

PERMASTEELISA (UK) LIMITED

Annual Report and Financial Statements For the year ended 31 March 2018

Registered number: 02423388



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Strategic report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities and address

The principal activity of the company is the supply and installation of curtain walling.

Permasteelisa (UK) Ltd has its registered office at 2nd Floor, 1 Old Jewry, London, EC2R 8DN, England.

Business review and key performance indicators

As expected the conditions in 2018 remained challenging within the construction industry and the economy as a whole. Volumes and margins continue to come under pressure from competition and has been heightened by the continued market uncertainty.

The profit and loss account for the financial year is set out on page 8. The key performance indicators for the company are the amount of turnover and the operating profit derived from the company's principal activity to customers during the financial year. Turnover is equal to £191,823,539 (2017: £204,375,445); the operating loss is equal to £1,155,275 (2017: £1,753,110) and mainly due to a number of legacy projects. The loss for the financial year was £1,863,238 (2017: £2,303,368).

Total current assets increased to £153,020,175 from £119,052,290 in 2017, total creditors increased to £155,408,281 from £102,851,268. Shareholder's funds improved from a negative value of £984,616 to a positive value of £234,879. Net current assets decreased from £ 16,201,022 to a negative value of £2,388,106.

The market context has been generally characterized by a positive attitude of investors following Brexit results. However, as the negotiations on several projects are progressing positively despite the inherent market difficulties, management remain confident in maintaining a good level of order intake within the next year. The effects of Brexit negotiations and the associated possible delays in the investment within the UK market will be monitored.

The directors do not recommend the payment of a dividend this financial year (2017: £nil).

Future developments

The directors are satisfied with the performance of the company for the year, despite the difficult market conditions, and look to the future with confidence based on a solid order book and an improvement of the profitability.

Financial risk management

The Company is subject to risk from future interest rate fluctuations on the Company's cash balances; the Company is also exposed to liquidity risk. Prudent risk management implies maintaining significant cash and the availability of funding through shareholder support. The directors believe that they have sufficient resources to deal with these risks should they arise.

The Company has used swap contracts as hedging instruments during the year to mitigate the currency risk on some of its projects. These swap contracts have been negotiated by the parent company Permasteelisa S.p.A. on behalf of the Company and with effect on its own credit line. The Company primarily operates in the U.K. and the majority of transactions are conducted in Sterling.

Strategic report (continued)

Principal risks and uncertainties

The directors of Permasteelisa S.p.A. manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the company's risks in isolation would not be appropriate for an understanding of the development, performance or position of Permasteelisa (UK) Limited's business. The Permasteelisa Group's policies on risk management are outlined in the Permasteelisa S.p.A. Annual Report for the year to 31 March 2018. Copies of their Annual Report and Financial Statement can be obtained from: Permasteelisa S.p.A., Via E. Mattei, 21/23, Vittorio Veneto (TV), Italy. Set out below is a description of those contracting risks, being the project bidding and project execution, facing the Company which could adversely impact its profitability and its ability to achieve strategic objectives.

Project bidding

The failure to estimate risks, costs, the impact of inflation and the contractual terms of being entered into and how best to manage them could have an adverse impact on the profitability of such contracts. To mitigate this all bids are subject to rigorous estimating and tendering processes within a defined framework. Defined delegated authority levels exist of the approval of all tenders, with all major and significant contracts in excess of these authority levels being subject to Group review and approval.

Project execution

The Company is also engaged in a number of complex projects. The successful delivery of many of these projects is dependent on the combined availability and effective management of the supply chain and other service providers. The Company's ability to execute these projects to its customer requirements and on a timely basis exposes it, in the event it were to fail to do so, to the risk of financial loss and reputational damage.

Failure to manage or deliver the agreed contracted customer requirements to an appropriate quality and on a timely basis could result in a number of contract issues (contract disputes, unagreed claims, design issues, cost overruns, failure to achieve customer savings) which could adversely impact the profitability and reputation of the Company. In order to mitigate these risks the company has a number of defined operating procedures designed to address the risks inherent in project delivery.

Events after the end of the reporting period

There have been no events subsequent to the balance sheet date that require disclosure.

On behalf of the board

28th November 2018


(Gordon Andrew Earle – Director)

Directors' report

The directors present their Annual Report and the audited financial statements for the period ended 31 March 2018.

Going concern

The Company's activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

Having made appropriate enquiries, the Directors consider it reasonable to assume that the Company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the financial statements. In forming this opinion, the Directors have considered a letter of support from Permasteelisa S.p.A. This letter agrees to provide or procure adequate financial resources to allow the Company to meet its contractual obligations as they fall due or for a period of not less than 12 months from the date of signing the financial statements.

Directors

The directors who held office during the year 2018 and to the date of this report were as follows:

G. Earle
K. Lothar
A. De Vito

Directors' Indemnities

The Company has not given any indemnities in favour of any of the Directors.

