

Registered number: 12672039

FINELINE ALUMINIUM DESIGN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

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FINELINE ALUMINIUM DESIGN LIMITED

COMPANY INFORMATION

Directors

A B De Haas (appointed 30 June 2020)
D B Leng (appointed 30 June 2020, resigned 30 April 2021)
N A Roberts (appointed 26 January 2021)
C C D Clegg (appointed 17 June 2020, resigned 30 June 2020)
J J Jones (appointed 15 June 2020, resigned 17 June 2020)
D M Keenan (appointed 19 June 2020; resigned 30 June 2020)
T A B Smith (appointed 30 June 2020, resigned 4 August 2020)

Company secretary

D Rogers (appointed 2 September 2020)
Squire Patton Boggs Secretaries (appointed 15 June 2020, resigned 17 June 2020)

Registered number

12672039

Registered office

Newton Centre (C/O Customade) Brunel Way
Stroudwater Business Park
Stonehouse
GL10 3SW

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
2 Glass Wharf
Bristol
BS2 0EL

Bankers

Clydesdale Bank PLC
Bering House
Mariner Court
Clydebank
G81 2NR

FINELINE ALUMINIUM DESIGN LIMITED

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FINELINE ALUMINIUM DESIGN LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

Introduction

The principal activity of the company during the period was the manufacture and supply of aluminium windows, doors and roof systems. There have not been any significant changes in the company's principal activities in the period under review.

Business review

The business was incorporated on 15 June 2020 following the 'pre-pack' administration of Customade Group Trading Ltd, the new business having divested of former loss-making entities.

The period following incorporation presented significant challenges, apart from manufacturing, all the tasks essential to the continuation of the business had to be performed remotely by home-based staff due to Covid restrictions and measures taken by the company to ensure the safety of its people.

In light of the considerable problems faced, the directors are pleased with the results for the period and consider the financial position at the year-end to be satisfactory.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks, these include:

Competitor activity
Market behaviour
Raw material pricing and supply
Labour availability

The company is well placed to respond to competition. It has a wide and loyal customer base and feedback on competitor activity flows relatively freely giving the company ample time to devise and implement responses to competitor threats.

Material supply issues attributed to both Covid and Brexit have caused input prices to rise as a result of scarce supply.

In the period under review, demand for our products has been high and prices are inelastic allowing for supply price increases to be passed on to our customers.

The company's manufacturing roles are relatively low-skilled and competition for this pool of labour is fierce. Whilst competing for labour on price can be combated through pricing as mentioned above, this only drives reaction from other employers.

Labour from Europe has been a traditional source but it is becoming increasingly clear that the attractiveness of short term engagements in the UK has completely diminished.

The company has access to a number of regional temporary labour pools and these provide adequate support for short term requirements.

In the longer term it is envisaged that increased automation will alleviate the pressure on labour resources.

FINELINE ALUMINIUM DESIGN LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Directors' statement of compliance with duty to promote the success of the company

The Board regularly considers the impact of their decision making on its key stakeholders. To this end, the Board have identified the following company's of stakeholders and detailed how they have engaged with these stakeholders and the effect that this has had on the business's decisions in the period under review.

Our people

Covid restrictions and the measures taken by the business to protect its employees made it particularly important to maintain communication and collaboration.

Investment in hardware and upgrading of internet connectivity was increased to ensure all home workers could be communicated with, a focus on video to try to make communications more human was encouraged.

With the relaxation of restrictions, the Board has sanctioned investment in Learning and Development resources and held communication events to foster continued engagement.

Our customers

Following the incorporation of the business it was vital to retain our customers and to ensure these customers were completely apprised of the new status of the business. The company employed additional heads in sales order processing and credit control to assist with these tasks and management is pleased to have retained the majority of our customers and to have attracted new customers.

Our suppliers

The period under review presented significant challenges as management sought to retain and rebuild supplier relationships. Management engaged directly with all main suppliers ensuring a constant and consistent flow of information. Throughout the year the business has maintained a virtual 100% record of paying all suppliers on time, behaviour that led to improvement to trading terms from a number of parties towards the end of the year.

