

Ultraframe (UK) Limited

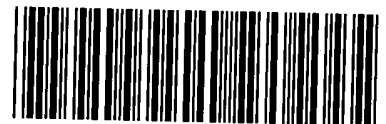
Report and Financial Statements

Year Ended

28 October 2016

Company Number 01765701

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Ultraframe (UK) Limited

Company Information

Directors	A Crowe J Slade A W M Thomson
Registered number	01765701
Registered office	Enterprise Works Salthill Road Clitheroe Lancashire BB7 1PE
Independent auditors	BDO LLP 3 Hardman Street Manchester M3 3AT

Ultraframe (UK) Limited

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Ultraframe (UK) Limited

Strategic Report For the Year Ended 28 October 2016

Introduction

The directors present their strategic report and the audited financial statements for the year ended 28 October 2016.

Business review

During the period the company recorded turnover of £34,871,000 (2015 - £31,157,000), gross margin of 41.2% (2015 - 40.7%) and operating profit of £3,541,000 (2015 - £3,176,000). The director feels that the strategic actions taken during the period have positioned the business well for the future as the economy continues to recover. The group has seen its gross margin remain relatively constant in the year with a small increase of 0.5%. This is despite the increase in revenue within the group and puts the group on a good footing going forward.

Principal risks and uncertainties

The principal risks facing the company concern the macroeconomic environment and the value of the market for home improvement products. Whilst the directors believe the market has shown signs of recovery there is a fear that further adverse changes in the wider economy could adversely affect consumer confidence. The company continues to manage its cost base closely in line with activity and is investing to introduce new products into both its current markets and into new markets in order to manage risk.

The company has an exposure to foreign currency risk due to the effect of making purchases and sales in foreign currencies. The directors continually monitor exchange rate and have a policy of offsetting this risk through sales and purchases and seek to make neither profit or loss from foreign exchange movements.

Financial key performance indicators

Key performance indicators are designed to indicate how the company performs on key ratios. The group uses daily sales, gross margin percentage and cash flows as the key performance indicators which are most appropriate. Daily Sales for 2016 averaged £138,376 which was 10.1% up on the 2015 average of £125,633. Gross Margin percentage increased slightly in the year to 41.2% from 40.7% in 2015. The interaction of these factors on the group's sales revenues and margins are key and determine the overall level of profitability.

Future developments

The director is confident that the economic outlook is good and that there is excellent potential for continued growth. The company is launching several new and innovative product lines and are optimistic that there will be good initial traction. A continued positive trend in profitability is currently forecast.

This report was approved by the board on 5 JULY 2017

and signed on its behalf.



J Slade
Director

Ultraframe (UK) Limited

Directors' Report For the Year Ended 28 October 2016

The directors present their report and the financial statements for the year ended 28 October 2016.

Principal activity

The principal activity of the company is the specialist design and manufacture of conservatory systems for domestic and light commercial applications.

The review of the business, principal risks and uncertainties and key performance indicators are included in the Strategic Report in accordance with section 414C of the Companies Act 2006.

Dividends

The profit for the year, after taxation, amounted to £2,953,000 (2015 - £2,775,000)

The directors do not propose a dividend for the year (2015 - £Nil).

Directors

The directors who served during the year were:

A Crowe
J Slade
A W M Thomson

Research and development activities

The company commits sufficient resources to research and development to ensure that it maintains its competitive position in the market.

Future developments

The directors are confident that the economic outlook is good and that there is excellent potential for continued growth. The company has recently launched several new and innovative product lines during 2016 and are optimistic that this will provide good future profitability.

Employment of disabled employees

The company's policy and practice is to encourage and assist the employment of disabled people, their recruitment, training, career development and promotion and the retention of employees who become disabled. The operation of this policy is reviewed regularly.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Ultraframe (UK) Limited

Directors' Report (continued) For the Year Ended 28 October 2016

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *5 JULY 2017* and signed on its behalf.



J Slade
Director

Ultraframe (UK) Limited

Directors' Responsibilities Statement For the Year Ended 28 October 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the company's financial statements and then apply them consistently;
- make judgments 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.

