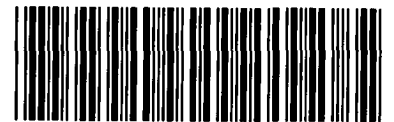


COMPANY REGISTRATION NUMBER: 05322333

Clayton Glass Limited
Financial Statements
For the year ended
31 December 2018

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Clayton Glass Limited

Financial Statements

Year ended 31 December 2018

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Clayton Glass Limited

Officers and Professional Advisers

The board of directors

R P Green
V C Green
J McCabe

Company secretary

R P Green

Registered office

Unit 8
Harelaw Industrial Estate
North Road
Stanley
County Durham
DH9 8UX

Auditor

Ford Campbell Freedman Limited
Chartered accountants & statutory auditor
34 Park Cross Street
Leeds
LS1 2QH

Bankers

Santander Plc
Bible Road
Bootle
Merseyside
L30 1PH

ABN-AMRO Commercial Finance
Sheencroft House
10-12 Church Road
Haywards Heath
West Sussex
RH16 3SN

Clayton Glass Limited

Strategic Report

Year ended 31 December 2018

Principal Activities

The manufacture and supply of insulating glass units, including product supplied to the residential window, door and conservatory market in the UK.

Business Review

Company sales grew by a further 11% in 2018, the fourteenth consecutive year of growth.

Profitability in 2018 has been impacted by rising raw material costs, labour & energy costs, and a delay in realigning prices to reflect these increases.

In March the business successfully disposed of Romag Ltd and Romag PPM Ltd, these businesses were loss making and a significant drain on management time.

The partnership with Northern Express Glass Ltd continues to benefit the company and remains as a key part of the strategy in the future.

Key Performance Indicators

	2018	2017
On Time in Full %	99	99
Right First Time %	99	98
Debtor Days	60	78
Sales Growth %	11	31

Risks and Uncertainties

Risks are continually monitored and assessed by the Directors. Where ever commercially viable the Directors aim to eliminate these risks. Duplicate plant and machinery, multiple production sites, trade credit insurance, fixed raw material prices, fixed term selling prices & volume are key tactics used to reduce the risk in the business.

The Directors have a policy of avoiding over reliance on any one stakeholder (customers, suppliers, employee). The company order book is around 7 days, so managing costs in a flexible manner is a key part of the cost strategy of the business.

Clayton Glass Limited

Strategic Report *(continued)*

Year ended 31 December 2018

Future Developments

The Directors anticipate the business will continue to grow in the coming years, and the strategic plan supports this. 2019 is anticipated to see growth of around 6%.

This report was approved by the board of directors on 24 April 2019 and signed on behalf of the board by:



R P Green
Director

Registered office:
Unit 8
Harelaw Industrial Estate
North Road
Stanley
County Durham
DH9 8UX

Clayton Glass Limited

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the group for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

R P Green
V C Green
J McCabe

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Future developments

The group has chosen to include this information as part of the group's strategic report.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

Every effort is made to ensure career development of existing staff. The health and safety at work of all employees is constantly reviewed by the directors to ensure that high standards are maintained. It is also their policy to ensure that:

- Full and fair consideration is given to all applicants for employment, irrespective of colour or creed.
- Disabled persons are given equal consideration for employment, training, career development and promotional opportunities. In cases where existing employees become disabled (whether from illness or accident) every effort will be made to continue their employment, in the same or some other job more suited to their disability.
- Employees are kept regularly informed on matters affecting them as employees, and consulted on matters affecting the company and the employees interests, primarily via regular departmental meetings and the company notice boards.

Clayton Glass Limited

Directors' Report *(continued)*

Year ended 31 December 2018

Financial instruments

The group's principal financial instruments comprise bank balances, bank overdrafts, invoice finance, trade creditors, trade debtors, loans and hire purchase agreements. The main purpose of these instruments is to raise funds and to finance the group's operations.

The group operations expose it to a variety of financial risks that include the effects of changes in credit risk. The group has in place risk management processes that seek to limit the adverse effects on the financial performance of the group.

