

Fire Glass UK Limited

Annual report and financial statements

Registered number 06737753

28 February 2019



Contents

Company Information	1
Strategic report	2-3
Directors' report	4-5
Statement of directors' responsibilities in respect of the annual report and the financial statements	6
Independent auditor's report to the members of Fire Glass UK Limited	7-9
Profit and Loss Account and Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes	14-28

Company Information

Directors

MR Buxton
NA Tilsley
SC Haynes

Secretary

MR Buxton

Auditors

KPMG
One St Peter's Square
Manchester
M2 3AE

Registered Office

c/o Addleshaw Goddard LLP
One St Peter's Square
Manchester
England
M2 3DE

Registered number

06737753

Strategic report

The directors present their report for the year ended 28 February 2019.

Review of business

The company is a market leading supplier and manufacturer of fire rated and other specialist glass products. It has five Branches throughout the United Kingdom and manufactures, cuts and processes its own products along with stock purchased from suppliers within the UK and stock imported from other European countries.

After 25 June 2019, in the post-year end period, the company was acquired by Pluto Bidco Limited.

Results and performance

The company continues to see growth in turnover of 3.1% to £15.455m during the year. The company continues to control increases in overheads and implementation of its 2018/19 Business Plan has resulted in a significant increase in net profit before tax, rising to £833,638 compared to £168,067 in 2017/18. The company continues to perform well and grow its market share year on year. This performance has been against the backdrop of an increasingly competitive and changing marketplace.

It is also against a backdrop of continued investment. During the year the company installed a new Furnace and Toughening Plant at its UK (West Midlands) Branch and moved its North (Manchester) Branch to larger premises; in addition to investment in machinery and maintenance across its other Branches and investment in a bespoke software system to increase efficiency which is now in place across all five sites.

The directors consider that the financial position of the business at 28 February 2019 is satisfactory.

Financial key performance indicators

An analysis of the turnover by branch as a percentage of total turnover, which the directors use as a key performance indicator, is as follows:

	2019	2018
	%	%
Midlands	41.25	39.98
North	21.37	22.11
South	15.39	15.48
East	9.83	10.29
Scotland	12.16	12.14

Principal risks and uncertainties

The principal risks and uncertainties facing the company are as a result of the current continuing economic climate in the UK due to the uncertainty of ongoing Brexit negotiations. The impact upon the UK economy as a result of leaving the European Union is uncertain and may have a consequential effect upon the business.

The effect of cash flow in this economic environment is a primary concern and the directors continue to monitor its risk of incurring bad debts. The company continues to maintain its policy of rigorous credit control to minimise this risk.

The market is highly competitive which can give rise to aggressive pricing structures by competitors. By working in collaboration with its key suppliers and customers the company aims to maintain its own competitive pricing structure and to continue to provide a high level of customer service. The core of the company's year on year business plan and development strategy is to ensure profitability is maintained in difficult market conditions.

Future developments

The company will continue to expand its specification, product range and market share further in 2019/20 and has continued to see growth in sales in the year now in progress. The company will continue to invest in expansion and development across its existing Branch network whilst also looking to expand its Branch network both within the UK and further afield.

Strategic report *(continued)*

It will also continue to invest in its technical support and fire-testing programme. The company's aim is to continue to lead the way in the changing fire-rated and specialist glass market by responding to market needs.

The company continues to remain profitable in the year now in progress and the directors are confident that the current year will show a further increase in profits.

The company has a clear, focused and defined strategy for moving the business forward which demonstrates its commitment to continuous improvement in its own production, the wellbeing of its staff and the health of the sector as a whole.

By order of the board

A handwritten signature in black ink, appearing to read 'Mr Buxton', with a long horizontal stroke extending to the right.

MR Buxton
Director

25 November 2019

Directors' report

The directors present their report and the financial statements for the year ended 28 February 2019.

Principal activity

The company's principal activity during the period was the supply of glazing products to the construction industry.

Results and dividends

The profit for the year, after taxation, amounted to £662,336 (2018: £120,282).

The directors do not recommend a final dividend payment (2018: £120,000).

