COMPANY REGISTRATION NUMBER: 10932339

Clearwin Limited (Formerly Acraman 515 Limited)

Financial Statements

For the Period Ended

31 October 2018

Clearwin Limited (Formerly Acraman 515 Limited)

Financial Statements

Period from 24 August 2017 to 31 October 2018

Contents

Contents	Pages
Officers and Professional Advisers	**1**
Strategic Report	**2 to 3**
Director's Report	**4 to 5**
Independent Auditor's Report to the Members	**6 to 8**
Statement of Comprehensive Income	**9**
Statement of Financial Position	**10**
Statement of Changes in Equity	**11**
Notes to the Financial Statements	**12 to 18**

Clearwin Limited (Formerly Acraman 515 Limited)

Officers and Professional Advisers

Director	S Flynn
Registered Office	Unit 7 Road One Winsford Industrial Estate Winsford CW7 3PZ
Auditor	Beever and Struthers Chartered accountants & statutory auditor St. George's House 215 - 219 Chester Road Manchester M15 4JE
Bankers	National Westminster Bank Plc 5th Floor 1 Spinningfield Square Manchester M3 3AP

Clearwin Limited (Formerly Acraman 515 Limited)

Strategic Report

Period from 24 August 2017 to 31 October 2018

Principal Activities and Business Review

The principal activity of the Company during the period was the sale and marketing of energy efficient products in the United Kingdom. The Company is the sales and marketing subsidiary of the Kairos Group. All sales revenue and sales and marketing costs are recorded within the company. The associated cost of sales are a quarterly management inter-group charge received from Install Base Limited, a fellow subsidiary company. The Company's key performance indicators are revenue, profit/(loss) before tax and cash balance. Each of these is commented on below. For the period ended 31 October 2018, the loss before tax was £1,063,497 on revenues of £70,799,679. Net cash and cash equivalents at the period-end was £1,420,919. With this being our first period of trading following the acquisition of the business, the main focus has been on driving costs down while maintaining sales, thus giving the business a solid platform to build upon in the coming years.

Review of Strategy and Business Model

The Company's strategy is to achieve organic growth through greater customer engagement and cross selling, as well as by taking advantage of exciting opportunities in the energy efficient market. The Company's business model is to use our market leading position, diversified product portfolio and deep customer knowledge to maintain market share and drive for growth over the coming years.

Principal Risks and Uncertainties

The commercial and financial risks facing the company are: - Loss of market share through either a decline in the UK economy or competition. This is managed by continued review of the product range and the profit margins and considering the sales offerings of competitors. - Unexpected significant increases in raw material, fuel and energy prices. These are managed by means of contracts renewed on a medium term 2-5 year basis. - Contraction of the UK housing market. This is both a risk and an opportunity as traditionally when house moving slows down, housing renovations tend to increase, with the Company's activities focused on the replacement window market as opposed to new build opportunities which carry more inherent risk. The Company's operational risks include: - Telephone Preference Service and the Information Commissioner's Office. Changes in the law are monitored to ensure that the business can market its products within the current boundaries of the law. New routes to market are being tested with the internet proving fruitful. - Keeping pace with changes in health and safety regulations. The major threats potentially come from failing to comply with proclamations of the British Standards Institution and the Health and Safety Executive. Continual monitoring is carried out to ensure compliance. - IT. There are back-up procedures in place to cover power and equipment failures. - The Company's operations expose it to a variety of financial risks that include price risk, credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by regularly monitoring the financial risks referred to above.

Future Opportunities and Developments

UK homes are becoming increasingly energy efficient. This applies to both new builds and existing housing stock. The long term need for, and economic advantages of, energy efficiency are being promoted by a range of government, non-governmental agencies and pressure groups and this approach continues to drive optimism within the market. With our current range of energy efficient products we are well placed to establish a market leading presence in the home efficiency market.

This report was approved by the board of directors on 24 May 2019 and signed on behalf of the board by:

S Flynn

Director

Registered office:

Unit 7 Road One

Winsford Industrial Estate

Winsford

CW7 3PZ

Clearwin Limited (Formerly Acraman 515 Limited)

Director's Report

Period from 24 August 2017 to 31 October 2018

The director presents his report and the financial statements of the company for the period ended 31 October 2018 .

Incorporation

The company was incorporated on 24 August 2017 and commenced trading on 31 August 2017. On 7 September 2017 the company changed its name from Acraman 515 Limited to Clearwin Limited.

Director

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

A C Kirk	(Appointed 24 August 2017)

Dividends

The director does not recommend the payment of a dividend.

