

## Ultraframe (UK) Limited

Annual Report and Financial Statements

Year Ended

27 October 2017

Company Number 01765701



# Ultraframe (UK) Limited

## Company Information

---

<b>Directors</b>	A J Crowe J Slade A W M Thomson
<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
<b>Strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 - 3</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5 - 7</b>
<b>Statement of comprehensive income</b>	<b>8</b>
<b>Statement of financial position</b>	<b>9</b>
<b>Statement of changes in equity</b>	<b>10</b>
<b>Notes to the financial statements</b>	<b>11 - 25</b>

# Ultraframe (UK) Limited

## Strategic Report For the Year Ended 27 October 2017

---

### Introduction

The directors present their strategic report together with the audited financial statements for the year ended 27 October 2017.

### Business review

During the period the company recorded turnover of £38,340,000 (2016 - £34,871,000), gross margin of 35.2% (2016 - 41.2%) and operating profit of £2,717,000 (2016 - £3,541,000). 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.

### 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 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 group 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 2017 averaged £152,143 which was 9.9% up on the 2016 average of £138,376. Gross margin percentage decreased to 35.25% from 41.2% in 2016. 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 20 JULY 2018

and signed on its behalf.



**J Slade**  
Director

# Ultraframe (UK) Limited

## Directors' Report For the Year Ended 27 October 2017

---

The directors present their report together with the audited financial statements for the year ended 27 October 2017.

### Principal activity

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

### Business review

The review of the business, principal risks and uncertainties, key performance indicators and future developments are included in the strategic report in accordance with section 414C of the Companies Act 2006 on page 1 of these financial statements.

### Results and dividends

The profit for the year, after taxation, amounted to £2,359,000 (2016 - £2,953,000).

The directors do not propose a dividend for the year (2016 - £Nil).

### Directors

The directors who served during the year were:

A J Crowe  
J Slade  
A W M Thomson

### Research and development

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

### 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 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.

### Auditor

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

# Ultraframe (UK) Limited

## Directors' Report (continued) For the Year Ended 27 October 2017

---

This report was approved by the board on 20 July 2018 and signed on its behalf.



**J Slade**  
Director

# Ultraframe (UK) Limited

## Directors' Responsibilities Statement For the Year Ended 27 October 2017

---

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 27 October 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 October 2017 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, 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 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 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 the 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

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.

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



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

27 JULY 2018

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 27 October 2017

	Note	2017 £000	2016 £000
Turnover	4	38,340	34,871
Cost of sales		(24,859)	(20,520)
<b>Gross profit</b>		<b>13,481</b>	<b>14,351</b>
Distribution costs		(3,024)	(2,757)
Administrative expenses		(7,740)	(8,053)
<b>Operating profit</b>	5	<b>2,717</b>	<b>3,541</b>
Interest receivable and similar income	8	1	6
Interest payable and similar charges	9	(7)	(3)
<b>Profit before tax</b>		<b>2,711</b>	<b>3,544</b>
Tax on profit	10	(352)	(591)
<b>Profit for the financial year</b>		<b>2,359</b>	<b>2,953</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2,359</b>	<b>2,953</b>

The notes on pages 11 to 25 form part of these financial statements.

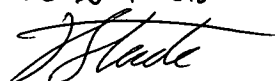
# Ultraframe (UK) Limited

Registered number: 01765701

## Statement of Financial Position As at 27 October 2017

	Note	27 October 2017 £000	27 October 2017 £000	28 October 2016 £000	28 October 2016 £000
<b>Fixed assets</b>					
Intangible assets	12		1,143		973
Tangible assets	13		8,047		8,748
			<u>9,190</u>		<u>9,721</u>
<b>Current assets</b>					
Stocks	14	3,867		3,132	
Debtors: amounts falling due within one year	15	32,038		25,168	
Cash at bank and in hand		3,565		2,714	
		<u>39,470</u>		<u>31,014</u>	
Creditors: amounts falling due within one year	16	(18,130)		(12,331)	
<b>Net current assets</b>			<u>21,340</u>		<u>18,683</u>
<b>Total assets less current liabilities</b>			<u>30,530</u>		<u>28,404</u>
<b>Provisions for liabilities</b>					
Other provisions	18		(265)		(410)
<b>Net assets</b>			<u><u>30,265</u></u>		<u><u>27,994</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		2,515		2,515
Share premium account	20		3,849		3,849
Profit and loss account	20		23,901		21,630
			<u><u>30,265</u></u>		<u><u>27,994</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 July 2018



**J Slade**  
Director

The notes on pages 11 to 25 form part of these financial statements.