The Board and management feel that all decisions taken during the period under review take into account the likely consequences of these decisions in both the long and short terms on the business and on the stakeholders identified above.

FINELINE ALUMINIUM DESIGN LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the period ended 31 December 2020.

Results and dividends

The loss for the period, after taxation, amounted to £5,176.

The directors did not recommend the payment of dividends in the period.

Directors

The directors who served during the period were:

A B De Haas (appointed 30 June 2020)
D B Leng (appointed 30 June 2020, resigned 30 April 2021)
C C D Clegg (appointed 17 June 2020, resigned 30 June 2020)
J J Jones (appointed 15 June 2020, resigned 17 June 2020)
D M Keenan (appointed 19 June 2020, resigned 30 June 2020)
T A B Smith (appointed 30 June 2020, resigned 4 August 2020)

Subsequent to the year end, N A Roberts was appointed a director on 26 January 2021.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FINELINE ALUMINIUM DESIGN LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Future developments

The external environment continues to be competitive in 2021.

However, the directors remain confident that their actions, including investments in new sites, management and machinery for expanded and more efficient capacity, will ensure profitable growth and improve the trading results of the business and related group companies.

Opportunities also exist to increase market share through additional product development.

Qualifying third party indemnity provisions

The Company made qualifying 3rd party indemnity provisions for the benefit of its directors during the period, which remain in force at the date of this report. This is a qualifying provision for the purposes of the Companies Act 2006.

Disclosure of information to auditor

The directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17/12/2021 and signed on its behalf.

Nick Roberts

N A Roberts
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINELINE ALUMINIUM DESIGN LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of Fineline Aluminium Design Limited for the period from 15 June 2020 to 31 December 2020, which comprise the statement of comprehensive income, the statement of financial position, the statement 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 their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficiency for an audit opinion on the Company's financial statements.

Basis for disclaimer of opinion

On 29 June 2020, the Company acquired the business, trade and assets of 5 companies out of administration as described in note 19 to the financial statements. Subsequent to the acquisition, there have been significant changes in the finance teams across the business, and weaknesses in financial systems and controls, resulting in a lack of audit trail in respect of accounting entries during the period and balances at the period end. As a result, management was not able to provide supporting information and explanations in respect of various accounting entries and balances of the Company financial statements. We were therefore unable to obtain sufficient appropriate audit evidence concerning the results of the Company for the period and the position of the Company at the period end, as reported in the respective financial statements.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINELINE ALUMINIUM DESIGN LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors for the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINELINE ALUMINIUM DESIGN LIMITED
(CONTINUED)**

Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK). However, because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We planned to obtain an understanding of how the Company is complying with significant legal and regulatory frameworks through inquiries of management;
- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006, along with legislation relating to employment, health & safety, data protection and environmental issues, as those most likely to have a material effect if non-compliance were to occur;
- During planning, we communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we planned to obtain an understanding of:
 - the Company's operations, including the nature of their revenue sources, products, and services and of their objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - the Company's control environment;
 - the Company's relevant controls over areas of significant risks; and
 - the Company's business in respect of classes of transactions that are significant to the financial statements
- Audit procedures planned by the engagement team included:
 - identifying the significant risk of fraud within revenue recognition and undertaking substantive testing to obtain sufficient and appropriate audit evidence;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - identifying and testing related party transactions.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FINELINE ALUMINIUM DESIGN LIMITED
(CONTINUED)**

- Our planned assessment of the appropriateness of the collective competence and capabilities of the engagement team included:
 - consideration of the engagement team's understanding of, and practical experience with, audit engagements of a similar nature and complexity;
 - appropriate training, knowledge of the industry in which the Company operates; and
 - understanding the legal and regulatory requirements specific to the Company.

Use of our report

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

A handwritten signature in black ink, appearing to read "Timothy Lincoln".