Ultraframe (UK) Limited

Independent Auditor's report to Ultraframe (UK) Limited

We have audited the financial statements of Ultraframe (UK) Limited for the year ended 28 October 2016 which comprise, the Statement of Comprehensive Income, The Statement of Financial Position, the Statement of Changed in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 15 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 permitted extent 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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of director's responsibilities, 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). Those standards require us to comply with the Financial Reporting Councils (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 October 2016 and 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Ultraframe (UK) Limited

Independent Auditor's report to Ultraframe (UK) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 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.



Stuart Wood (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Manchester
United Kingdom

10.7.17.

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

Ultraframe (UK) Limited

Statement of Comprehensive Income For the Year Ended 28 October 2016

	Note	2016 £000	2015 £000
Turnover	4	34,871	31,157
Cost of sales		(20,520)	(18,465)
Gross profit		14,351	12,692
Distribution costs		(2,757)	(2,662)
Administrative expenses		(8,053)	(6,854)
Operating profit	5	3,541	3,176
Interest receivable and similar income	8	6	-
Interest payable and expenses		(3)	-
Profit before tax		3,544	3,176
Tax on profit	10	(591)	(401)
Profit for the year		2,953	2,775
Other comprehensive income		-	-
Total comprehensive income for the year		2,953	2,775

The notes on pages 10 to 24 form part of these financial statements.

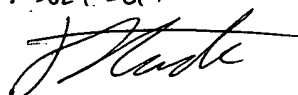
Ultraframe (UK) Limited

Registered number:01765701

Statement of Financial Position As at 28 October 2016

	Note	28 October 2016 £000	28 October 2016 £000	31 October 2015 £000	31 October 2015 £000
Fixed assets					
Intangible assets	11		973		796
Tangible assets	12		8,746		8,554
			<u>9,719</u>		<u>9,350</u>
Current assets					
Stocks	13	3,132		2,833	
Debtors: amounts falling due within one year	14	25,170		21,780	
Cash at bank and in hand		2,714		1,766	
		<u>31,016</u>		<u>26,379</u>	
Creditors: amounts falling due within one year	15	(12,331)		(10,588)	
Net current assets			<u>18,685</u>		<u>15,791</u>
Total assets less current liabilities			<u>28,404</u>		<u>25,141</u>
Provisions for liabilities					
Other provisions	17	(410)		(100)	
			<u>(410)</u>		<u>(100)</u>
Net assets			<u>27,994</u>		<u>25,041</u>
Capital and reserves					
Called up share capital	18		2,515		2,515
Share premium account	19		3,849		3,849
Profit and loss account	19		21,630		18,677
Total equity			<u>27,994</u>		<u>25,041</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 October 2017



J Slade
Director

The notes on pages 10 to 24 form part of these financial statements.

Ultraframe (UK) Limited

Statement of Changes in Equity For the Year Ended 28 October 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 November 2015	2,515	3,849	18,677	25,041
Comprehensive income for the year				
Profit for the year	-	-	2,953	2,953
Total comprehensive income for the year	-	-	2,953	2,953
Total transactions with owners	-	-	-	-
At 28 October 2016	2,515	3,849	21,630	27,994

Statement of Changes in Equity For the Year Ended 31 October 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 November 2014	2,515	3,849	12,416	18,780
Comprehensive income for the year				
Profit for the year	-	-	2,775	2,775
Total comprehensive income for the year	-	-	2,775	2,775
Capital contribution	-	-	3,486	3,486
Total transactions with owners	-	-	3,486	3,486
At 31 October 2015	2,515	3,849	18,677	25,041

The notes on pages 10 to 24 form part of these financial statements.

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

1. General information

Ultraframe (UK) Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the group's operations and its principal activities are outlined in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 24.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Latium Roofing Systems Limited as at 31 October 2016 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

2.3 Consolidated accounts

The company is exempt by virtue of Section 402 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking.

2.4 Revenue

Turnover is recognised upon the despatch of goods. Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third parties.