# Ultraframe (UK) Limited

## Statement of Changes in Equity For the Year Ended 27 October 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 29 October 2016	2,515	3,849	21,630	27,994
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,359	2,359
<b>Total comprehensive income for the year</b>	-	-	2,359	2,359
Dividends	-	-	(88)	(88)
<b>At 27 October 2017</b>	<b>2,515</b>	<b>3,849</b>	<b>23,901</b>	<b>30,265</b>

## 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
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	2,953	2,953
<b>Total comprehensive income for the period</b>	-	-	2,953	2,953
<b>At 28 October 2016</b>	<b>2,515</b>	<b>3,849</b>	<b>21,630</b>	<b>27,994</b>

The notes on pages 11 to 25 form part of these financial statements.

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

---

### 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 2017 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 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.

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

---

### 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 ten 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 27 October 2017

---

### 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 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.

#### 2.11 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.

#### 2.13 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.



# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

---

### 2. Accounting policies (continued)

#### 2.14 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.

#### 2.15 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.

#### 2.16 Interest income

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

#### 2.17 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

#### 2.18 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 27 October 2017

---

### 2. Accounting policies (continued)

#### 2.19 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.

#### 2.20 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 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 27 October 2017

---

### 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 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

- Intangible and Tangible fixed assets (see notes 12 and 13)

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.

- Stock provision (see note 14)

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 15)

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.

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

### 4. Turnover

All turnover relates to the principal activity of the company.

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	38,063	34,379
Rest of Europe	254	355
Rest of the world	23	137
	<u>38,340</u>	<u>34,871</u>

### 5. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	1,328	1,057
Amortisation of intangible fixed assets	364	263
Inventory charged as expense	19,471	16,822
Exchange differences	(20)	78
Operating lease rentals - plant and machinery	148	112
Research and development expenditure	24	194
Auditors' remuneration	15	15
	<u>          </u>	<u>          </u>

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

### 6. Employees

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

	2017 £000	2016 £000
Wages and salaries	9,537	8,964
Social security costs	802	729
Cost of defined contribution scheme	271	264
	<u>10,610</u>	<u>9,957</u>

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

	2017 No.	2016 No.
Manufacturing	201	209
Administration	187	148
	<u>388</u>	<u>357</u>

### 7. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	477	469
Company contributions to defined contribution pension schemes	20	27
	<u>497</u>	<u>496</u>

During the year retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £212,478 (2016 - £215,846).

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 (2016 - £8,076).

### 8. Interest receivable and similar income

	2017 £000	2016 £000
Bank interest receivable	<u>1</u>	<u>6</u>

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

### 9. Interest payable and similar charges

	2017 £000	2016 £000
Bank interest payable	7	3

### 10. Taxation

	2017 £000	2016 £000
<b>Corporation tax</b>		
Current tax on profits for the year	220	-
<b>Total current tax</b>	220	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	10	573
Changes to tax rates	122	18
<b>Total deferred tax</b>	132	591
<b>Taxation on profit on ordinary activities</b>	352	591

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.42% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	2,711	3,544
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.42% (2016 - 20%)	526	709
<b>Effects of:</b>		
Expenses not deductible for tax purposes	22	9
Adjustment in research and development tax credit leading to a decrease in the tax charge	(228)	(181)
Short term timing difference leading to an (decrease)/increase in taxation	36	54
Group relief	(4)	-
<b>Total tax charge for the year/period</b>	352	591

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

### 10. Taxation (continued)

#### Factors that may affect future tax charges

The company had tax losses at the year end of £Nil (2016 - £759,889) to offset against any future tax charge.

