

Guardian Industries U.K. Limited
Annual Report and Financial Statements
for the year ended 31 December 2014

Registered Number 4139456

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Guardian Industries U.K. Limited
Annual Report and Financial Statements
for the year ended 31 December 2014

Contents

Strategic report for the year ended 31 December 2014.....	1
Directors' report for the year ended 31 December 2014.....	2
Independent auditors' report to the members of Guardian Industries U.K. Limited.....	5
Profit and loss account for the year ended 31 December 2014.....	7
Balance sheet as at 31 December 2014.....	8
Notes to the financial statements for the year ended 31 December 2014.....	9

Guardian Industries U.K. Limited

Strategic report for the year ended 31 December 2014

Principal activities

The principal activity of the company is the toll manufacture of float, laminated and coated glass products.

Business review

Turnover for the year was £35,572,000 (2013: £48,065,000). As part of the reorganisation of the company's operational structure in November 2012, in January 2013, £10,300,000 of inventory was sold by the company to Guardian Europe Sarl in a one off transaction. Toll manufacture turnover for 2013, excluding the inventory sales, was £37,765,000.

The year ended 31 December 2014 generated an operating profit before exceptional items of £1,334,000, (2013: £1,220,000). Net exceptional operating items in the year totalled £4,581,000, (2013 £43,000 (loss)).

Pursuant to the final decision of the Court of Appeals of the European Union dated 12 November 2014 in the EU Commission Flat Glass Cartel Case, resulted in a reduction of the monetary assessment initially imposed, the year ended 31 December 2014 contains a reversal of £4,581,000 exceptional expense recorded in prior years related to this matter.

Due to the straightforward nature of the company, the directors do not consider an analysis by performance indicators to add value to the annual report and financial statements, performance indicators other than those mentioned above have therefore not been included.

At 31 December 2014 the company is well placed to continue to perform its principal activities and generate operating returns in the future as a result of historic and on-going investment in the UK site.

Principal risks and uncertainties

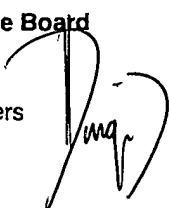
As a manufacturer and service provider to associated group companies the company's key business risk is that turnover resulting from the manufacture of float, laminated and coated glass products is reduced due to decreased glass product demand in the United Kingdom and Ireland, primarily due to:

- the possible introduction of new commercial or environmental legislation;
- the fluctuation of product market prices; and
- the volatility of energy costs.

All risks and uncertainties are monitored within the company and at a group level on a regular basis with action plans put in place to mitigate any adverse effects on the business.

By order of the Board

Vincent Pringiers
Secretary



24 August 2015

Registered address:

Rawcliffe Road
Goole
East Yorkshire
DN14 8GA

Guardian Industries U.K. Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of the company for the year ended 31 December 2014.

Results and dividends

The result for the year is set out in the profit and loss account on page 7.

The directors are satisfied with the results and financial position of the company. The directors do not recommend payment of a dividend (2013: £nil).

Future Developments

No changes are foreseen to the company's operational structure.

The directors continue to look at strategic investment opportunities to improve product range and operational efficiency.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of liquidity risk and currency risk. The company / group has in place a risk management programme that seeks to limit the adverse effects of these risks on the financial performance of the company.

Liquidity risk

The company is financed by share capital (100% owned by a group company). Regular cash flow forecasting ensures that sufficient funds are available as and when required.

Currency risk

A high percentage of purchases are made in GBP. The remainder of operating cash flows denominated in other currencies are not material and are actively managed primarily on a short time horizon.

Directors and their interests

The directors of the company who served during the year and up to the date of signing this report are as follows:

Mr Gabor Harakaly

Mr Gustav Boekhoudt (appointed 16th January 2015)

Mr Lajos Sapi (resigned 16th January 2015)

Guardian Industries U.K. Limited

Directors' report for the year ended 31 December 2014 (continued)

Employees

Every effort is made to ensure the future development of existing staff. The health and safety at work of all employees is constantly reviewed by the directors to ensure that high standards are maintained. It is also our policy to ensure that:

- Full and fair consideration is given to all applicants for employment, irrespective of colour or creed.
- Disabled persons are given equal consideration for employment, training, career development and promotional opportunities. In cases where existing employees become disabled (whether from illness or accident) every effort is made to continue their employment, in the same or some other job more suited to their disability.
- Employees are kept regularly informed on matters affecting them as employees, and consulted on matters affecting the company and the employees' interests, primarily via regular department meetings and the company notice board.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Guardian Industries U.K. Limited

Directors' report for the year ended 31 December 2014 (continued)

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Relevant information is defined as "information needed by the company's auditors in connection with preparing their report".

