street
Altrincham
WA14 4DR

Auditors

BDO LLP
3 Hardman Street
Manchester
M3 3AT

Strategic Report

The directors presents their Strategic report and financial statements for the year ended 31 October 2017. This report has been prepared by the directors in accordance with the requirements of Section 414 of the Companies Act 2006.

Business review

The Company did not trade during the current period. The profit and loss account is set out on page 7 and shows the result for the year.

Analysis of key performance indicators

As the company is a holding company, there are no key performance indicators based on the performance of the Company.

Principal risks and uncertainty

The principal risk to the business is the performance of the subsidiaries, the recoverability of amounts owed from group undertakings and the Company's ability to repay their liabilities as they fall due.

Approval

This strategic report was approved by the board on 25 July 2018

A C Kirk
Director

A handwritten signature in black ink, appearing to be 'AC Kirk', written over a light blue horizontal line.

Director's Report

The Directors presents their Director's report and financial statements for the year ended 31 October 2017.

The principal risks and uncertainties, business review and key performance indicators are included in the strategic report in accordance with s414 of the Companies Act 2006.

Principal activities

The principal activity of the Company is that of a holding company.

Non-Consolidation and information in respect of subsidiaries

For the year ended 31 October 2017, none of the subsidiary undertakings have been consolidated on the grounds that the information necessary for the preparation of consolidated financial statements for the primary trading entities in the US cannot be obtained without disproportionate expense or undue delay.

Proposed dividend

The Directors do not recommend the payment of a dividend (2016: £nil).

Going concern

The directors have considered the financing needs of the company for the foreseeable future and they are confident of operating within the financial resources available to the company in light of the support and commitment from the ultimate controlling party. Accordingly they believe that it is appropriate to prepare the Financial Statements on a going concern basis (as set out in note 1).

Directors

The Directors who held office during the year were as follows:

A Kirk
B Kennedy
P Kennedy
S Kennedy
A Morison

Disclosure of information to auditors

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

Auditors

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

On behalf of the board

A C Kirk
Director
25 July 2018



Hamilton House
Church Street
Altrincham
WA14 4DR

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

The directors are responsible for preparing the strategic report, 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 the directors have elected to prepare the company 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 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 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 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.

Independent auditors' report to the members of NE Investments Limited

Adverse opinion

We have audited the financial statements of NE Investments Limited ("the company") for the year ended 31 October 2017 which comprise the profit and loss account, the balance sheet, the statement in changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, because of the significance of the matter described in the Basis for adverse opinion paragraph below, the financial statements:

- do not give a true and fair view of the state of the group and the company's affairs as at 31 October 2017 and of its result for the year then ended;
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have not been prepared in accordance with the requirements of the Companies Act 2006.

Basis for adverse opinion

As more fully explained in note 1 to the financial statements the company has not prepared group financial statements, which is contrary to the provisions of the Companies Act 2006 and the requirements of FRS102.

As the financial statements of the US subsidiaries have not been audited we have been unable to obtain sufficient appropriate audit evidence regarding the capital and reserves, profit/loss for the year and the intercompany receivable and payables of these subsidiaries as set out in note 9 to the financial statements.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Conclusions relating to going concern

As described in the Basis for adverse opinion section above, the company has not prepared group financial statements. Accordingly, we are unable to conclude in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report to the members of NE Investments Limited continued

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, including the director's report and strategic report and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for adverse opinion section above, the company has not prepared group financial statements. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have not been prepared in accordance with applicable legal requirements due to the matter set out in the Basis for adverse opinion section above.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, other than the matter set out in the Basis for disclaimer for adverse opinion section above, we have not we have not identified material misstatements in the strategic report or the directors' report.

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

- 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; 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of NE Investments Limited continued

Auditor's responsibilities for the audit of the financial statements

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.

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester

Date: 27 JULY 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and loss account
for the year ended 31 October 2017

	<i>Note</i>	2017 £000	2016 £000
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		(5)	(4)
		<hr/>	<hr/>
Operating loss	2	(5)	(4)
Interest receivable and similar income	5	12	18
Interest payable and similar charges	6	(12)	(18)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(5)	(4)
Tax on loss on ordinary activities	7	-	-
		<hr/>	<hr/>
Loss for the financial year		(5)	(4)
		<hr/> <hr/>	<hr/> <hr/>

All amounts are derived from continuing activities.

The Company has no recognised gains or losses in either the current or preceding year other than those presented above and therefore no statement of total recognised gains and losses has been prepared.

The notes on pages 10 to 17 form part of these financial statements.

