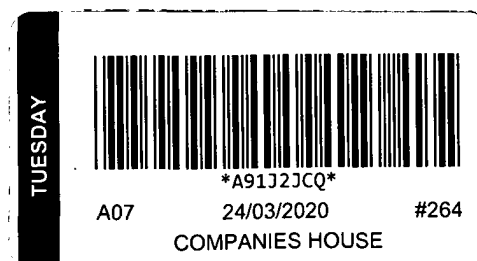


**COMPANY REGISTRATION NUMBER: 08193415**

**CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 2019**



# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **FINANCIAL STATEMENTS**

**Year ended 31 August 2019**

<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	<b>1</b>
Strategic report	<b>2</b>
Director's report	<b>3 to 4</b>
Independent auditor's report to the members	<b>5 to 8</b>
Consolidated profit and loss account	<b>9</b>
Company statement of income and retained earnings	<b>10</b>
Consolidated balance sheet	<b>11</b>
Balance sheet	<b>12</b>
Consolidated cash flow statement	<b>13</b>
Notes to the financial statements	<b>14 to 26</b>

# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **Director**

Mr P A Hayward

### **Registered office**

Cedar House  
Hazell Drive  
Newport  
South Wales  
NP10 8FY

### **Auditor**

Kilsby & Williams LLP  
Chartered accountants & statutory auditor  
Cedar House  
Hazell Drive  
Newport  
NP10 8FY

### **Bankers**

National Westminster Bank Plc  
14 Market Street  
Ebbw Vale  
Blaenau Gwent  
NP23 6YG

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## STRATEGIC REPORT

### Year ended 31 August 2019

The results for the year and the financial position at the year end are considered satisfactory by the director.

The director believes the main performance indicators are turnover and the gross profit margin. Performance of the group was as follows:

	2019	2018
Turnover (£'000)	12,228	10,521
Gross Profit (%)	36	36
Recurring operating profit (£'000)	2,183	1,795

The group experienced record sales volumes in the current year as a result of the current market.

The gross profit margin has remained consistent due to longstanding relationships with suppliers securing reduced costs.

The operating profit in the prior year was impacted by a loss on the disposal of the former trading premises and related plant amounting to £732,561.

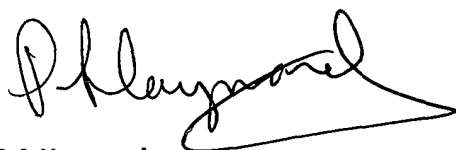
The end of the current financial year saw the addition of a new premises to enable an increase in production capacity. Coupled with the increase in demand experienced in the current year, sales are set to continue to increase in the next financial year. Having secured costs to maintain a healthy gross profit margin, it is ensured the group has adequate funding to meet its obligations under financial instruments as they fall due.

The director continues to monitor costs and is confident that the group will continue to trade well in the current economy.

#### Principal risks

The main risks to the group are those associated with a general downturn in the economy and competition from larger manufacturers in the industry. The director actively manages the company so that when risks do materialise they can be addressed promptly and efficiently.

This report was approved by the board of directors on 20/03/2020 and signed on behalf of the board by:



**Mr P A Hayward**  
Director

# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **DIRECTOR'S REPORT**

### **Year ended 31 August 2019**

The director presents his report and the financial statements of the group for the year ended 31 August 2019.

#### **Principal activities**

The principal activity of the company is that of a holding company. The principal activity of the group during the period was the manufacture of glass windows and other glass products.

#### **Director**

The director who served the company during the year was as follows:

Mr P A Hayward

#### **Dividends**

Particulars of recommended dividends are detailed in note 15 to the financial statements.

#### **Financial instruments**

The group's principal instruments comprise bank balances, trade creditors, trade debtors, bank loans, finance lease agreements and other loans due to/ from the company. The main purpose of these instruments is to raise funds and to finance the company's operations.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of loans these comprise loans to financial institutions. The interest rate on the loans from the financial institutions is variable but the monthly repayments are fixed. The group manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

The group is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed in the same way as loans above.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **Disclosure of information in the strategic report**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 we set out in the group's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

#### **Director's responsibilities statement**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

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

# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **DIRECTOR'S REPORT** *(continued)*

### **Year ended 31 August 2019**

In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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. He is 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.