Timothy Lincoln BA ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

17/12/2021

FINELINE ALUMINIUM DESIGN LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Period ended 31 December 2020 £
Turnover	3,077,862
Cost of sales	(1,580,478)
Gross profit	1,497,384
Administrative expenses	(1,506,798)
Operating (loss)	(9,414)
Interest payable and expenses	(5,927)
(Loss) before tax	(15,341)
Tax on (loss)	10,165
(Loss) for the financial period	(5,176)
Other comprehensive income for the period	
Total comprehensive income for the period	(5,176)

There were no recognised gains and losses for 2020 other than those included in the Statement of Comprehensive Income.

The notes on pages 12 to 25 form part of these financial statements.

FINELINE ALUMINIUM DESIGN LIMITED
REGISTERED NUMBER:12672039

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £
Fixed assets		
Intangible assets	10	1,468,962
Tangible assets	11	396
		<u>1,469,358</u>
Current assets		
Stocks	12	89,468
Debtors: amounts falling due within one year	13	515,398
Cash at bank and in hand	14	313,111
		<u>917,977</u>
Creditors: amounts falling due within one year	15	<u>(2,240,747)</u>
Net current (liabilities)		<u>(1,322,770)</u>
Total assets less current liabilities		<u>146,588</u>
Provisions for liabilities		
Deferred tax		(86,925)
		<u>(86,925)</u>
Net assets		<u><u>59,663</u></u>
Capital and reserves		
Called up share capital		1
Capital contribution reserve		64,838
Profit and loss account		(5,176)
		<u>59,663</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/12/2021

Nick Roberts

N A Roberts
 Director

The notes on pages 12 to 25 form part of these financial statements.

FINELINE ALUMINIUM DESIGN LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Called up share capital £	Capital contribution reserve £	Profit and loss account £	Total equity £
Comprehensive income for the period				
Loss for the period	-	-	(5,176)	(5,176)
Total comprehensive income for the period	-	-	(5,176)	(5,176)
Contributions by and distributions to owners				
Shares issued during the period	1	-	-	1
Capital contribution	-	64,838	-	64,838
Total transactions with owners	1	64,838	-	64,839
At 31 December 2020	1	64,838	(5,176)	59,663

The notes on pages 12 to 25 form part of these financial statements.

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

1. General information

Fineline Aluminium Design Limited is a private company limited by shares and incorporated in England and Wales. Registered number 12672039, Its registered head office is located at Newton Centre (C/O Customade) Brunel Way, Stroudwater Business Park, Stonehouse, United Kingdom, GL10 3SW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have conducted an extensive assessment of the company's ability to continue operations into the foreseeable future. In performing this work the directors have considered the likely impact of the inherent risks and uncertainties the business faces and of its access to financial resources. The business entered 2021 with significant capital and restructuring plans and a strong order pipeline. It is the view of the directors that the business is a going concern.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably. this includes goods delivered to trade centres for collection in accordance with agreed Terms and Conditions.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.5 Intangible assets****Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Goodwill amortisation is charged to the P&L on a straight line basis over the estimated useful life of 10 years.

Acquired Brand Names

Brands have been valued using the Relief from Royalty Method. This assumes that the value of an intangible asset is equal to the present value of the amount the business would be prepared to pay to lease or rent that asset under a contract if it did not own the asset. The method has elements of the market approach because the information on royalty rates is generally obtained from market licensing transactions. Brand amortisation is charged to P&L on a straight line basis over the estimated useful life, deemed to be 10 years.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 20% to 33%
Office equipment	- 20% to 33%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in Progress includes labour and attributable overheads and is estimated as a percentage of final sales value.

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. The Group does not operate an overdraft facility as part of its cash management.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently amortised at cost using the effective interest method.

2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.15 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Company management and the board of directors make estimates and assumptions about the future. These estimates and assumptions impact recognised assets and liabilities, as well as revenue and expenses and other disclosures. These estimates are based on historical experience and on various assumptions considered reasonable under the prevailing conditions.

