

Registered Number 7258554

Allied Glass Group Limited
Annual Report and Financial Statements
for the year ended 7 December 2013

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Allied Glass Group Limited

Annual Report and Financial Statements

for the year ended 7 December 2013

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Allied Glass Group Limited

Directors and advisers

Directors

I Slater
M Hutchinson
H Conger
A Henderson
P Morris
R Summers
J S Naughton
J T Hart

Company secretary

J S McLean

Registered office

69 South Accommodation Road
Leeds
LS10 1NQ

Independent auditors

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

Solicitors

Eversheds LLP
Bridgewater Place
Water Lane
Leeds
LS11 5DR

Bankers

Lloyds Bank Corporate Markets
Wholesale Loans Agency
1st Floor
10 Gresham Street
London
EC2V 7AE

Allied Glass Group Limited

Strategic report for the year ended 7 December 2013

The Directors present their strategic report and the audited consolidated financial statements of the Company for the year ended 7 December 2013.

Significant transaction

On 8 November 2013 the entire share capital of Allied Glass Group Limited was acquired by Project Aqua Bidco Limited with the ultimate controlling party changing to CBPE Capital from Equistone Partners Europe. Allied Glass Group Limited remained as the parent undertaking of the largest and smallest group of undertakings to consolidate financial statements as at 7 December 2013. As a result of the acquisition the Group's existing bank term loans and loan notes were repaid, and new financing put in place at the new parent company level.

Review of business and future developments

2013 has seen significant investment supporting good cost control measures and continual cost improvement initiatives. The achievement of being first in the UK glass container industry to obtain BS OHSAS 18001 accreditation is one that the Group is very proud of emphasising its commitment to providing excellent Health and Safety within the business. The rebuild and expansion of one of the furnaces during the year further progresses the Group's high environmental and energy efficient ambitions, as well as supporting future growth plans.

Underlying turnover has improved and new product development continues at a healthy pace with good continuity and conversion of new opportunities to support plans for organic growth in the future.

Key performance indicators

	7 December 2013		8 December 2012	
	Actual	Target	Actual	Target
Net working capital as a % of last 3 months sales	11.0	14.0	9.6	13.7

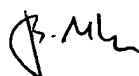
Actual less than target is better than.

Gross Margin %	34.6	35.1	35.7	35.6
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Actual greater than target is better than

These are considered by the directors as being fundamental measures to the business' financial wellbeing.

By order of the Board



J S McLean
Company Secretary
28 March 2014

Allied Glass Group Limited

Directors' report for the year ended 7 December 2013

Principal risks and uncertainties facing the Group

The key area of uncertainty for the Group is how well it adapts to ever changing circumstances and challenges presented by economical, political and technological influences. This includes interest rate and currency fluctuations, credit, liquidity and other financial risks sensitive to pricing decisions and competitive pressure. The Group attempts to manage these risks by using a variety of measures and policies governed by the Directors. The use of appropriate external advice and development of appropriate strategies to counter the threats posed are undertaken.

Financial risk management

The Group's principal financial instruments comprise sterling cash and bank deposits, bank loans and overdrafts, other loans and obligations under finance leases together with trade debtors and trade creditors that arise directly from its operations. Each of these are managed and maintained at levels deemed appropriate by the Directors in order to mitigate the risks identified.

The main risks arising from the Group's financial instruments can be analysed as follows:

Foreign currency risk

The Group is exposed in its trading operations to the risk of changes in foreign currency exchange rates. As the Group both buys and sells goods principally within Europe as well as the US the overall risk is not significant. The main foreign currencies in which the group operates are the Euro and the US dollar.

Credit risk

The Group's principal financial assets are bank balances, cash and trade debtors and represent the Group's total exposure to credit risk in relation to financial assets.

The Group's credit risk is primarily attributable to its trade debtors, which are covered by an appropriate level of credit insurance.

Liquidity risk

The Group's policy is to ensure there are appropriate levels of funding through various facilities including medium term bank loans, management backed loan notes, the acquisition of an element of the Group's fixed assets under finance leases, and overdraft and revolving credit facilities to manage its working capital requirements.