Director's Responsibilities Statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations. Company law requires the director to prepare financial statements for each financial period. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the director is required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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

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

This report was approved by the board of directors on 24 May 2019 and signed on behalf of the board by:

S Flynn

Director

Registered office:

Unit 7 Road One

Winsford Industrial Estate

Winsford

CW7 3PZ

Independent Auditor's Report to the Members of Clearwin Limited (Formerly Acraman 515 Limited)

Period from 24 August 2017 to 31 October 2018

Opinion

We have audited the financial statements of Clearwin Limited (Formerly Acraman 515 Limited) (the 'company') for the period ended 31 October 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its loss for the period then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

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

Matters on Which We are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of the Director

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Iain Round BSc FCA

(Senior Statutory Auditor)

For and on behalf of

Beever and Struthers

Chartered accountants & statutory auditor

St. George's House

215 - 219 Chester Road

Manchester

M15 4JE

24 May 2019

Clearwin Limited (Formerly Acraman 515 Limited)

Statement of Comprehensive Income

Period from 24 August 2017 to 31 October 2018

	Note	Period from 24 Aug 17 to 31 Oct 18 £
Turnover	4	70,799,679
Cost of sales		42,786,503
Gross profit		28,013,176
Distribution costs		22,246,473
Administrative expenses		6,830,200
Operating loss	5	(1,063,497)
Loss before taxation		(1,063,497)
Tax on loss		–
Loss for the financial period and total comprehensive income		(1,063,497)

All the activities of the company are from continuing operations.

Clearwin Limited (Formerly Acraman 515 Limited)

Statement of Financial Position

31 October 2018

	Note	£	31 Oct 18 £
Fixed assets			
Intangible assets	7		1,000,000
Current assets			
Debtors	8	2,016,620	
Cash at bank and in hand		1,420,919	
		3,437,539	
Creditors: Amounts Falling due Within One Year	9	4,830,499	
Net current liabilities			1,392,960
Total assets less current liabilities			(392,960)
Provisions	10		670,536
Net liabilities			(1,063,496)
Capital and reserves			
Called up share capital	12		1
Profit and loss account			(1,063,497)
Shareholders deficit			(1,063,496)

These financial statements were approved by the board of directors and authorised for issue on 24 May 2019 , and are signed on behalf of the board by:

S Flynn

Director

Company registration number: 10932339

Clearwin Limited (Formerly Acraman 515 Limited)

Statement of Changes in Equity

Period from 24 August 2017 to 31 October 2018

	Called up share capital	Profit and loss account	**Total**
	£	£	**£**
At 24 August 2017	–	–	–
Loss for the period		(1,063,497)	**(1,063,497)**
Total comprehensive income for the period	–	(1,063,497)	**(1,063,497)**
Issue of shares	1	–	**1**
Total investments by and distributions to owners	1	–	**1**
At 31 October 2018	1	(1,063,497)	**(1,063,496)**

Clearwin Limited (Formerly Acraman 515 Limited)

Notes to the Financial Statements

Period from 24 August 2017 to 31 October 2018

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 7 Road One, Winsford Industrial Estate, Winsford, CW7 3PZ.

2. Statement of Compliance

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

3. Accounting Policies

Basis of Preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The company has recorded a loss for the period of £1,063,497 and shows net current liabilities of £1,392,960. This reflects difficult conditions faced by the company during the first period of trade as noted in the Strategic Report. The directors are taking steps to address the losses and manage the cash flow requirements, with the ongoing support of the group. With this support the directors believe the company can continue to meet its liabilities as they fall due and so have prepared the accounts on a going concern basis.

Disclosure Exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Kairos Group Limited which can be obtained from Companies House. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102: (a) No cash flow statement has been presented for the company. (b) Disclosures in respect of financial instruments have not been presented. (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: - Determination of whether there are indicators of impairment of the company's intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset. - Determination of whether leases entered into by the company as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis. - Determination of whether a warranty provision is required to cover the cost of future warranty work on certain products which are covered by a ten year warranty. Key sources of estimation uncertainty Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows: - Intangible fixed assets are amortised over their useful economic lives taking into account residual value, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. - Recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the director the debt is not consider to be fully recoverable. A provision of £274,885 has been recognised in these financial statements. - Warranty provision - The company has in place a provision to cover the cost of future warranty work on certain products which are covered by a ten year warranty. The estimation of this provision involves the estimation of the net present value of these future costs. The costs are estimated based upon the applicable sales made in the period and the potential cost to the company, which is the cost of service engineer time. A provision of £272,290 has been recognised in these financial statements. - Finance clawback provision - Any contract sold with finance receives a percentage of commission on the gross contract value from the finance company. A clawback provision is provided against this as the finance company can clawback this commission for a period of six months following the pay-out. A provision of £398,246 has been recognised in these financial statements.