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Goodwill arose on the acquisition of a customer listing and is measured at the difference between the fair value of the consideration paid and the fair value of the assets acquired. Positive goodwill is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life of 5 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:

Land and building	- 2% straight line
Plant and machinery	- 10% to 20% straight line
Motor vehicles	- 13% to 25% straight line
Fixtures and fittings	- 10% to 33% straight line

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 the Statement of Comprehensive Income.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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.

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

2. Accounting policies (continued)

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.

2.10 Financial instruments

The company only enters into basic financial instruments 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 non-puttable 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 at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

2.11 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.

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

2. Accounting policies (continued)

2.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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 the Statement of Comprehensive Income 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 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.16 Provisions for liabilities

The company monitors product warranty issues and, where necessary, establishes provisions to meet expected future costs based upon historic failure rates and/or technical assessments of likely failure rates in the population at risk. These estimates are reviewed each year. The most significant factor affecting existing provisions is the estimated failure rate.

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

2.18 Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding 5 years.

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

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

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the company either as a lessor or a 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.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)
Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Stock provision - At each year end, the company estimates the level of stock provision required in the financial statements. When calculating the stock provision, management considers the nature and condition of the inventory, as well as past history of usage of stock lines and the saleability of work in progress.
- Bad debt provision - The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the level of credit insurance, current credit worthiness of the debtor, the ageing profile of debtors and historical experience.

4. Turnover

All turnover relates to the principal activity of the company.

Analysis of turnover by country of destination:

	2016 £000	2015 £000
United Kingdom	34,379	30,692
Rest of Europe	355	323
Rest of the world	137	142
	<u>34,871</u>	<u>31,157</u>

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

5. Operating profit

The operating profit is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets	1,057	884
Amortisation of deferred research and development expenditure	263	219
Inventory charged as an expense	16,822	15,418
Exchange differences	78	3
Operating lease rentals - plant and machinery	112	118
Research and development expenditure	194	271
Auditors' remuneration	15	15
	<u> </u>	<u> </u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £000	2015 £000
Wages and salaries	8,964	7,873
Social security costs	729	650
Cost of defined contribution scheme	264	246
	<u> </u>	<u> </u>
	9,957	8,769
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Manufacturing	209	208
Administration	148	133
	<u> </u>	<u> </u>
	357	341
	<u> </u>	<u> </u>

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

7. Directors' remuneration

	2016 £000	2015 £000
Directors' remuneration	469	537
Company contributions to defined contribution pension schemes	27	39
	<u>496</u>	<u>576</u>

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £215,846 (2015 - £215,748).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,076 (2015 - £19,286).

8. Interest receivable

	2016 £000	2015 £000
Bank interest receivable	<u>6</u>	<u>-</u>

9. Interest payable and similar charges

	2016 £000	2015 £000
Bank interest payable	<u>3</u>	<u>-</u>

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

10. Taxation

	2016 £000	2015 £000
Current tax on profits for the year	-	-
Deferred tax		
Origination and reversal of timing differences	573	301
Changes to tax rates	18	100
Total deferred tax	591	401
Taxation on profit on ordinary activities	591	401

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.4%). The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	3,544	3,176
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.4%)	709	648
Effects of:		
Expenses not deductible for tax purposes	9	1
Adjustment in research and development tax credit leading to a decrease in the tax charge	(181)	(240)
Short term timing difference leading to an increase (decrease) in taxation	54	(8)
Total tax charge for the year	591	401

Factors that may affect future tax charges

The company had tax losses at the year end of £759,889 (2015 - £3,581,275).

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

11. Intangible assets

	Development costs £000	Goodwill £000	Total £000
Cost			
At 1 November 2015	2,687	476	3,163
Additions	440	-	440
At 28 October 2016	3,127	476	3,603
Amortisation			
At 1 November 2015	1,891	476	2,367
Charge for the year	263	-	263
At 28 October 2016	2,154	476	2,630
Net book value			
At 28 October 2016	973	-	973
At 31 October 2015	796	-	796

Development expenditure is the amount incurred by the company to develop new products to maintain their competitive position in the market, these costs are being amortised over a period of five years.