Cash flow interest rate risk

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a variable rate. Interest arising on the bank overdraft is at market rate. The Group's policy is to maintain the majority of other borrowings at fixed rates to fix the amount of future interest cash flows. In some instances rates are fixed by the use of financial swaps. The Directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the Group.

Dividends

The Directors have neither declared nor paid a dividend in the current or prior year.

Allied Glass Group Limited

Directors' report for the year ended 7 December 2013 (continued)

Going concern

The consolidated financial statements have been prepared on a going concern basis. The Directors have considered a number of factors, which are described in the going concern section of the statement of accounting policies, in reaching their conclusion.

As a consequence the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Group financial statements.

Environmental

The Group continues to maintain registration to the International Environmental Standard ISO 14001. The necessary permits to operate the manufacturing sites under the Integrated Pollution Prevention and Control regulations are in place and the Group continues to invest significant capital in plant and machinery to ensure continuation of the permits. Compliant investment in 2013 amounted to £Nil (2012: £24,000).

The Group is a member of the UK Glass Industry Climate Change Agreement ("UK CCA") and on the achievement of certain energy saving measures receives a discount of 90% (2012: 80%) effective from 1 April 2013 of the UK Climate Change Levy. All of the Group's commitments to the UK CCA have been met during the year.

The Group's registration as a re-processor of recycled glass has been maintained throughout the year.

The Group began to operate within phase 3 of the European carbon emissions trading scheme from 1 January 2013. The accounting policy to this scheme is described in the statement of accounting policies for the year ended 7 December 2013 of the financial statements.

Employee involvement

During the year the Group continued to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of all significant matters affecting the Group's trading position and of any significant organisational changes.

Employee involvement in the Group is encouraged, achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group. The Group encourages the involvement of employee's by means of its own intranet site, and committees such as works council, pension governance and sports & social.

It is the policy of the Group to support the employment of disabled persons where possible, both in recruitment and by retention of employees who become disabled whilst in the employment of the Group, as well as generally through training and career development.

Allied Glass Group Limited

Directors' report for the year ended 7 December 2013 (continued)

Directors

The current Directors of the Company are set out on page 1. Of those, Messrs I Slater and M Hutchinson were appointed as Directors on 8 November 2013 and Mr H Conger was appointed a Director on 18 December 2013 with the remainder serving throughout the year and up to the date of signing the financial statements. Messrs S O'Hare, B W McMillan, A Spencer and J C Wilde resigned as Directors on 8 November 2013.

Statement of Directors' responsibilities

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 prepared the Group and parent 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 Group and Company and of the profit or loss of the Group 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;
- 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 Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the person's who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) each director 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 Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Allied Glass Group Limited

Directors' report for the year ended 7 December 2013 (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting

By order of the Board



J S McLean

Company secretary

28 March 2014

Allied Glass Group Limited

Independent auditors' report to the members of Allied Glass Group Limited

We have audited the Group and parent Company financial statements (the "financial statements") of Allied Glass Group Limited for the year ended 7 December 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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.

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

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 parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 7 December 2013 and of the Group's profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Allied Glass Group Limited

Independent auditors' report to the members of Allied Glass Group Limited (continued)

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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andy Ward (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
31 March 2014

Allied Glass Group Limited

Consolidated profit and loss account for the year ended 7 December 2013

	Note	2013 £'000	2012 £'000
Turnover	1	103,169	102,083
Cost of sales		(74,534)	(72,299)
Gross profit		28,635	29,784
Distribution costs		(10,339)	(11,154)
Administrative expenses		(3,858)	(3,861)
Operating profit before goodwill amortisation		14,438	14,769
Goodwill amortisation		(1,543)	(1,550)
Operating profit	2	12,895	13,219
Interest receivable and similar income		29	28
Interest payable and similar charges	6	(8,618)	(5,858)
Profit on ordinary activities before taxation		4,306	7,389
Tax on profit on ordinary activities	7	(1,343)	(1,504)
Profit for the financial year	18	2,963	5,885

The Group has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

All of the activities of the Group are classified as continuing.