The directors have taken all the steps that they ought to have taken in their duty as a director (such as making enquiries of key management and the auditors and any other steps required by the directors' duty to exercise due care, skill and diligence) in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board
Vincent Pringiers
Secretary



24 August 2015

Registered address:
Rawcliffe Road
Goole
East Yorkshire
DN14 8GA

Guardian Industries U.K. Limited

Independent auditors' report to the members of Guardian Industries U.K. Limited

Report on the financial statements

Our opinion

In our opinion, Guardian Industries U.K. Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

Guardian Industries U.K. Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Guardian Industries U.K. Limited

Independent auditors' report to the members of Guardian Industries U.K. Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Peter Adams (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hull

4 September 2015

Guardian Industries U.K. Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	2	35,572	48,065
Change in stocks of finished goods and work in progress		-	(7,223)
Raw materials and consumables		-	(685)
Staff Costs	3	(8,762)	(8,485)
Depreciation		(8,135)	(8,138)
Other operating expenses		(12,760)	(22,357)
Operating profit before exceptional items		1,334	1,220
Net exceptional operating items	5	4,581	(43)
Operating profit	4	5,915	1,177
Interest receivable and similar income	6	195	166
Interest payable and similar charges	7	-	(1)
Profit on ordinary activities before taxation		6,110	1,342
Tax on profit on ordinary activities	8	(479)	(1,313)
Profit for the financial year	16	5,631	29

The company has no recognised gains and losses other than the profit for the year.

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

Guardian Industries U.K. Limited

Balance sheet as at 31 December 2014 (Registered Number 4139456)

	Note	2014 £'000	2014 £'000	2013 £'000	2013 £'000
Fixed assets					
Tangible assets	9		88,863		93,713
Current assets					
Stocks	10	142		192	
Debtors: amounts falling due after more than one year	11	3,000		3,000	
Debtors: amounts falling due within one year	11	21,275		14,539	
Cash at bank and in hand		4,843		131	
		29,260		17,862	
Creditors: amounts falling due within one year	12	(5,688)		(4,934)	
Net current assets			23,572		12,928
Total assets less current liabilities			112,435		106,641
Creditors: amounts falling due after more than one year	13		(1,913)		(2,229)
Provisions for liabilities and charges	14		(521)		(42)
Net assets			110,001		104,370
Capital and reserves					
Called up share capital	15		123,000		123,000
Profit and loss account	16		(12,999)		(18,630)
Total shareholders' funds	17		110,001		104,370

The financial statements on pages 7 to 18 were approved by the board of directors on 24 August 2015 and were signed on its behalf by:


Gabor Harakaly
Director

24 August 2015

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

Basis of accounting

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

Turnover

The principal activity of the company is the toll manufacture of float, laminated and coated glass products. Turnover represents amounts (excluding VAT) derived from the provision of services and goods during the year.

Tangible fixed assets

The cost of fixed assets, which includes construction in progress, is their purchase cost, together with any incidental costs of acquisition.

Depreciation of tangible fixed assets is calculated so as to write off their cost less any residual value on a straight line basis over their expected useful economic lives. Depreciation is not charged on assets until they come into use.

The principal annual rates used for this purpose are:

Freehold land	Nil
Buildings and infrastructure	33 years
Plant, machinery and office equipment	3 to 30 years

Foreign currencies

Transactions in foreign currencies are translated into sterling and recorded at the rates ruling at the date of the transaction or at contract rate. Monetary assets and liabilities are translated at the rates ruling at the balance sheet date or at contract rate. Exchange differences arising are included in the profit and loss account.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences which are expected to reverse in the future. Deferred tax assets that arise as a result of timing differences are recognised when their future recovery is assessed as being more likely than not. Provision is made at the rate of tax which is expected to be applied when the liability or asset is expected to crystallise. Deferred tax assets and liabilities are not subject to discounting.

Cash flow statement

The company is a wholly owned subsidiary of Guardian Industries UK Holding Limited and is included in the consolidated financial statements of Guardian Industries Europe SARL, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow under FRS1 (revised 1996).

Government capital grants

Government capital grants are treated as deferred credits on receipt and released to the profit and loss account in line with the depreciation policy of the particular assets to which the grants relate.

