

# **Anglian Home Improvements Group Limited**

## **Annual Report and Financial Statements**

Period ended 1 April 2023

Registered number 09905204

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## Strategic Report

### Principal Activities

The Group is a UK leader in the marketing, sales, manufacture and installation of a wide range of home improvement products designed to improve its customers' homes from an aesthetic, security and energy efficiency viewpoint. These products include windows, doors, conservatories, roof trim and window blinds for the repair, renovation and remodelling of properties and are installed directly with the consumer.

In addition, the Group also supplies its products, including external wall insulation, to the social and military housing sectors through local authorities, housing associations and contractors.

### Objectives

The Group's objective is to continue to sell its core products into its two main markets. It intends to increase its market share by focusing on geographic areas within the UK where it has been traditionally weaker, and by investing further in new product development and the use of technology to ensure that its products and their delivery are industry leading and are continuing to meet clients' needs. The Group will also continue to consider opportunities to expand its product portfolio and geographical reach via acquisition or organically.

### Key Strategies

The Group reviews its strategy on a regular basis to ensure it remains appropriate to achieve its objectives. The Group has made significant investment in its customer service infrastructure and continues to drive for increased profitability as an outcome of better service delivery. Additionally, the Group is very focused on utilising technology to yield competitive advantages and improve efficiency.

### Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The Board reviews risks and ensures appropriate processes are put in place to monitor and mitigate them. If more than one risk crystallises, it is possible that the overall effect of such events would compound the possible adverse effects on the Group. The key risks are set out below.

#### *Customer Service, Brand and Reputation*

The Group operates in a competitive market and it is therefore vital that the Group meets customers' expectations. In order to mitigate this risk the Board monitors a number of service measures on an ongoing basis and obtains customer feedback to understand its customers' expectations and whether their needs are being met. This risk is also limited by continual training of key workers to ensure a quality product and service is delivered together with constant monitoring of social and other media to ensure customer issues are dealt with appropriately.

#### *Economic and Market Risk*

The economic environment can affect the performance of the Group's businesses in terms of sales and costs. Consumer confidence is one of the key drivers of the level of sales in the short term. Through development of its product range and investment in promotions, quality and good service levels, the Group works to ensure that it delivers value for all customers. External cost pressures can also impact the business. The Group has continued to see high levels of inflation in the economy with increases in both raw material costs and costs of production. The Group continues to mitigate the impact of these cost pressures on the Group's overall profitability through the delivery of cost and efficiency savings together with appropriate price increases in the current financial year. There are early indications of inflationary pressures easing, with raw material costs starting to reduce although not to previous levels.

#### *Employees*

The Group's performance is significantly affected by both attracting and then retaining a high-quality workforce who are key to the success of the business. Investing in training, development and incentivisation is essential to the efficiency and sustainability of the Group's operations and to delivering outstanding service levels to its customers. The Group's employment and training policies, remuneration and benefits packages are designed to be competitive with other companies, as well as providing fulfilling career opportunities.

## **Strategic Report** *(continued)*

### **Principal Risks and Uncertainties** *(continued)*

#### **Financial Risk Management**

The Group's principal financial instruments comprise an asset-based lending facility which was put in place in June 2019 and extended in December 2022, long term borrowings, cash and short-term deposits. The sole purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables, deposits, guarantees and trade payables, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk.

#### **Interest Rate Risk**

The Group's exposure to the risk of changes in market rates relates to its asset-based lending facility, cash and short-term deposits and longer-term borrowing, which have fixed and floating interest rates. The Board constantly reviews interest rate expectations to assess the need to put hedges in place. All surplus funds are managed daily to ensure maximisation of interest receivable or reduction in interest payable in the short and medium term. Due to the relatively low level of leverage in the Group interest rate fluctuations do not pose a material risk.

#### **Liquidity Risk**

The Group's operational cash flow is largely predictable due to seasonal trends of sales and installations, reflecting the order cycle of the home improvements business. Short and long-term cash flow forecasts are produced frequently to assist management in identifying liquidity requirements. The Group aims to maintain a balance between continuity of funding and flexibility by ensuring that sufficient borrowing facilities are in place by reference to forecast cash flows.

#### **Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk from trade and other receivables. Balances with customers are a significant proportion of trade and other receivables and the Group regularly monitors the receivables ledger through its credit control function.

#### **Key Performance Indicators and Current Performance**

In the continuously evolving and challenging economic landscape the Group has achieved consistently strong financial performance, with underlying EBITDA of £9.4m being achieved in the financial year and in line with the prior year. This performance has been achieved by the efforts of all involved in the Group and through diligent management of key performance indicators to ensure it maintains the standards it expects and continues to generate sufficient returns to reinvest in the Group's future products and services. The main key performance indicators are customer service levels, turnover, margins, profitability. These items are discussed in the review of current performance set out below.

The key operational highlights for the period to 1 April 2023 are listed below:

- New orders won by the business slightly decreased during the period to £186.7m (2022: £193.2m) as a result of the challenging, competitive landscape in the Retail market. In the current financial year new orders are showing growth despite the economic environment.
- Revenue grew by 15.7% to £209.3m (2022: £180.9m) with growth in installation teams having a positive impact on reducing the pipeline.
- As shown in the table overleaf, underlying EBITDA remained in line with prior year performance at £9.4m (2022: £9.4m) in the year demonstrating the resilience of the Group against challenging market conditions, with inflationary pressures impacting margin through increasing energy, material and labour costs. Profit before tax decreased to £1.3m (2022: £2.6m).
- Non-recurring costs decreased to £0.5m (2022: £0.7m). Those costs primarily relate to redundancy and strategic consultancy of a non-routine nature.

## Strategic Report *(continued)*

### Key Performance Indicators and Current Performance *(continued)*

	Period ended 1 April 2023 £000	Period ended 2 April 2022 £000
Revenue	209,272	180,875
Operating profit	4,159	4,214
Add back:		
Depreciation and amortisation	4,732	4,533
Non-recurring costs	537	692
Underlying EBITDA	<u>9,428</u>	<u>9,439</u>

### Future Prospects

The directors continue to apply scenario-analysis to assess the impact of possible changes in market conditions and associated cost and supply pressures. The strong resilience of the Group has continuously been demonstrated with its ability to respond to a number of economic challenges, particularly including ongoing inflationary pressure, the ongoing conflict in Ukraine and increasing energy costs, whilst continuing to maintain a strong performance. Whilst these impacts continue to challenge the Group, the strength of the Group's brand, together with its quality products and high service levels, will continue to stand the Group in good stead.

### Events After the Reporting Period

Where the directors determine events after the reporting period can be expected to have a material influence on the decisions of users of the financial statements, such events are disclosed within the notes to the financial statements.

### Section 172 (1) Statement

The directors have considered the requirements of section 172 (1) of the Companies Act 2006 and have set out the key considerations below.

The directors take a long-term view when making decisions. The Group continues to invest in the business through people, marketing and technology and to explore new operating models and ways of working to ensure long-term success.

People and culture underpin the success of the business, for which the Group manages performance and develops talent through a wide range of training and coaching programmes.

Customer service is a key focus and customer reviews are monitored and used as the basis to improve service levels and to reward staff for achieving consistently good reviews.

Engagement with key suppliers ensures relationships are well maintained, with regular reviews and constant contact ensuring maximum reliability of raw materials and finished goods for a reliable work pipeline.

The directors are mindful of the Group's impact on the community and environment and encourage staff to play an active role in the communities in which they operate.

The Group's focus on strong relationships with people, clients and suppliers necessitates high standards of business conduct, and the focus on long-term success of the business benefits all shareholders.

The directors are in close communication with shareholders through regular meetings.

By order of the board



P S Tweedie

Director

23 February 2024

Liberator Road, Norwich, NR6 6EU

## Directors' Report

Registered number 09905204

The directors present their Directors' Report and the audited financial statements for the period ended 1 April 2023.

### Directors

The directors who served during the period and up to the date of signing these accounts were as follows:

A Leicester (Appointed 28 July 2022)

M W Gradischnig (Resigned 28 July 2022)

P D L Mottershead

P S Tweedie

### Going concern

The directors are confident that the Group and its trading subsidiaries will continue as a going concern for a period of at least 12 months from the date of approval of the financial statements as set out in note 1(c).

### Qualifying third party indemnity insurance

The Group maintains liability insurance for its directors and officers. The directors and officers have also been granted a qualifying third party indemnity provision under section 234 of the Companies Act 2006 which is in force to the date of approval of the financial statements. Neither the Group's indemnity nor insurance provides cover in the event that a director or officer is proved to have acted fraudulently or dishonestly.

### Employees

The directors believe that the skilled and loyal Anglian workforce is a key asset of the business and is vital to its success. As such, the Group treats the welfare of employees as highly important and continues to invest in training and development.

The Group attaches considerable importance to keeping its employees informed of matters affecting their jobs and the progress of the business. Group communications contribute towards this purpose and are supported by various other in-house publications. The Group maintains a close dialogue with its employee representatives on all matters concerning the employees' working environment.