Price risk

The group is exposed to glass manufactures price changes. The directors monitor prices and source from a variety of suppliers to minimise raw material price movements.

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made and monitoring of credit levels.

Events after the end of the reporting period

At the beginning of March 2018 the group divested of the investment in Romag Limited and Romag PPM Limited.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 group and the company and the profit or loss of the group 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;
- 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.

Clayton Glass Limited

Directors' Report *(continued)*

Year ended 31 December 2018

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 24 April 2019 and signed on behalf of the board by:



R P Green
Director

Registered office:
Unit 8
Harelaw Industrial Estate
North Road
Stanley
County Durham
DH9 8UX

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited

Year ended 31 December 2018

Opinion

We have audited the financial statements of Clayton Glass Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 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 group's and of the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group 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 group's or the parent 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.

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited *(continued)*

Year ended 31 December 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited *(continued)*

Year ended 31 December 2018

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 group's and the parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited *(continued)*

Year ended 31 December 2018

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Lisa Salvert FCA (Senior Statutory Auditor)

For and on behalf of
Ford Campbell Freedman Limited
Chartered accountants & statutory auditor
34 Park Cross Street
Leeds
LS1 2QH

21st May 2019

Haydon Glass Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2018

	2018			2017		
	Continuing operations £	Discont'd operations £	Total £	Continuing operations £	Discont'd operations £	Total £
Turnover	4 17,826,457	1,645,721	19,472,178	16,062,526	9,268,619	25,331,145
Cost of sales	12,289,825	1,354,444	13,644,269	10,493,212	7,860,687	18,353,899
Gross profit	5,536,632	291,277	5,827,909	5,569,314	1,407,932	6,977,246
Distribution costs	1,955,359	94,117	2,049,476	1,974,214	785,644	2,759,858
Administrative expenses	3,249,324	3,250,542	6,499,866	3,409,802	1,929,809	5,339,611
Gain on impairment or disposal of operations	-	-	-	-	(2,991,312)	(2,991,312)
Gain/loss on disposal of shares in group undertakings	-	(1,281,926)	(1,281,926)	-	-	-
Operating (loss)/profit	5 331,949	(1,771,456)	(1,439,507)	185,298	1,683,791	1,869,089
Income from other fixed asset investments	9 25,499	-	25,499	24,026	-	24,026
Other interest receivable and similar income	10 -	-	-	-	6	6
Interest payable and similar expenses	11 136,909	1,204	138,113	123,672	19,854	143,526
Loss/profit before taxation	220,539	(1,772,660)	(1,552,121)	85,652	1,663,943	1,749,595
Tax on (loss)/profit	12 (190,520)	-	(190,520)	46,329	(42,356)	3,973
Loss/profit for the financial year and total comprehensive income	<u>411,059</u>	<u>(1,772,660)</u>	<u>(1,361,601)</u>	<u>39,323</u>	<u>1,706,299</u>	<u>1,745,622</u>

The notes on pages 17 to 30 form part of these financial statements.

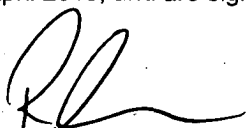
Clayton Glass Limited

Consolidated Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	15	4,216,510	7,299,749
Investments	16	100,000	100,000
		<u>4,316,510</u>	<u>7,399,749</u>
Current assets			
Stocks	17	750,907	2,660,292
Debtors	18	3,011,910	5,375,657
Cash at bank and in hand		153,173	589,253
		<u>3,915,990</u>	<u>8,625,202</u>
Creditors: amounts falling due within one year	19	<u>5,448,251</u>	<u>11,007,717</u>
Net current liabilities		<u>1,532,261</u>	<u>2,382,515</u>
Total assets less current liabilities		<u>2,784,249</u>	<u>5,017,234</u>
Creditors: amounts falling due after more than one year	20	1,379,262	1,765,122
Provisions	22	<u>144,960</u>	<u>270,484</u>
Net assets		<u>1,260,027</u>	<u>2,981,628</u>
Capital and reserves			
Called up share capital	25	25,000	25,000
Profit and loss account	26	<u>1,235,027</u>	<u>2,956,628</u>
Shareholders funds		<u>1,260,027</u>	<u>2,981,628</u>

These financial statements were approved by the board of directors and authorised for issue on 24 April 2019, and are signed on behalf of the board by:



R P Green
Director

Company registration number: 05322333

The notes on pages 17 to 30 form part of these financial statements.