Directors

The directors who served during the year were as follows:

MT Finney – Resigned 25 June 2019

PJ McGuire – Resigned 25 June 2019

KF Crane – Resigned 25 June 2019

JJ Vann – Resigned 25 June 2019

MR Buxton – Appointed 25 June 2019

NA Tilsley – Appointed 25 June 2019

SC Haynes

Disclosure of information to auditor

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

Directors' report *(continued)*

Other information

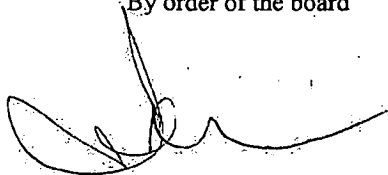
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 2 and 3.

Auditor

During the year, Attwood & Co resigned as auditors and KPMG LLP were appointed.

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

By order of the board

A handwritten signature in black ink, appearing to be 'MR Buxton', written over a horizontal line.

MR Buxton
Director

25 November 2019

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the report and 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 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 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.



One St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Fire Glass UK Limited

Opinion

We have audited the financial statements of Fire Glass UK Limited ("the company") for the year ended 28 February 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.



One St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Fire Glass UK Limited (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept; 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



One St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Fire Glass UK Limited (continued)

Auditor's responsibilities

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

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

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

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

Stuart Burdass (Senior Statutory Auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

Chartered Accountants

One St Peter's Square

Manchester

M2 3AE

26th November 2019

Profit and Loss Account
for the year ended 28 February 2019

	Note	2019 £	2018 £
Turnover	3	15,454,582	14,988,469
Cost of sales		(8,595,900)	(9,394,789)
Gross profit		6,858,682	5,593,680
Administrative expenses		(6,091,235)	(5,497,179)
Other operating income	4	76,818	60,000
Operating profit	5	844,265	156,501
Income from other fixed asset investments		4,121	12,463
Other interest receivable and similar income		243	-
Interest payable and similar expenses		(14,991)	(897)
Profit before taxation		833,638	168,067
Tax on profit	9	(171,302)	(47,785)
Profit for the financial year		662,336	120,282
Other comprehensive income			
Profit for the financial year		662,336	120,282
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		662,336	120,282

The notes on pages 14 to 28 form part of these financial statements.

Balance Sheet
at 28 February 2019

	<i>Note</i>	2019 £	2018 £
Fixed assets			
Tangible assets	10	1,484,067	1,576,896
Current assets			
Stocks	11	125,621	41,546
Debtors (including £6,047 (2018: £16,463) due after more than one year)	12	3,317,436	2,603,174
Cash at bank and in hand		246,422	475,925
		<u>3,689,479</u>	<u>3,120,645</u>
Creditors: amounts falling due within one year	13	<u>(4,100,588)</u>	<u>(4,282,006)</u>
Net current liabilities		(411,109)	(1,161,361)
Total assets less current liabilities		1,072,958	415,535
Creditors: amounts falling due after more than one year	14	(36,274)	(30,048)
Provisions for liabilities			
Deferred tax liability	16	(73,557)	(84,696)
Net assets		963,127	300,791
Capital and reserves			
Called up share capital	17	24,000	24,000
Share premium account	18	16,000	16,000
Profit and loss account	19	923,127	260,791
Shareholders' funds		963,127	300,791

These financial statements were approved by the board of directors on 25 November 2019 and were signed on its behalf by:



MR Buxton
Director

Company registered number: 6737753

The notes on pages 14 to 28 form part of these financial statements.

Statement of Changes in Equity

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
Balance at 1 March 2017	24,000	16,000	-	260,509	300,509
Profit	-	-	-	120,282	120,282
Dividends	-	-	-	(120,000)	(120,000)
Balance at 28 February 2018	24,000	16,000	-	260,791	300,791
Balance at 1 March 2018	24,000	16,000	-	260,791	300,791
Profit	-	-	-	662,336	662,336
Dividends	-	-	-	-	-
Balance at 28 February 2019	24,000	16,000	-	923,127	963,127

The notes on pages 14 to 28 form part of these financial statements.

