

# **Ultraframe (UK) Limited**

**Annual Report and Financial Statements**

**Year Ended**

**1 November 2019**

**Company Number 01765701**

FRIDAY



\*A9GRKW6Q\*

A19

30/10/2020

#303

COMPANIES HOUSE

# Ultraframe (UK) Limited

## Company Information

---

<b>Directors</b>	A J Crowe J Slade A W M Thomson T J Halpin
<b>Registered number</b>	01765701
<b>Registered office</b>	Enterprise Works Salthill Road Clitheroe Lancashire BB7 1PE
<b>Independent auditor</b>	BDO LLP 3 Hardman Street Spinningfields Manchester M3 3AT

# Ultraframe (UK) Limited

## Contents

---

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 - 8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 29

# Ultraframe (UK) Limited

## Strategic report For the year ended 1 November 2019

---

The directors present their strategic report together with the audited financial statements for the year ended 1 November 2019.

### Business review

During the year the company recorded turnover of £37,493,000 (2018 - £38,719,000), gross margin of 45.3% (2018 - 41.5%) and operating profit of £2,578,000 (2018 - £3,154,000). The directors feel that the strategic actions taken during the year have positioned the business well for the future.

### 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 sales and purchases in foreign currencies. The directors continually monitor exchange rates and have a policy of offsetting this risk through sales and purchases and seek to make neither profit or loss from foreign exchange movements.

### Going Concern and Covid-19

In March 2020 the coronavirus pandemic took hold in the UK and the group closed the factory in Clitheroe for a period of 6 weeks. This was followed by a ramp-up period of another 4 weeks to reach prior-year volume levels. The Company utilised the government furlough scheme to manage losses during this period and has taken advantage of HMRC and VAT deferrals available. After lockdown measures began to ease in the UK, the group has seen trading and profitability return to pre-COVID levels.

The Company financial statements are prepared on the assumption that the group will continue as a going concern in the foreseeable future. This assumption is based on the management's assessment made at a Latium Plastics Enterprises Limited consolidated group ("the group") level which has been based on cash flow forecasts including downside scenarios indicating no issues with liquidity over the next 12 months within the group.

Considering all these facts the management has concluded that the Company is a going concern. Management is not aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

### Financial key performance indicators

Key performance indicators are designed to indicate how the company performs on key ratios. The company uses daily sales, gross margin percentage and cash flows as the key performance indicators which are most appropriate. Daily sales for 2019 averaged £155,573 which was 3.2% down on the 2018 average of £160,774. Gross margin percentage for 2019 increased to 45.3% from 41.5%. The interaction of these factors on the company's sales revenues and margins are key and determine the overall level of profitability.

# Ultraframe (UK) Limited

**Strategic report (continued)**  
**For the year ended 1 November 2019**

---

## **Future developments**

The directors are 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 **29 OCTOBER 2020** and signed on its behalf.

  
**T J Halpin**  
Director

# **Ultraframe (UK) Limited**

## **Directors' report For the year ended 1 November 2019**

---

The directors present their report and the audited financial statements for the year ended 1 November 2019.

### **Principal activity**

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

### **Results and dividends**

The profit for the year, after taxation, amounted to £2,324,000 (2018 - £2,728,000).

Dividends of £2,081,000 were paid during the year (2018 - £Nil).

### **Directors**

The directors who served during the year were:

A J Crowe  
J Slade  
A W M Thomson

T J Halpin was appointed as a director on 15 April 2020.

### **Research and development**

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

### **Employee involvement**

The company places great emphasis on consultation at all levels, where its policy is to encourage an open management style with frequent formal and informal discussions on all aspects of operations. To achieve this; the company utilises its Joint Consultative Committee. This Committee, which meets regularly, comprises elected representatives and members of the management team. In addition, regular internal newsletters are distributed to employees by both electronic and traditional media.

### **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.

### **Matters covered in the strategic report**

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the strategic report, in accordance with section 414C of the Companies Act 2006, as the directors consider them to be of strategic importance to the company.

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

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 auditor is 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 auditor is aware of that information.

# Ultraframe (UK) Limited

Directors' report (continued)  
For the year ended 1 November 2019

---

## Post statement of financial position events

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency in relation to the COVID-19 outbreak and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

As discussed in Note 2.3 COVID-19 has had an impact on the financial condition, liquidity, and results of the Company during 2020. Management are actively monitoring the situation and taking actions where possible to ensure that the business can manage through any impact that it may face as a result of the pandemic.

No current information has been identified by the directors which would affect the carrying value of amounts held on the balance sheet as at 1 November 2019.