The Group gives sympathetic consideration to the employment of disabled people. If existing employees become disabled (whether from illness or accident) every reasonable effort is made to continue to provide suitable employment either in the same job or, after re-training, in an alternative role. Disabled people are given equal consideration for training, career development and opportunities for promotion within the Group.

### Environment

The Group is one of the market leaders in the quantity of PVC which is recycled from the reprocessing of old windows removed as part of the installation of new products and is continually looking to enhance this further. The Group has invested in improving its in-house PVC recycling facilities. The Group is committed to the provision of products and services which improve the quality of life for its customers and reduce the carbon footprint of their homes, using working practices designed to protect the environment. The Group seeks to pursue policies aiming to:

- Integrate environmental considerations including decision making, operations, training and communications into its business;
- adopt environmental standards that aim to exceed legal requirements where possible; and
- minimise the use of unsustainable materials and energy, the production of waste and the impact of waste on the environment.

In recent years the Group has made significant progress in reducing its carbon footprint through the introduction of various technologies and methods to reduce energy consumption.

## Directors' Report *(continued)*

### Energy and carbon report

The Group has prepared the following information regarding carbon emissions and energy use:

#### (a) Greenhouse gas emissions

	2023	Baseline year 2020
	tCO <sub>2</sub> (e)*	tCO <sub>2</sub> (e)*
Scope 1 – Combustion of fuel and operation of facilities	7,717	9,372
Scope 2 – Electricity purchased – Location Based	2,051	3,276
Scope 2 – Electricity purchased – Market Based	3,132	3,383
Scope 3 – Indirect transport	1,129	976
	<hr/>	<hr/>
Total carbon – Location based	10,897	13,624
Total carbon – Market based	11,978	13,731
	<hr/>	<hr/>

\*Tonnes of carbon dioxide equivalent

#### (b) Energy consumption

	2023	Baseline year 2020
	kWh*	kWh*
Scope 1 – Combustion of fuel and operation of facilities	31,804,592	38,533,303
Scope 2 – Electricity purchased	10,608,475	12,814,529
Scope 3 – Indirect transport	4,645,517	3,970,468
	<hr/>	<hr/>
Total energy consumption	47,058,584	55,318,300
	<hr/>	<hr/>

\*Kilowatt-hour

The following table expresses the Group's chosen carbon intensity measures, reflecting how the reduction in factory output and use of the Group's vehicle fleet have impacted emissions per unit of production:

#### (c) Intensity ratios

	2023	Baseline year 2020
	tCO <sub>2</sub> (e)*	tCO <sub>2</sub> (e)*
Ratio of carbon emissions to units of production	0.060	0.065
	<hr/>	<hr/>

\*Tonnes of carbon dioxide equivalent

#### (d) Methodology

The information has been calculated in accordance with the Greenhouse Gas (GHG) Protocol and Environmental Reporting Guidelines in compliance with the Streamlined Energy and Carbon Reporting (SECR) Framework. DEFRA emission factors have been used for all emission sources as this provides the most comprehensive list of factors available and allows the conversion of activities into carbon dioxide equivalent (CO<sub>2</sub>e).

#### (e) Energy and emission reduction activities

In the period covered by this report the Group have replaced the second of two old process water chiller plants with a modern energy efficient unit within its extrusion plant and replaced two old electricity transformers with ultra-low loss units and completed the roll-out of PIR LED lighting across its manufacturing factories. This has all helped to contribute towards a further reduction in electricity usage across the Group. In addition, a process of replacing old lighting with LED PIR's was started in the depot network.

## **Directors' Report** *(continued)*

Additional reduction activities include replacing diesel material handling vehicles with electrically powered vehicles. The distribution network vehicles were replaced by fuel efficient Euro 6 compliant vehicles during the year with the associated benefits of reduced particulate and CO2 emissions.

In April 2023 the Group were successful in retaining their BES 6001 accreditation (Standard for Responsible Sourcing of Products). The assessment is held by few companies that are registered for the certification and reinforces the Group's commitment to sustainable practices. This includes the requirement to:

- demonstrate the use of energy efficiently in production and minimise the emission of greenhouse gases associated with these processes;
- reduce use of fossil fuel consumption and utilise renewable sources of energy;
- be aware of the need to use all materials in the most appropriate and sustainable manner;
- use water efficiently to minimise demand on potable water supplies;
- treat process water and site run-off effectively to mitigate against pollution risks; and
- minimise waste incineration and disposal to landfill without energy or material recovery.

### **Research and development**

The Group undertakes research and development activities to suit its particular markets and product needs. All research expenditure is charged directly to the profit and loss account. Costs incurred at the development stage are evaluated to determine whether the project meets the criteria to be recognised as an intangible asset. In instances where the criteria is not met, expenditure is charged to the profit and loss account.

### **Results and dividend**

The Group made a profit after tax of £3.0m (2022: profit of £3.6m). No dividend has been paid or proposed (2022: £Nil).

### **Political and charitable contributions**

In respect of the Parent Company and its subsidiaries, no political contributions have been made in the current or prior period. Charitable contributions of £1,000 (2022: £1,000) were made in the period.

### **Disclosure of information to auditor**

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

### **Auditor**

In accordance with section 487 of the Companies Act 2006, BDO LLP has been appointed as the auditor for the period ended 1 April 2023. BDO LLP will be deemed to be reappointed and will therefore continue in office.

By order of the board



P S Tweedie  
Director  
23 February 2024  
Liberator Road, Norwich, NR6 6EU



## **Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the Members of Anglian Home Improvements Group Limited**

### **Opinion on the financial statements**

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 1 April 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Anglian Home Improvements Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 1 April 2023 which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and UK adopted international accounting standards.

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## **Independent Auditor's Report to the Members of Anglian Home Improvements Group Limited** *(continued)*

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting**

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 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 Directors' report.

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

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

### **Responsibilities of Directors**

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

In preparing the financial statements, the Directors are responsible for assessing the 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 Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group, and the industry in which it operates;
- Discussion with management, those charged with governance and legal counsel; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations

## **Independent Auditor's Report to the Members of Anglian Home Improvements Group Limited** *(continued)*

we considered the significant laws and regulations to be FRS 102, Companies Act 2006, and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, employment legislation, and other corporate legislation such as anti-corruption legislation including the Bribery act 2010 and anti-money laundering legislation, including the Proceeds of Crime Act 2002.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- review of legal expenditure accounts to understand the nature of expenditure incurred; and
- review of the Group's register of open legal activities.

### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
  - detecting and responding to the risks of fraud; and
  - internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of control in order to post inappropriate or fraudulent journal entries, management override of control through manipulation of key accounting estimates, manipulation of revenue recognition, through inappropriate revenue cut-off or recognition of revenue before the appropriate recognition point.

Our procedures in respect of the above included:

- testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- assessing significant estimates made by management for bias, including the value in use of trade names, the inventory provision, bad debt provision, warranty provision, defined benefit pension scheme valuation and dilapidations provision;
- testing a sample of revenue transactions recorded in close proximity to the year end, and agreeing to supporting documentation, to ensure that revenue has been recorded in the correct period; and
- testing a sample of revenue transactions throughout the year, and agreeing to supporting documentation to ensure that revenue existed, and was appropriately recognised.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## **Independent Auditor's Report to the Members of Anglian Home Improvements Group Limited** *(continued)*

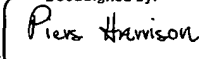
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Piers Harrison (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Cambridge, UK

27 February 2024

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

**Consolidated Statement of Profit and Loss and Other Comprehensive Income**  
*for the period ended 1 April 2023*

	<i>Note</i>	<b>Period ended 1 April 2023 £000</b>	<b>Period ended 2 April 2022 £000</b>
<b>Revenue</b>	<b>2</b>	<b>209,272</b>	<b>180,875</b>
Change in inventories of finished goods and work in progress		1,208	(1,876)
Raw materials and consumables		(51,763)	(40,206)
Subcontracted services		(57,663)	(50,373)
Staff costs	<b>4</b>	<b>(51,114)</b>	<b>(46,624)</b>
Depreciation		(4,732)	(4,533)
Other operating charges	<b>3</b>	<b>(43,314)</b>	<b>(36,624)</b>
Other operating income	<b>3</b>	<b>2,269</b>	<b>3,575</b>
<b>Operating profit</b>		<b>4,163</b>	<b>4,214</b>
Net finance expense	<b>5</b>	<b>(2,813)</b>	<b>(1,625)</b>
<b>Profit before tax</b>		<b>1,350</b>	<b>2,589</b>
Taxation	<b>6</b>	<b>1,691</b>	<b>1,054</b>
<b>Profit for the financial period</b>		<b>3,041</b>	<b>3,643</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of defined benefit liability	<b>19</b>	<b>317</b>	<b>814</b>
Taxation on other comprehensive income	<b>6</b>	<b>(91)</b>	<b>(81)</b>
<b>Other comprehensive income for the period, net of income tax</b>		<b>226</b>	<b>733</b>
<b>Total comprehensive income for the period</b>		<b>3,267</b>	<b>4,376</b>

The period ended 1 April 2023 comprises 52 weeks and the period ended 2 April 2022 comprises 53 weeks.

The results for the period are entirely attributable to continuing activities.

