

Registered number 07259028

Glasscraft Decorative Limited

Annual report and financial statements

for the year ended 31 December 2016

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GLASSCRAFT DECORATIVE LIMITED

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GLASSCRAFT DECORATIVE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Dorsett
R Norris (appointed 13 January 2016)

REGISTERED OFFICE

Suite 1.3
20 Market Street
Altrincham
Cheshire
WA14 1PF

BANKERS

National Westminster Bank plc
1 Spinningfields Square
Manchester
M3 3AP

AUDITOR

Deloitte LLP
Statutory Auditor
2 Hardman Street
Manchester
M3 3HF
United Kingdom

GLASSCRAFT DECORATIVE LIMITED

STRATEGIC REPORT

The directors presents their strategic report, together with the directors' report audited financial statements and auditor's report, for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be the shaping and processing of flat glass, supplying the building and glazing industries with bespoke products.

REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS

The company's financial performance and position are as set out on pages 9 and 10. The directors consider the future prospects of the company to be satisfactory.

The profit after tax for the year of £313,283 (2015 - £268,899) has been transferred to reserves (2015 – transferred to reserves). The directors do not recommend payment of a dividend (2015 - same).

The directors consider the following financial key performance indicators to be relevant to his monitoring of the company and review these on a regular basis against forecast:

	2016 £	2015 £
Turnover	5,434,249	4,720,476
Gross profit	1,956,350	1,700,690
Gross margin	36.00%	36.03%
EBITDA	559,857	554,238

PRINCIPAL RISKS AND UNCERTAINTIES

Any fluctuation within the market pricing of glass remains an ongoing risk. Rising glass prices coupled with a quiet market make it difficult to pass costs on to customers, leaving us with a margin squeeze. To offset that risk we maintain close and longer term relationships with key suppliers and customers.

Another key risk is of instability in the customer portfolio. Competitor activity remains fierce and we constantly challenge ourselves to avoid complacency and to stay ahead of the market in terms of the quality and service we provide, but also in maintaining a longer strategic view on where the market is likely to go in the future and to seek out new incremental revenue streams.

To maintain a loyal and high calibre workforce, particularly the skilled workforce, we pay great attention to employee engagement and ensuring our pay rates are above any local competition for similar functions.

GLASSCRAFT DECORATIVE LIMITED

STRATEGIC REPORT

FUTURE DEVELOPMENTS

The directors expect the general level of activity to be stagnant for the forthcoming year particularly in the replacement domestic sector. With any anticipated growth coming from commercial, new build and the new venture opportunities that we are pursuing.

Approved by the director on16- Aug -.....2017.

Signed by the director:



R Norris

Director

Suite 1.3
20 Market Street
Altrincham
Cheshire
WA14 1PF

GLASSCRAFT DECORATIVE LIMITED

DIRECTORS' REPORT

The directors presents their annual report for the year ended 31 December 2016. The company's principal activities, strategic review, risks and uncertainties, and financial review are presented in the strategic report.

An indication of likely future developments of the Company is noted within the strategic report.

GOING CONCERN

The directors have a reasonable expectation that the Company have 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.

Further details regarding the adoption of the going concern basis can be found in the note 1 in the financial statements.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company's objective is to manage the working capital cycle in an effective manner.

Credit risk

The company's principal financial assets are bank balances and cash and trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, and use of credit insurance.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Cash flow risk

The company's cash flow risk is relatively low due to low levels of finance within the business. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses a mixture of long-term and short-term debt finance, and invoice financing within the business.

Further details regarding liquidity risk can be found in note 1 in the financial statements.

EMPLOYEES

The company employed an average of 71 employees throughout the year and staff retention and employee retention remains good. The company strongly supports apprenticeships and ongoing NVQ training for all staff. The senior management team is established and stable.

DIRECTORS

The directors that held office during the year and to the date of this report are as listed on page 1.

GLASSCRAFT DECORATIVE LIMITED

DIRECTORS' REPORT (continued)

DIVIDENDS

The directors do not recommend payment of a dividend (2015– same).

POLITICAL CONTRIBUTIONS

The company made no political donations during the financial year (2015 – same).

AUDITOR

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The 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 auditor is aware of that information.

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

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the board of directors on 16 - Aug - 2017.

Signed on their behalf by:



R Norris

Director

Suite 1.3
20 Market Street
Altrincham
Cheshire
WA14 1PF

GLASSCRAFT DECORATIVE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments 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; and
- 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 AUDITOR'S REPORT TO THE MEMBERS OF GLASSCRAFT DECORATIVE LIMITED

We have audited the financial statements of Glasscraft Decorative Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLASSCRAFT DECORATIVE 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, 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.