### 11. Dividends

	27 October 2017 £000	28 October 2016 £000
Dividends	88	-
	<u>88</u>	<u>-</u>

### 12. Intangible assets

	Development costs £000	Goodwill £000	Total £000
<b>Cost</b>			
At 29 October 2016	3,127	476	3,603
Additions	938	-	938
Disposals	(404)	-	(404)
At 27 October 2017	<u>3,661</u>	<u>476</u>	<u>4,137</u>
<b>Amortisation</b>			
At 29 October 2016	2,154	476	2,630
Charge for the year	364	-	364
At 27 October 2017	<u>2,518</u>	<u>476</u>	<u>2,994</u>
<b>Net book value</b>			
At 27 October 2017	<u>1,143</u>	<u>-</u>	<u>1,143</u>
At 28 October 2016	<u>973</u>	<u>-</u>	<u>973</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 27 October 2017

### 13. 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 29 October 2016	6,073	29,740	705	4,734	483	41,735
Additions	-	343	-	45	239	627
Transfers between classes	-	102	-	378	(480)	-
At 27 October 2017	6,073	30,185	705	5,157	242	42,362
<b>Depreciation</b>						
At 29 October 2016	551	27,950	683	3,803	-	32,987
Charge for the year on owned assets	120	598	13	597	-	1,328
At 27 October 2017	671	28,548	696	4,400	-	34,315
<b>Net book value</b>						
At 27 October 2017	5,402	1,637	9	757	242	8,047
At 28 October 2016	5,522	1,790	22	931	483	8,748

### 14. Stocks

	27 October 2017 £000	28 October 2016 £000
Raw materials and consumables	3,742	2,725
Work in progress	125	407
	3,867	3,132



# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

### 15. Debtors

	27 October 2017 £000	28 October 2016 £000
Trade debtors	6,742	6,168
Amounts owed by group undertakings	16,587	12,228
Other debtors	7,968	6,102
Prepayments and accrued income	567	366
Deferred taxation	174	306
	<u>32,038</u>	<u>25,170</u>

The impairment loss recognised in the statement of comprehensive income for the year in respect of bad and doubtful trade debtors was £107,000 (2016 - £294,000).

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

	27 October 2017 £000	28 October 2016 £000
Shareholder loans	4,896	-
Trade creditors	5,925	5,821
Amounts owed to group undertakings	3,866	3,251
Corporation tax	332	112
Other taxation and social security	1,341	1,420
Other creditors	213	137
Accruals and deferred income	1,557	1,590
	<u>18,130</u>	<u>12,331</u>

Shareholder loans are non interest bearing, unsecured and repayable on demand.

### 17. Deferred taxation

	2017 £000
At beginning of year	306
Charged to profit or loss	(132)
At end of year	<u>174</u>

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

### 17. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	27 October 2017 £000	28 October 2016 £000
Difference between accumulated depreciation, amortisation and capital allowances	168	170
Short term and other timing differences	6	7
Losses and other deductions	-	129
	<u>174</u>	<u>306</u>

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.

### 18. Provisions

	Warranty provision £000
At 29 October 2016	410
Utilised in year	(145)
<b>At 27 October 2017</b>	<u><b>265</b></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.

### 19. Share capital

	27 October 2017 £000	28 October 2016 £000
<b>Allotted, called up and fully paid</b>		
2,514,709 ordinary shares of £1 each	<u>2,515</u>	<u>2,515</u>

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

---

### 20. 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.

### 21. 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 £271,070 (2016 - £263,650) of which £Nil (2016 - £Nil) is included in accruals at the year end.

### 22. Commitments under operating leases

At 27 October 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	27 October 2017 £000	28 October 2016 £000
Within 1 year	151	125
Between 2 and 5 years	416	310
After more than 5 years	2	2
	<u>          </u>	<u>          </u>

# Ultraframe (UK) Limited

## Notes to the Financial Statements For the Year Ended 27 October 2017

### 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. In addition to these the company had the following related party transactions:

	27 October 2017 Transaction Value £000	2017 Debtor/ (Creditor) £000	2016 Transaction Value £000	2016 Debtor/ (Creditor) £000
Latium Management Services Limited	-	7,769	-	5,849
Four Seasons Solar Products LLC	-	-	4	4
Job Worth Doing Limited	4	-	18	22
Indigo Products Limited	4	-	-	-
Specialist Building Distribution Limited	696	163	-	-

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

### 24. 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.