The notes on pages 16 to 46 form part of these financial statements.

**Consolidated and Company Statement of Financial Position**  
*at 1 April 2023*

		<b>Group</b>		<b>Company</b>	
	<i>Note</i>	<b>1 April</b>	<b>2 April</b>	<b>1 April</b>	<b>2 April</b>
		<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Non-current assets</b>					
Intangible assets	7	19,493	19,020	-	-
Property, plant and equipment	8	23,263	20,538	-	-
Trade and other receivables	11	-	-	37,236	32,831
Deferred tax asset recoverable in more than one year	18	5,576	3,871	-	-
Net pension surplus	19	1,230	734	-	-
		<b>49,562</b>	<b>44,163</b>	<b>37,236</b>	<b>32,831</b>
<b>Current assets</b>					
Inventory	10	10,562	11,385	-	-
Trade and other receivables	11	26,105	25,222	-	-
Cash and cash equivalents	12	7,321	14,135	-	-
		<b>43,988</b>	<b>50,742</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	13	(54,499)	(58,975)	(1,843)	-
Provisions	13,17	(2,412)	(3,808)	-	-
Other interest-bearing loans and borrowings	13,15,16	(3,064)	(9,479)	-	-
		<b>(59,975)</b>	<b>(72,262)</b>	<b>(1,843)</b>	<b>-</b>
<b>Net current liabilities</b>		<b>(15,987)</b>	<b>(21,520)</b>	<b>(1,843)</b>	<b>-</b>
<b>Total assets less current liabilities</b>		<b>33,575</b>	<b>22,643</b>	<b>35,393</b>	<b>32,831</b>
<b>Non-current liabilities</b>					
Other interest-bearing loans and borrowings	14,15,16	(29,745)	(21,258)	-	-
Provisions	17	(5,487)	(6,463)	-	-
Deferred tax liability	18	(355)	(201)	-	-
		<b>(2,012)</b>	<b>(5,279)</b>	<b>35,393</b>	<b>32,831</b>
<b>Net liabilities</b>		<b>(2,012)</b>	<b>(5,279)</b>	<b>35,393</b>	<b>32,831</b>
<b>Capital and reserves</b>					
Called up share capital	21	26,760	26,760	26,760	26,760
Share premium		1,665	1,665	1,665	1,665
Retained earnings		(30,437)	(33,704)	6,968	4,406
<b>Shareholders' deficit</b>		<b>(2,012)</b>	<b>(5,279)</b>	<b>35,393</b>	<b>32,831</b>

The profit for the period in the financial statements of the Parent Company was £2,562,000 (2022 restated: £3,618,000). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account and other comprehensive income statement is presented in respect of the Parent Company.

These financial statements were approved by the board of directors on 23 February 2024 and were signed on its behalf by:

P S Tweedie



Director

The notes on pages 16 to 46 form part of these financial statements.

\*Refer to note 27 for details of prior year adjustment

**Consolidated Statement of Cash Flows**  
*for the period ended 1 April 2023*

	<i>Note</i>	<b>Period ended 1 April 2023 £000</b>	<b>Period ended 2 April 2022 £000</b>
<b>Cash flows from operating activities</b>			
Profit for the period		3,041	3,643
<i>Adjustments for:</i>			
Finance expense		2,813	1,625
Depreciation and amortisation		4,732	4,533
Profit on sale of property, plant and equipment		(84)	(40)
Decrease/ (increase) in inventory		855	(1,876)
Increase in receivables		(822)	(6,190)
(Decrease)/ increase in payables and provisions		(7,962)	395
Interest paid		(118)	(98)
Defined benefit pension contributions		(157)	(157)
Income tax credit		(1,691)	(1,054)
<b>Cash from operating activities</b>		<b>607</b>	<b>781</b>
Income tax credit received		37	59
<b>Net cash from operating activities</b>		<b>644</b>	<b>840</b>
<b>Cash from financing activities</b>	<i>12</i>		
Proceeds from new loans		5,169	10,000
Repayment of loans		(5,014)	(1,002)
Principal paid on lease liabilities		(3,559)	(4,595)
Interest paid on lease liabilities		(105)	(310)
Interest paid on loans		(829)	(308)
		<b>(4,338)</b>	<b>3,785</b>
<b>Cash from investing activities</b>			
Acquisition of subsidiary, net of cash acquired		(360)	-
Acquisition of property, plant and equipment		(3,220)	(2,443)
Proceeds from sale of property, plant and equipment		460	23
<b>Cash from investing activities</b>		<b>(3,120)</b>	<b>(2,420)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,814)</b>	<b>2,205</b>
<b>Cash and cash equivalents at start of period</b>		<b>14,135</b>	<b>11,930</b>
<b>Cash and cash equivalents at end of period</b>	<i>12</i>	<b>7,321</b>	<b>14,135</b>

The period ended 1 April 2023 comprises 52 weeks and the period ended 2 April 2022 comprises 53 weeks.

The notes on pages 16 to 46 form part of these financial statements.



**Consolidated Statement of Changes in Equity**  
*for the period ended 1 April 2023*

	Share capital £000	Share premium £000	Retained earnings £000	Total £000
At 27 March 2021	26,760	1,665	(38,080)	(9,655)
Profit for the period	-	-	3,643	3,643
Other comprehensive income for the period	-	-	733	733
Total comprehensive income for the period	-	-	4,376	4,376
At 2 April 2022	26,760	1,665	(33,704)	(5,279)
Profit for the period	-	-	3,041	3,041
Other comprehensive income for the period	-	-	226	226
Total comprehensive income for the period	-	-	3,267	3,267
At 1 April 2023	26,760	1,665	(30,437)	(2,012)

**Company Statement of Changes in Equity**  
*for the period ended 1 April 2023*

	Share capital £000	Share premium £000	Retained earnings £000	Total £000
At 27 March 2021	26,760	1,665	788	29,213
Restated comprehensive income for the period	-	-	3,618	3,618
At 2 April 2022 (Restated*)	26,760	1,665	4,406	32,831
Total comprehensive income for the period	-	-	2,562	2,562
At 1 April 2023	26,760	1,665	6,968	35,393

The notes on pages 16 to 46 form part of these financial statements.

\*Refer to note 27 for details of prior year adjustment

## Notes to the financial statements

Anglian Home Improvements Group Limited is a private company limited by shares and incorporated and domiciled in England in the UK. The registered address is Liberator Road, Norwich, England, NR6 6EU and the company number is 09905204.

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

#### (a) Statement of Compliance

The Group and Company financial statements have both been prepared in accordance with UK adopted international accounting standards, and in conformity with the requirements of the Companies Act 2006.

The consolidated financial statements were authorised for issue by the board of directors in February 2024. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1(o).

#### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet:

- The defined benefit pension scheme liability is recognised as the net total of the plan assets less the present value of the defined benefit obligation.

#### (c) Basis of preparation

The Group and Company financial statements are presented in pound sterling and rounded to the nearest whole £1,000, except where otherwise indicated.

### Going concern

With the Group having re-established operations following the pandemic with a reduced cost base primarily from reduced headcount and property portfolio, this has enabled the Group to manage business risks effectively from the challenging economic climate. This can be seen in the positive performance for the financial year, with a pre-tax profit of £1,346,000. Consequently, the Group's statement of financial position has continued to improve to a net liability position of £2,016,000 from £5,279,000 as at 2 April 2022.

The Group has recognised that the pandemic, the ongoing conflict in Ukraine, inflationary pressures and domestic interest rate increases have all had significant impacts on the changing economic landscape, with dampened consumer confidence also having an adverse effect on order generation. The Group continues to monitor economic challenges to ensure that the efficiencies achieved through the pandemic restructure persist into the future to continue to enable the Group to weather the volatility currently seen in operating costs and hesitancy in consumer commitment. The Group has been able to mitigate a large proportion of these known impacts into efficiency and cost savings together with appropriate price increases. The business continues to retain a very strong order book which sets the business in a strong position to absorb potential short-term economic challenges and uncertainty.

The Group has undertaken a significant number of scenario assessments from the standpoint of the FY24 budget to review potential impacts with key variations being:

- uncertainty in the industry from wider contributing factors regarding increased domestic interest rates, the pandemic and conflict in Ukraine; and
- the possible impact of current wider economic forecasts with additional inflation to cost base reflected in gross margin with associated mitigating options.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

The market for home improvement products has continued to be challenging, with a number of economic impacts creating some uncertainty in the market, however the Group has invested in strong lead generation to ensure a full order book going forward.

In all instances the scenarios demonstrate the resilience of the Group's resources with the ability to continue to operate in different possible climates, with the Group's good cash and financing facilities providing sufficient headroom in which to operate. In addition, in the severe but plausible forecast scenario prepared, the Group still retains sufficient liquidity and operates within its financing facilities. The Group has demonstrable proven ability to manage working capital effectively.

Along with its cash resources, the Group continues to be financed by a £10.7m asset-based lending facility with Arbuthnot Commercial Asset Based Lending Limited. The amounts that can be drawn are related to the level of certain trade receivables and inventory. The facility is subject to a covenant that requires a minimum of £1m headroom in respect of any inventory borrowed against. The facility has a minimum term ending in June 2025, thereafter being subject to 3 months' notice from either party. During the year and up to the date of signing these financial statements, the covenant noted was not breached and the Group operated within the parameters of facilities. In December 2021 the Group agreed to a £10m loan also provided by Arbuthnot Commercial Asset Based Lending Limited, with further detail available in note 16 on page 37.