## Auditor

The auditor, 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 29 October 2020 and signed on its behalf.



T J Halpin  
Director

## **Ultraframe (UK) Limited**

### **Directors' responsibilities statement For the year ended 1 November 2019**

---

The directors are responsible for preparing the strategic report, the directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted 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; and
- 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 to 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 the Members of Ultraframe (UK) Limited**

---

### **Opinion**

We have audited the financial statements of Ultraframe (UK) Limited ("the Company") for the year ended 1 November 2019 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 1 November 2019 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.

### **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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have 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.

# **Ultraframe (UK) Limited**

## **Independent Auditor's Report to the Members of Ultraframe (UK) Limited (continued)**

---

### **Other information**

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

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' 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 and Directors' report.

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

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

# Ultraframe (UK) Limited

## Independent Auditor's Report to the Members of Ultraframe (UK) Limited (continued)

---

### Responsibilities of directors

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

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

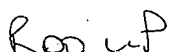
### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

This report is made solely to the 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.



**Stuart Wood** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Manchester  
United Kingdom

30 October 2020

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 1 November 2019

	Note	2019 £000	As restated 2018 £000
Turnover	4	37,493	38,719
Cost of sales		(20,498)	(22,632)
<b>Gross profit</b>		<b>16,995</b>	<b>16,087</b>
Distribution costs		(3,165)	(3,224)
Administrative expenses		(11,252)	(9,709)
<b>Operating profit</b>	5	<b>2,578</b>	<b>3,154</b>
Interest receivable and similar income		2	2
Interest payable and similar expenses		(8)	(5)
<b>Profit before tax</b>		<b>2,572</b>	<b>3,151</b>
Tax on profit	9	(248)	(423)
<b>Profit for the financial year</b>		<b>2,324</b>	<b>2,728</b>
<b>Other comprehensive income for the year</b>			
Unrealised surplus on revaluation of tangible fixed assets		900	-
<b>Other comprehensive income for the year</b>		<b>900</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>3,224</b>	<b>2,728</b>

The notes on pages 12 to 29 form part of these financial statements.

**Ultraframe (UK) Limited**  
Registered number: 01765701

**Statement of financial position**  
**As at 1 November 2019**

	Note	1 November 2019 £000	1 November 2019 £000	2 November 2018 £000	2 November 2018 £000
<b>Fixed assets</b>					
Intangible assets	10		1,597		1,197
Tangible assets	11		2,061		7,695
			<u>3,658</u>		<u>8,892</u>
<b>Current assets</b>					
Stocks	12	4,208		3,892	
Debtors: amounts falling due within one year	13	38,593		30,407	
Cash at bank and in hand		3,219		2,811	
		<u>46,020</u>		<u>37,110</u>	
Creditors: amounts falling due within one year	14	(15,242)		(12,711)	
<b>Net current assets</b>			<u>30,778</u>		<u>24,399</u>
<b>Total assets less current liabilities</b>			<u>34,436</u>		<u>33,291</u>
<b>Provisions for liabilities</b>					
Warranty provision	16		(300)		(298)
<b>Net assets</b>			<u><u>34,136</u></u>		<u><u>32,993</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		2,515		2,515
Share premium account	18		3,849		3,849
Profit and loss account	18		27,772		26,629
<b>Total equity</b>			<u><u>34,136</u></u>		<u><u>32,993</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
29 OCTOBER 2020

  
T J Halpin  
Director

The notes on pages 12 to 29 form part of these financial statements.

## Ultraframe (UK) Limited

### Statement of changes in equity For the year ended 1 November 2019

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 3 November 2018	2,515	3,849	-	26,629	32,993
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	2,324	2,324
Surplus on revaluation of freehold property	-	-	900	-	900
<b>Total comprehensive income for the year</b>	-	-	900	2,324	3,224
<b>Contributions by and distributions to owners</b>					
Dividends	-	-	-	(2,081)	(2,081)
Transfer on transfer of revalued property	-	-	(900)	900	-
<b>Total transactions with owners</b>	-	-	(900)	(1,181)	(2,081)
<b>At 1 November 2019</b>	<b>2,515</b>	<b>3,849</b>	<b>-</b>	<b>27,772</b>	<b>34,136</b>

### Statement of changes in equity For the year ended 2 November 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 28 October 2017	2,515	3,849	23,901	30,265
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,728	2,728
<b>Total comprehensive income for the year</b>	-	-	2,728	2,728
<b>At 2 November 2018</b>	<b>2,515</b>	<b>3,849</b>	<b>26,629</b>	<b>32,993</b>

The notes on pages 12 to 29 form part of these financial statements.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

---

### 1. General information

Ultraframe (UK) Limited is a private company, limited by shares, and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out 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 unless otherwise specified within these accounting policies 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.