Disclosure of dividends, financial risk management and events after the reporting period

This information is reported in the Strategic Report at page 1.

Future developments

This information is reported in the Strategic Report at page 1.

Appointment of Auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

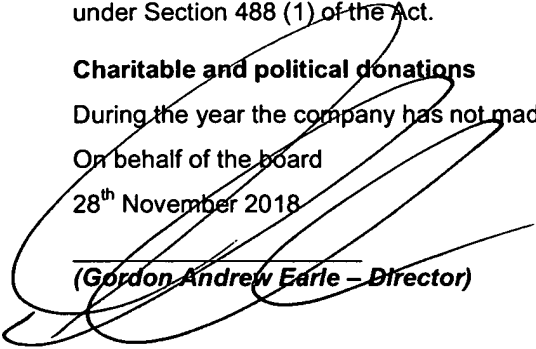
A resolution to re-appoint Deloitte LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with Section 487 (2) of the Companies Act 2006 unless the company receives notice under Section 488 (1) of the Act.

Charitable and political donations

During the year the company has not made any charitable donations (2017: £14,050).

On behalf of the board

28th November 2018


(Gordon Andrew Earle – Director)

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), including FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 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.

Independent auditor's report to the members of Permasteelisa (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Permasteelisa (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 27.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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.

Independent auditor's report to the members of Permasteelisa (UK) Limited

Report on the audit of the financial statements (continued)

Other information (continued)

We have nothing to report in respect of these matters.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of Permasteelisa (UK) Limited

Report on the audit of the financial statements (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Makhan Chahal, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28th November 2018

Profit and Loss account**For the year ended 31 March 2018**

	<i>Notes</i>	Year ended 31 March 2018	Year ended 31 March 2017
<i>In GBP (£)</i>			
Turnover	3	191,823,539	204,375,445
Cost of Sales		(190,342,169)	(203,034,947)
Gross profit		1,481,370	1,340,498
Operating expenses		(2,636,645)	(3,093,608)
Operating Loss	5	(1,155,275)	(1,753,110)
Other interest receivables and similar income	7	7,930	162,609
Interest payable and similar charges	8	(214,903)	(361,982)
Foreign exchange hedge expenses		(500,990)	(796,451)
Loss before taxation		(1,863,238)	(2,748,934)
Tax on loss	9	-	445,566
Loss for the financial year		(1,863,238)	(2,303,368)

All amounts derive from continuing operations.

Statement of Other Comprehensive Income

For the year ended 31 March 2018

	Notes	31 March 2018	31 March 2017
<i>In GBP (£)</i>			
Loss for the period		(1,863,238)	(2,303,368)
Items that may be reclassified to profit and loss account:			
Cash flow hedge (losses)/Gains arising during the year	24	(1,697,617)	440,756
Total comprehensive (loss)/income that may be reclassified to Income Statement		(1,697,617)	440,756
Total Other comprehensive (loss)/ income, net of tax		(1,697,617)	440,756
Total Comprehensive (loss) for the year		(3,560,855)	(1,862,612)

Balance sheet

As at 31 March 2018

<i>In GBP (£)</i>	<i>Notes</i>	31 March 2018	31 March 2017
Non-current assets			
Tangibles assets	10	412,922	382,582
Intangible assets	11	10,391	13,693
Trade and other receivables: due after one year	14	4,187,289	5,245,179
Deferred tax asset: due after one year	14	879,358	879,358
Total non-current assets		5,489,960	6,520,812
Current assets			
Inventories	12	47,791,395	38,096,123
Trade and other receivables	14	105,145,807	80,892,890
Cash and cash equivalents	15	82,973	63,277
Total current assets		153,020,175	119,052,290
Creditors: Amount falling due within one year	17	(155,408,281)	(102,851,268)
Total net current (liabilities)/assets		(2,388,106)	16,201,022
Total assets less current liabilities		3,101,854	22,721,834
Provision for liabilities	18	(2,866,975)	(23,706,450)
Net assets/(liabilities)		234,879	(984,616)
Equity			
Called up share capital	20	8,290,350	3,510,000
Foreign exchange risk hedging reserve	24	1,880,888	3,578,505
Profit and loss account	21	(9,936,359)	(8,073,121)
Total shareholders' funds/(deficit)		234,879	(984,616)

The financial statements of Permasteelisa (UK) Limited (registered number 2423388) were approved by the Board of directors and authorised for issue on 28th November 2018. They were signed on its behalf by:


(Gordon Andrew Earle – Director)