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies (continued)

Stocks and Work in Progress

Stocks are valued at the lower of cost and net realisable value.

Pensions

The company operates a money purchase pension scheme. Contributions to the money purchase pension scheme are charged to the profit and loss account as incurred.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2 Turnover

Turnover comprises the value of sales, excluding VAT, of services and goods in the normal course of business, originates in the United Kingdom, and is analysed as follows:

	2014 £'000	2013 £'000
Turnover by geographical destination is as follows:		
United Kingdom	146	139
Europe	35,426	47,926
	35,572	48,065

3 Staff costs

	2014 £'000	2013 £'000
Staff costs		
Wages and salaries	7,683	7,485
Social security costs	825	780
Other pension costs (note 19)	254	220
	8,762	8,485

The emoluments of the directors, Mr Sapi, Mr Harakaly and Mr Boekhoudt are paid by an intermediate parent company, Guardian Europe Sarl, which makes no recharge to Guardian Industries U.K. Ltd. They are directors of Guardian Europe Sarl and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each subsidiary. Accordingly, no emoluments are charged or disclosed in these financial statements.

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Staff costs (continued)

	Number 2014	Number 2013
Average monthly number employed by the company:		
Operations	189	194
Selling and administration	52	54
	241	248

4 Operating profit

	2014 £'000	2013 £'000
Operating profit is stated after charging/(crediting) :		
Auditors' remuneration - audit fee	37	36
Operating lease charges - other	17	25
Depreciation	8,135	8,138
Capital grant amortisation	(317)	(319)
Foreign exchange difference	(22)	75

Auditors' remuneration is solely for audit services, no other services were provided (2013: none).

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Net exceptional operating items

Exceptional items charged/(credited) in the year:

	2014 £'000	2013 £'000
Contract terms variation	-	(282)
European Commission costs	(4,581)	325
	(4,581)	43

Pursuant to the final decision of the Court of Appeals of the European Union dated 12 November 2014 in the EU Commission Flat Glass Cartel Case, resulted in a reduction of the monetary assessment initially imposed, the year ended 31 December 2014 contains a reversal of £4,581,000 exceptional expense recorded in prior years related to this matter. The exceptional item also includes £80,000 interest earned on the refund.

Interest of £325,000 accrued on the £3,966,000 of the original assessment was paid in July 2013 and is shown as an exceptional operating item in the year ended 31 December 2013.

In April 2013 a long term contract in place with a supplier was amended resulting in the one-off realisation of £282,000.

6 Interest receivable and similar income

	2014 £'000	2013 £'000
Group interest	190	166
Other interest	5	-
	195	166

7 Interest payable and similar charges

	2014 £'000	2013 £'000
Other interest	-	1

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 Tax on Profit on ordinary activities

(1) Analysis of tax charge for the year

	2014 £'000	2013 £'000
United Kingdom corporation tax at 21.5% (2013 23.25 %)		
Current taxation		
- Adjustment in respect of previous year	-	(77)
	-	(77)
Deferred taxation		
- Utilised tax profit	724	948
- Depreciation in excess of capital allowances	(234)	(201)
- Effect of a change in the future tax rate	-	69
- Adjustment in respect of previous year	(11)	574
Total deferred tax (note 14)	479	1,390
Tax on profit on ordinary activities	479	1,313

(2) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK (21.5%) (2013: 23.25%).

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	6,110	1,342
Profit on ordinary activities multiplied by standard UK rate	1,314	312
Losses utilised in the year	(724)	(948)
Permanent differences	187	390
EU fine (refund) / charge disallowable for corporation tax	(984)	75
Depreciation in excess of capital allowances	234	201
Group relief	(27)	(30)
Adjustment in respect of previous year	-	(77)
Total current tax charge for the year	-	(77)

Factors which may affect the future tax charge:

The main rate of corporation tax in the UK changed from 23% to 21% effective from 1 April 2014. Accordingly, the company's profits for the accounting year ending 31 December 2014 are taxed at an effective rate of 21.5%. A further reduction in the UK corporation tax rate to 20% from 1 April 2015 has been substantively enacted as at the balance sheet date.