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

The following principal accounting policies have been applied:

#### 2.2 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 Plastics Enterprises Limited as at 31 October 2019 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

---

### 2. Accounting policies (continued)

#### 2.3 Going concern

In March 2020 the coronavirus pandemic took hold in the UK and the group closed the factory in Clitheroe for a period of 6 weeks. This was followed by a ramp-up period of another 4 weeks to reach prior-year volume levels. The Company utilised the government furlough scheme to manage losses during this period and has taken advantage of HMRC and VAT deferrals available. After lockdown measures began to ease in the UK, the group has seen trading and profitability return to pre-COVID levels.

The Company financial statements are prepared on the assumption that the group will continue as a going concern in the foreseeable future. This assumption is based on the management's assessment made at a Latium Plastics Enterprises Limited consolidated group ("the group") level which has been based on cash flow forecasts including downside scenarios indicating no issues with liquidity over the next 12 months within the group.

Considering all these facts the management has concluded that the Company is a going concern. Management is not aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern.

#### 2.4 Turnover

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.

#### 2.5 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP. All amounts in these financial statements have been rounded to the nearest thousand pound.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

#### 2.6 Interest income

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

#### 2.7 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 1 November 2019

---

### 2. Accounting policies (continued)

#### 2.8 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.

#### 2.9 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.

#### 2.10 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.

#### 2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

---

### 2. Accounting policies (continued)

#### 2.12 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 statement of comprehensive income 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 costs are carried forward and amortised over a period not exceeding 5 years.

#### 2.13 Intangible assets

Intangible assets relate to capitalised development costs which is initially recognised at cost. After recognition, under the cost model, development costs 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.

#### 2.14 Tangible fixed assets

With the exception of freehold land and buildings, tangible fixed asset are held under the cost model. 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.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

---

### 2. Accounting policies (continued)

#### 2.14 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

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

Assets under construction are not depreciated until they are brought into use.

During the year, the Directors changed the accounting policy with respect to freehold land and buildings. Under the previous accounting policy freehold land and buildings were held under the cost model with depreciation charged at 2% straight line per annum.

The Directors have chosen to change the accounting policy so that freehold land and buildings are held under the revaluation model. Under the revaluation model freehold land and buildings are carried at a revalued amount, being fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair value is determined annually by external valuers and derived from the current market rents and property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Depreciation is charged at 2% straight line per annum. Changes in fair value are recognised in comprehensive income.

The change in accounting policy resulted in an increase in the carrying value of freehold land and buildings of £900,000 in the current year. No adjustments have been made to prior periods.

The business made the decision to adopt the revaluation model due to changes in the group structure. The property was transferred within the group during the year from Ultraframe (UK) Limited to Wilmslow Northern Properties Limited at the market value of the property. This meant a change in ultimate ownership of the property as it was transferred outside of the minority interest within the group structure. This change in ownership needed to be reflected at a fair transaction price, and the decision was made use the revaluation model moving forward as the property is now being leased back to Ultraframe (UK) Limited.

#### 2.15 Stocks

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

#### 2.16 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.17 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.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

---

### 2. Accounting policies (continued)

#### 2.18 Creditors

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

#### 2.19 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.

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 of the recoverable amount, 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.

#### 2.20 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 1 November 2019

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

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

- Determine the fair value of land and buildings held. This has been determined with reference to the assets expected re-sale value less any anticipated costs to sell.

Other key sources of estimation uncertainty

- **Intangible and Tangible fixed assets (see notes 10 and 11)**  
Intangible and tangible fixed assets 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.
- **Tangible fixed assets (see note 11)**  
Freehold land and buildings are professionally valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.
- **Stock provision (see note 12)**  
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 (see note 13)**  
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:

	2019 £000	2018 £000
United Kingdom	37,294	38,445
Rest of Europe	179	237
Rest of the world	20	37
	<u>37,493</u>	<u>38,719</u>

## Ultraframe (UK) Limited

### Notes to the financial statements For the year ended 1 November 2019

#### 5. Operating profit

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

	2019 £000	2018 £000
Depreciation of tangible fixed assets	875	1,112
Amortisation of intangible fixed assets	529	432
Inventory charged as expense	16,548	18,268
Exchange differences	69	7
Operating lease rentals	156	160
Research and development expenditure	24	19

#### 6. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	16	15

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

## Ultraframe (UK) Limited

### Notes to the financial statements For the year ended 1 November 2019

#### 7. Employees

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

	2019 £000	2018 £000
Wages and salaries	9,247	9,485
Social security costs	780	814
Cost of defined contribution scheme	295	271
	<u>10,322</u>	<u>10,570</u>

Employees costs of £1,051,000 borne by the company have been recharged fellow group subsidiaries.