Based on the above assessment the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements. Therefore, the Directors have continued to prepare these financial statements on a going concern basis.

#### *(d) Basis of consolidation*

The financial statements comprise the accounts of the Parent Company and all of its subsidiary undertakings made up to 1 April 2023. The Group's share of the results of subsidiary undertakings is included in the profit and loss account as from the date of acquisition.

The Company's subsidiaries are all 100% owned and controlled by the Company.

All intra group transactions, together with any balances resulting from those transactions, are eliminated in preparing the consolidated financial statements.

#### *(e) Intangible fixed assets*

In accordance with IFRS 3 *Business combinations*, on acquisition of subsidiary companies the Group has identified intangible assets which are either separate or arise from contractual or legal rights.

#### *Trade name*

The Anglian trade name and logo was registered as an EU trademark in 1997, with the name having been in use since 1966. From 1 January 2021 a comparable UK trademark was created following the cessation of the UK as a member of the EU. The trade name is not amortised but is instead reviewed annually for impairment.

#### *(f) Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and accumulated impairment losses. Lease payments are accounted for as described in (g) overleaf.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *(f) Property, plant and equipment (continued)*

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Plant, machinery and computers	3 to 15 years
Light vehicles	4 to 6 years
Containers and heavy vehicles	5 to 10 years

Leasehold properties and right-of-use assets are amortised over the life of the lease.

#### *(g) Leases*

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *(i) As a lessee*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments yet to be paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *(g) Leases (continued)*

##### *(i) As a lessee (continued)*

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

##### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases for plant and machinery. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *(h) Inventory*

Raw materials and work in progress are valued at the lower of cost (including appropriate overheads) and net realisable value.

#### *(i) Taxation*

The income tax expense represents the sum of current tax payable and deferred tax.

Current tax is the expected tax payable on the taxable profits for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment related to tax payable in respect of prior periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to be applied when the liability is settled or the asset is realised, based on tax laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### *(j) Provisions*

##### *Guarantee and claims reserve*

A reserve is maintained to cover claims against the Group in relation to products sold by the Group. This primarily relates to guaranteed work and the core provision is calculated by reference to the product guaranteed, the experience of costs actually incurred and the length of the guarantee period. Additionally, further provision is made on a specific basis for any known or expected claims. The provision is discounted by 3.48%.

##### *Other provisions*

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

#### *(k) Financial instruments*

##### *Financial assets*

The Group currently holds its financial assets at amortised cost. When a new asset is acquired, the Group evaluates the purpose of the asset and the appropriate classification under IFRS 9 *Financial instruments*.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *(1) Financial instruments (continued)*

##### *Financial assets (continued)*

Financial assets principally arise from the provision of goods and services to customers, such as trade receivables. They are initially recognised at fair value plus transaction costs that are directly attributable to acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

##### *Financial liabilities*

The Group classifies its financial liabilities as subsequently measured at amortised cost. The option to irrevocably designate financial liabilities at fair value through profit or loss has not been taken.

Financial liabilities include trade and other payables and interest-bearing loans and borrowings. These are initially recognised at fair value net of any transactions costs directly attributable to the instrument and subsequently carried at amortised cost using the effective interest method.

#### *(1) Revenue from contracts with customers*

The Group's principal revenue generating activities are the manufacture and installation of home improvement products. Revenue is earned from two separate divisions which cater to retail (Anglian Home Improvements) and commercial (Anglian Building Products) markets.

The Group's product portfolio for its retail customers includes windows and doors (including bifold and garage doors), conservatories and roof trim. Contracts held with customers are for the provision of one product from the Group's portfolio and as such each contract is treated as a single performance obligation. The Group recognises revenue at a point in time when control of the goods has transferred to the customer. There is little judgement needed in identifying the point control passes: once goods are installed, the Group no longer retains the significant risks and rewards of the goods in question and will usually have a present right to payment. The Group's ability to repurpose products for alternative use and right to compensation compared to performance date throughout the contract term supports the satisfaction of performance obligations at a point in time.

Goods sold by the Group to retail customers include warranties which require the Group to either replace or mend a defective product during the warranty period if the goods fail to comply with agreed-upon specifications. In accordance with IFRS 15 *Revenue from contracts with customers*, such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. Instead, a provision is made for the costs of satisfying the warranties in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*.

For all contracts with retail customers, a fixed price is set at the point of signing. Contracts are treated as a single performance obligation, therefore there is no judgement involved in allocating the contract price.

The Group offers retail customers the option to pay using consumer finance. Acting as the credit broker, the Group earns commission for introducing business to a selection of lenders. As a result, commissions are considered to be earned by the Group acting as an agent and are subsequently disclosed as other operating income.

Most of the Group's revenue in relation to commercial markets is based on fixed price contracts, with a small number of customers being subject to variable consideration relating to volume rebates. Contracts with more than one product stream are treated as separate performance obligations. The Group tracks on a unit basis and therefore performance obligations are deemed satisfied as individual units are installed, in these circumstances the Group estimates the probability that volume targets will be met based on contract progress and recognises revenue at the most likely amount to which the Group will be entitled.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *(l) Revenue from contracts with customers (continued)*

The Group provides subcontracted services to commercial customers including scaffold erection and de-rigging and installation of external wall insulation. Prices are fixed at the point of signing the contract for all services and revenue is recognised on an over time basis. Progress toward the completion of external wall insulation services can be measured at a house level and limited judgement is required in identifying contract progress which can be aligned with installation of the goods. For scaffold services, a higher percentage of the transaction price is allocated to erecting the scaffolding, which the Group considers a faithful depiction of complete satisfaction towards the obligations under the contract as the de-rigging stage cannot be satisfied without first erecting the scaffolding.

The Group has taken advantage of the practical exemption to expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less. For commercial contracts for which the contractual period is greater than one year, the Group does not incur incremental costs that would not have been incurred had the contract not been obtained.

#### *(m) Employee benefits*

##### *Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The scheme has, since 31 March 2001, only deferred members. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. The benefit is subsequently discounted to determine its present value and the fair value of any plan assets is deducted. The entity determines the net interest expense/income on the net defined benefit liability/asset for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability/asset, taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the statement of financial position date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to, the terms of the entity's obligations. A full actuarial valuation is performed tri-annually and updated each year by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets on the basis that the Group has an unconditional right to refund of the surplus at the end of the life of the plan and to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability/asset arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

##### *Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### *(n) Government grants*

Income from grants is presented within other operating income. Government grants relating to the Job Retention Scheme are recognised as income over the periods when the related costs are incurred.

#### *(o) Use of estimates and judgements*

The preparation of the consolidated financial statements in conformity with international accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *(o) Use of estimates and judgements (continued)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are as follows:

##### *Judgements*

- The deferred tax asset in note 18 has been recognised to the extent that the Directors believe future taxable profits will be available against which it can be used.
- Revenue has been recognised at a point in time based on the ability to repurpose products for alternative use and right to compensation compared to performance date throughout the contract term discussed previously in (l).

##### *Estimates and assumptions*

- Depreciation policies as discussed previously in (f) and applied in arriving at the valuations in note 8 are based on past experience. In addition, annual internal audits of assets are conducted to assess if impairment has occurred.
- Discount factors are used in calculating provisions and impairment of intangible fixed assets and investments. The Directors utilise their own experience as well as holding discussions with stakeholders and advisors in making judgements as to appropriate rates to use.
- The inventory provision applied in note 10 takes into consideration inventory turn and last usage of inventory items, as well as technical developments in the Company's product portfolio when determining whether to provide against inventory lines.
- The receivables provision applied against trade receivables within note 11 draws on past recoverability of balances and considers how the ageing of debt impacts the Company's ability to retrieve outstanding funds.
- The determination of the incremental borrowing rate used to measure right of use leases liabilities in note 15 refers to the rate of interest available to the Group through similar securities held and refers to the economic environment that applies at the commencement date.
- The provisions shown within note 17 have been calculated based on the monitoring of related transactions over a large number of years and application of that data to the current profile of installations under warranty and properties leased. Discount factors are also used in the calculation of provisions.
- Defined benefit pension scheme: discount rate, inflation rate and mortality assumptions could materially affect the valuation of the defined benefit pension scheme. A degree of estimation exists in the choice of applicable discount rate on which the yield curve is constructed, the method used to produce the yield curve and the term of the scheme's obligations. Inflation assumptions are also subject to a degree of estimation regarding the term of the scheme and choice of yield curve. Mortality is determined through the choice of mortality model and allowances for future mortality improvement. The Directors utilise their own experience as well as holding discussions with advisors in making judgements as to appropriate assumptions to apply.

#### *(p) New standards, interpretations and amendments*

The following amendments are effective for the period beginning after 1 January 2022:

- *Onerous contracts – costs of fulfilling a contract* (Amendments to IAS 37): IAS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the Group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The Group, prior to the application of the amendments, did not have any onerous contracts. The amendments have had no impact as at 1 January 2022.



## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### (p) New standards, interpretations and amendments (continued)

- *Property, plant and equipment: Proceeds before intended use* (Amendments to IAS 16): The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced during the testing phase of a manufacturing facility after it is being constructed but before start of commercial production). The proceeds from selling such samples, together with the costs of producing them, are now recognised in profit or loss. These amendments had no impact on the year-end consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.
- *Annual improvements to IFRS standards 2018-2020* (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41): Amendments to these standards have had no impact on the Group.
- *References to conceptual framework* (Amendments to IFRS 3): No changes to accounting requirements have been made in relation to business combinations, therefore the Group has experienced no impact.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods, subject to endorsement by The UK Endorsement Board, that the Group has decided not to adopt early.

The following amendments are effective for periods beginning after 1 January 2023:

- *Disclosure of accounting policies* (Amendments to IAS 1 and IFRS practice statement 2): Amendments replace the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The Group does not expect significant accounting policies and material accounting policy information to differ.
- *Definition of accounting estimates* (Amendments to IAS 8): Amendments introducing the definition of accounting estimates and guidance in distinguishing changes in accounting estimates from changes in accounting policies. The Group has reviewed the changes and believes the current approach to accounting estimates aligns with the revised definition.
- *Deferred tax related assets and liabilities arising from a single transaction* (Amendments to IAS 12): The scope of recognition exemptions no longer apply to transactions giving rise to equal taxable and deductible temporary differences. The Group expects additional deferred tax assets and liabilities may arise should lease agreements continue to be utilised as part of the board's financing strategy.

The following amendments are effective for periods beginning after 1 January 2024:

- *Classification of liabilities as current or non-current* (Amendments to IAS 1): Amendments clarify the criterion for classifying a liability as non-current, being the entity must have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments are not expected to have a significant impact given the terms associated with the Group's liabilities.
- *Non-current liabilities with covenants* (Amendments to IAS 1): Entities are required to provide improved information when right to defer is subject to compliance with covenants. The Group has historically seen no instances of non-compliance with covenants attached to long-term debt and therefore does not foresee any impact.
- *Lease liability in a sale and leaseback* (Amendments to IFRS 16): Subsequent measurement requirements for sale and leaseback transactions. The prevention of a seller-lessee recognising a gain or loss relating to the partial or full termination of a lease is expected to have insignificant impact on the Group.

## Notes to the financial statements *(continued)*

### 1 Accounting policies *(continued)*

#### *(q) Impairment excluding inventories*

##### *Financial assets (including receivables)*

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets (as defined in IFRS 15 *Revenue from contracts with customers*). Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

##### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

##### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

##### *Write-offs*

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

##### *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into cash-generating units ("CGUs"), i.e. the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2 Revenue

Revenue has not been analysed by geographical markets or class of business as amounts arising outside the United Kingdom are not significant. The Company's revenue relates entirely to home improvement products.

## Notes to the financial statements *(continued)*

### 3 Operating costs and auditor's remuneration

Operating costs include the following charges/(credits):

	Period ended 1 April 2023 £000	Period ended 2 April 2022 £000
Profit on disposal of tangible fixed assets	(84)	(40)
Audit of financial statements of subsidiaries pursuant to legislation	187	142
Research and development	372	298

Operating costs also include non-recurring costs of £537,000 (2022: £692,000). These costs relate primarily to redundancy and strategic consultancy of a non-routine nature.

Other operating income includes:

	Period ended 1 April 2023 £000	Period ended 2 April 2022 £000
Finance commissions	2,269	2,802
COVID-19 Job Retention Scheme grants (CJRS)	-	607
Miscellaneous other income	-	166
	<u>2,269</u>	<u>3,575</u>

### 4 Staff costs

#### *(i) Employees*

Average number of employees during the period:

	Period ended 1 April 2023	Period ended 2 April 2022
Commercial	96	90
Manufacturing	420	443
Retail	649	595
Support	167	141

	<u>1,332</u>	<u>1,269</u>
	£000	£000

Costs during the period:

	Period ended 1 April 2023	Period ended 2 April 2022
Wages and salaries	44,688	40,786
Social security costs	4,634	4,208
Pension costs	1,792	1,630
	<u>51,114</u>	<u>46,624</u>

## Notes to the financial statements (continued)

### 4 Staff costs (continued)

#### (ii) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Group considers the directors of the Company stated on page 4 to be key management personnel. Total key management personal compensation for the period is £800,000 (2022: £600,000).

	Period ended 1 April 2023 £000	Period ended 2 April 2022 £000
Salaries	782	534
Taxable benefits	4	28
Contributions to defined contribution schemes	14	38
	<hr/>	<hr/>
	800	600
	<hr/>	<hr/>

#### (iii) Remuneration of the highest paid director

	£000	£000
Salary	524	344
Taxable benefits	2	18
Contributions to defined contribution schemes	-	19
	<hr/>	<hr/>
	526	381
	<hr/>	<hr/>

The number of directors accruing pension benefits was 1 (2022: 2).

### 5 Net finance expense

	Period ended 1 April 2023 £000	Period ended 2 April 2022 £000
<b>Finance expense</b>		
On loans and overdrafts	1,578	1,312
Finance and HP agreement interest payable	21	108
Unwinding of discount on provisions	708	33
Interest on lease liabilities (note 15)	551	535
Working capital facility costs	58	51
	<hr/>	<hr/>
	2,916	2,039
	<hr/>	<hr/>
<b>Finance income</b>		
Adjustment to discount on provisions	(81)	(405)
Pension interest	(22)	(9)
	<hr/>	<hr/>
Net finance expense recognised in profit or loss	2,813	1,625
	<hr/>	<hr/>

## Notes to the financial statements *(continued)*

### 6 Taxation

#### *(i) Analysis of credit in period*

	Period ended 1 April 2023 £000	Period ended 2 April 2022 £000
<b>Current tax</b>		
Corporation Tax on result for the period	6	-
R&D Credits	(35)	-
Adjustment in respect of previous periods	(5)	(45)
<b>Deferred tax</b>		
Credit for timing differences arising in the period	(85)	23
Prior year adjustments	(1,327)	99
Impact of changes in tax rates	(245)	(1,131)
	<hr/>	<hr/>
Tax credit for the period	(1,691)	(1,054)
	<hr/>	<hr/>

	Period ended 1 April 2023			Period ended 2 April 2022		
	£000	£000	£000	£000	£000	£000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in profit and loss account	1,733	(42)	1,691	1,077	(23)	1,054
Recognised in other comprehensive income	-	(91)	(91)	-	(81)	(81)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total tax (charge)/credit	1,733	(133)	1,600	1,077	(104)	973
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Group has chosen to take the disclosure exemption relating to the deferred tax impact of Pillar Two Model reform amendments under IAS 12 *Income Taxes*.

## Notes to the financial statements *(continued)*

### 6 Taxation *(continued)*

#### *(ii) Factors affecting the tax credit for the period*

The current tax credit for the period is higher (2022: higher) than the standard rate of Corporation Tax in the UK of 19% (2022: 19%). The differences are explained below:

	Period ended 1 April 2023 £000	Period ended 2 April 2022 £000
Profit on ordinary activities before tax	1,350	2,589
Profit on ordinary activities multiplied by standard rate of Corporation Tax in the UK at 19%	257	492
Effects of:		
Adjustments in respect of prior years	(1,332)	54
Expenses not deductible for tax purposes	200	324
R&D credits	(35)	-
Income not taxable	-	(75)
Tax rate changes	(245)	(1,131)
Deferred tax not recognised	(536)	(718)
Tax credit for the period	(1,691)	(1,054)

The Finance Act 2021 was substantively enacted in May 2021 and has increased the Corporation Tax rate from 19% to 25% with effect from 1 April 2023. Deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timings differences reverse.

## Notes to the financial statements (continued)

### 7 Intangible fixed assets

Group	Trade name £000	Goodwill £000	Total £000
<b>Cost</b>			
At 2 April 2022	21,137	-	21,137
Additions	-	473	473
	<hr/>	<hr/>	<hr/>
At 1 April 2023	<b>21,137</b>	<b>473</b>	<b>21,610</b>
	<hr/>	<hr/>	<hr/>
<b>Impairment</b>			
Provision at 2 April 2022	2,117	-	2,117
Charge in the period	-	-	-
	<hr/>	<hr/>	<hr/>
At 1 April 2023	<b>2,117</b>	<b>-</b>	<b>2,117</b>
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 1 April 2023	<b>19,020</b>	<b>473</b>	<b>19,493</b>
	<hr/>	<hr/>	<hr/>
At 2 April 2022	19,020	-	19,020
	<hr/>	<hr/>	<hr/>

The Group values its trade names by determining the value in use of the cash-generating units (CGUs) the trade names can be allocated to. A multiple scenario approach is applied in which several alternative cashflow outcomes are forecast over a five-year period, reflecting management's best estimate of the economic conditions that could impact the carrying amount of each trade name. Key assumptions include changes in gross margin and overheads and are consistent with management's current strategy and the expected changes in the industry the Group operates in. A growth rate accounting for inflation of 2% is assumed for cashflows beyond the forecast period, which represents a cautious outlook significantly below the long-term average growth rate for the industry and is used to satisfy the requirements of IAS 36 *Impairment of assets*. The pre-tax discount rate applied is 18%.