Anthony J Farnworth BA (Hons) ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

17 August 2017

GLASSCRAFT DECORATIVE LIMITED

Profit and loss account

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	5,433,249	4,720,476
Cost of sales		<u>(3,477,899)</u>	<u>(3,019,786)</u>
Gross profit		1,955,350	1,700,690
Administrative expenses		<u>(1,537,464)</u>	<u>(1,340,931)</u>
Operating profit		418,886	359,759
Finance costs (net)	4	<u>(32,040)</u>	<u>(20,378)</u>
Profit on ordinary activities before taxation	5	386,846	339,381
Tax on profit on ordinary activities	9	<u>(72,563)</u>	<u>(70,482)</u>
Profit for the financial year attributable to the equity shareholders of the Company		<u>313,283</u>	<u>268,899</u>

The above results relate to continuing operations.

There are no income or expenses arising in the current or prior year other than those stated in the profit and loss account. Accordingly, a separate statement of comprehensive income has not been presented.

GLASSCRAFT DECORATIVE LIMITED

Balance sheet At 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	10	1,587,320	879,651
Current assets			
Stocks	11	323,308	192,944
Debtors			
– due within one year	12	1,236,631	964,882
Cash at bank and in hand		23,717	43,290
		<u>1,583,656</u>	<u>1,201,116</u>
Creditors: amounts falling due within one year	13	<u>(1,359,696)</u>	<u>(1,089,370)</u>
Net current assets		<u>223,960</u>	<u>111,746</u>
Total assets less current liabilities		<u>1,811,280</u>	<u>991,397</u>
Creditors: amounts falling due after more than one year	14	<u>(539,171)</u>	<u>(61,553)</u>
Provisions for liabilities	15	<u>(32,514)</u>	<u>(3,532)</u>
Net assets		<u><u>1,239,595</u></u>	<u><u>926,312</u></u>
Capital and reserves			
Called-up share capital	16	100	100
Profit and loss account	16	<u>1,239,495</u>	<u>926,212</u>
Shareholders' funds		<u><u>1,239,595</u></u>	<u><u>926,312</u></u>

The financial statements of Glasscraft Decorative Limited (registered number 07259028) were approved by the board of directors and authorised for issue on 16 - Aug - 2017. They were signed on its behalf by:



R Norris

Director

GLASSCRAFT DECORATIVE LIMITED

Statement of changes in equity At 31 December 2016

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2015	100	657,313	657,413
Profit for the financial year	-	268,899	268,899
Total comprehensive income	-	268,899	268,899
At 31 December 2015	100	926,212	926,312
Profit for the financial year	-	313,283	313,283
Total comprehensive income	-	313,283	313,283
At 31 December 2016	100	1,239,495	1,239,595

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements For the year ended 31 December 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Glasscraft Decorative Limited is a private company incorporated in the England and Wales limited by shares under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Glasscraft Decorative Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Glasscraft Decorative Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Glasscraft Decorative Limited is consolidated in the financial statements of its parent, Corpacq Limited. Exemptions have been taken in these separate company financial statements in relation to presentation of a cash flow statement, financial instruments and remuneration of key management personnel.

b. Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the company; its cash flows, liquidity position and borrowing facilities; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposure to credit risk and liquidity risk.

The objective of the company's financial management is to manage the financial risk at acceptable levels. The principal risks to the company remain the nature of the economy, in particular activity levels within the construction industry, glass prices and competitive landscape. The directors fully expect the challenging trading conditions to remain throughout 2017 however industry results and market activity show all these metrics to be gradually improving, which is contributing to feeding profitability and improved post year-end sales numbers. The directors further believe that the actions previously taken will continue to deliver quantifiable improvements in profitability for 2017.

The directors consider the outlook presents continued challenges for Glasscraft Decorative Limited in terms of sales volumes. The directors have instituted measures to reduce costs and preserve cash such as the use of an invoice financing facility, but the circumstances create uncertainty over sales levels and therefore cash. However, having considered all the uncertainties the directors have a reasonable expectation that the company has adequate resources in place to continue for the foreseeable future. For these reasons he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2016

1. Accounting policies (continued)

c. *Tangible fixed assets*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	2% on cost (land is not depreciated)
Plant and machinery	10% reducing balance
Fixtures, fittings and equipment	25% and 33% on cost
Motor vehicles	25% on cost

d. *Financial instruments*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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 company after deducting all of its liabilities.