Cash Flow Statement
for year ended 28 February 2019

	<i>Note</i>	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		662,336	120,282
Adjustments for:			
Gain on sale of tangible fixed assets		(4,121)	(12,463)
Interest receivable and similar income		(243)	-
Interest payable and similar expenses		14,991	897
Tax on profit on ordinary activities		171,302	47,785
Depreciation		437,109	389,675
(Increase)/decrease in stocks		(84,075)	97,117
(Increase)/decrease in trade and other debtors		(714,262)	24,908
(Decrease)/increase in trade and other creditors		195,126	309,673
		<hr/> 678,163	<hr/> 977,874
Interest received		243	-
Interest paid		(14,991)	(1,010)
Interest element of finance lease payments		-	113
Corporation tax paid		(49,670)	(59,630)
		<hr/>	<hr/>
Net cash from operating activities		613,745	917,347
		<hr/>	<hr/>
Cash flows from investing activities			
Payments to acquire tangible fixed assets		(333,415)	(1,259,641)
Proceeds from sale of tangible fixed assets		74,650	54,814
		<hr/>	<hr/>
Net cash from investing activities		(258,765)	(1,204,827)
		<hr/>	<hr/>
Cash flows from financing activities			
Equity dividends paid		(120,000)	-
(Loans repaid in year)/proceeds from new loans		(400,000)	400,000
Capital element of finance lease payments		(58,658)	(22,100)
		<hr/>	<hr/>
Net cash from financing activities		(578,658)	377,900
		<hr/>	<hr/>
Net cash generated			
Cash generated by operating activities		613,745	917,347
Cash used in investing activities		(258,765)	(1,204,827)
Cash generated by/(used in) financing activities		(578,658)	377,900
		<hr/>	<hr/>
Net cash generated/(used)		(223,678)	90,420
		<hr/>	<hr/>
Cash and cash equivalents at 1 March		470,100	379,680
		<hr/>	<hr/>
Cash and cash equivalents at 28 February		246,422	470,100
		<hr/>	<hr/>
Cash and cash equivalents comprise:			
Cash at bank		246,422	475,925
Bank overdrafts		-	(5,825)
		<hr/>	<hr/>
		246,422	470,100
		<hr/>	<hr/>

The notes on pages 14 to 28 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting Policies

Fire Glass UK Limited (the “company”) is a private company incorporated, domiciled and registered in England and Wales. The registered number is 6737753 and the registered address is One St. Peter’s Square, Manchester, M2 3DE.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Going concern

Notwithstanding net current liabilities of £411,109 as at 28 February 2019, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through its overdraft facility and funding from its immediate parent, Pluto Bidco Limited, to meet its liabilities as they fall due for that period.

Pluto Bidco Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.2 Basic financial instruments

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short term liquidity investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Notes (continued)

1 – Accounting policies (continued)

1.3 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

- Leasehold property improvements over 5 to 10 years
- Plant and machinery over 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

1.4 Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Notes (continued)

1 Accounting policies (continued)

1.5 Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

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

1.6 Employee benefits

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate. The assets of the scheme are held separately from those of the company in an independently administered fund.

1.7 Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

1.8 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Notes (continued)

1 Accounting policies (continued)

1.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes (continued)

1 Accounting policies (continued)

1.10 Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

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

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

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

Notes (continued)

2 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered to be reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and previous period. There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

3 Turnover

	2019 £	2018 £
Sale of goods	15,454,582	14,988,469
By geographical market:		
UK	15,451,802	14,988,469
Europe	2,780	-
	<u>15,454,582</u>	<u>14,988,469</u>

4 Other operating income

	2019 £	2018 £
Staff costs recharges	76,818	60,000
	<u>76,818</u>	<u>60,000</u>

5 Operating profit

This is stated after charging:

	2019 £	2018 £
Depreciation of owned fixed assets	404,969	372,004
Depreciation of assets held under finance leases and hire purchase contracts	32,140	17,671
Operating lease rentals – plant and machinery	8,407	3,640
Auditors' remuneration for audit services	25,000	9,925
Key management personnel compensation (including directors' emoluments)	94,575	96,226
	<u>565,091</u>	<u>599,466</u>

Notes (continued)

6 Directors' emoluments

	2019 £	2018 £
Emoluments	79,195	84,800
Company contributions to defined contribution pension plans	3,136	5,424
	<u>82,331</u>	<u>90,224</u>

Number of directors to whom retirement benefits accrued:

	2019 Number	2018 Number
Defined contribution plans	<u>1</u>	<u>1</u>

7 Staff numbers and costs

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

	2019 Number	2018 Number
Administration	44	43
Distribution	68	63
	<u>112</u>	<u>106</u>

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Wages and salaries	2,968,450	2,743,319
Social security costs	285,455	280,181
Other pension costs	52,699	33,419
	<u>3,306,604</u>	<u>3,056,919</u>

8 Interest payable

	2019 £	2018 £
Other loans	14,719	1,010
Finance charges payable under finance leases and hire purchase contracts	272	(113)
	<u>14,991</u>	<u>897</u>