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

Allied Glass Group Limited

Consolidated balance sheet as at 7 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	8	25,754	27,297
Tangible assets	10	34,484	34,028
		60,238	61,325
Current assets			
Stocks	11	14,647	14,590
Debtors	12	15,814	17,554
Cash at bank and in hand		9,404	12,252
		39,865	44,396
Creditors: amounts falling due within one year	13	(85,076)	(25,322)
Net current (liabilities) / assets		(45,211)	19,074
Total assets less current liabilities		15,027	80,399
Creditors: amounts falling due after more than one year	14	(1,832)	(69,774)
Provisions for liabilities and charges	16	(1,886)	(2,279)
Net assets		11,309	8,346
Capital and reserves			
Called up share capital	17	739	739
Share premium account	18	115	115
Profit and loss account	18	10,455	7,492
Total shareholders' funds	19	11,309	8,346

The financial statements on pages 9 to 32 were approved by the board of directors on 28 March 2014 and were signed on its behalf by:



J T Hart
Director



A Henderson
Director

Registered number: 7258554

Allied Glass Group Limited

Company balance sheet as at 7 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	9	414	414
Current assets			
Debtors	12	42,883	41,292
Creditors: amounts falling due within one year	13	(41,391)	(434)
Net current assets		1,492	40,858
Total assets less current liabilities		1,906	41,272
Creditors: amounts falling due after more than one year	14	-	(45,978)
Net assets / (liabilities)		1,906	(4,706)
Capital and reserves			
Called up share capital	17	739	739
Share premium account	18	115	115
Profit and loss account	18	1,052	(5,560)
Total shareholders' funds / (deficit)	19	1,906	(4,706)

The financial statements on pages 9 to 32 were approved by the board of directors on 28 March 2014 and were signed on its behalf by:



J T Hart
Director



A Henderson
Director

Allied Glass Group Limited

Consolidated cash flow statement for the year ended 7 December 2013

	Note	2013 £'000	2012 £'000
Net cash inflow from operating activities	21	19,481	19,222
Returns on investment and servicing of finance			
Interest received		29	26
Interest paid		(1,854)	(2,047)
Interest element of finance lease payments		(85)	(113)
Net cash outflow from returns on investments and servicing of finance		(1,910)	(2,134)
Taxation			
Corporation tax paid		(2,343)	(2,620)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5,924)	(5,965)
Sale of tangible fixed assets		60	20
Net cash outflow for capital expenditure and financial investment		(5,864)	(5,945)
Net cash inflow from management of liquid resources		9,364	8,523
Financing			
Redemption of swap		(203)	-
Inception of loan from parent undertakings		64,655	-
Acquisition fees		-	(97)
Repayment of term loans		(24,905)	(5,515)
Repayment of loan notes		(50,977)	-
Inception of finance leases		-	671
Capital element of finance lease payments		(1,173)	(1,211)
Net cash outflow from financing		(12,603)	(6,152)
(Decrease) / increase in net cash	22	(3,239)	2,371

Allied Glass Group Limited

Statement of accounting policies for the year ended 7 December 2013

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies are set out below. These have been applied consistently throughout the year.

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent Company has not been separately disclosed in the financial statements. The Group is exempt from disclosing transactions with other Group companies under Financial Reporting Standard 8.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiary undertakings using acquisition accounting. The results of subsidiary undertakings acquired or disposed of during a financial year are included from, or up to, the effective date of acquisition or disposal.

Going concern

In determining whether the Group financial statements should continue to adopt the going concern basis the following factors are considered:

- The Group meets its day-to-day working capital requirements through its bank facilities for the foreseeable future. In doing so, cash flow forecasts are prepared with the use of financial modelling techniques.
- Key performance indicators are monitored with targets set to ensure that bank covenants are met and tracking in accordance with plan. The Directors' report provides details of those key performance indicators.
- Sources of finance are in place at its parent company for the foreseeable future that ensures the Group is able to meet its adopted strategy.

Turnover

Turnover is the revenue arising from the sales of goods and services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have been transferred to the buyer, which may be upon shipment, completion of the product or the product being ready for delivery, based on specific contract terms.