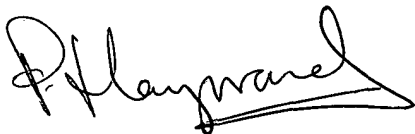
#### **Auditor**

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

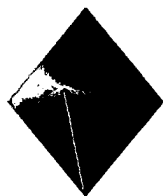
- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 20/03/2020 and signed on behalf of the board by:



**Mr P A Hayward**  
**Director**



**KILSBY  
WILLIAMS**  
Chartered Accountants

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

**Year ended 31 August 2019**

### **Opinion**

We have audited the financial statements of Cwmtillery Glass Centre (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2019 which comprise the consolidated profit and loss account, company statement of income and retained earnings, consolidated balance sheet, balance sheet, consolidated cash flow statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

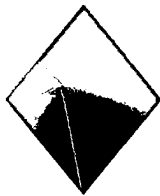
### **Basis for opinion**

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

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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



**KILSBY  
WILLIAMS**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWMTILLERY  
GLASS CENTRE (HOLDINGS) LIMITED *(continued)***

**Year ended 31 August 2019**

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

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

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



**KILBY  
WILLIAMS**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWMILLERY  
GLASS CENTRE (HOLDINGS) LIMITED *(continued)***

**Year ended 31 August 2019**

**Responsibilities of the director**

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

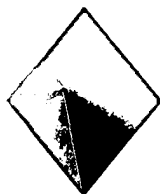
In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or



**KILSBY  
WILLIAMS**  
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWMTILLERY  
GLASS CENTRE (HOLDINGS) LIMITED *(continued)***

**Year ended 31 August 2019**

business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

*Simon Tee 23rd March 2020*

**Simon Tee (Senior Statutory Auditor)**

**For and on behalf of  
Kilsby & Williams LLP  
Chartered accountants & statutory auditor  
Cedar House  
Hazell Drive  
Newport  
NP10 8FY**

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 August 2019

	Note	2019 £	2018 £
<b>TURNOVER</b>	<b>5</b>	12,228,323	10,520,852
Cost of sales		(7,801,710)	(6,770,367)
<b>GROSS PROFIT</b>		4,426,613	3,750,485
Administrative expenses		(2,243,891)	(1,971,997)
Other operating income	<b>6</b>	–	16,667
Exceptional items		–	(732,561)
<b>OPERATING PROFIT</b>	<b>7</b>	2,182,722	1,062,594
Other interest receivable and similar income	<b>12</b>	6,631	1,977
Interest payable and similar expenses	<b>13</b>	(83,933)	(90,240)
<b>PROFIT BEFORE TAXATION</b>		2,105,420	974,331
Tax on profit	<b>14</b>	(441,302)	(323,284)
<b>PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME</b>		<u>1,664,118</u>	<u>651,047</u>
Dividends paid and payable	<b>15</b>	(600,000)	(275,000)
<b>RETAINED EARNINGS AT THE START OF THE YEAR</b>		4,043,478	3,667,431
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<u>5,107,596</u>	<u>4,043,478</u>

All the activities of the group are from continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

**CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

**COMPANY STATEMENT OF INCOME AND RETAINED EARNINGS**

**Year ended 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
Profit for the financial year and total comprehensive income		1,600,000	1,275,000
Dividends paid and payable	<b>15</b>	(600,000)	(275,000)
<b>RETAINED EARNINGS AT THE START OF THE YEAR</b>		<u>2,000,000</u>	<u>1,000,000</u>
<b>RETAINED EARNINGS AT THE END OF THE YEAR</b>		<u><u>3,000,000</u></u>	<u><u>2,000,000</u></u>

The notes on pages 14 to 26 form part of these financial statements.