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

12. Tangible fixed assets

	Freehold Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 November 2015	6,073	28,863	705	4,208	633	40,482
Additions	-	540	-	240	471	1,251
Transfers between classes	-	335	-	286	(621)	-
At 28 October 2016	6,073	29,738	705	4,734	483	41,733
Depreciation						
At 1 November 2015	430	27,397	668	3,433	-	31,928
Charge for the year	121	551	15	370	-	1,057
At 28 October 2016	551	27,948	683	3,803	-	32,985
Net book value						
At 28 October 2016	5,522	1,790	22	931	483	8,748
At 31 October 2015	5,643	1,467	37	774	633	8,554

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

13. Stocks

	28 October 2016 £000	31 October 2015 £000
Raw materials and consumables	2,725	2,345
Work in progress	407	488
	<u>3,132</u>	<u>2,833</u>

14. Debtors

	28 October 2016 £000	31 October 2015 £000
Trade debtors	6,168	5,520
Amounts owed by group undertakings	12,228	12,293
Other debtors	6,102	2,311
Prepayments and accrued income	366	759
Deferred taxation	306	897
	<u>25,170</u>	<u>21,780</u>

15. Creditors: Amounts falling due within one year

	28 October 2016 £000	31 October 2015 £000
Trade creditors	5,821	5,020
Amounts owed to group undertakings	3,251	3,735
Corporation tax	112	112
Other taxation and social security	1,420	618
Other creditors	137	130
Accruals and deferred income	1,590	973
	<u>12,331</u>	<u>10,588</u>

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

16. Deferred taxation

	2016 £000	2015 £000
At beginning of year	897	1,298
Charged to profit or loss	(591)	(401)
At end of year	306	897

The deferred tax asset is made up as follows:

	28 October 2016 £000	31 October 2015 £000
Difference between accumulated depreciation, amortisation and capital allowances	170	245
Short term and other timing differences	7	7
Losses and other deductions	129	645
	306	897

Management are satisfied that the deferred tax asset is recoverable based on their detailed forecasts of future trading, some of which will be recoverable after one year.

17 Provisions

	Warranty provision £000
At 1 November 2015	100
Charged to the profit or loss	495
Utilised in year	(185)
At 28 October 2016	410

The warranty provision is provided where it is deemed necessary, to meet expected future costs based upon historic failure rates and/or technical assessments of likely failure in populations of risk.

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

18. Share capital

	28 October 2016 £000	31 October 2015 £000
Shares classified as equity		
Allotted, called up and fully paid		
2,514,709 Ordinary shares shares of £1 each	2,515	2,515

19. Reserves

The Company's reserves are as follows:

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account

Profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

20. Pension commitments

The company contributes to employee personal pension plans. All contributions shown in the Statement of Comprehensive Income relate to contributions to personal pension plans. Amounts are charged to the Statement of Comprehensive Income in the period in which the liability arises and amounted to £263,650 (2015 - £246,206) of which £Nil (2015 - £Nil) is included in accruals at the year end.

21. Commitments under operating leases

At 28 October 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	28 October 2016 £000	31 October 2015 £000
Within 1 year	125	96
Between 2 and 5 years	310	42
After more than 5 years	2	8

Ultraframe (UK) Limited

Notes to the Financial Statements For the Year Ended 28 October 2016

22. Related party transactions

The directors have taken advantage of the exemption contained in section 33.1A of FRS 102 and have not disclosed related party transactions with group companies which are wholly owned subsidiaries of Latium Plastics Enterprises Limited. In addition to these the company had the following related party transactions:

	28 October 2016 Transaction Value £000	2016 Debtor / (Creditor) £000	2015 Debtor / (Creditor) £000
Latium Management Services Limited	-	5,849	2,309
Four Seasons Solar Products LLC	18	22	-
Job Worth Doing Limited	4	4	2
Spectus Systems Limited	-	-	-

The companies above are all related by virtue of a common shareholder.

23. Ultimate Parent Company

The company's ultimate parent company is Latium Plastics Enterprises Limited, a company incorporated in England and Wales. The consolidated financial statements of Latium Plastics Enterprises Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is Mr B G Kennedy.

24. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.