The carrying values of intangible assets with indefinite useful lives allocated to each CGU are as follows:

	ABP £000	AHI £000
At 1 April 2023	2,901	16,119
	<hr/>	<hr/>

The value in use of allocated to each CGU is as follows:

	ABP £000	AHI £000
At 1 April 2023	21,518	19,315
	<hr/>	<hr/>

On 31 August 2022 the Group purchased a 100% share in Norwich Sunblinds Limited at a cost of £716,000 and subsequently recognised £473,000 of goodwill upon acquisition. The disclosures relevant to the acquisition have not been made on the grounds on materiality as is permitted by IAS 1 *Presentation of financial statements*.

The Company has no intangible assets.

## Notes to the financial statements (continued)

### 8 Property, plant and equipment

	Land and buildings	Plant and machinery	Motor vehicles	Right-of- use motor vehicles	Right-of- use property	Total
Group	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 2 April 2022	5,116	14,199	1,319	3,841	11,855	36,330
Additions	869	1,667	684	1,485	3,104	7,809
Acquired through business combinations	1	32	45	-	-	78
Disposals	(298)	(192)	(1,485)	(282)	(716)	(2,973)
At 1 April 2023	<b>5,688</b>	<b>15,706</b>	<b>563</b>	<b>5,044</b>	<b>14,243</b>	<b>41,244</b>
<b>Depreciation</b>						
At 2 April 2022	2,020	6,385	989	1,725	4,673	15,792
Charge for the period	357	1,416	174	1,023	1,762	4,732
Disposals	(298)	(192)	(1,106)	(280)	(667)	(2,543)
At 1 April 2023	<b>2,079</b>	<b>7,609</b>	<b>57</b>	<b>2,468</b>	<b>5,768</b>	<b>17,981</b>
<b>Net book value</b>						
At 1 April 2023	<b>3,609</b>	<b>8,097</b>	<b>506</b>	<b>2,576</b>	<b>8,475</b>	<b>23,263</b>
At 2 April 2022	3,096	7,814	330	2,116	7,182	20,538
The net book value of land and buildings comprises:						
					2023 £000	2022 £000
Long leasehold					2,259	2,086
Short leasehold					1,350	1,010
					<b>3,609</b>	<b>3,096</b>

The Group leases a number of properties in the regions from which it operates, for the purposes of sales, storing and distributing products throughout the UK and head office functions. In some cases periodic rent is fixed over the lease term, and in other cases rent is increased periodically in line with rent schedules outlined in the lease contract.

The Group also leases motor vehicles for use by employees and vans for use in the installation process.

The Company has no tangible assets.



## Notes to the financial statements (continued)

### 9 Investments

#### Company

The following are the principal operating undertakings in which the Parent Company has an interest:

				Profit for the period £000	Net (liabilities) /assets £000
<i>Subsidiary undertakings:</i>					
Anglian Group (Investments) Limited	Ordinary shares	100%	6,755		(17,108)
Anglian Group Limited	Ordinary shares	100%*	42,842		44,171
ASHI Group Limited (formerly Anglian Windows Limited)	Ordinary shares	100%*	3,300		33,747
New England Windows Limited	Ordinary shares	100%*	369		3,784
Norwich Sunblinds Limited	Ordinary shares	100%*	33		276
Ampleoffice Limited	Ordinary shares	100%*	-		3,000

\* held by subsidiary undertaking

#### Company

#### Shares in group undertakings £000

#### Cost or Valuation

At 2 April 2022 and 1 April 2023

-

The registered office address of all subsidiaries is Liberator Road, Norwich, Norfolk, NR6 6EU.

Other minor shareholdings are listed in note 25.

### 10 Inventory

	Group	
	2023 £000	2022 £000
Raw materials	3,028	3,236
Work in progress	7,534	8,149
	<u>10,562</u>	<u>11,385</u>

Work in progress includes manufactured product awaiting installation.

The write-down of stocks to net realisable value amounted to £411,000 (2022: £156,000). The total carrying amount of stocks pledged as security for liabilities in the period amounted to £1,000,000 (2022: £1,000,000).

The Company has no inventory.

## Notes to the financial statements (continued)

### 11 Trade and other receivables

	Group		Company	
	2023	2022	2023	Restated* 2022
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade receivables	12,545	10,603	-	-
Loss allowance	(800)	(925)		
	<u>11,745</u>	<u>9,678</u>		
Prepayments and accrued income	14,360	15,544	-	-
	<u>26,105</u>	<u>25,222</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Amounts owed from subsidiary undertakings	-	-	41,373	36,601
Loss allowance	-	-	(4,137)	(3,770)
	<u>26,105</u>	<u>25,222</u>	<u>37,236</u>	<u>32,831</u>

#### Group

In addition to the risks discussed in the Strategic Report, the Group also bears a credit risk which primarily relates to customers not fulfilling their contractual obligations. Included within receivables are the Group's trade receivables and it is in respect of these that credit risks primarily arise.

Trade receivables are reviewed weekly and for larger customers, credit tests are conducted prior to accepting their contracts.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the receivable's current financial position, adjusted for factors that are specific to the receivables, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer segments.

## Notes to the financial statements (continued)

### 11 Trade and other receivables (continued)

	Current £000	1-29 days £000	2023 30-180 days £000	Over 180 days £000	Total £000
Expected credit loss rate	0.6%	0.0%	0.0%	86.7%	6.4%
Gross carrying amount of trade receivables	8,716	2,464	506	859	12,545
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Loss allowance	55	-	-	745	800
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Current £000	1-29 days £000	2022 30-180 days £000	Over 180 days £000	Total £000
Expected credit loss rate	0.8%	0.0%	0.0%	86.7%	8.7%
Gross carrying amount of trade receivables	6,391	2,498	702	1,012	10,603
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Loss allowance	48	-	-	877	925
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

#### Company

The Company annually assesses significant changes to credit risk in subsidiary undertakings. Expected credit losses on amounts due from subsidiary undertakings are estimated by considering the terms of the amounts due, economic outlook, past experiences of defaults and the impact of Group structure on the ability to pay.

Analysis of the factors above suggests that amounts due from subsidiary undertakings would be recovered in full. The Company has no experience of defaults by subsidiary undertakings and so the probability of default is deemed to be negligible. As a result, the expected credit loss has been limited to the extent of discounting over the period it is realised.

\*Refer to note 27 for details of prior year adjustment

## Notes to the financial statements (continued)

### 12 Cash and cash equivalents

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Cash and cash equivalents	7,321	14,135	-	-
	<u>7,321</u>	<u>14,135</u>	<u>-</u>	<u>-</u>

Changes in the Group's assets and liabilities arising from financing activities are as follows:

	Right-of-use lease liability £000 (Note 15)	Loans and borrowings £000 (Note 16)	Finance leases and HP £000 (Note 16)	Total £000
At 3 April 2022	9,825	20,385	528	30,738
Cash flows	(3,129)	155	(535)	(3,509)
Non-cash flows:				
Interest accruing in period	551	473	21	1,045
Additions	4,589	-	-	4,589
Disposals	(54)	-	-	(54)
At 1 April 2023	<u>11,782</u>	<u>21,013</u>	<u>14</u>	<u>32,809</u>
At 28 March 2021	10,654	10,463	2,314	23,431
Cash flows	(3,011)	8,690	(1,894)	3,785
Non-cash flows:				
Interest accruing in period	535	1,232	108	1,875
Additions	1,981	-	-	1,981
Disposals	(334)	-	-	(334)
At 2 April 2022	<u>9,825</u>	<u>20,385</u>	<u>528</u>	<u>30,738</u>

## Notes to the financial statements *(continued)*

### 13 Liabilities – Amounts falling due within one year

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
<b>Trade and other payables</b>				
Payments received on account	13,264	18,692	-	-
Trade payables	19,045	15,373	-	-
Other taxation and social security	4,315	7,935	-	-
Accruals and deferred income	17,875	16,975	-	-
Amounts owed to subsidiary undertakings	-	-	1,843	-
	<u>54,499</u>	<u>58,975</u>	<u>1,843</u>	<u>-</u>
Provisions (note 17)	<u>2,412</u>	<u>3,808</u>	<u>-</u>	<u>-</u>
<b>Other interest-bearing loans and borrowings</b>				
Finance leases and HP agreements (note 16)	13	514	-	-
Related party loan (note 16)	-	7,342	-	-
Bank loan (note 16)	456	-	-	-
Right of use lease liability (note 15)	2,595	1,623	-	-
	<u>3,064</u>	<u>9,479</u>	<u>-</u>	<u>-</u>

### 14 Liabilities – Amounts falling due after more than one year

	Group		Company	
	2023 £000	2022 £000	2023 £000	2022 £000
Minority shareholder loan (note 16)	878	782	-	-
Bank loan (note 16)	16,979	12,261	-	-
Related party loan (note 16)	2,700	-	-	-
Finance leases and HP agreements (note 16)	-	13	-	-
Right of use lease liability (note 15)	9,188	8,202	-	-
	<u>29,745</u>	<u>21,258</u>	<u>-</u>	<u>-</u>