The estimates and assumptions that may have a significant effect on the carrying amounts of assets and liabilities within the financial period include:

- Tangible and Intangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments.
- The cost of inventory and associated provisioning are considered regularly. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future raw material usage.
- When assessing the recoverable value of trade and other debtors, management considers factors including the current credit rating of the debtor and historical experience.

4. Turnover

	Period ended 31 December 2020 £
Sales	3,077,862

Analysis of turnover by country of destination:

	Period ended 31 December 2020 £
United Kingdom	3,077,862

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	Period ended 31 December 2020 £
Amortisation of intangible assets	77,313
Depreciation of tangible assets	2,883
Operating lease rentals	126,230
Exceptional - Machinery Relocation	10,069
	<u>10,069</u>

Machinery Relocation - Costs to move machinery following restructuring of remaining group companies.

6. Auditor's remuneration

	Period ended 31 December 2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	11,000
	<u>11,000</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

7. Employees

	Period ended 31 December 2020 £
Wages and salaries	898,344
Social security costs	107,914
Cost of defined contribution scheme	3,670
	<u>1,009,928</u>

The average monthly number of employees, including directors, during the period was 48.

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

8. Directors' remuneration

	Period ended 31 December 2020 £
Directors' emoluments	49,094
Company contributions to defined contribution pension schemes	1,555
	<u>50,649</u>

There is only one Director remunerated through the company, therefore the numbers above relate to the highest paid Director.

9. Taxation

	Period ended 31 December 2020 £
Total current tax	<u>-</u>
Deferred tax	
Origination and reversal of timing differences	(10,165)
Total deferred tax	<u>(10,165)</u>
Taxation on (loss)/profit on ordinary activities	<u>(10,165)</u>

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

9. Taxation (continued)**Factors affecting tax charge for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 31 December 2020 £
(Loss) on ordinary activities before tax	(15,341)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(1,992)
Effects of:	
Fixed asset differences	13,767
Expenses not deductible for tax purposes	1,960
Group relief	(19,045)
Timing differences not recognised	(4,855)
Total tax credit for the period	(10,165)

Factors that may affect future tax charges

The standard rate of UK corporation tax is 19% and this took effect from 1 April 2017. Accordingly, this rate is applicable in the measurement of deferred tax assets and liabilities at 31 December 2020. Deferred tax has been provided at 19% being the rate at which temporary differences are expected to reverse. However, in March 2021, the 2021 Budget included an announcement to increase the standard rate of corporation tax rate from 19% to 25% from 1 April 2023. The Finance Bill 2021 had its final reading on 24 May 2021 and this rate change is now considered substantively enacted.

Since the rate increase was not substantively enacted at the Balance Sheet date deferred tax has been provided at 19%. The maximum impact on UK deferred tax balances of the rate increase that will be applicable once the change has been substantively enacted, is estimated to be a net £27,450 increase to net liability position.

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

10. Intangible assets

	Brands £	Goodwill £	Total £
Cost			
Additions	511,000	1,035,275	1,546,275
At 31 December 2020	511,000	1,035,275	1,546,275
Amortisation			
Charge for the period on owned assets	25,550	51,763	77,313
At 31 December 2020	25,550	51,763	77,313
Net book value			
At 31 December 2020	485,450	983,512	1,468,962

Amortisation on intangible assets is charged to admin expenses.

11. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
Additions	527	5,929	6,456
Disposals	-	(3,177)	(3,177)
At 31 December 2020	527	2,752	3,279
Depreciation			
Charge for the period on owned assets	527	2,356	2,883
At 31 December 2020	527	2,356	2,883
Net book value			
At 31 December 2020	-	396	396

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

12. Stocks

	2020 £
Work in progress (goods to be sold)	89,468
	<u>89,468</u>

Impairment losses totalling £Nil were recognised in profit and loss.