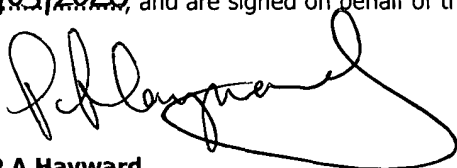
# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## CONSOLIDATED BALANCE SHEET

31 August 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	16	3,607,884	3,885,413
Tangible assets	17	6,148,114	4,388,616
		<u>9,755,998</u>	<u>8,274,029</u>
<b>CURRENT ASSETS</b>			
Stocks	19	92,474	164,098
Debtors	20	2,318,272	2,457,926
Cash at bank and in hand		1,834,118	1,760,383
		<u>4,244,864</u>	<u>4,382,407</u>
<b>CREDITORS: amounts falling due within one year</b>	21	(1,919,346)	(2,007,695)
<b>NET CURRENT ASSETS</b>		<u>2,325,518</u>	<u>2,374,712</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,081,516	10,648,741
<b>CREDITORS: amounts falling due after more than one year</b>	22	(2,561,930)	(2,311,322)
<b>PROVISIONS</b>			
Taxation including deferred tax	24	(395,760)	(277,711)
<b>NET ASSETS</b>		<u>9,123,826</u>	<u>8,059,708</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	28	4,016,230	4,016,230
Profit and loss account	29	5,107,596	4,043,478
<b>SHAREHOLDERS FUNDS</b>		<u>9,123,826</u>	<u>8,059,708</u>

These financial statements were approved by the board of directors and authorised for issue on 20/03/2020, and are signed on behalf of the board by:



Mr P A Hayward  
Director

Company registration number: 08193415

The notes on pages 14 to 26 form part of these financial statements.

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

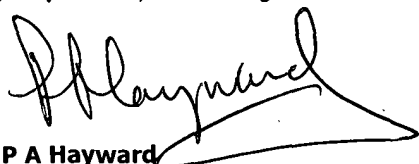
## BALANCE SHEET

31 August 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Investments	18	8,075,925	8,075,925
<b>CREDITORS: amounts falling due within one year</b>	21	(1,059,695)	(2,059,695)
<b>NET CURRENT LIABILITIES</b>		(1,059,695)	(2,059,695)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,016,230</u>	<u>6,016,230</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	28	4,016,230	4,016,230
Profit and loss account	29	3,000,000	2,000,000
<b>SHAREHOLDERS FUNDS</b>		<u>7,016,230</u>	<u>6,016,230</u>

The profit for the financial year of the parent company was £1,600,000 (2018: £1,275,000).

These financial statements were approved by the board of directors and authorised for issue on 20/03/2020, and are signed on behalf of the board by:



Mr P A Hayward  
Director

Company registration number: 08193415

The notes on pages 14 to 26 form part of these financial statements.

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 August 2019

	2019 £	2018 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	1,664,118	651,047
<i>Adjustments for:</i>		
Depreciation of tangible assets	499,243	498,844
Amortisation of intangible assets	277,529	277,529
Other interest receivable and similar income	(6,631)	(1,977)
Interest payable and similar expenses	83,933	90,240
Loss on disposal of tangible assets	59,637	732,561
Tax on profit	441,302	323,284
Accrued expenses/(income)	21,899	(141,951)
<i>Changes in:</i>		
Stocks	71,624	(5,823)
Trade and other debtors	(96,792)	(106,111)
Trade and other creditors	(187,059)	(270,442)
Cash generated from operations	2,828,803	2,047,201
Interest paid	(83,933)	(90,240)
Interest received	6,631	1,977
Tax paid	(373,760)	(479,622)
Net cash from operating activities	<u>2,377,741</u>	<u>1,479,316</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of tangible assets	(1,353,757)	(187,929)
Proceeds from sale of tangible assets	–	500,000
Net cash (used in)/from investing activities	<u>(1,353,757)</u>	<u>312,071</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of borrowings	(50,708)	(178,385)
Payments of finance lease liabilities	(535,987)	(510,131)
Dividends paid	(600,000)	(275,000)
Funds repaid/(withdrawn) by director	236,446	(300,876)
Net cash used in financing activities	<u>(950,249)</u>	<u>(1,264,392)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	73,735	526,995
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,760,383</u>	<u>1,233,388</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>1,834,118</u>	<u>1,760,383</u>

The notes on pages 14 to 26 form part of these financial statements.

# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 August 2019**

### **1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Cedar House, Hazell Drive, Newport, South Wales, NP10 8FY. The principal place of business is Festival Drive, Ebbw Vale, Blaenau Gwent, NP23 8XS.

### **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

#### **Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

#### **Turnover**

The turnover shown in the profit and loss account is derived from ordinary activities and represents the value of work done in the financial year, exclusive of Value Added Tax, including estimates of amounts not invoiced. Turnover is recognised by reference to the stage of completion of the contract.

#### **Exceptional items**

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**Year ended 31 August 2019**

### **3. ACCOUNTING POLICIES *(continued)***

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Operating leases**

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

#### **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**Year ended 31 August 2019**

### **3. ACCOUNTING POLICIES *(continued)***

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	2% straight line on buildings and nil on land
Plant and machinery	-	12% reducing balance
Fixtures and fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance

#### **Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS *(continued)***

**Year ended 31 August 2019**

### **3. ACCOUNTING POLICIES *(continued)***

#### **Finance leases and hire purchase contracts *(continued)***

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### **Financial instruments**

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.

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.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 August 2019

### 4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### Goodwill

The company establishes a reliable estimate of the useful economic life of goodwill arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

#### Useful economic life of tangible fixed assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### Warranty provisions

The company offers a 10 year warranty on all its products. Provisions for warranties are recognised as the company has an obligation arising from a past event and it is probable that an outflow of resources will be required to settle the obligation. The provision requires managements best estimate of the costs to be incurred and is calculated based on experience and current and historical data.

### 5. TURNOVER

Turnover arises from:

	2019 £	2018 £
Sale of goods	<u>12,228,323</u>	<u>10,520,852</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

### 6. OTHER OPERATING INCOME

	2019 £	2018 £
Rental income	<u>—</u>	<u>16,667</u>

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 August 2019

### 7. OPERATING PROFIT

Operating profit or loss is stated after charging/crediting:

	2019 £	2018 £
Amortisation of intangible assets	277,529	277,529
Depreciation of tangible assets	499,243	498,844
Loss on disposal of tangible assets	59,637	–
Cost of stocks recognised as an expense	5,096,435	4,361,672
Impairment of trade debtors	63,004	(220)
Foreign exchange differences	(4,776)	1,420

### 8. AUDITOR'S REMUNERATION

	2019 £	2018 £
Fees payable for the audit of the financial statements	7,750	5,500

### 9. STAFF COSTS

The average number of persons employed by the group during the year, including the director, amounted to:

	2019 No.	2018 No.
Production staff	116	116

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019 £	2018 £
Wages and salaries	2,379,964	2,266,933
Social security costs	192,538	185,362
Other pension costs	104,475	48,557
	<u>2,676,977</u>	<u>2,500,852</u>

### 10. DIRECTOR'S REMUNERATION

The director's aggregate remuneration in respect of qualifying services was:

	2019 £	2018 £
Remuneration	<u>13,605</u>	<u>12,228</u>

### 11. EXCEPTIONAL ITEMS

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Loss on sale of tangible assets	<u>–</u>	<u>732,561</u>	<u>–</u>	<u>–</u>

During the prior year a subsidiary company sold its former factory site resulting in a loss on sale of £732,561.