Statement of Changes in Equity

As at 31 March 2018

	Called up Share capital	Hedging reserve	Profit and Loss account	Total
Balance as at 1 April 2016	3,510,000	3,137,749	(5,769,753)	877,996
<i>Income/(loss) recognized directly in equity:</i>				
Foreign exchange risk hedging reserve variation (note 24)	"-	440,756	"-	440,756
	"-"	440,756	"-"	440,756
Net loss for the year			(2,303,368)	(2,303,368)
Total comprehensive income/(loss) for the period	"-"	440,756	(2,303,368)	(1,862,612)
<i>Transactions with shareholders:</i>				
	"-"	"-"	"-"	"-"
Balance as at 31 March 2017	3,510,000	3,578,505	(8,073,121)	(984,616)
Balance as at 1 April 2017	3,510,000	3,578,505	(8,073,121)	(984,616)
<i>Income/(loss) recognized directly in equity:</i>				
Financial derivatives (net of deferred tax)	"-	(1,697,617)	"-	(1,697,617)
	"-"	(1,697,617)	"-"	(1,697,617)
Net loss for the year			(1,863,238)	(1,863,238)
Total Income/(loss) for the year	"-"	(1,697,617)	(1,863,238)	(3,560,855)
<i>Transactions with shareholders:</i>	4,780,350			4,780,350
Balance as at 31 March 2018	8,290,350	1,880,888	(9,936,359)	234,879

Notes to the Financial Statements

For the year ended 31 March 2018

1. General Information

Permasteelisa (UK) Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the Company's registered office is given in the Strategic Report on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

The Company is a limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1 and 2.

These financial statements are presented in pounds sterling (GBP) because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 101 "Application of Financial Reporting Requirements issued by the FRC.

Accordingly, as permitted by FRS 101, the company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraph 76 and 79(d) of IAS 40 Investment Property; and
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirement of IAS 7 Statement of Cash Flows;
- the requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member, and
- the requirements of paragraphs 134(d) – 135 (c) – 135 (e) of IAS 36 Impairment of Assets.

Where required, equivalent disclosures are given in the group financial statements of Permasteelisa S.p.A.. The group financial statements of Permasteelisa S.p.A. are available to the public and can be obtained as set out in note 27.

Adoption of new and revised Standards

The company has assessed the impact of new and revised standards in the year and have concluded that these do not have an impact on the preparation of the financial statements of Permasteelisa (UK) Ltd.

Notes to the Financial Statements

For the year ended 31 March 2018

2. Significant accounting policies

The principal accounting policies are summarized below. They have all been applied consistently throughout the year. Certain items relating to contract balances have been re-presented in the current period. This has led to no impact to net assets in the current year and prior year.

The financial statements are presented in GBP on the historical cost basis except for the following assets and liabilities that are stated at their fair value: derivative financial instruments.

Going concern

Having made appropriate enquiries, the Directors consider it reasonable to assume that the Company has adequate resources to continue for the foreseeable future and, for this reason, have continued to adopt the going concern basis in preparing the financial statements. In forming this opinion, the Directors have considered a letter of support from Permasteelisa S.p.A.. This letter agrees to provide or procure adequate financial resources to allow the Company to meet its obligation as they fall due or for a period of not less than 12 months from the date of signing the financial statements.

Revenue recognition

(i) Contracts Work-In-Progress

As soon as the outcome of a contract can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion to the stage of completion of the contract that is calculated as based on the costs effectively incurred and total costs included in the contract budget. An expected loss on a contract is recognised immediately in the income statement.

(ii) Goods sold and services rendered

Revenue from services rendered is recognised in the income statement in proportion to the stage of completion of the transaction at the balance sheet date. The stage of completion is assessed checking the work performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

Basis of conversion of foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to GBP at the foreign exchange rate ruling at that date. Foreign exchange differences arising on this translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to GBP at foreign exchange rates ruling at the dates the fair value was determined.

Notes to the Financial Statements**For the year ended 31 March 2018****2. Significant accounting policies (continued)*****Derivative financial instruments***

The Company uses derivative financial instruments (generally forward exchange contracts and swaps) only to hedge its exposure to foreign currency risk coming from its operating.

According to its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the balance sheet date. The resulting gain or loss on re-measurement to fair value is recognised immediately in profit or loss account.

However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

Hedging

Cash flow hedging (foreign currency risk)

The Company uses derivative financial instruments to hedge its exposure to foreign currency risk coming from its operating. Hedges of foreign exchange risk are accounted as cash flow hedges.

In particular, the Company uses derivative financial instruments to hedge the foreign currency risk related to the contracts work-in-progress cash flows. When the Company acquires a job whose future cash flows are denominated in foreign currency, specific forward exchange contracts or swaps on foreign currency are concluded to hedge the foreign currency risk existing on those future cash flows; therefore these hedging operations are related to highly probable future transactions as the job that is hedged is effectively acquired when the hedging contract or contracts are concluded. Considering the length of the Company contracts, the estimation of the timing of the future cash flows is very difficult and subject to changes that can be also relevant; as a consequence, the Company policy consists in making an initial hedging of future cash flows based on a rough estimation of the future cash flows timing and subsequently in:

- rolling over the forward exchange contracts or swaps on foreign currency if at the expiry date the correspondent cash flows related to the job does not occur; and
- in concluding another forward exchange contract or swap on foreign currency, of opposite sign and same expiry date of the existing hedging contracts, if the cash flow related to the job occurs in advance with respect to the expiry date of the existing hedging contracts.