Allied Glass Group Limited

Statement of accounting policies for the year ended 7 December 2013 (continued)

Fixed assets

Depreciation is provided evenly on the cost or valuation of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land or assets in the course of construction.

The anticipated life of fixed assets is generally deemed to be no longer than:

Freehold buildings	50 years
Plant and machinery	12 years
Motor vehicles	5 years
Mould equipment	4 years

Where there is evidence of impairment, fixed assets are written down to recoverable amount.

Leased assets

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Group's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the year of the lease in proportion to the balance of capital repayments outstanding.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the terms of the leases.

Foreign currencies

Transactions denominated 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.

Goodwill

Goodwill, representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired, arising on business combinations is capitalised. Goodwill is amortised to nil by equal annual instalments over its estimated useful life of 20 years. In addition to systematic amortisation, the book value is written down to recoverable amount when any impairment is identified.

Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value after making due provision against obsolete and slow moving items. In the case of manufactured goods the term 'cost' includes raw materials, production wages and production overheads.

Pensions

The Group operates a defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the Group. The pension cost charge represents contributions payable in the year.

Allied Glass Group Limited

Statement of accounting policies for the year ended 7 December 2013 (continued)

Carbon emissions allowances

The Group has energy activities that are subject to the European carbon emissions trading scheme and is allocated carbon emissions allowances by the UK government.

Where actual carbon emissions in the year are less than the allowances received (adjusted for allowances traded in the year), the unused allowances are recognised on the balance sheet at the lower of their original market value at the date of grant and their value at the balance sheet date and income to that value is recognised as government grants received. Where actual carbon emissions exceed the granted allowances in the year (adjusted for allowances traded in the year), a liability is recognised based on the fair value at the balance sheet date of the additional allowances required and is shown in the profit and loss account as another charge. Sales during the year of allowances are recorded in the financial statements as carbon emissions traded.

Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

In accordance with FRS 19 deferred tax is not provided on timing differences arising from:

- a) Revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date; and
- b) Gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets.

Deferred tax assets are recognised if they are expected to be recovered.

Deferred tax is measured at the tax rates expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses in due course.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Allied Glass Group Limited

Statement of accounting policies for the year ended 7 December 2013 (continued)

Financial liabilities (continued)

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Compound instruments comprise both a liability and an equity component. At date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar debt instrument. The liability component is accounted for as a financial liability.

The residual is the difference between the net proceeds of issue and the liability component (at time of issue). The residual is the equity component, which is accounted for as an equity instrument.

The interest expense on the liability component is calculated by reassessing the fair value for the liability component of the instrument at each balance sheet date. The difference between this amount and any repayment is added to the carrying amount of the liability in the balance sheet.

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013

1 Turnover

	2013	2012
	£'000	£'000
Turnover by Geographical market		
UK	93,682	92,693
Rest of Europe	8,445	8,801
Rest of the World	1,042	589
	103,169	102,083

All turnover is derived from the same class of business

2 Operating profit

Operating profit is stated after charging / (crediting):	2013	2012
	£'000	£'000
Depreciation and other amounts written off tangible fixed assets		
- Owned	4,738	4,457
- Leased	655	701
Operating lease rentals		
- Plant and machinery	284	212
- Land and buildings	1,165	1,166
Loss / (profit) on disposal of fixed assets	15	(20)
Carbon emissions charge/(credit)	56	(115)

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

2 Operating profit (continued)

Auditors remuneration	2013	2012
	£'000	£'000
Services to the Company and its subsidiaries		
- fees payable to the Company auditor for the audit of the annual financial statements	10	9
Fees payable to the Company's auditor for other services		
- audit of the financial statements of the company's subsidiary pursuant to legislation	31	26
- other services relating to taxation – compliance and advice	54	18

3 Employee information

Average monthly number of persons employed by the Group (including Directors) during the year analysed by category was as follows:

	2013	2012
Production	574	590
Sales and distribution	57	59
Administration	37	41
	668	690

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

4 Employee costs

	2013	2012
	£'000	£'000
Wages and salaries	21,575	22,222
Social security costs	2,269	2,355
Other pension costs	1,184	1,111
	25,028	25,688