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 August 2019

### 12. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
Interest on cash and cash equivalents	<u>6,631</u>	<u>1,977</u>

### 13. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Interest on banks loans and overdrafts	21,209	20,707
Interest on obligations under finance leases and hire purchase contracts	62,484	69,533
Other interest payable and similar charges	240	—
	<u>83,933</u>	<u>90,240</u>

### 14. TAX ON PROFIT

#### Major components of tax income

	2019	2018
	£	£
<b>Current tax:</b>		
UK current tax income	323,253	354,151
<b>Deferred tax:</b>		
Origination and reversal of timing differences	118,049	(30,867)
<b>Tax on profit</b>	<u>441,302</u>	<u>323,284</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
Profit on ordinary activities before taxation	<u>2,105,420</u>	<u>974,331</u>
Profit on ordinary activities by rate of tax	452,766	185,122
Effect of expenses not deductible for tax purposes	1,081	1,947
Tax chargeable at different rates	(13,889)	3,632
Depreciation and amortisation not deductible for tax purposes	1,344	54,583
Loss on disposal of non qualifying assets	—	78,000
Tax on profit	<u>441,302</u>	<u>323,284</u>

### 15. DIVIDENDS

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019	2018
	£	£
Dividends on equity shares	<u>600,000</u>	<u>275,000</u>

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 August 2019

### 16. INTANGIBLE ASSETS

Group	Goodwill £
<b>Cost</b>	
At 1 September 2018 and 31 August 2019	5,550,588
<b>Amortisation</b>	
At 1 September 2018	1,665,175
Charge for the year	277,529
<b>At 31 August 2019</b>	<b>1,942,704</b>
<b>Carrying amount</b>	
At 31 August 2019	3,607,884
At 31 August 2018	3,885,413

The company has no intangible assets.

### 17. TANGIBLE ASSETS

Group	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2018	1,066,047	4,173,047	194,924	603,876	6,037,894
Additions	986,323	1,246,614	21,526	63,914	2,318,377
Disposals	–	(121,326)	–	–	(121,326)
<b>At 31 August 2019</b>	<b>2,052,370</b>	<b>5,298,335</b>	<b>216,450</b>	<b>667,790</b>	<b>8,234,945</b>
<b>Depreciation</b>					
At 1 September 2018	55,244	1,105,972	135,445	352,617	1,649,278
Charge for the year	16,849	395,916	17,431	69,047	499,243
Disposals	–	(61,690)	–	–	(61,690)
<b>At 31 August 2019</b>	<b>72,093</b>	<b>1,440,198</b>	<b>152,876</b>	<b>421,664</b>	<b>2,086,831</b>
<b>Carrying amount</b>					
At 31 August 2019	1,980,277	3,858,137	63,574	246,126	6,148,114
At 31 August 2018	1,010,803	3,067,075	59,479	251,259	4,388,616

The company has no tangible assets.

#### Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Plant and machinery £	Motor vehicles £	Total £
<b>At 31 August 2019</b>	<b>3,129,331</b>	<b>167,637</b>	<b>3,296,968</b>
At 31 August 2018	2,371,615	176,839	2,548,454

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 August 2019

### 18. INVESTMENTS

The group has no investments.

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 September 2018 and 31 August 2019	<u>8,075,925</u>
<b>Impairment</b>	
At 1 September 2018 and 31 August 2019	<u>—</u>
<b>Carrying amount</b>	
At 1 September 2018 and 31 August 2019	<u>8,075,925</u>
At 31 August 2018	<u>8,075,925</u>

### Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Cwmtillery Glass Centre Limited, Cedar House, Hazell Drive, Newport, South Wales, NP10 8FY	Ordinary	100

### 19. STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Raw materials and consumables	<u>92,474</u>	<u>164,098</u>	<u>—</u>	<u>—</u>

### 20. DEBTORS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	1,966,120	1,873,851	—	—
Prepayments and accrued income	10,430	8,907	—	—
Director's loan account	338,722	575,168	—	—
Other debtors	3,000	—	—	—
	<u>2,318,272</u>	<u>2,457,926</u>	<u>—</u>	<u>—</u>