The gains and losses deriving from the roll-over operation of these derivative financial instruments and from their evaluation at fair value are recognised directly in the net equity in a specific reserve for the effective part; these gains and losses are removed from the net equity and recorded in the income statement in the same period or periods during which the hedged forecast transaction affects income statement; they are included in the operating revenues or operating expenses if related to hedging operations of job contracts cash flows.

The ineffective part of any gain or loss is recognised immediately in the income statement.

Notes to the Financial Statements (continued)

For the year ended 31 March 2018 (continued)

2. Significant accounting policies (continued)

Hedging (continued)

The Company does not measure the prospective effectiveness of its hedging operations as, on the basis of the method used for hedging the future cash flows related to contracts work-in-progress in foreign currency, the Company considers that it always included in the range requested by IAS 39 (80%-125%); any ineffectiveness can occur retrospectively only if the roll-over operations or the closing in advance of a forward exchange contract or swap on foreign currency are not performed correctly; the measurement of the retrospective ineffectiveness is therefore made continuously monitoring that these cases do not occur.

If the hedged transaction is no longer expected to take place, the cumulative unrealised gains or losses recognised in equity are recognised immediately in the income statement as financial components.

Finally, according to the Company policy the foreign currency risk hedging is made on the spot rate; as a consequence, the difference between spot rate and forward rate recorded when a roll-over operation is performed and the interest component included in the fair value of the forward contracts or swaps on foreign currency, are always recorded in the income statement in the financial components as hedging expenses/revenues, regardless whether the contract does or does not comply with the requirements for being considered as such.

Notes to the Financial Statements (continued)

For the year ended 31 March 2018 (continued)

2. Significant accounting policies (continued)

Tangible assets

(i) Owned tangible assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the income statement as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation is applied from the date the tangible assets are available for use. The estimated useful lives are as follows:

- Site equipment	3 years
- Office furniture and equipment	5 years
- Computer equipment	3 years
- Motor vehicles	3 years
- Leasehold improvement	over the remaining life of the lease

The useful lives and the residual value, if significant, are annually revised.

Intangible assets

(i) Other intangible assets

Other intangible assets that are acquired are stated at cost less accumulated amortization (amortization criteria are reported below) and impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Amortization

Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill, intangible assets with an indefinite useful life and intangible assets not yet available to be used are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- rights to use intellectual property (software)	5 years
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Trade receivables to third parties

Trade receivables are recognised initially at fair value and subsequently recorded at the amortised cost, using the effective interest method, net of impairment losses related to amounts considered recoverable, recorded as provision. The estimation of the recoverable amounts is based on future expected cash flows.

Trade receivables, whose expiry date is within ordinary trade terms, are not discounted.

For the year ended 31 March 2018 (continued)

2. Significant accounting policies (continued)

Contracts Work-In-Progress

Contracts work-in-progress are reported in accordance with the progress stage (or completion percentage) of the works, according to which the costs, revenues, and margin are recognised based on the progress of the productive activity. The policy adopted by the Company is the completion percentage determined by applying the "incurred cost" (cost to cost) criterion.

The valuation reflects the best estimate of the contracts made as at the reporting date. Periodically, the assumptions underlying the evaluations are updated. Any economic effect is recorded in the year in which the updates have been made.

The contract revenues include the payments agreed upon by contract, work changes, price revision, incentives, and any claims, to the extent that these are likely to be reliably valued and advance payments that the clients has paid for the procurement of materials. In particular, the valuation of claims was guided, based on certain technical and legal analysis, towards the positive results that could reasonably be achieved from disputes with the customers.

The contracts costs include all the costs that refer directly to the project, the costs that may be attributed to the contract activity in general and that may be allocated to the said project, in addition to any other costs that may be specifically charged to the customer based on the contractual clauses.

The contract costs also include the pre-operative costs, which is to say the costs incurred in the initial phase of the contract before the construction activity is began (costs or preparing, tenders, design costs, costs for organization and start-up of production, construction site installation costs) and the post-operative costs that are incurred after the contract is closed (removal of the construction site, return of plant/equipment to base, etc.).

Should the completion of a project be forecast to lead to a loss, this shall be recognised in its entirety in the year in which it may be reasonably expected.

The contracts in progress are set out net of any depreciation fund and/or final losses, as well as the progress billings for the contract being carried out.