## Notes to the financial statements *(continued)*

### 15 Lease liabilities

#### Maturity analysis – contractual undiscounted cash flows

	Group	
	2023	2022
	£000	£000
<b>Right of use lease liability</b>		
Less than one year	3,134	2,913
One to five years	6,681	6,553
More than five years	7,849	4,389
	<hr/>	<hr/>
Total undiscounted lease liabilities	17,664	13,855
	<hr/>	<hr/>

#### Lease liabilities included in the statement of financial position

Current	2,595	1,623
Non-current	9,188	8,202
	<hr/>	<hr/>
	11,783	9,825
	<hr/>	<hr/>

#### Amounts recognised in profit and loss

Interest on lease liabilities	551	535
Expenses related to short term leases	381	836
Expenses related to low value assets excluding short term leases	315	119
	<hr/>	<hr/>
	1,247	1,490
	<hr/>	<hr/>

## Notes to the financial statements (continued)

### 16 Loans and borrowings

	Group	
	2023	2022
	£000	£000
<b>Secured loans (notes 13 and 14)</b>		
Minority shareholder loan	878	782
Bank loan	17,435	12,261
Related party loans	2,700	7,342
	<u>21,013</u>	<u>20,385</u>
<b>Other sources of financing</b>		
Obligations under finance leases and HP agreements (notes 13 and 14)	14	527
	<u>14</u>	<u>527</u>
The loans are repayable:		
	2023	2022
	£000	£000
Repayable within one year	456	7,342
Repayable within one and two years	1,179	-
Repayable in more than two years	19,378	13,043
	<u>21,013</u>	<u>20,385</u>

The Group is party to an asset-based lending agreement made by Arbuthnot Commercial Asset Based Lending Limited comprising the following elements:

- A property loan of £486,000 (2022: £520,000) is secured against property with interest charged at 4.75% above the base rate with monthly repayments of £2,500. The loan is due for repayment by June 2034.
- In the period the Group amended the plant and machinery loan and withdrew an additional £1,003,000. At 1 April 2023 £1,855,000 (2022: £1,205,000) remained. The loan is secured against plant and machinery with interest charged at 4.5% above the base rate with monthly repayments of £35,000. The loan is due for repayment by June 2024.
- A receivables finance facility at 2.75% above base rate. Funds in use at 1 April 2023 were £2,993,000 (2022: £531,000). The Group also uses an inventory loan facility with interest charged at 4% above base rate. Funds in use at 1 April 2023 were £2,012,000 (2022: £5,000). Both facilities have a minimum term ending in June 2025.
- An unsecured loan of £10,000,000 (2022: £10,000,000). Repayments are not due to commence until December 2024. The loan is unsecured and is due for settlement in December 2028. A 5.8% above base rate interest charge accrues on the loan and is paid monthly. £85,000 (2022: Nil) interest was payable at the period end.

The facilities held under the asset-based lending agreement are subject to a financial covenant to maintain a headroom of more than £1,000,000, calculated on an average monthly basis and tested throughout each month. At 1 April 2023 unutilised facilities of £323,000 (2022: £6,191,000) were available to the Group.

The Group has loans of £878,000 (2022: £782,000) with a minority shareholder bearing interest at 12% per annum, due for repayment in October 2026. The loan is secured by fixed and floating charges over all assets and undertakings of each Group company.

## Notes to the financial statements *(continued)*

### 17 Provisions for liabilities and charges

	As at 2 April 2022 £000	Utilised in the year £000	Group Additional provision required/(released) £000	Increase/ (decrease) due to change in discount rate £000	As at 1 April 2023 £000
Guarantee and claims (a)	7,510	(3,797)	1,826	708	6,247
Property (b)	2,761	(221)	(807)	(81)	1,652
	<u>10,271</u>	<u>(4,018)</u>	<u>1,019</u>	<u>627</u>	<u>7,899</u>
Due within one year or less	3,808				2,412
Due after more than one year	6,463				5,487
	<u>10,271</u>				<u>7,899</u>

#### a) *Guarantee and claims reserve*

A reserve is maintained to cover claims against the Group in relation to products sold by the Group. This primarily relates to guaranteed work and the core provision is calculated by reference to the product guaranteed, the experience of costs actually incurred and the length of the guarantee period. Additionally, further provision is made on a specific basis for any known/expected claims. It is expected that £2,212,000 is payable in the next 12 months with the remainder accruing over the life of the warranties (10 to 15 years). The provision is discounted at 3.48%.

#### b) *Property*

The provision is for rental liabilities for properties not in operational use and for dilapidations arising at the end of leases. It is expected that £200,000 will be spent in the next year, however, this will depend on which properties are exited during the year. The provision is discounted at 10%.



## Notes to the financial statements (continued)

### 18 Deferred taxation

	Group			(Charged)/ credited to profit and loss
	Asset 2023 £000	Liability 2023 £000	Net 2023 £000	2023 £000
Accelerated capital allowances	5,576	(14)	5,562	1,691
Employee pension assets	-	(307)	(307)	(133)
Movement in depreciation in trading stock	-	(34)	(34)	(7)
Net tax assets/(liabilities)	5,576	(355)	5,221	1,551
				(Charged)/ credited to profit and loss
	Asset 2022 £000	Liability 2022 £000	Net 2022 £000	2022 £000
Accelerated capital allowances	3,871	-	3,871	1,129
Employee pension assets	-	(174)	(174)	(174)
Movement in depreciation in trading stock	-	(27)	(27)	(27)
Net tax assets/(liabilities)	3,871	(201)	3,670	928

As discussed in note 6, the UK government has announced increases in Corporation Tax rates to 25% in future years. The deferred tax balances have been calculated using the rates expected to apply in the reporting periods when the timing differences reverse.

No deferred tax has been recognised in respect of carried forward losses. The value of carried forward losses as at 1 April 2023 was £5,030,000 (2022: £12,156,000).

## Notes to the financial statements (continued)

### 19 Pension costs

During the period the Group operated various defined contribution pension schemes. The assets of these schemes are held separately from those of the Group in independently administered funds. The charge in respect of these funds and associated assurance amounted to £1,792,000 (2022: £1,630,000).

The Group also operates a defined benefit pension scheme fully insured with Clerical Medical Investment Group. The assets of the scheme were valued by an independent qualified actuary as at 31 March 2021. The next valuation is scheduled to commence as at 31 March 2024.

The assets of the scheme are held separately from those of the Group. The scheme is managed by two independent trustees.

The scheme provides benefits based on final salary and length of service retirement, leaving service or death but is closed to new employees and there has been no contributing member since May 2008. The Group contributions are determined by an independent qualified actuary using the attained age method. There were no contributions payable to the fund at the period end (2022: £Nil). Following the actuary's latest valuation of scheme assets as at 31 March 2021, a copy of which is available upon request, the actuary prepared a new schedule of contributions (dated 11 April 2023) which recommends that the employer's contributions should continue at £13,100 per month to 31 March 2024.

The scheme is exposed to a number of risks, including:

- *Investment risk:* movement of discount rate used (high quality corporate bonds denominated in the same currency as the post-employment benefit obligations) against the return from plan assets.
- *Interest rate risk:* movements in the discount rate used (high quality corporate bonds) will impact the defined benefit obligation.
- *Longevity risk:* changes in the estimation of mortality rates of former employees.

There were no plan amendments, curtailments or settlements during the period.

#### a) Assumptions

The pension scheme valuation has been updated by the actuary as at 1 April 2023. The major assumptions used in this valuation were:

	2023	2022
Discount rate	4.65%	2.65%
Inflation assumption – CPI	2.85%	3.1%
Rate of increase in pensions in payment	2.3%	2.4%
Post-retirement mortality	1.25%	1.25%
Commutation	50% allowance	50% allowance
Expected rate of return	3.2%	2.1%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered and other factors may not necessarily be borne out in practice.