Notes (continued)

9 Taxation

Analysis of charge in period

	2019 £	2018 £
Current tax:		
UK corporation tax on profits of the period	182,442	49,670
Deferred tax:		
Origination and reversal of timing differences	(11,139)	2,444
Effect of decreased tax rate on opening liability	-	(4,329)
	<u>(11,139)</u>	<u>(1,885)</u>
Tax on profit on ordinary activities	<u>171,302</u>	<u>47,785</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2019 £	2018 £
Profit on ordinary activities before tax	833,638	168,067
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	158,392	31,933
Effects of:		
Expenses not deductible for tax purposes	12,910	20,181
Adjustments to tax charge in respect of previous periods	-	(4,329)
Current tax charge for period	<u>171,302</u>	<u>47,785</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 28 February 2019 has been calculated based on these rates.

Notes (continued)

10 Tangible fixed assets

	Land and buildings £	Plant and Equipment £	Total £
Cost			
Balance at 1 March 2018	1,093,468	1,940,549	3,034,017
Additions	4,743	410,066	414,809
Disposals	(409,701)	(70,631)	(480,332)
	<hr/>	<hr/>	<hr/>
Balance at 28 February 2019	688,510	2,279,984	2,968,494
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
Balance at 1 March 2018	384,304	1,072,817	1,457,121
Depreciation charge for the year	66,291	370,818	437,109
Disposals	(348,577)	(61,226)	(409,803)
	<hr/>	<hr/>	<hr/>
Balance at 28 February 2019	102,018	1,382,409	1,484,427
	<hr/>	<hr/>	<hr/>
Net book value			
At 1 March 2018	709,164	867,732	1,576,896
	<hr/>	<hr/>	<hr/>
At 28 February 2019	586,492	897,575	1,484,067
	<hr/>	<hr/>	<hr/>

	2019 £	2018 £
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	130,217	94,637
	<hr/>	<hr/>

11 Stocks

	2019 £	2018 £
Finished goods and goods for resale	125,621	41,546
	<hr/>	<hr/>

Notes (continued)

12 Debtors

	2019 £	2018 £
Trade debtors	2,866,745	2,470,149
Other debtors	354,770	107,851
Prepayments and accrued income	95,921	25,174
	<u>3,317,436</u>	<u>2,603,174</u>
Due after more than one year (included in other debtors)	6,047	16,463

Debtors include prepayments and accrued income of £95,921 (2018: £25,174) and construction contract debtors of £6,047 (2018: £16,463) due after more than one year.

13 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank overdrafts (see note 23)	-	5,825
Other loans	-	400,000
Obligations under finance leases and hire purchase contracts (see note 15)	51,102	34,592
Trade creditors	1,953,523	2,604,096
Corporation tax	182,442	49,670
Other taxes and social security costs	600,353	376,894
Other creditors	578,383	9,147
Accruals and deferred income	734,785	681,782
Proposed dividend	-	120,000
	<u>4,100,588</u>	<u>4,282,006</u>

Notes (continued)

14 Creditors: amounts falling after more than one year

	2019 £	2018 £
Obligations under finance leases and hire purchase contracts (see note 15)	36,274	30,048
	<u>36,274</u>	<u>30,048</u>

15 Obligations under finance leases and hire purchase contracts

	2019 £	2018 £
Amounts payable:		
Within one year	51,102	34,592
Within two to five years	36,274	30,048
	<u>87,376</u>	<u>64,640</u>

16 Deferred taxation

	2019 £	2018 £
Accelerated capital allowances	73,557	84,696
	<u>73,557</u>	<u>84,696</u>
At 1 March	84,696	86,581
Credited to the profit and loss account	(11,139)	(1,885)
	<u>73,557</u>	<u>84,696</u>

Deferred tax assets and liabilities are attributable to the following:

	Assets 2019 £	2018 £	Liabilities 2019 £	2018 £	Net 2019 £	2018 £
Accelerated capital allowances	-	-	73,557	84,696	73,557	84,696
Net tax (assets) / liabilities	<u>-</u>	<u>-</u>	<u>73,557</u>	<u>84,696</u>	<u>73,557</u>	<u>84,696</u>

Notes (continued)

17 Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	24,000	24,000

18 Share premium

	2019 £	2018 £
At 1 March	16,000	16,000
At 28 February	16,000	16,000

19 Profit and loss account

	2019 £	2018 £
At 1 March	260,791	260,509
Profit for the financial year	662,336	120,282
Dividends	-	(120,000)
At 28 February	923,127	260,791

20 Dividends

	2019 £	2018 £
Dividends on ordinary shares (note 19)	-	120,000

Notes (continued)

21 Commitments

Capital commitments

	2019 £	2018 £
Amounts contracted for but not provided in the accounts	2,384	27,992

22 Commitments under operating leases

	2019 £	2018 £
Land and buildings		
Less than one year	37,500	37,500
Between one and five years	-	37,500
	37,500	75,000

23 Contingent liabilities

The company's bank overdraft facility is secured by a fixed and floating charge over all the property or undertakings of the company.