This analysis is carried out on a contract by contract basis: should the difference be positive (due to contracts in progress greater than the amounts of the progress billings), it is classified among the assets (contracts work-in-progress); on the other hand, should the difference be negative, it is classified among the liabilities (liabilities for contracts work-in-progress).

Should the final losses fund for the individual contract exceed the value of the work entered in the assets, this excess is classified under the provision for risks and charges.

Contracts with payment denominated in foreign currency other than the functional currency (GBP for the Company) are valued by converting the accrued share of payments determined based on the completion percentage method, at the exchange rate ruling at the reporting date for the portion yet not invoiced, and at the exchange rate ruling at the transaction date for the portion already invoiced.

Cash and cash equivalents

Cash and cash equivalents include bank and post current accounts and deposits. Bank overdrafts, advances and other short-term loans which are repayable on demand and form an integral part of the Company's cash managements are considered as components of cash surplus or deficit for cash flow statement purposes.

Equity

(i) Called up Share capital

Share capital includes the subscribed and paid up Company's share capital.

Notes to the Financial Statements (continued)

For the year ended 31 March 2018 (continued)

2. Significant accounting policies (continued)

Pension funds and other employee benefits

The company contributes to individual money purchase schemes. The pension costs charged against profits represent the amount of the contribution payables to the schemes in respect of the accounting period. Trustees administer the assets of the schemes in funds which are independent of the company.

Provision for risks and charges

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimation of the obligation amount can be done. This includes warranty provisions as it is recognised in the same manner.

Provisions are recorded on the basis of the best estimation of the amount that the Company would pay to settle the obligation or to transfer it to third parties at the reporting period.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Trade payables to third parties

Trade payables are recorded at the amortised cost, using the effective interest method. Trade payables, whose expiry dates are within the ordinary trade terms, are not discounted.

Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

(ii) Net financial expenses

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividends, foreign exchange gains and losses except for those related to cash flow hedging operations that are included in the operating revenues or expenses, and premiums and discounts related to all forward exchange contracts and swaps on foreign currency.

Interest income is recognised in the income statement as it accrues, using the effective interest method.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets (as defined under IAS 23 – Borrowing Costs), which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised and amortised over the useful life of the class of assets to which they refer.

All other borrowing costs are expensed when incurred.

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes to the Financial Statements (continued)

For the year ended 31 March 2018 (continued)

2. Significant accounting policies (continued)

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

This is justified by the fact that the Company is able to manage the time plan for the distribution of the reserves and it is quite possible that they will not be distributed in the foreseeable future.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

Notwithstanding this, as a significant portion of the Company's activities are undertaken through long-term construction contracts, the Company is required to make estimates in accounting for revenue and margin. These estimates may depend upon the outcome of future events and may need to be revised as circumstances change. Further detail is provided in the accounting policies on page 17.

There have not been any critical accounting judgements and key sources of estimation uncertainty in the year.

Notes to the Financial Statements

3. Turnover

Turnover represents the amounts (excluding value added tax) derived from the company's principal activity to customers during the financial year. All turnover arises within the United Kingdom:

	31 March 2018	31 March 2017
<i>In GBP (£)</i>		
Revenues from construction contracts	190,214,206	203,679,301
Other revenues	1,609,333	696,144
Total Turnover	191,823,539	204,375,445

An analysis of the Company's turnover by business unit is set out below:

	31 March 2018	31 March 2017
<i>In GBP (£)</i>		
Exteriors	188,553,591	197,957,925
Interiors	3,269,948	6,417,520
Total Turnover	191,823,539	204,375,445

4. Directors' Emoluments

	31 March 2018	31 March 2017
<i>In GBP (£)</i>		
Directors' emoluments	667,950	574,244
Aggregate emoluments	87,836	73,602
Total Emoluments	755,786	647,846

There are two Directors remunerated by the company, and accordingly the disclosure above relates to them. The aggregate emoluments relate to the pension contributions paid to one of the Directors. Bonuses of £68,221 (included in the above figure for Directors' emoluments) were paid during the year.

The remuneration of the highest paid Director is equal to £493,501 (2017: £234,610). There are no company contributions for the highest paid Director to any pension scheme.

5. Profit/(loss) for the financial year

	31 March 2018	31 March 2017
<i>In GBP (£)</i>		
Auditor's remuneration		
- Audit of the financial statements of the Company	76,620	
- Review of interim financial information of the Company	30,000	74,750
Depreciation	88,813	78,936
Operating lease charges:		
- Plant and machinery	1,484,048	936,422
- Other	809,849	634,860
Staff costs	7,455,919	7,118,031
Net foreign exchange losses/(gain)	27,587	(140,086)

Auditor's remuneration

No other amounts were paid to the Company's auditor in respect of any other non-audit services in the current or prior year.