13. Debtors

	2020 £
Trade debtors	375,225
Amounts owed by group undertakings	83,185
Other debtors	20,780
Prepayments and accrued income	36,208
	<u>515,398</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

14. Cash and cash equivalents

	2020 £
Cash at bank and in hand	<u>313,111</u>

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

15. Creditors: Amounts falling due within one year

	2020 £
Trade creditors	50,838
Amounts owed to group undertakings	557,918
Other taxation and social security	371,807
Other creditors	1,071,008
Accruals and deferred income	189,176
	<u>2,240,747</u>

Within the Amounts due to group undertakings balance is £305,204 which is the carrying value of an interest free loan between the Company and immediate parent company Customade Group Services Limited. The gross loan of £364,116 has been discounted by management by 4% over a 5 year period, the difference being treated as a Capital Contribution reserve in equity. The 4% interest is then charged an unwound on an annual basis on the balance, until deemed redemption. Other Amounts due to group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

16. Deferred taxation

	2020 £
Credited to profit or loss	10,165
Arising on business combinations	(97,090)
At end of year	<u><u>(86,925)</u></u>

The deferred taxation balance is made up as follows:

	2020 £
Fixed asset timing differences	(91,159)
Short term timing differences	4,234
	<u><u>(86,925)</u></u>

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

17. Share capital

	2020
	£
Allotted, called up and fully paid	
1 Ordinary share of £1.00	1

There is a single class of ordinary shares, these were issued on 15 June 2020 on incorporation of the business. There are no restrictions on dividends and the repayment of capital.

18. Reserves**Capital contribution reserve**

Represents the difference on issuance between the gross intercompany loan value issued to the Company by Customade Group Services Limited of £364,116 in comparison to their present value discounted at a market rate of interest which on inception was £299,277. The rate of discount used is 4% which is deemed an appropriate rate by management.

Profit and loss account

Includes all current period retained profits and losses.

FINELINE ALUMINIUM DESIGN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

19. Business combinations

On 29 June 2020, Fineline Aluminium Design Limited (formally Hamsard 3562 Limited), an indirect wholly owned subsidiary of Custombus Limited, acquired certain assets off Customade Group Trading Limited, Stevenswood Trade Centers Limited, Fineline Aluminum Limited, Polyframe Doors Limited and Polyframe Norwich Limited from their administrator (Alvarez & Marsal Europe LLP).

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	40,355	(33,899)	6,456
Intangible	-	511,000	511,000
	<u>40,355</u>	<u>477,101</u>	<u>517,456</u>
Current Assets			
Stocks	1	-	1
Debtors	323,760	(323,760)	-
	<u>364,116</u>	<u>153,341</u>	<u>517,457</u>
Total Assets			
Creditors			
Due within one year	-	(1,188,614)	(1,188,614)
	<u>364,116</u>	<u>(1,035,273)</u>	<u>(671,157)</u>
Total identifiable net assets/(liabilities)			
Goodwill			1,035,272
Total purchase consideration			<u>364,115</u>
Consideration			
			£
Cash			364,115
Cash outflow on acquisition			
			£
Purchase consideration settled in cash, as above			364,115

FINELINE ALUMINIUM DESIGN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £22,988. Contributions totalling £12,759 were payable to the fund at the reporting date and are included in creditors.

21. Commitments under operating leases

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £
Not later than 1 year	7,456
Later than 1 year and not later than 5 years	13,048
	<u>20,504</u>

22. Related party transactions

The company has taken advantage of exemption, under the Financial Reporting Standard FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

23. Controlling party

Nimbus Investments CXLII B.V. a Dutch-based private equity firm specialising in turnaround investments is the controlling party by virtue of its majority shareholding in Custombus Limited.

The immediate parent of the Company was Customade Group Services Limited. For the financial year ended 31 December 2020 the ultimate parent of the Company was Custombus Limited. Both entities have a registered address of Newton Centre Brunel Way, Stroudwater Business Park, Stonehouse, England, GL10 3SW.

For the financial year ended 31 December 2020 consolidated financial statements for Custombus Limited, being the largest and smallest group for which consolidated financial statements were prepared and are available from Companies House.