24 Loans to directors

Description and conditions

	B/fwd £	Paid £	Repaid £	C/fwd £
SC Haynes	4,092	-	1,537	2,555
Car loan repayable over 3 years				
	4,092	-	1,537	2,555

Notes (continued)

25 Related parties

The company has sold goods to and purchased goods and services from the following companies. These companies were controlled by the directors, MT Finney, PJ McGuire, KF Crane and JJ Vann by virtue of their own shareholdings and the shareholdings of their immediate families.

After 25 June 2019, in the post-year end period, the above named directors ceased to be related parties.

Year 28 February 2019	Sales £	Purchases £	Debtor £	Creditor £
Midland Building Products Ltd	699,775	1,141,784	64,127	424,129
Manchester Doors & Cubicles Ltd	341,083	32,500	33,630	89,254
Specialist Joinery Products Ltd	334,447	4,505	51,668	27,999
Southern Doors & Cubicles Ltd	109,861	43,907	9,762	25,754
Leeds Doors & Cubicles Ltd	42,954	-	18,750	17,787
Joinery Specialists Ltd	155,528	-	20,629	-
UK Doorsets Ltd	121,804	7,812	114,287	-
ZMR Ltd	-	100	-	-
Fire & Acoustic Seals Ltd	-	3,003	-	149
Glass Merchants UK Ltd	229,889	3,048,196	100,956	475,353

Year 28 February 2018	Sales £	Purchases £	Debtor £	Creditor £
Midland Building Products Ltd	705,019	963,534	85,470	308,132
Manchester Doors & Cubicles Ltd	283,190	35,431	61,881	86,254
Specialist Joinery Products Ltd	466,372	10,260	92,362	27,135
Southern Doors & Cubicles Ltd	134,355	43,900	26,406	26,810
Leeds Doors & Cubicles Ltd	24,257	-	4,403	-
Joinery Specialists Ltd	135,919	-	17,699	-
UK Doorsets Ltd	22,542	-	11,206	-
ZMR Ltd	-	250	-	-
Fire & Acoustic Seals Ltd	-	2,840	-	118
Glass Merchants UK Ltd	262,176	2,179,375	92,971	740,572

During the year, the company occupied commercial premises owned by Midland Building Products Limited Directors Pension Scheme with an annual market rental of £36,500. The company also occupied premises jointly owned by MT Finney, PJ McGuire, KF Crane and JJ Vann with an annual market rental of £91,000.

- In January 2018, Midland Building Products Limited provided the company with a loan of £400,000 repayable over two years, commencing March 2018 and with interest charged at 5.98%. During the year, this loan has been repaid in full.

	2019 £	2018 £
Dividends payable to directors	-	100,000

Notes (continued)

26 Controlling party

During the year, the company was controlled by the board of directors by virtue of their combined shareholdings that equated to 83.3% (2018: 83.3%) of the issued share capital. This applied for the accounting year ended 28 February 2019, for the previous accounting period it equated to 83.3% (2018: 66.7%).

After 25 June 2019, in the post-year end period, the company's ultimate parent undertaking became Pluto Topco Limited. The company's current ultimate controlling party is ESO Investco VI SARL, whose registered address is 412f, Route D'Esch, L-2086, Luxembourg.

27 Pensions

The company operates a defined contribution pension scheme. During the year contributions of £52,699 (2018: £33,419) were made.

28 Presentation currency

The financial statements are presented in Sterling.

29 Legal form of entity and country of incorporation

Fire Glass UK Limited is a private company limited by shares and incorporated in England.

30 Principal place of business

The address of the company's principal place of business is:

24-26 Hainge Road
Tividale
Oldbury
West Midlands
B69 2NH

The address of the company's registered office is:

One St Peter's Square
Manchester
England
M2 3DE