(i) *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2016

1. Accounting policies (continued)

d. Financial instruments (continued)

- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

e. Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes materials and direct labour. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2016

1. Accounting policies (continued)

f. Impairment of assets (continued)

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued) For the year ended 31 December 2016

1. Accounting policies (continued)

h. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

i. Employee benefits

Glasscraft Decorative Limited operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

j. Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The directors do not consider there to be any significant sources of estimation uncertainty or critical judgments in the current or prior year. The estimates and underlying assumptions are 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 the revision and future periods if the revision affects both current and future periods.

3. Turnover and revenue

An analysis of the company's turnover by class of business is set out below.

	2016 £	2015 £
Turnover:		
Sale of goods	<u>5,434,249</u>	<u>4,720,476</u>

An analysis of the company's turnover by geographical market is set out below.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued) For the year ended 31 December 2016

3. Turnover and revenue (continued)

	2016 £	2015 £
Turnover:		
UK	<u>5,434,249</u>	<u>4,720,476</u>

4. Finance costs (net)

	2016 £	2015 £
Finance leases and hire purchase contracts	32,173	2,324
Amounts due to group undertakings	-	18,173
Bank interest receivable	<u>(133)</u>	<u>(119)</u>
	<u>32,040</u>	<u>20,378</u>

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2016 £	2015 £
Impairment of stock	-	-
Depreciation of tangible fixed assets (note 10)	140,971	115,051
Operating lease rentals	143,119	127,885
Loss on disposal of fixed assets	<u>-</u>	<u>49,428</u>

6. Auditor's remuneration

Fees payable to Deloitte and their associates for the audit of the company's annual accounts were £9,000 (2015: £8,500).

Fees payable to Deloitte and its associates for non-audit tax compliance services to the Company totalled £4,850 (2015: £4,850).

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2016

7. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2016 Number	2015 Number
Production & Distribution	61	53
Administration & Sales	10	8
	<u>71</u>	<u>61</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,457,347	1,174,302
Social security costs	115,071	81,683
Other pension costs (see note 17)	8,934	4,822
	<u>1,581,352</u>	<u>1,260,807</u>

'Other pension costs' includes only those items included within operating costs.

8. Directors' remuneration and transactions

	2016 £	2015 £
<i>Directors' remuneration</i>		
Emoluments	73,086	-
Company contributions to money purchase pension schemes	2,923	-
	<u>76,009</u>	<u>-</u>

The number of directors who:

	1	2	2
Are members of a money purchase pension scheme	<u>1</u>	<u>2</u>	<u>2</u>

In the prior year directors were only remunerated through CorpAcq Limited, the parent company.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2016

9. Tax on profit on ordinary activities

The tax charge comprises:

	2016 £	2015 £
Current tax on profit on ordinary activities		
UK corporation tax	47,927	81,784
Adjustments in respect of prior periods	(4,347)	(39)
Total current tax	<u>(43,580)</u>	<u>81,745</u>
Deferred tax		
Origination and reversal of timing differences	30,855	(11,004)
Adjustment in respect of previous periods	3,126	-
Effect of change in tax rates	(4,998)	(259)
Total deferred tax (see note 15)	<u>(28,983)</u>	<u>(11,263)</u>
Total tax on profit on ordinary activities	<u>72,563</u>	<u>70,482</u>

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>386,846</u>	<u>339,381</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.00% (2015: 20.25%)	77,169	68,713
Effects of:		
- Expenses not deductible for tax purposes	1,613	2,067
- Adjustments to tax charge in respect of previous periods	(1,221)	(39)
- Effects of change in tax rates	(4,998)	(259)
Total tax charge for year	<u>72,563</u>	<u>70,482</u>

Finance Act 2016, which was substantively enacted in September 2016, included provisions to reduce the rate of corporation tax to 17% with effect from 1 April 2020, and Finance Act 2015 (No.2) included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017. Accordingly, deferred tax balances have been revalued to the lower rate of 17% in these accounts which has resulted in a credit to the profit & loss account of £4,988. To the extent that the deferred tax reverses before 1 April 2020 then the impact on the net deferred tax asset will be reduced.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued) For the year ended 31 December 2016

10. Tangible fixed assets

	Leasehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2016	26,992	1,204,243	115,513	12,080	1,358,828
Additions	-	834,110	57,162	4,489	895,761
Disposals	-	(83,750)	-	-	(83,750)
At 31 December 2016	<u>26,992</u>	<u>1,954,603</u>	<u>172,675</u>	<u>16,569</u>	<u>2,170,839</u>
Depreciation					
At 1 January 2016	2,969	401,129	68,665	6,414	479,177
Charge for the year	539	111,906	26,127	2,399	140,971
Disposals	-	(36,629)	-	-	(36,629)
At 31 December 2016	<u>3,508</u>	<u>476,406</u>	<u>94,792</u>	<u>8,813</u>	<u>583,519</u>
Net book value					
At 31 December 2016	<u>23,484</u>	<u>1,478,197</u>	<u>77,883</u>	<u>7,756</u>	<u>1,587,320</u>
At 31 December 2015	<u>24,023</u>	<u>803,114</u>	<u>46,848</u>	<u>5,666</u>	<u>879,651</u>
Leased assets included above:					
Net book value					
At 31 December 2016	<u>-</u>	<u>843,772</u>	<u>-</u>	<u>-</u>	<u>843,772</u>
At 31 December 2015	<u>-</u>	<u>216,133</u>	<u>-</u>	<u>-</u>	<u>216,133</u>