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 August 2019

### 21. CREDITORS: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	52,410	52,491	-	-
Trade creditors	719,112	686,900	-	-
Amounts owed to group undertakings	-	-	1,059,695	2,059,695
Accruals and deferred income	221,220	199,321	-	-
Corporation tax	155,644	206,151	-	-
Social security and other taxes	122,647	340,086	-	-
Obligations under finance leases and hire purchase contracts	645,745	518,346	-	-
Other creditors	2,568	4,400	-	-
	<u>1,919,346</u>	<u>2,007,695</u>	<u>1,059,695</u>	<u>2,059,695</u>

The bank overdrafts and loans are secured by a fixed and floating charge over the company's assets with a fixed charge over the company's freehold property.

The hire purchase agreements are secured on the assets to which they relate.

### 22. CREDITORS: amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans and overdrafts	593,378	644,005	-	-
Obligations under finance leases and hire purchase contracts	1,968,552	1,667,317	-	-
	<u>2,561,930</u>	<u>2,311,322</u>	<u>-</u>	<u>-</u>

The bank overdrafts and loans are secured by a fixed and floating charge over the company's assets with a fixed charge over the company's freehold property.

The hire purchase agreements are secured on the assets to which they relate.

Included within creditors: amounts falling due after more than one year is an amount of £366,492 (2018: £542,548) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The bank loan is repayable in equal monthly instalments ending in February 2030. The bank loan carries variable interest at the banks base rate plus 2.4%.

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 August 2019

### 23. FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than 1 year	645,745	518,346	–	–
Later than 1 year and not later than 5 years	1,968,552	1,542,962	–	–
Later than 5 years	–	124,355	–	–
	<u>2,614,297</u>	<u>2,185,663</u>	<u>–</u>	<u>–</u>

### 24. PROVISIONS

<b>Group</b>	<b>Deferred tax (note 25) £</b>
At 1 September 2018	277,711
Additions	118,049
<b>At 31 August 2019</b>	<u>395,760</u>

The company does not have any provisions.

### 25. DEFERRED TAX

The deferred tax included in the balance sheet is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Included in provisions (note 24)	<u>395,760</u>	<u>277,711</u>	<u>–</u>	<u>–</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	396,197	278,389	–	–
Deferred tax - other timing differences	(437)	(678)	–	–
	<u>395,760</u>	<u>277,711</u>	<u>–</u>	<u>–</u>

Deferred tax liabilities are expected to increase in the next financial year by approximately £77,000. This is due to the creation of new timing differences on tangible fixed assets.

### 26. EMPLOYEE BENEFITS

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £104,475 (2018: £48,557).

# CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Year ended 31 August 2019

### 27. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

#### Financial assets that are debt instruments measured at amortised cost

	Group	
	2019	2018
	£	£
Trade debtors	1,966,120	1,873,851

#### Financial liabilities measured at amortised cost

	Group	
	2019	2018
	£	£
Bank loans and overdrafts	645,788	696,496
Trade creditors	719,112	686,900
Finance leases and hire purchase contracts	2,614,297	2,185,663
Other creditors	2,568	4,400
	<u>3,981,765</u>	<u>3,573,459</u>

### 28. CALLED UP SHARE CAPITAL

#### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4,016,230</u>	<u>4,016,230</u>	<u>4,016,230</u>	<u>4,016,230</u>

### 29. RESERVES

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - This reserve records retained earnings and accumulated profits/losses.

### 30. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

Included within other debtors is £338,722 (2018 - £575,168) due to the director.

This balance is interest free and repayable on demand.

In relation to the overdrawn balance, the following transactions took place during the year;

	£
Opening balance	575,168
Amounts repaid	(600,000)
Amounts drawn	363,554
Closing balance	338,722

# **CWMTILLERY GLASS CENTRE (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**Year ended 31 August 2019**

### **31. RELATED PARTY TRANSACTIONS**

#### **Group**

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the group was £24,583 (2018: £21,941).

#### **Company**

In accordance with FRS 102, transactions with other group companies that are wholly owned are not disclosed.