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

	2019 No.	2018 No.
Manufacturing	205	175
Administration	148	187
	<u>353</u>	<u>362</u>

#### 8. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	763	492
Company contributions to defined contribution pension schemes	31	20
	<u>794</u>	<u>512</u>

During the year retirement benefits were accruing to 2 directors (2018 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £459,000 (2018 - £237,340).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2018 - £Nil).

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

### 9. Taxation

	2019 £000	2018 £000
<b>Corporation tax</b>		
Current tax on profits for the year	226	461
<b>Deferred tax</b>		
Origination and reversal of timing differences	22	(38)
<b>Taxation on profit</b>	<b>248</b>	<b>423</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit before tax	2,572	3,151
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	489	599
<b>Effects of:</b>		
Expenses not deductible for tax purposes	20	19
Capital allowances for year in excess of depreciation	-	(12)
Short term timing differences	(6)	-
Adjustment in research and development tax credit leading to a decrease in the tax charge	(255)	(180)
Group relief	-	(3)
<b>Total tax charge for the year</b>	<b>248</b>	<b>423</b>

#### Factors that may affect future tax charges

Under legislation substantively enacted on 17 March 2020 the rate of UK corporation tax will continue to be 19% from 1 April 2020 onwards. As a result, there are no factors that may affect future tax charges.



## Ultraframe (UK) Limited

### Notes to the financial statements For the year ended 1 November 2019

#### 10. Intangible assets

	Development costs £000	Goodwill £000	Total £000
<b>Cost</b>			
At 3 November 2018	4,392	476	4,868
Additions	929	-	929
At 1 November 2019	<u>5,321</u>	<u>476</u>	<u>5,797</u>
<b>Amortisation</b>			
At 3 November 2018	3,195	476	3,671
Charge for the year	529	-	529
At 1 November 2019	<u>3,724</u>	<u>476</u>	<u>4,200</u>
<b>Net book value</b>			
At 1 November 2019	<u>1,597</u>	<u>-</u>	<u>1,597</u>
At 2 November 2018	<u>1,197</u>	<u>-</u>	<u>1,197</u>

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 1 November 2019

### 11. Tangible fixed assets

	Freehold Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Assets under const'n £000	Total £000
<b>Cost or valuation</b>						
At 3 November 2018	6,073	30,646	688	5,067	390	42,864
Additions	-	-	-	-	341	341
Transfers intra group	(6,000)	-	-	-	-	(6,000)
Disposals	-	-	(34)	-	-	(34)
Transfers between classes	(73)	270	39	164	(400)	-
At 1 November 2019	-	30,916	693	5,231	331	37,171
<b>Depreciation</b>						
At 3 November 2018	794	29,081	685	4,609	-	35,169
Charge for the year	121	492	5	257	-	875
Written back on revaluation	(900)	-	-	-	-	(900)
Disposals	-	-	(34)	-	-	(34)
Transfers between classes	(15)	-	-	15	-	-
At 1 November 2019	-	29,573	656	4,881	-	35,110
<b>Net book value</b>						
At 1 November 2019	-	1,343	37	350	331	2,061
At 2 November 2018	5,279	1,565	3	458	390	7,695

Freehold land and buildings were revalued at 1 November 2019 at fair value, determined by an independent, professionally qualified valuer.

If freehold land and buildings had been accounted for under the historic cost accounting rules, they would have been measured as follows:

	1 November 2019 £000	2 November 2018 £000
Historic cost	-	5,279

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

### 12. Stocks

	1 November 2019 £000	2 November 2018 £000
Raw materials and consumables	3,866	3,495
Work in progress	342	397
	<u>4,208</u>	<u>3,892</u>

An impairment loss of £79,000 (2018 - £135,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

There is no material difference between the replacement cost of stocks and the amounts stated above.

### 13. Debtors

	1 November 2019 £000	2 November 2018 £000
Trade debtors	6,102	6,877
Amounts owed by group undertakings	28,282	19,553
Other debtors	3,559	3,375
Prepayments and accrued income	405	390
Deferred taxation	245	212
	<u>38,593</u>	<u>30,407</u>

An impairment loss of £192,000 (2018: £Nil) was recognised in administrative expenses during the year.