Balance sheet
at 31 October 2017

	<i>Note</i>	2017	2017	2016	2016
		£000	£000	£000	£000
Fixed assets					
Investments	8	-	-	-	-
Current assets					
Debtors	10	9,007		12,083	
Cash at bank and in hand		-		-	
		<u>9,007</u>		<u>12,083</u>	
Creditors: amounts falling due within one year	11	(9,266)		(12,337)	
Net current liabilities			(259)		(254)
Total assets less current liabilities			(259)		(254)
Net liabilities			(259)		(254)
Capital and reserves					
Called up share capital	12	100		100	
Profit and loss account	13	(359)		(354)	
Equity shareholders' deficit			(259)		(254)

These financial statements were approved by the Board of Directors on 25 July 2018 and were signed on its behalf by:

A C Kirk
Director



The notes on pages 10 to 17 form part of these financial statements.

Statement of changes in equity
for the year ended 31 October 2017

	Share capital	Profit and loss account	Total
	£000	£000	£000
As at 1 November 2016	100	(354)	(254)
Loss for the year	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
As at 31 October 2017	100	(359)	(259)
	<hr/>	<hr/>	<hr/>

Statement of changes in equity
for the year ended 31 October 2016

	Share capital	Profit and loss account	Total
	£000	£000	£000
As at 1 November 2015	100	(350)	(250)
Loss for the year	-	(4)	(4)
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	(4)	(4)
	<hr/>	<hr/>	<hr/>
As at 31 October 2016	100	(354)	(254)
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 17 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

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

Statement of compliance

NE Investments Limited is a limited liability company incorporated in England. The Registered Office is Hamilton House, Church Street, Altrincham WA14 4DR. The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 October 2017.

Basis of preparation and change in accounting policy

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £'000.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons.

On 16 January 2012, the BoS loan of \$13.6m was transferred in part to the Company's major shareholder with the balance of \$3.4m refinanced with Barclays Wealth.

The major shareholder has provided written confirmation to the directors that he will continue to provide this personal guarantee for a minimum period of 12 months from the date of approval of these financial statements.

To remain a going concern the company is reliant on the availability of the loans noted above from its major shareholder. The major shareholder has acknowledged that the ability of the Company to repay these amounts on their due date, which is more than twelve months from the date of these accounts, is dependent on the ability of the Company to recover amounts due from subsidiary undertakings or realise its investments, or income there from, in the subsidiary undertakings. Whilst the directors and major shareholder consider this achievable the major shareholder has confirmed in writing to the Company that they will not seek repayment of the amounts owed under this agreement, entered into in January 2012, if and until the Company has recovered amounts due from subsidiary undertakings or realised its investments in the subsidiary undertakings, or has been in receipt of funds from its investments which would enable it to meet this financial commitment.

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

Notes *(continued)*

1 **Accounting policies** *(continued)*

Non-Consolidation and information in respect of subsidiaries

For the year ended 31 October 2017, none of the subsidiary undertakings have been consolidated on the grounds that the information necessary for the preparation of consolidated financial statements for the primary trading entities in the US cannot be obtained without disproportionate expense or undue delay.

The directors believe it is not possible to complete the preparation and the audit of the accounts in the US without incurring substantial additional costs which the directors believe outweighs the benefits to the shareholders and stakeholders of the group. The company's reasons for the non-preparation of consolidated financial statements are not in accordance with the requirements of Financial Reporting Standard 102. Accordingly these financial statements present information about the individual company and not the group.

Where information is available regarding subsidiary undertakings in respect of capital and reserves and profit after tax attributable to the group, this is set out in note 9 to these financial statements.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that 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, except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Notes (continued)

2 Operating loss

	2017 £000	2016 £000
<i>Operating loss is stated after charging</i>		
Auditors' remuneration – Audit of these financial statements	5	4
– Audit of subsidiaries pursuant to legislation	-	-
	<u> </u>	<u> </u>

3 Remuneration of Directors

None of the directors received any remuneration during the year or the prior year.

4 Staff numbers and costs

The company did not employ any staff during the year or the prior year.

5 Other interest receivable and similar income

	2017 £000	2016 £000
On amounts due from related parties	12	18
	<u> </u>	<u> </u>
	12	18
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2017 £000	2016 £000
On loans due to related parties	12	18
	<u> </u>	<u> </u>
	12	18
	<u> </u>	<u> </u>

Notes (continued)

7 Taxation

Tax on loss on ordinary activities

The tax charge is made up as follows:

	2017	2016
	£000	£000
<i>Current taxation</i>		
UK corporation tax at 20% (2016: 20%)	-	-
	<hr/>	<hr/>
Total current tax	-	-
Deferred taxation	-	-
	<hr/>	<hr/>
Total tax charge	-	-
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax charge for the current period

The tax assessed for the year differs from the standard rate of 20% (2016 -20%) for corporation tax in the UK. The differences are explained below.

	2017	2016
	£000	£000
Loss on ordinary activities before tax	(5)	(4)
	<hr/>	<hr/>
Tax credit on losses at 20% (2016: 20%)	1	1
	<hr/>	<hr/>
Excess loss not utilised	(1)	(1)
Losses utilised	-	-
	<hr/>	<hr/>
Current tax credit for the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

There is an unrecognised Deferred Tax asset of £8.7m (2016: £8.7m).