5 Directors' emoluments

	2013	2012
	£'000	£'000
Aggregate emoluments	773	983
Company pension contributions to money purchase scheme	43	42
	816	1,025

The aggregate emoluments of the highest paid Director were £149,000 (2012: £194,000) and pension contributions of £10,000 (2012: £10,000)

	2013	2012
Retirement benefits accruing to the following number of Directors in the defined contribution scheme	6	6

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

6 Interest payable and similar charges

	2013	2012
	£'000	£'000
Interest payable on bank overdrafts	233	172
Interest payable on bank loans	1,415	1,606
Interest payable on loan notes	4,216	4,410
Interest payable on finance leases	77	113
Loan issue costs	2,537	588
Finance credit on "A" Ordinary shares	-	(1,224)
Other similar charges payable	140	193
	8,618	5,858

As a result of the group loans being repaid on 8 November 2013, capitalised loan issue costs of £1,990,000 were written off to the profit and loss account.

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

7 Tax on profit on ordinary activities

The tax assessed for the year is higher (2012: lower) than the effective rate of corporation tax in the UK (23.33%)

a) Analysis of charge in year	2013	2012
	£'000	£'000
Current tax		
UK corporation tax at 23.33%% (2012: 24.6%)	1,746	2,323
Adjustment in respect of prior year	(9)	(743)
	1,737	1,580
Deferred tax		
Origination of timing differences (note 16)	(393)	(76)
Tax on profit on ordinary activities	1,343	1,504
b) Factors affecting tax charge for the year	2013	2012
	£'000	£'000
Profit on ordinary activities before tax	4,306	7,389
Profit on ordinary activities multiplied by the effective rate of corporation tax in the UK of 23.33% (2012: 24.63%)	1,005	1,820
Effects of:		
Expenses not deductible for tax purposes	320	54
Goodwill amortisation	360	379
Depreciation greater than capital allowances	85	65
Adjustment in respect of prior year	(9)	(743)
Short term timing differences	(24)	5
Total current tax (note 7a)	1,737	1,580

The standard rate of Corporation Tax in the United Kingdom changed from 24% to 23% with effect from 1 April 2013. Accordingly the company's profits for this financial year are taxed at an effective rate of 23.33%.

The rate will be reduced to 21% with effect from 1 April 2014.

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

8 Intangible fixed assets

Group	Goodwill
	£'000
Cost or valuation	
At 9 December 2012 and 7 December 2013	30,867
Accumulated amortisation	
At 9 December 2012	3,570
Charge for the year	1,543
At 7 December 2013	5,113
Net book amount	
At 7 December 2013	25,754
At 9 December 2012	27,297

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

9 Investments

Company	£'000
Cost and net book value	
At 9 December 2012 and 7 December 2013	414

The carrying value of the investments is supported by the underlying net asset position.

Subsidiaries	Interest in ordinary share and voting rights	Direct / Indirect holding	Country of registration	Principal activity
Project Magnum (Bidco) Limited	100%	Direct	England and Wales	Holding Company
Allied Glass Holdings Limited	100%	Indirect	England and Wales	Holding Company
Allied Glass Containers Limited	100%	Indirect	England and Wales	Glassware
Lax & Shaw Limited	100%	Indirect	England and Wales	Dormant
Gregg & Company (Knottingley) Limited	100%	Indirect	England and Wales	Dormant

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

10 Tangible assets

Group	Land and buildings	Plant and machinery	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 9 December 2012	7,724	34,726	2,132	44,582
Additions	95	3,866	1,963	5,924
Transfers	19	2,113	(2,132)	-
Disposals	-	(1,949)	-	(1,949)
At 7 December 2013	7,838	38,756	1,963	48,557
Accumulated depreciation				
At 9 December 2012	422	10,132	-	10,554
Charge for the year	199	5,194	-	5,393
Disposals	-	(1,874)	-	(1,874)
At 7 December 2013	621	13,452	-	14,073
Net book amount				
At 7 December 2013	7,217	25,304	1,963	34,484
At 9 December 2012	7,302	24,594	2,132	34,028

The net book value of tangible fixed assets includes £4,843,000 (2012: £5,498,000) in respect of assets held under finance leases. Depreciation charged in the year on those assets amounted to £655,000 (2012: £701,000). The Group has made commitments for capital expenditure of £1,412,000 (2012: £1,411,000) for which no provision has been made in these financial statements.