Amounts owed by group undertakings are interest free and repayable on demand.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

### 14. Creditors: Amounts falling due within one year

	1 November 2019 £000	2 November 2018 £000
Trade creditors	4,532	5,735
Amounts owed to group undertakings	6,894	3,431
Corporation tax	218	460
Other taxation and social security	672	726
Other creditors	936	126
Accruals and deferred income	1,990	2,233
	<b>15,242</b>	<b>12,711</b>

Shareholder loans and amounts owed to group undertakings are non interest bearing, unsecured and repayable on demand.

### 15. Deferred taxation

	31 October 2019 £000
At beginning of year	212
Charged to profit or loss	(22)
On hive across acquired from fellow subsidiaries (note 22)	55
At end of year	<b>245</b>

The deferred tax asset is made up as follows:

	1 November 2019 £000	2 November 2018 £000
Difference between accumulated depreciation, amortisation and capital allowances	234	205
Short term and other timing differences	11	7
	<b>245</b>	<b>212</b>

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.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

### 16. Provisions

	Warranty provision £000
At 3 November 2018	298
Charged to profit or loss	2
At 1 November 2019	<u>300</u>

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.

### 17. Share capital

	1 November 2019 £000	2 November 2018 £000
Allotted, called up and fully paid		
2,514,709 (2018 - 2,514,709) ordinary shares of £1.00 each	<u>2,515</u>	<u>2,515</u>

### 18. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

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

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

### 19. Prior year adjustment

An error of £3,721,000 was identified in the previous financial period in the mapping of cost of sales & administrative expenses. As a result the comparative cost of sales balance has been decreased by this amount, while the corresponding increase has been processed through the comparative balance of administrative expenses. There has been no impact on profit after tax or any balance sheet amounts.

### 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 £295,000 (2018 - £271,000) of which £56,000 (2018 - £Nil) is included in accruals at the year end.

### 21. Commitments under operating leases

At 1 November 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	1 November 2019 £000	2 November 2018 £000
Within 1 year	201	156
Between 2 and 5 years	200	332

### 22. Group reorganisation

Following a group reorganisation on 1 November 2019, the company purchased the assets and liabilities of CDW Products Limited and Quantal Limited, fellow group subsidiaries of Latium Plastics Enterprises Limited for their book value of £3,551,000 and £964,000 respectively. This has created an intercompany creditor within those two companies for the corresponding amounts.

# Ultraframe (UK) Limited

## Notes to the financial statements For the year ended 1 November 2019

### 23. 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.

During the year ended 1 November 2019, the Company entered into the following transactions with companies related by virtue of a common shareholder:

	Amounts owed as at 31 October 2019 £000	Amounts payable as at 31 October 2019 £000	Goods sold during the year £000	Goods purchased during the year £000
Latium Management Services Limited	3,369	-	150	-
Indigo Products Limited	138	-	189	-
Specialist Building Distribution Limited	25	-	21	-
UPVC Distributors Limited	7	-	11	-
Quay Plastics Limited	13	-	29	-

During the year ended 2 November 2018, the Company entered into the following transactions with companies related by virtue of a common shareholder:

	Amounts owed as at 2 November 2018 £000	Amounts payable as at 2 November 2018 £000	Goods sold during the year £000	Goods purchased during the year £000
Latium Management Services Limited	3,219	-	-	-
JWLD Realisations Limited	-	-	11	-

All amounts owed above have been classified within other debtors in Note 13.

### 24. Post balance sheet events

On 31 January 2020, the World Health Organisation (WHO) announced a global health emergency in relation to the COVID-19 outbreak and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

As discussed in Note 2.3 COVID-19 has had an impact on the financial condition, liquidity, and results of the Company during 2020. Management are actively monitoring the situation and taking actions where possible to ensure that the business can manage through any impact that it may face as a result of the pandemic.

No current information has been identified by the directors which would affect the carrying value of amounts held on the balance sheet as at 1 November 2019.

## **Ultraframe (UK) Limited**

### **Notes to the financial statements For the year ended 1 November 2019**

---

#### **25. Ultimate parent undertaking and controlling party**

The immediate parent undertaking of the company is Latium Roofing Systems Limited, a company registered in England and Wales at Enterprise Works, Salthill Road, Clitheroe, Lancashire, BB7 1PE.

The company's ultimate parent company of the largest group for which consolidated financial statements are prepared is Latium Plastics Enterprises Limited, a company registered in England and Wales. The consolidated financial statements of Latium Plastics Enterprises Limited are available to the public and may be obtained from their registered office at Hamilton House, Church Street, Altrincham, England, WA14 4DR.

The ultimate controlling party is Mr B G Kennedy by virtue of his majority shareholding in the ultimate parent company.