Notes to the Financial Statements (continued)

6. Staff costs

The average monthly number of employees (including executive directors) was:

	31 March 2018	31 March 2017
Site operatives	47	47
Office staff	56	53
Total Employees	103	100

Amounts to key management personnel (directors) are disclosed in Note 4.

	31 March 2018	31 March 2017
<i>In GBP (£)</i>		
Wages and salaries	6,356,771	6,165,024
Social security costs	763,569	736,772
Defined contribution pension costs	294,599	196,916
Total Staff Costs	7,414,939	7,098,712

7. Other Interest receivables and similar income

	31 March 2018	31 March 2017
<i>In GBP (£)</i>		
Interest receivables from group undertakings	2,280	86,295
Interest receivables and similar income	5,650	76,314
Total Other Interest	7,930	162,609

8. Interest payable and similar charges

	31 March 2018	31 March 2017
<i>In GBP (£)</i>		
Interest payable to group undertakings	177,516	1,819
Other interest payable (bank service fees)	37,387	360,163
Total interest	214,903	30,214

9. Tax on loss

	31 March 2018	31 March 2017
UK corporation tax		
<i>In GBP (£)</i>		
UK corporation tax	-	-
Deferred tax	-	(445,566)
Adjustments in respect of prior years	-	-
Tax on loss on ordinary activities	-	(445,566)

Notes to the Financial Statements (continued)

9. Tax on loss on ordinary activities (continued)

Factors affecting the tax charge for the financial year

The total tax charge for the financial year is different from the effective standard rate of corporation tax in the UK of 19% for the year ended 31 March 2018 (2017: 20% for 9 months to 31 December 2016 and 19% for 3 months to 31 March 2017). The differences are explained below:

In GBP (£)

	31 March 2018	31 March 2017
Loss before tax on continuing operations	(1,863,238)	(2,748,934)
Tax at the UK corporation tax rate of 19%	(354,015)	(542,915)
<i>Effects of:</i>		
Tax effect of expenses that are not deductible in determining taxable profit	-	13,958
Adjustments to tax charge in respect of previous years deferred tax	374,682	95,319
Effect of current year changes to statutory tax rate	(20,667)	(6,861)
Adjustment to tax in respect of previous periods	-	-
Change in unrecognized deferred tax assets	-	(10,949)
Losses carried back	-	5,882
Tax credit for the year	-	(445,566)

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. Based on current capital investment plans, the group expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

Finance Act No2 2015, which was substantively enacted on 26 October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 March 2018. In addition on 16th March 2016 the Government announced in the 2016 Budget Report that there would be a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. As this rate has not been substantively enacted at the balance sheet date this rate does not apply to the deferred tax position at 31st March 2018 or to the above expected reversal. There is no expiry date on timing differences, unused tax losses or tax credits.

Notes to the Financial Statements (continued)**10. Tangible fixed assets***In GBP (£)*

Cost	Site equipment	Office furniture and equipment	Computer equipment	Motor vehicles	Leasehold improv.	Total
At 1 April 2017	1,093,516	424,712	378,970	35,128	293,398	2,225,724
Additions	371,300	1,344	34,640	-	-	407,284
Disposals	(284,745)		(3,386)			(288,131)
At 31 March 2018	1,180,071	426,056	410,224	35,128	293,398	2,344,877
Accumulated depreciation						
At 1 April 2017	971,596	431,015	308,851	35,128	96,552	1,843,142
Charge for the year	19,531	6,063	23,242	-	39,977	88,813
At 31 March 2018	991,127	437,078	332,093	35,128	136,529	1,931,955
Net book value						
At 31 March 2018	188,944	(11,022)	78,131	-	156,869	412,922
At 31 March 2017	121,920	(6,303)	70,120	-	196,845	382,582

11. Other Intangible fixed assets (with finite useful life – software licences)*In GBP (£)*

	Software and licenses	Total
Cost		
At 1 April 2017	16,512	16,512
Additions	-	-
At 31 March 2018	16,512	16,512
Accumulated amortisation		
At 1 April 2017	2,819	2,819
Charge for the year	3,302	3,302
At 31 March 2018	6,121	6,121
Net book value		
At 31 March 2018	10,391	10,391
At 31 March 2017	13,693	13,693

Amortisation is included in the cost of sales.