Notes (continued)

8 Fixed asset investments

Company	Shares in subsidiary undertakings £
<i>Cost</i>	
As at 31 October 2017 and 31 October 2016	3

Shares in group undertakings comprise entirely of shares held in subsidiary undertakings.

The Company holds 100% of the share capital and voting rights of the following companies:

Name of subsidiary undertaking	Class of shares held	Country of incorporation	Principal activity
<i>Direct subsidiary undertakings</i>			
Everest Intermediate Limited	Ordinary shares	UK	Holding company
Everest Secondary Limited	Ordinary shares	UK	Holding company
Glass House Construction Limited	Ordinary shares	UK	Dormant
<i>Indirect subsidiary undertakings</i>			
Ultraframe North America Limited	Common stock	Canada	Sunroom sales
Four Seasons Sunrooms Acquisition Partnership	Common stock	USA	Holding company
Four Seasons 1 LLC	Common stock	USA	Holding company
Four Seasons Sun Rooms LLC	Common stock	USA	Holding company
Four Seasons Marketing Corp.	Common stock	USA	Sales and support of sunroom franchises
Four Seasons Solar Products LLC	Common stock	USA	Manufacture and sale of sunrooms
Fisher Skylights Inc.	Common stock	USA	Dormant
Wilmslow (Long Island) Properties LLC	Common stock	USA	Property leasing

Notes (continued)

9 Subsidiaries

Information relating to subsidiary undertakings is as follows:

Capital and reserves

	2017	2016
	£000	£000
Four Seasons Sunrooms LLC*	26,099	27,612
Ultraframe (North America) Limited*	(4,019)	(5,926)
Everest Intermediate Limited	(16,765)	(15,871)
Everest Secondary Limited	(16,765)	(15,871)

Profit/(loss) for the year

	2017	2016
	£000	£000
Four Seasons Sunrooms LLC*	2,943	2,694
Ultraframe (North America) Limited*	-	-
Everest Intermediate Limited	(894)	(894)
Everest Secondary Limited	(894)	(894)

Intercompany balance receivable/(payable) by NE Investments Ltd

	2017	2016
	£000	£000
Four Seasons Sunrooms LLC*	8,997	12,075
Ultraframe (North America) Limited*	-	-
Everest Intermediate Limited	-	-
Everest Secondary Limited	-	-

Interest payable to subsidiary

	2017	2016
	£000	£000
Four Seasons Sunrooms LLC*	12	18
Ultraframe (North America) Limited*	-	-
Everest Intermediate Limited	-	-
Everest Secondary Limited	-	-

Four Seasons Sunrooms LLC represent an aggregation of the results of the US subsidiaries listed in note 8.

Figures marked with a * are provisional and unaudited

Notes *(continued)*

10 Debtors

	2017 £000	2016 £000
Other debtors	10	8
Amounts owed by Group undertakings	8,997	12,075
	<u>9,007</u>	<u>9,793</u>

11 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts due to related parties	1,206	1,206
Shareholder loan	8,027	11,104
Other creditors	29	23
Accruals and deferred income	4	4
	<u>92,266</u>	<u>12,337</u>

Maturity of debt

The maturity of bank loans and other loans are detailed below.

	2017 £000	2016 £000
Amounts payable:		
Within 1 year	8,027	12,310
Between 1 and 5 years	-	-
Over 5 years	-	-
	<u>8,207</u>	<u>12,310</u>

On 16 January 2012, the Bank of Scotland "BoS" loan was transferred in part to the Company's major shareholder \$13.6m, which is repayable on demand.

Notes (continued)

12 Called up share capital

Group and Company	2017 £000	2016 £000
<i>Allotted and called up</i>		
100,000 Ordinary Shares of £1 each	100	100

13 Financial instruments

	2017 £000	2016 £000
<i>Financial assets</i>		
Assets held at amortised cost	9,007	12,083
<i>Financial liabilities</i>		
Liabilities held at amortised cost	9,266	12,337

Financial assets held at amortised cost comprise amounts owed by group undertakings and other debtors

Financial liabilities measured at amortised cost comprise amounts due to related parties, shareholder loans, other creditors and accruals.

14 Related party transactions

The following transactions were entered into during the year with related parties who are not part of the group but related through common control.

Related Party	Nature of relationship	Nature of transactions	Net Transactions £000	Balance at 31 Oct 2017 £000
Latium Management Services	Common Control	Trading	-	(29)
Four Seasons Sunrooms	Common Control	Loan	-	8,997
Latium Roofing Systems	Common Control	Loan	-	(1,206)
Related Party	Nature of relationship	Nature of transactions	Net Transactions £000	Balance at 31 Oct 2016 £000
Latium Management Services	Common Control	Trading	-	(23)
Four Seasons Sunrooms	Common Control	Loan	-	12,075
Latium Roofing Systems	Common Control	Loan	-	(1,206)

15 Ultimate controlling party

The ultimate controlling party is Brian Kennedy as he owns a majority stake in NE Investments Limited.