



Smailes Goldie
Chartered Accountants

**Registrar's
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Allan Brothers Limited

Financial Statements

31st December 2014

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Allan Brothers Limited (Registered number: 05829849)

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for the year ended 31st December 2014

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Allan Brothers Limited

Company Information

for the year ended 31st December 2014

DIRECTORS:

D Hughes
H Jeppsson

SECRETARY:

B M Auskerin

REGISTERED OFFICE:

4 Northgate
Hessle
East Yorkshire
HU13 9AA

REGISTERED NUMBER:

05829849 (England and Wales)

AUDITORS:

Smailes Goldie
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Allan Brothers Limited (Registered number: 05829849)

Strategic Report

for the year ended 31st December 2014

The principal activity of the company is the manufacture and sale of timber framed windows and doors.

The results for the year as set out on page 5 of these financial statements are disappointing but not unexpected as the company continued to endure difficult and highly competitive trading conditions in the construction and renovation sectors of the UK economy. The directors have reviewed the commercial strategies and structures and have taken steps to protect the future of the business. The restructuring seen in these accounts was completed in December 2014. We believe that this will uplift the company and return it to profitability.

The directors consider that the use of key performance indicators other than turnover and gross margin is not necessary given the straightforward nature of the business.

The principal financial instruments comprise bank loans, group company loans, trade creditors and trade debtors.

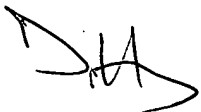
The main purpose of these instruments is to raise funds for the company's operations and finance working capital.

Due to the nature of the financial instruments there is limited exposure to price risk. The bank and group loans have fixed and variable interest rates and capital repayments.

Trade debtors are managed in respect of credit offered to customer and are regularly monitored for both amounts outstanding and credit limits.

The trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet obligations as they fall due.

ON BEHALF OF THE BOARD:



D Hughes - Director

11th September 2015

Allan Brothers Limited (Registered number: 05829849)

Report of the Directors

for the year ended 31st December 2014

The directors present their report with the financial statements of the company for the year ended 31st December 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2014 to the date of this report.

D Hughes
H Jeppsson

Other changes in directors holding office are as follows:

S W Elder - resigned 14th November 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Allan Brothers Limited (Registered number: 05829849)

Report of the Directors

for the year ended 31st December 2014

AUDITORS

The auditors, Smailes Goldie, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'D Hughes', with a stylized flourish at the end.

D Hughes - Director

11th September 2015

Report of the Independent Auditors to the Members of Allan Brothers Limited

We have audited the financial statements of Allan Brothers Limited for the year ended 31st December 2014 on pages seven to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of Allan Brothers Limited

Matters on which we are required to report by exception

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

Peter Duffield LLB FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

11th September 2015

Allan Brothers Limited (Registered number: 05829849)

Profit and Loss Account

for the year ended 31st December 2014

	Notes	2014 £	2013 £
TURNOVER		9,391,259	10,426,974
Cost of sales		<u>7,152,616</u>	<u>8,346,322</u>
GROSS PROFIT		2,238,643	2,080,652
Administrative expenses		<u>2,888,199</u>	<u>3,042,120</u>
OPERATING LOSS	3	(649,556)	(961,468)
Restructuring costs		<u>1,855,455</u>	-
		(2,505,011)	(961,468)
Interest payable and similar charges	4	<u>105,165</u>	<u>184,494</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,610,176)	(1,145,962)
Tax on loss on ordinary activities	5	<u>225,051</u>	-
LOSS FOR THE FINANCIAL YEAR		<u>(2,835,227)</u>	<u>(1,145,962)</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year.