The net book value of land and buildings comprises:

	2013	2012
	£'000	£'000
Freehold	7,161	7,242
Long leasehold	56	60
	7,217	7,302

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

11 Stocks

Group	2013	2012
	£'000	£'000
Raw materials and consumables	2,906	3,080
Finished goods and goods for resale	11,741	11,510
	14,647	14,590

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

12 Debtors

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trade debtors	14,238	15,884	-	-
Amounts owed by group undertakings	-	-	42,837	41,290
Other debtors	280	147	-	-
Prepayments and accrued income	1,296	1,523	-	-
Other taxation and social security	-	-	45	-
Deferred tax asset (note 16)	-	-	1	2
	15,814	17,554	42,883	41,292

Amounts owed by group undertakings are repayable on demand and carry no interest or security.

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

13 Creditors: Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 15)	1,113	3,371	-	-
Less: unamortised issue costs	-	(445)	-	-
Obligations under finance leases (note15)	1,011	1,174	-	-
Net debt due within one year	2,124	4,100	-	-
Trade creditors	12,185	13,664	-	-
Amounts owed to parent undertakings	64,655	-	41,097	-
Corporation tax payable	453	1,059	-	-
Other taxation and social security	2,124	2,566	-	35
Accruals and deferred income	3,535	3,933	294	399
	85,076	25,322	41,391	434

Amounts owed to group undertakings are repayable on demand, and carry no interest or security. Included within these group undertakings are related party creditors of £41,088,000 owed to Project Aqua Bidco Limited and £9,000 owed to Project Aqua Topco Limited.

14 Creditors: Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (note 15)	-	22,256	-	-
Loan notes	-	46,768	-	46,768
Less: unamortised issue costs	-	(2,092)	-	(790)
Obligations under finance leases (note15)	1,832	2,842	-	-
Net debt due after more than one year	1,832	69,774	-	45,978

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

15 Loans and other borrowings

Loans and overdraft

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Maturity of debt				
In one year or less, or on demand	1,113	2,925	-	-
In more than one year, but not more than two years	-	2,203	-	-
In more than two years, but not more than five years	-	18,751	-	-
In more than five years	-	45,978	-	45,978
	1,113	69,857	-	45,978

Finance leases

Group	2013	2012
	£'000	£'000
In one year or less, or on demand	1,011	1,174
In more than one year, but not more than two years	960	1,009
In more than two years, but not more than five years	872	1,789
In more than five years	-	44
	2,843	4,016

As a consequence of the acquisition of the Group by Project Aqua Bidco Limited on 8 November 2013 the existing banking facilities and loan notes were repaid. Allied Glass Group Limited and its subsidiaries are guarantors to a £70million senior term facilities agreement.

The bank overdraft of £1,113,000 (2012: £722,000) due within 1 year is more than offset by cash at bank and is the subject of a Group banking arrangement with a combined overdraft facility of £5,000,000. In addition there is provision to enter into a revolving credit facility of £7,000,000 if required within the terms of the overall banking agreement up until 7 November 2020.

The bank facilities are secured by fixed and floating charges over the assets of the company.

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

16 Provisions for liabilities and charges / (deferred assets)

Deferred tax	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Accelerated capital allowances	1,931	2,353	-	-
Other short term timing differences	(45)	(74)	(1)	(2)
Total deferred tax liabilities / (assets)	1,886	2,279	(1)	(2)

Movement on provisions for liabilities / (deferred assets)	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
At 9 December 2012	2,279	2,355	(2)	(38)
(Credited) / charged to profit and loss account (note 7a)	(393)	(76)	1	36
At 7 December 2013	1,886	2,279	(1)	(2)