Average future life expectancies for mortality tables used to determine the actuarial value of liabilities were:

	2023		2022	
	Male	Female	Male	Female
Members attaining age 65 in 2023	21.9 years	24.5 years	22.2 years	24.6 years
Members attaining age 65 in 2043	23.1 years	25.9 years	23.5 years	26.0 years

## Notes to the financial statements *(continued)*

### 19 Pension costs *(continued)*

#### *b) Valuation*

	1 April 2023 £000	2 April 2022 £000
Assets of the scheme – insurance policy	5,328	6,474
Present value of liabilities	(4,098)	(5,740)
	<hr/>	<hr/>
Surplus in the scheme	1,230	734
	<hr/>	<hr/>

#### *c) Movements in assets and defined benefit obligation*

	1 April 2023 £000	2 April 2022 £000
<b>Assets</b>		
Fair value of assets at the beginning of the period	6,474	5,044
Expected return on assets	172	137
Contributions	157	157
Benefits paid	(146)	(145)
Actuarial (loss)/gain	(1,329)	1,281
	<hr/>	<hr/>
Fair value of assets at the end of the period	5,328	6,474
	<hr/>	<hr/>
	1 April 2023 £000	2 April 2022 £000
<b>Defined benefit obligation</b>		
Defined benefit obligation at the beginning of the period	5,740	5,290
Interest cost	150	128
Benefits paid	(146)	(145)
Actuarial (gain)/loss	(1,646)	467
	<hr/>	<hr/>
Defined benefit obligation at the end of the period	4,098	5,740
	<hr/>	<hr/>
Expected contributions in the next period	157	157
	<hr/>	<hr/>

## Notes to the financial statements (continued)

### 19 Pension costs (continued)

#### d) Other disclosures

	1 April 2023 £000	2 April 2022 £000	
<i>i) Analysis of amounts charged to other finance charges</i>			
Expected return on pension scheme assets	172	137	
Interest cost on pension scheme liabilities	(150)	(128)	
	<hr/>	<hr/>	
Net income	22	9	
	<hr/>	<hr/>	
	1 April 2023 £000	2 April 2022 £000	
<i>ii) Analysis of amounts recognised in other comprehensive income</i>			
(Loss)/gain on scheme assets	(1,329)	1,281	
Gain/(loss) on scheme liabilities	1,646	(467)	
	<hr/>	<hr/>	
Net gain	317	814	
	<hr/>	<hr/>	
	2023 £000	2022 £000	2021 £000
<i>iii) History of scheme</i>			
Present value of liabilities	(4,098)	(5,740)	(5,290)
Fair value of assets	5,328	6,474	5,044
Surplus/(deficit)	1,230	734	(246)
Return on assets less interest	(1,329)	1,281	317
As a percentage of assets %	(24.9)	19.8	6.3
Experience adjustment on liabilities	68	61	(61)

#### iv) Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption in isolation is presented in the table below. The combined effect of varying two or more of these assumptions may be different to the sum of the individual effects.

	Increase/(decrease) in liability value £000
Discount rate + 0.50% per annum	(274)
Discount rate - 0.50% per annum	307
Inflation + 0.50% per annum	132
Inflation - 0.50% per annum	(128)
Life expectancy + 1 year	109
Life expectancy - 1 year	(106)
Pension commutation - No allowance	123

## Notes to the financial statements *(continued)*

### 20 Financial instruments

The Group holds and uses financial instruments to fund its operations and to ensure that its interest rate and liquidity risks are managed as set out in the Strategic Report. The Group uses borrowings and retained profits to fund its operations.

The principal methods and assumptions used in estimating the fair values of financial instruments are:

(a) Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date if the effect is material.

(b) Interest bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases and HP agreements, the market rate of interest is determined by reference to similar lease agreements.

The Group's financial assets and liabilities are categorised as follows:

#### Financial assets

	Amortised cost	
	Period ended 1 April 2023	Period ended 2 April 2022*
	£000	£000
Trade and other receivables	16,049	12,063
Cash and cash equivalents	7,321	14,135
	<hr/>	<hr/>
Total financial assets	23,370	26,198
	<hr/>	<hr/>

#### Financial liabilities

	Amortised cost	
	Period ended 1 April 2023	Period ended 2 April 2022*
	£000	£000
Trade and other payables	(41,235)	(40,283)
Loans and borrowings	(21,013)	(20,385)
Finance leases and HP agreements	(13)	(527)
Right of use liability	(11,782)	(9,825)
	<hr/>	<hr/>
Total financial liabilities	(74,043)	(71,020)
	<hr/>	<hr/>

Further details of the Group's financial instruments are set out in notes 11 to 16.

The Company's financial instruments are set out in note 11.

\*Prior year amounts have been restated, with no impact on the primary statements.

## Notes to the financial statements (continued)

### 21 Share capital

#### Group and Company

#### Allotted, called up and fully paid

Number	X Preference Shares of 1p '000	Y Preference Shares of 1p '000	Ordinary Shares of 1p '000	B1 Ordinary Shares of 1p '000	B2 Ordinary Shares of £7 '000	C Ordinary Shares of 1p '000	Total '000
At 2 April 2022	1,668,023	1,003,084	4,628	1	-	10	2,675,746
At 1 April 2023	1,668,023	1,003,084	4,628	1	-	10	2,675,746
Value	£000	£000	£000	£000	£000	£000	£000
At 2 April 2022	16,680	10,031	46	-	3	-	26,760
At 1 April 2023	16,680	10,031	46	-	3	-	26,760

Ordinary Shares, B1 Ordinary Shares and B2 Ordinary Shares carry equal voting rights. X Preference Shares, Y Preference Shares and C Ordinary Shares carry no voting rights.

X Preference Shares, Y Preference Shares and Ordinary Shares are entitled to distributions of dividends. X Preference Shares and Y Preferences Shares take priority over distributions to Ordinary shares.

B1 Ordinary Shares, B2 Ordinary Shares and C Ordinary Shares have no entitlement to distributions of dividends.

### 22 Commitments and contingencies

The Company and its subsidiaries have given guarantees and debentures (which contain fixed and floating charges over all the business assets) in respect of any indebtedness to the Group's bankers and in respect of the loan from shareholders. The directors do not expect any loss to arise in respect of these guarantees.

The Group has capital expenditure commitments contracted for but not provided in the accounts at the period end of £1,946,000 (2022: £475,000).

### 23 Related party transactions

#### Group

Details of a loan provided by the Group's ultimate controlling party and the other shareholders are shown in note 16. The interest charged on these loans was £358,000 (2022: £866,000).

Key management personnel compensation is disclosed in note 4 (ii).

The Group has a commercial agreement with an associate of Alchemy Partners LP Inc. Within other operating charges, the Group incurred £828,000 (2022: £589,000) in relation to services provided. The Group also holds a security deposit with the associate of £3,000,000 (2022: £2,500,000) within prepayments and accrued income. All transactions took place at arm's length.

#### Parent

As per FRS 101 reduced disclosure framework, the Company is not required to disclose transactions entered into between two or more members of the Anglian Home Improvements Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

## Notes to the financial statements *(continued)*

### 24 Ultimate controlling party

These financial statements are not consolidated into any parent entity. Alchemy Special Opportunities Fund III L.P. is the immediate parent undertaking of Anglian Home Improvements Group Limited. The ultimate parent undertaking and controlling party of Anglian Home Improvements Group Limited is Alchemy Partners LP Inc., a partnership registered in Guernsey, acting through its general partner Alchemy Partners GP Limited, a company registered in Guernsey.

### 25 Subsidiaries

As discussed in note 9, the Company has the following additional investments in subsidiary undertakings (all indirectly owned). The subsidiaries are all dormant, incorporated in the UK and 100% owned.

Anglia Home Improvements Limited	Anglian Group Holdings Limited
Anglia Windows Limited	Anglian Commercial Limited
Climatic Extrusions Limited	Anglian Building Insulation Limited
Anglian Building Products Limited	Anglian Financial Services Limited
Anglian Decorative Glass Limited	Anglian Home Improvements Insulations Limited
Anglian Direct Limited	Anglian Green Power Limited
Anglian Double Glazing Limited	Anglian Home Improvements Solar Energy Limited
Anglian First Home Improvements Limited	Anglian Limited
Anglian Solar Thermal Limited	Anglian Solar Energy Limited
Anglian Window Centres Limited	Anglian Home Improvements Green Power Limited
Timberland Windows Limited	New England Windows Pension Trustee Limited
Timberland Conservatories Limited	Tradelines Building Products Limited
Timberland Doors Limited	Anglian Home Improvements Limited
The Anglian Conservatory Company Limited	AHI Bidco Limited
Anglian Home Improvements Solar Thermal Limited	

The registered office address of all subsidiaries is Liberator Road, Norwich, Norfolk, NR6 6EU.

### 26 Events after the reporting period

On 8 November 2023 ASHI Group Limited, a subsidiary of Anglian Home Improvements Group Limited, acquired the customer order book, the Safestyle brand, intellectual property and certain other assets from H.P.A.S. Limited.

## Notes to the financial statements *(continued)*

### 27 Prior period adjustments

#### Parent

It was identified that interest has incorrectly been accrued on amounts owed from subsidiary undertakings, leading to an overstatement of £1,090,000 as at 2 April 2022. In addition, the interest receivable and subsequently the profit for the period was overstated by £1,090,000 in the period ended 2 April 2022. A prior period adjustment has been recognised as a result.

The prior period adjustment has no tax impacts.

This error has been corrected by restating the prior period amounts as follows:

	2 April 2022 As previously stated £000	2 April 2022 Adjustment £000	2 April 2022 As restated £000
<b>Non-current assets</b>			
Trade and other receivables	33,921	(1,090)	32,831
<b>Total assets</b>	33,921	(1,090)	32,831
<b>Net assets</b>	33,921	(1,090)	32,831
<b>Capital and reserves</b>			
Called up share capital	26,760	-	26,760
Share premium	1,665	-	1,665
Retained earnings	5,496	(1,090)	4,406
<b>Shareholders' surplus</b>	33,921	(1,090)	32,831

The disclosures within the notes to the financial statements have been restated.

No prior period adjustments were identified in relation to the Group.