Allan Brothers Limited (Registered number: 05829849)

Balance Sheet

31st December 2014

	Notes	2014		2013	
		£	£	£	£
FIXED ASSETS					
Intangible assets	6		1,140,659		1,253,309
Tangible assets	7		<u>2,425,962</u>		<u>2,580,060</u>
			3,566,621		3,833,369
CURRENT ASSETS					
Stocks	8	919,823		1,184,615	
Debtors	9	4,911,145		2,880,202	
Cash in hand		<u>2,500</u>		<u>2,500</u>	
		5,833,468		4,067,317	
CREDITORS					
Amounts falling due within one year	10	<u>3,637,374</u>		<u>1,814,152</u>	
NET CURRENT ASSETS			<u>2,196,094</u>		<u>2,253,165</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,762,715</u>		<u>6,086,534</u>
CREDITORS					
Amounts falling due after more than one year	11		5,661,408		5,650,000
CAPITAL AND RESERVES					
Called up share capital	16	7,400,000		4,900,000	
Profit and loss account	17	<u>(7,298,693)</u>		<u>(4,463,466)</u>	
SHAREHOLDERS' FUNDS	21		<u>101,307</u>		<u>436,534</u>
			<u>5,762,715</u>		<u>6,086,534</u>

The financial statements were approved by the Board of Directors on 11th September 2015 and were signed on its behalf by:


D Hughes - Director

The notes form part of these financial statements

Allan Brothers Limited (Registered number: 05829849)

Notes to the Financial Statements

for the year ended 31st December 2014

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The accounts have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis following representations given by Inwido AB, the immediate parent company of Inwido UK Limited, that it will provide the necessary financial support to enable the company to meet its financial obligations.

The principal accounting policies have remained unchanged from the previous year and are set out below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that a consolidated cashflow statement has been prepared in the accounts of the ultimate parent company.

Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, all of which are continuing, stated net of value added tax.

Intangible fixed assets

Goodwill arising on the acquisition of the business together with subsequent costs is being amortised by equal annual instalments over its estimated useful life which is considered to be between ten and twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost of each asset over its estimated useful life:

Buildings	2.5%
Plant and machinery	10%
Computer equipment	33%

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Allan Brothers Limited (Registered number: 05829849)

Notes to the Financial Statements - continued for the year ended 31st December 2014

2. STAFF COSTS

	2014 £	2013 £
Wages and salaries	2,817,256	3,855,440
Social security costs	297,404	357,933
Other pension costs	164,344	160,505
	<u>3,279,004</u>	<u>4,373,878</u>

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

	2014	2013
Production	101	135
Sales and administration	38	37
	<u>139</u>	<u>172</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2014 £	2013 £
Depreciation - owned assets	271,480	260,926
Goodwill amortisation	112,650	112,650
Auditors' remuneration	17,664	16,853
Operating lease payments	92,266	43,834
	<u>221,165</u>	<u>203,666</u>
Directors' remuneration	<u>221,165</u>	<u>203,666</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest-paid director is as follows:

	2014 £	2013 £
Emoluments etc	<u>118,574</u>	<u>126,175</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Bank loan interest	71,680	108,452
Group loan interest	33,485	76,042
	<u>105,165</u>	<u>184,494</u>

Allan Brothers Limited (Registered number: 05829849)

Notes to the Financial Statements - continued

for the year ended 31st December 2014

5. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	2014 £	2013 £
Deferred tax	<u>225,051</u>	-
Tax on loss on ordinary activities	<u>225,051</u>	-

6. INTANGIBLE FIXED ASSETS

Goodwill £

COST

At 1st January 2014	
and 31st December 2014	<u>1,981,000</u>

AMORTISATION

At 1st January 2014	727,691
Amortisation for year	<u>112,650</u>

At 31st December 2014	<u>840,341</u>
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NET BOOK VALUE

At 31st December 2014	<u>1,140,659</u>
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At 31st December 2013	<u>1,253,309</u>
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7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1st January 2014	1,569,109	1,962,000	352,875	3,883,984
Additions	-	19,888	97,494	117,382
At 31st December 2014	<u>1,569,109</u>	<u>1,981,888</u>	<u>450,369</u>	<u>4,001,366</u>
DEPRECIATION				
At 1st January 2014	148,751	875,145	280,028	1,303,924
Charge for year	<u>23,517</u>	<u>196,993</u>	<u>50,970</u>	<u>271,480</u>
At 31st December 2014	<u>172,268</u>	<u>1,072,138</u>	<u>330,998</u>	<u>1,575,404</u>
NET BOOK VALUE				
At 31st December 2014	<u>1,396,841</u>	<u>909,750</u>	<u>119,371</u>	<u>2,425,962</u>
At 31st December 2013	<u>1,420,358</u>	<u>1,086,855</u>	<u>72,847</u>	<u>2,580,060</u>

Included in the cost of land and buildings is freehold land of £806,657 (2013 - £806,657) which is not depreciated.