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

17 Called up share capital

	2013		2012	
	Number	£'000	Number	£'000
Authorised				
'A' ordinary shares of £0.01 each	-	-	41,391,304	414
'B' ordinary shares of £0.01 each	-	-	8,941,356	89
'C' ordinary shares of £0.01 each	-	-	22,509,476	225
'D' ordinary shares of £0.01 each	-	-	1,108,696	11
Ordinary shares of £0.01 each	73,950,832	739	-	-
	73,950,832	739	73,950,832	739
Allotted and fully paid				
'A' ordinary shares of £0.01 each	-	-	41,391,304	414
'B' ordinary shares of £0.01 each	-	-	8,941,356	89
'C' ordinary shares of £0.01 each	-	-	22,509,476	225
'D' ordinary shares of £0.01 each	-	-	1,108,696	11
Ordinary shares of £0.01 each	73,950,832	739	-	-
	73,950,832	739	73,950,832	739

On 8 November 2013 9940471 'A' ordinary shares became deferred ordinary shares. Thereafter on the same day all classes of share became Ordinary shares.

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

18 Reserves

Group	Share premium account	Profit and loss account
	£'000	£'000
At 9 December 2012	115	7,492
Profit for the financial year	-	2,963
At 7 December 2013	115	10,455

Company	Share premium account	Profit and loss account
	£'000	£'000
At 9 December 2012	115	(5,560)
Profit for the financial year	-	6,612
At 7 December 2013	115	1,052

19 Reconciliation of movements in shareholders' funds / (deficit)

	Group		Company	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Profit / (loss) for the financial year	2,963	5,885	6,612	(651)
New additions to / (decreases in) shareholders funds	2,963	5,885	6,612	(651)
Opening shareholders funds / (deficit)	8,346	2,461	(4,706)	(4,055)
Closing shareholders' funds / (deficit)	11,309	8,346	1,906	(4,706)

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

20 Financial commitments

The Group has annual commitments under non-cancellable operating leases expiring as follows:

	Land and Buildings		Other	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Within one year	12	12	71	20
Within two to five years	461	461	213	182
After five years	692	692	-	-
	1,165	1,165	284	202

21 Reconciliation of operating profit to net cash inflow from operating activities

	2013	2012
	£'000	£'000
Operating profit	12,895	13,219
Depreciation charges (note 10)	5,393	5,158
Amortisation charges (note 8)	1,543	1,550
Loss / (profit) on sale of fixed assets	15	(20)
Increase in stocks	(57)	(2,375)
Decrease / (increase) in debtors	1,740	(766)
(Decrease) / increase in creditors	(2,048)	2,456
Net cash inflow from operating activities	19,481	19,222

Allied Glass Group Limited

Notes to the financial statements for the year ended 7 December 2013 (continued)

22 Reconciliation of cash flow to movements in net debt

	2013 £'000	2012 £'000
(Decrease) / increase in cash	(3,239)	2,371
Scheduled repayment of loans	1,374	2,515
Voluntary repayment of loans	4,000	3,000
Redemption of loans	70,508	-
Repayments of capital element of finance leases	1,173	1,211
New finance leases	-	(671)
Decrease in net debt from cash flow	73,816	8,426
Interest rolled into the capital value of loans	(4,209)	(4,299)
Non cash adjustment	-	1,224
Net debt movement	69,607	5,351

Non cash adjustment relates to the release of a previously recognised financial liability.

23 Analysis of net debt

	Opening balance £'000	Cash flow £'000	Interest rolled into capital value of loans £'000	Closing balance £'000
Cash at bank and in hand	12,252	(2,848)	-	9,404
Bank overdraft	(722)	(391)	-	(1,113)
Net cash	11,530	(3,239)	-	8,291
Loans	(71,673)	75,882	(4,209)	-
Finance leases	(4,016)	1,173	-	(2,843)
Borrowings	(75,689)	77,055	(4,209)	(2,843)
Net (debt)/cash	(64,159)	73,816	(4,209)	5,448

24 Ultimate parent undertaking and ultimate controlling party

The Directors consider CBPE Capital LLP to be the ultimate controlling party and parent undertaking.

Following the acquisition of the Group by CBPE Capital LLP the ultimate parent company of the Group became Project Aqua Topco Limited.