Revenue Recognition

Retail revenue is recognised upon completion and installation of jobs. All window, door, roofline contracts are recognised upon confirmed completion. Conservatory contracts are recognised on a 40/40/20 basis due to the completion time varying between one and five weeks. Finance commission is based on a percentage of the sales value and is calculated on a monthly basis and a potential clawback provision is calculated and held on the statement of financial position. Administration fees are applied to a sales contract at the point of sale and recognised on a monthly basis on receipt. All administration fees are non refundable after a seven day cancellation period.

Operating Leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

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

Goodwill	-	10 years

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

Negative goodwill is fully written down in the year that it arises.

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable and loans to and from related parties. Debtors Amounts owed by group companies due within one year are measured at the undiscounted amount of the cash or other consideration expected to be received. All other debtors are measured at transaction price, less any impairment. 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Creditors Amounts owed to group companies due within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid. All other creditors are measured at transaction price.

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	Period from 24 Aug 17 to 31 Oct 18
	£
Sale of goods	59,307,852
Commissions	5,074,132
Administration fees	2,896,049
Other income	3,521,646
	70,799,679

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

5. Operating Profit

Operating profit or loss is stated after charging:

	Period from 24 Aug 17 to 31 Oct 18
	£
Amortisation of intangible assets	**100,000**
Impairment of intangible assets recognised in:	
Administrative expenses	**100,000**
Impairment of trade debtors	**1,390**
Operating lease costs	**393,369**

6. Staff Costs

The average number of persons employed by the company during the period, including the director, amounted to:

	31 Oct 18
	No.
Administrative staff	**6**
Sales staff	**9**
Marketing staff	**8**
	23

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

	Period from 24 Aug 17 to 31 Oct 18
	£
Wages and salaries	**1,269,816**
Social security costs	**146,217**
Other pension costs	**14,597**
	1,430,630

7. Intangible Assets

	Goodwill
	£
Cost	
Additions	**–**
Acquisitions through business combinations	**(1,539,000)**
At 31 October 2018	**(1,539,000)**
Amortisation	
Charge for the period	**100,000**
Impairment losses	**(2,639,000)**
At 31 October 2018	**(2,539,000)**
Carrying amount	
At 31 October 2018	**1,000,000**

8. Debtors

	31 Oct 18
	£
Trade debtors	**1,600,567**

Prepayments and accrued income	**219,141**
Other debtors	**196,912**
	2,016,620

9. Creditors: Amounts Falling due Within One Year

	31 Oct 18
	£
Trade creditors	137,397
Amounts owed to group undertakings	1,002,910
Accruals and deferred income	1,068,078
Social security and other taxes	558,175
Other creditors	2,063,939
	4,830,499

10. Provisions

	Warranties	Clawback	Total
	£	£	£
At 24 August 2017	–	–	–
Additions	272,290	398,246	670,536
At 31 October 2018	272,290	398,246	670,536

11. Employee Benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 14,597 .
At 31 October 2018 there were no amounts outstanding.

12. Called Up Share Capital

Issued, called up and fully paid

	31 Oct 18	
	No.	£
Ordinary shares of £ 1 each	1	1

13. Operating Leases

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

	31 Oct 18
	£
Not later than 1 year	393,369
Later than 1 year and not later than 5 years	492,811
Later than 5 years	1,959
	888,139

14. Contingencies

On 5 July 2018, the company and the following companies provided National Westminster Bank Plc with an unlimited intercompany guarantee for the following group companies: Install Base Limited (Formerly Acraman 516 Limited) and Envo Energy Solutions Limited (Formerly Acraman 519 Limited).

15. Related Party Transactions

The company is a wholly owned subsidiary of Kairos Group Limited and has taken advantage of the exemption in FRS 102 section 33.1A from disclosing transactions or balances with entities which form part of the group. The consolidated financial statements of Kairos Group Limited, within which the company is included, can be obtained from Companies House.

16. Controlling Party

The company is a wholly owned subsidiary of Kairos Group Limited, which is incorporated in England and Wales and is the company's ultimate parent and controlling party. Kairos Group Limited is controlled by Mr B. Kennedy.