Notes to the Financial Statements (continued)**12. Inventories***In GBP (£)*

Material on site

31 March 2018	31 March 2017
47,791,395	38,096,123
47,791,395	38,096,123

13. Construction Contracts*In GBP (£)*

Contracts in progress at the balance sheet date:

Amounts due from contract customers included in debtors

Amount due to contract customers included in creditors

31 March 2018	31 March 2017
20,652,413	22,493,001
(9,392,141)	(753,692)
11,260,272	21,739,309
666,270,679	431,925,391
(655,010,407)	(410,186,082)
11,260,272	21,739,309

Contract costs incurred plus recognised profit less recognised losses to date

Less: progress billings

Notes to the Financial Statements (continued)

14. Trade and other receivables

In GBP (£)

Trade and other receivables due within one year

Trade receivables

Amounts recoverable on contracts

Amounts owed by Group undertakings

Other debtors

Financial instruments

Prepayments and accrued income

Retentions

Total trade and other receivables

31 March 2018	31 March 2017
35,672,353	14,154,659
20,652,413	22,493,001
4,848,518	7,245,131
35,850,823	32,952,869
633,688	610,110
624,459	380,255
6,863,553	3,056,865
105,145,807	80,892,890

Financial instruments comprise of forward foreign exchange contracts and are designated as effective in a hedge relationship.

Amounts recorded are made for the Directors best estimate of known legal claims and actions in progress. The Company takes legal advice as to the legal likelihood of success of claims and actions and amounts are recorded where the Directors consider based on that advice, it is more likely than not the amounts will be recovered. As at 31 March 2018, the Company has recorded £21,365,960 (recorded in other receivables) and £2,911,837 (Trade receivables) in respect of such claims and actions in progress.

Receivables due after one year

Retentions

31 March 2018	31 March 2017
4,187,289	5,245,179
4,187,289	5,245,179

Deferred tax asset due after one year

Deferred tax asset

31 March 2018	31 March 2017
879,358	879,358
879,358	879,358

15. Cash and cash equivalent

In GBP (£)

Cash at bank and in hand

31 March 2018	31 March 2017
82,973	63,277
82,973	63,277

Notes to the Financial Statements (continued)

16. Deferred tax

In GBP (£)

Recognised in the financial statements:

	31 March 2018	31 March 2017
Depreciation in excess of capital allowances	17,212	17,212
Other timing differences	253,392	253,392
Tax value of losses carry-forward recognised	608,754	608,754
Deferred taxes in relation to financial instruments	(358,265)	(732,947)
	521,093	146,411
At 1 April 2017	146,411	912,431
Deferred tax movement in profit and loss account	-	445,566
Deferred taxes in hedging reserve	374,682	(1,211,586)
At 31 March 2018	521,093	146,411

At the balance sheet date, the Company has unused tax losses of £4,438,454 (2017: £2,142,620) available for offset against future trading profits. No additional deferred tax asset has been recognised in respect of such losses (2017: £611,605). Deferred tax assets recognized in the balance sheet are equal to £879,358. Deferred taxes liabilities have been calculated on the hedging reserve for £374,682 (assets of £1,211,586 in 2017).

17. Creditors: amounts falling due within one year

In GBP (£)

	31 March 2018	31 March 2017
Trade creditors	3,940,066	3,486,583
Amount owed to group undertakings	64,223,499	26,713,526
Other taxes and social security	18,585,603	14,252,527
Other creditors	21,639	20,631
Financial instruments	836,695	281,218
Payments on account	67,442,514	57,363,836
Deferred taxes liability	358,265	732,947
Total creditors	155,408,281	102,851,268

Payments on account includes £9,392,141 (2017: £753,692) of amount due to contract customers (please see note 13). Intercompany loans included in amounts owed by group undertakings are repayable on demand and bear interest at ½ % over 3 months LIBOR. No security has been taken on these loans.

18. Provisions for liabilities and contract provisions

Warranty provision and provision for dispute and legal actions
In GBP (£)

	31 March 2018	31 March 2017
At 1 April 2017	23,706,450	716,168
Charged to profit and loss account	395,908	22,990,282
Utilisation in the period	(21,235,383)	-
At 31 March 2018	2,866,975	23,706,450

The amount utilized in the period is related to the utilisation of the provision that was allocated as at 31st March 2017 for a legal claim that has been closed in July 2017.

Notes to the Financial Statements (continued)

19. Provisions for liabilities and contract provisions (continued)

The warranty provision may be utilised at any time over the next twelve years although the timing and extent of utilisation is uncertain. No reimbursement of any of the provision is expected nor has any asset in respect of such reimbursement been recognised in these financial statements.

Contract provisions related to provisions in respect of losses to be incurred on long-term contracts. The provisions are expected to be utilised between 2017 and 2029.

Provisions are made for the Directors' best estimate of known legal claims, investigations and legal actions in progress. The Company takes legal advice as to the legal likelihood of success of claims and actions and provision is made where the Directors consider based on that advice, that the action is likely to succeed or a sufficiently reliable estimate of the potential obligation can be made.

20. Called up share capital

<i>In GBP (£)</i>	31 March 2018	31 March 2017
<i>Authorised</i>		
8,290,350 (2017: 3,510,000) ordinary shares of £ 1 each	8,290,350	3,510,000

<i>In GBP (£)</i>	31 March 2018	31 March 2017
<i>Allotted and fully paid</i>		
8,290,350 (2017: 3,510,000) ordinary shares of £ 1 each	8,290,350	3,510,000

The company has one class of ordinary shares which carry no rights to fixed income.