Allan Brothers Limited (Registered number: 05829849)

Notes to the Financial Statements - continued for the year ended 31st December 2014

8. STOCKS

	2014 £	2013 £
Raw materials	817,963	751,802
Work-in-progress	97,883	278,753
Finished goods	3,977	154,060
	<u>919,823</u>	<u>1,184,615</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	1,907,358	2,202,329
Amounts owed by group undertakings	2,563,417	8,714
Other debtors	5,088	-
Deferred tax asset	250,000	475,051
Prepayments and accrued income	185,282	194,108
	<u>4,911,145</u>	<u>2,880,202</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	588,778	830,579
Amounts owed to group undertakings	2,515,328	472,227
Social security and other taxes	75,606	98,076
VAT	312,393	281,157
Other creditors	145,269	132,113
	<u>3,637,374</u>	<u>1,814,152</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Bank loans (see note 12)	-	3,850,000
Amounts owed to group undertakings	5,661,408	1,800,000
	<u>5,661,408</u>	<u>5,650,000</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2014 £	2013 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	3,850,000

Allan Brothers Limited (Registered number: 05829849)

Notes to the Financial Statements - continued

for the year ended 31st December 2014

13. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	-	27,259	3,746
Between one and five years	<u>57,756</u>	-	<u>74,618</u>	<u>45,210</u>
	<u>57,756</u>	-	<u>101,877</u>	<u>48,956</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2014	2013
	£	£
Bank loans	<u>-</u>	<u>3,850,000</u>

The company's bank facilities were secured by debentures from the company and Inwido UK Limited, its immediate parent company, together with a charge over the assets of the company. A fellow group company, Inwido AB, provided guarantees to the bank as security for the bank facilities.

15. DEFERRED TAX

	£
Balance at 1st January 2014	(475,051)
Charge to Profit and Loss Account during year	<u>225,051</u>
Balance at 31st December 2014	<u>(250,000)</u>

The deferred tax asset, recognised in debtors, relates to trading losses carried forward by the company at 31 December 2014.

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
7,400,000	Ordinary shares	£1	<u>7,400,000</u>	<u>4,900,000</u>

On 31 December 2014 Inwido UK Limited subscribed for, and was allotted, 2,500,000 ordinary shares of £1 at par value.

Allan Brothers Limited (Registered number: 05829849)

Notes to the Financial Statements - continued for the year ended 31st December 2014

17. RESERVES

	Profit and loss account £
At 1st January 2014	(4,463,466)
Deficit for the year	<u>(2,835,227)</u>
At 31st December 2014	<u>(7,298,693)</u>

18. PENSION COMMITMENTS

Contributions by the company to defined contribution pension schemes for the year amounted to £164,343 (2013 £160,505). The amounts outstanding at the year end were £12,766 (2013 £13,683).

19. ULTIMATE PARENT COMPANY

The immediate parent company is Inwido UK Limited, a company incorporated in the United Kingdom. The ultimate parent company is Ratos Group AB, a company incorporated in Sweden.

20. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemptions available under Financial Reporting Standard No 8 in respect of transactions and balances with its parent company and qualifying fellow subsidiary undertakings.

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Loss for the financial year	(2,835,227)	(1,145,962)
New share capital subscribed	<u>2,500,000</u>	<u>1,400,000</u>
Net (reduction)/addition to shareholders' funds	(335,227)	254,038
Opening shareholders' funds	<u>436,534</u>	<u>182,496</u>
Closing shareholders' funds	<u>101,307</u>	<u>436,534</u>