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

9 Tangible assets

	Freehold land £'000	Buildings and infrastructure £'000	Plant, machinery and office equipment £'000	Construction in progress £'000	Total £'000
Cost					
At 1 January 2014	5,165	38,248	100,542	-	143,955
Additions	-	-	93	3,192	3,285
At 31 December 2014	5,165	38,248	100,635	3,192	147,240
Accumulated Depreciation					
At 1 January 2014	-	13,584	36,658	-	50,242
Charge for the year	-	1,351	6,784	-	8,135
At 31 December 2014	-	14,935	43,442	-	58,377
Net book amount					
31 December 2014	5,165	23,313	57,193	3,192	88,863
31 December 2013	5,165	24,664	63,884	-	93,713

10 Stocks

	2014 £'000	2013 £'000
Raw materials and consumables	142	192

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 Debtors

	2014 £'000	2013 £'000
Trade debtors	72	54
Amounts owed by group undertakings	23,229	15,950
Other taxation and social security	793	1,060
Corporation tax	-	77
Other debtors	15	43
Prepayments and accrued income	166	355
	24,275	17,539

£17,541,000 (2013: £10,055,000) owed from a group company attracts interests at a rate equal to the 30 day Libor rate minus 0.05%.

£3,006,000 (2013: £3,006,000) owed from a group company attracts interest at a fixed rate of 4.26% per annum. At 31 December 2014 £6,000 (2013: £6,000) is due to be received in less than 1 year and £3,000,000 in 2020.

£2,682,000 (2013: £2,889,000) owed from group companies does not accrue interest and are repaid in the month following when the underlying debt occurs. All amounts owed by group undertakings are unsecured.

12 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	4,438	3,980
Amounts owed to group undertakings	242	-
Other taxation and social security	211	203
Other creditors and accruals	480	433
Deferred grant income	317	318
	5,688	4,934

2014: £242,000 (2013: £nil) owed to a group companies does not accrue interest and are repaid in the month following when the underlying debt occurs. All amounts owed by group undertakings are unsecured.

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

13 Creditors: amounts falling due after more than one year

	2014 £'000	2013 £'000
Accruals and deferred income	1,913	2,229

14 Provisions for liabilities

Deferred tax provided in these financial statements is as follows:

	2014 £'000	2013 £'000
Accelerated capital allowances	(7,106)	(7,335)
Losses carried forward	6,585	7,293
	(521)	(42)

The movement in deferred tax for the year is as follows:

	Accelerated capital allowances £'000	Losses carried forward £'000	Total £'000
At 1 January 2014	(7,335)	7,293	(42)
Movement in losses	-	(724)	(724)
Movement in accelerated capital allowances	234	-	234
Change in the rate of future tax	-	-	-
Adjustment in respect of previous year	(5)	16	11
At 31 December 2014	(7,106)	6,585	(521)

15 Called up share capital

	2014 £'000	2013 £'000
Authorised		
123,000,000 (2013 – 123,000,000) ordinary shares of £1 each	123,000	123,000
Allotted, called up and fully paid		
123,000,000 (2013 – 123,000,000) ordinary shares of £1 each	123,000	123,000

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

16 Profit and loss account

	£'000
At 1 January 2014	(18,630)
Profit for the financial year	5,631
At 31 December 2014	(12,999)

17 Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Opening shareholders' funds	104,370	104,341
Issue of Share capital	-	-
Profit for the financial year	5,631	29
Closing shareholders' funds	110,001	104,370

18 Capital Commitments

At the year end the company had capital commitments of £1,794,000 (2013: £nil).

19 Pensions

The company operates a defined contribution money purchase pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge (note 3) represents contributions payable by the company to the funds.

At the end of the year, contributions of £34,949 (2013 £30,134), representing the unpaid contributions for December 2014, were outstanding.

Guardian Industries U.K. Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

20 Operating lease commitments

At 31 December the company had annual commitments under non-cancellable operating leases as set out below:

	Other	
	2014	2013
	£'000	£'000
Leases expiring:		
Within one year	55	69
Within two to five years	33	48
	88	117

21 Ultimate controlling party and related parties

The immediate parent undertaking is Guardian Industries UK Holding Limited.

The ultimate parent undertaking and controlling party is Guardian Industries Corp., a company incorporated in the United States of America.

Guardian Industries Corp. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2014.

Guardian Industries Europe SARL is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Guardian Industries Europe SARL are available from Registre de Commerce et des Sociétés, 13 Rue Erasme, L-1468 Luxembourg-Kirchberg.

Advantage has been taken of the exemption in FRS8 not to disclose transactions with entities that are part of the Guardian Industries Corp. Group.