During the year, the sole shareholder Permasteelisa S.p.A. has approved a resolution whereby the authorized share capital of the Company has been increased from £3,510,000 divided into 3,510,000 ordinary shares of £1 each to £8,290,350 divided into 8,290,350 ordinary shares by the creation of 4,780,350 ordinary shares of £1 each ranking pari passu in all respects with the existing ordinary shares of £1 each in the capital of the Company.

21. Profit and loss account

<i>In GBP (£)</i>	Profit and Loss
At 1 April 2017	(8,073,121)
Loss for the financial year	(1,863,238)
At 31 March 2018	(9,936,359)

Notes to the Financial Statements (continued)

22. Reconciliation of movements in shareholders' funds

In GBP (£)

	31 March 2018	31 March 2017
Loss for the financial year	(1,863,238)	(2,303,368)
Net movements	(1,863,238)	(2,303,368)
Increase of share capital	4,780,350	
Foreign exchange risk hedging reserve movement	(1,697,617)	440,756
	1,219,495	(1,862,612)
Total shareholders' (deficit)/funds at 1 April 2017	(984,616)	877,996
Total shareholders' funds/(deficit) at 31 March 2018	234,879	(984,616)

23. Commitments

Annual commitments under non-cancellable operating leases are as follow:

In GBP (£)

Property leases which expire:

- Within 1 year
- Between 2 and 5 years

	Land and Buildings	
	31 March 2018	31 March 2017
- Within 1 year	482,130	482,130
- Between 2 and 5 years	2,410,650	2,892,780
	2,892,780	3,374,910

Operating lease payments represent rentals payable by the Company for its office properties. Leases have been agreed for 5 years, commencing on the 28th of September 2016 and expiring on the 01st May 2024.

24. Hedging Reserve

The foreign exchange risk hedging reserve includes the effective portion of the net differences accumulated in the "fair value" of the hedging instruments on currencies, associated to hedged and not yet performed transactions. The changes in these reserves are stated in the following table:

In GBP (£)

Balance as at 1 April 2016

Gain/(Loss) recognised on cash flow hedges:

Foreign currency forward contract

Deferred tax related to gains transferred to income

Balance as at 31 March 2017

Foreign currency forward contract

Deferred tax related to gains transferred to income

Balance as at 31 March 2018

Hedging Reserve	
	3,137,749
	1,652,342
	(1,211,586)
	3,578,505
	(2,072,299)
	374,682
	1,880,888

As described in the section on the accounting standards, hedging derivative operations on currency are assessed on their "fair value". As of 31st of March 2018 the assessment of the fair value of currency hedging brought to the entry of profits for £633,688 (2017: £610,110) and a loss for £836,695 (2017: £281,218) booked respectively under the items forward assets (note 14) and forward liabilities (note 17) of commercial nature.

Notes to the Financial Statements (continued)**25. Cash flow hedges****Forward foreign currency contracts**

The following table details the forward foreign currency contracts outstanding as at the year-end:

Outstanding contracts	Average contractual exchange rate		Notional value		Fair value	
	31 March 2018 [rate]	31 March 2017 [rate]	31 March 2018 Euro	31 March 2017 Euro	31 March 2018 GBP (£)	31 March 2017 GBP (£)
BUY	0.8887	0.8546	77,946,821	68,482,251	613,547	(296,014)
SELL (EURO)	0.9056	0.8626	11,390,858	10,173,568		(32,291)
SELL (USD)	0.7188	0.8012	151,361	335,710	(1,497)	(587)

The Company has entered into contracts to receive goods from European vendors and supply goods to customers in United Kingdom. The Company has entered into forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as cash flow hedges. The hedged cash flows are expected to occur and to affect profit or loss within the following financial years. Losses of £1,697,617 (2017: gains of £440,775) were recognized in Other Comprehensive Income. £1,656,882 (2017: £1,573,126) was reclassified to profit or loss for the period for hedged matured transactions.

26. Pensions

The Group operates a defined contribution pension scheme. At the financial year end no contributions were outstanding in respect of pension contributions. The total contributions paid during the year amounted to £294,599 (2017: £196,916).

27. Ultimate parent company

The immediate parent undertaking is Permasteelisa S.p.A. of Vittorio Veneto, Italy.

The ultimate parent undertaking and controlling party is Lixil Group Corporation, a company incorporated in Japan.

Lixil Group Corporation is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2018. Copies of their Annual Report and Financial Statements can be obtained from its registered address:

36F Kasumigaseki Building, 3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo 100-6036, Japan

Permasteelisa S.p.A. is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 March 2018. Copies of their Annual Report and Financial Statements can be obtained from: Permasteelisa S.p.A., Vittorio Veneto, Italy.