11. Stocks

	2016 £	2015 £
Raw materials and consumables	289,308	165,006
Work in progress	34,000	27,938
	<u>323,308</u>	<u>192,944</u>

There is no material difference between the carrying value of stock and their replacement cost.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2016

12. Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,060,417	801,076
Amounts owed by group undertakings	-	319
Other debtors: called-up unpaid share capital (note 16)	100	100
Group relief debtor	74,841	74,841
Prepayments and accrued income	101,273	88,546
	<u>1,236,631</u>	<u>964,882</u>

All amounts are due within one year.

13. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	353,284	306,707
Obligations under finance leases and hire purchase contracts	124,890	23,629
Amounts owed to group undertakings	104,865	297,304
Corporation tax	40,283	73,953
Other taxation and social security	24,086	94,682
Other creditors	614,651	197,384
Accruals and deferred income	97,637	95,711
	<u>1,359,696</u>	<u>1,089,370</u>

Amounts owed to group undertakings did not attract interest in the year (2015: 6.1%)

Amounts due under hire purchase contracts are secured on the assets to which the contracts relate.

Included in other creditors is an amount in respect of an invoice discounting facility of £613,640 (2015 - £196,568). This facility is secured on the assets of the company.

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

	2016 £	2015 £
Obligations under finance leases and hire purchase contracts	<u>539,171</u>	<u>61,553</u>

Amounts due under hire purchase contracts are secured on the assets to which the contracts relate.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued)

For the year ended 31 December 2016

14. Creditors: amounts falling due after more than one year (continued)

	2016 £	2015 £
Borrowings are repayable as follows:		
Finance leases		
Between one and two years	137,250	25,320
Between two and five years	401,921	36,233
	<hr/>	<hr/>
On demand or within one year	124,890	23,629
	<hr/>	<hr/>
	664,061	85,182
	<hr/>	<hr/>

15. Provisions for liabilities

	2016 £
Deferred tax liability	
At 1 January 2016	3,532
Credited to profit and loss account	28,982
	<hr/>
At 31 December 2016	32,514
	<hr/>

Deferred tax

Deferred tax is provided as follows:

	2016 £	2015 £
Accelerated capital allowances	32,514	6,657
Short term timing differences	-	(3,125)
	<hr/>	<hr/>
Provision for deferred tax	31,514	3,532
	<hr/>	<hr/>

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the company.

GLASSCRAFT DECORATIVE LIMITED

Notes to the financial statements (continued) For the year ended 31 December 2016

16. Called-up share capital and reserves

	2016 £	2015 £
Allotted and called up		
100 Ordinary shares (2015: 100) of £1 each – unpaid	100	100

The company has one class of ordinary shares which carry no right to fixed income.

The company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

17. Employee benefits

Defined contribution schemes

The company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge of £8,934 (2015 – £4,822) represents contributions payable by the company to the fund. There was £1,011 outstanding at the year-end (2015 – £nil).

18. Contingent liabilities

Lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings 2016 £	Land and buildings 2015 £
Expiry date		
- within one year	148,514	126,700
- between two and five years	97,812	137,258
- after five years	109,067	-

19. Related party transactions

The company has taken advantage of the disclosure exemptions available in FRS 102 Section 33 in relation to balances and transactions between other wholly-owned entities within the group headed by CorpAcq Limited, the registered office of which is stated below. The immediate parent is CorpAcq Finance, a wholly-owned subsidiary of CorpAcq Limited.

20. Controlling party

The immediate parent is CorpAcq Finance Limited. The ultimate parent company is CorpAcq Limited, a company registered in England and Wales, by virtue of its 100% shareholding. Both are registered at the below address.

The largest and smallest group in which the results of the company are consolidated is that headed by its ultimate parent company. The consolidated financial statements of the group are available to the public and may be obtained from CorpAcq Limited at Suite 1.3, 20 Market Street, Altrincham, Cheshire, WA14 1PF, United Kingdom.

The ultimate controlling party is Mr S Orange by virtue of his shareholding in the ultimate parent company.