Clayton Glass Limited

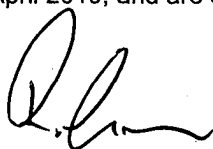
Company Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	15	4,216,620	4,360,071
Investments	16	100,000	100,002
		<u>4,316,620</u>	<u>4,460,073</u>
Current assets			
Stocks	17	750,907	755,083
Debtors	18	3,020,988	2,902,789
Cash at bank and in hand		153,173	612,125
		<u>3,925,068</u>	<u>4,269,997</u>
Creditors: amounts falling due within one year	19	<u>5,451,479</u>	<u>5,579,158</u>
Net current liabilities		<u>1,526,411</u>	<u>1,309,161</u>
Total assets less current liabilities		<u>2,790,209</u>	<u>3,150,912</u>
Creditors: amounts falling due after more than one year	20	1,379,262	1,665,500
Provisions	22	<u>144,960</u>	<u>270,484</u>
Net assets		<u>1,265,987</u>	<u>1,214,928</u>
Capital and reserves			
Called up share capital	25	25,000	25,000
Profit and loss account	26	<u>1,240,987</u>	<u>1,189,928</u>
Shareholders funds		<u>1,265,987</u>	<u>1,214,928</u>

The profit for the financial year of the parent company was £411,059 (2017: £125,637 loss).

These financial statements were approved by the board of directors and authorised for issue on 24 April 2019, and are signed on behalf of the board by:



R P Green
Director

Company registration number: 05322333

The notes on pages 17 to 30 form part of these financial statements.

Clayton Glass Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2017 (as previously reported)	25,000	2,198,746	2,223,746
Prior period adjustments	–	(627,740)	(627,740)
At 1 January 2017 (restated)	<u>25,000</u>	<u>1,571,006</u>	<u>1,596,006</u>
Profit for the year		1,745,622	1,745,622
Total comprehensive income for the year	–	1,745,622	1,745,622
Dividends paid and payable	13	–	(360,000)
Total investments by and distributions to owners	–	(360,000)	(360,000)
At 31 December 2017	25,000	2,956,628	2,981,628
Loss for the year		(1,361,601)	(1,361,601)
Total comprehensive income for the year	–	(1,361,601)	(1,361,601)
Dividends paid and payable	13	–	(360,000)
Total investments by and distributions to owners	–	(360,000)	(360,000)
At 31 December 2018	<u>25,000</u>	<u>1,235,027</u>	<u>1,260,027</u>

The notes on pages 17 to 30 form part of these financial statements.

Clayton Glass Limited

Company Statement of Changes in Equity

Year ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2017	25,000	1,675,565	1,700,565
Loss for the year		(125,637)	(125,637)
Total comprehensive income for the year	—	(125,637)	(125,637)
Dividends paid and payable	13	(360,000)	(360,000)
Total investments by and distributions to owners	—	(360,000)	(360,000)
At 31 December 2017	25,000	1,189,928	1,214,928
Profit for the year		411,059	411,059
Total comprehensive income for the year	—	411,059	411,059
Dividends paid and payable	13	(360,000)	(360,000)
Total investments by and distributions to owners	—	(360,000)	(360,000)
At 31 December 2018	<u>25,000</u>	<u>1,240,987</u>	<u>1,265,987</u>

The notes on pages 17 to 30 form part of these financial statements.

Clayton Glass Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,361,601)	1,745,622
<i>Adjustments for:</i>		
Depreciation of tangible assets	699,244	1,167,216
Amortisation of intangible assets	–	(223,389)
Income from other fixed asset investments	(25,499)	(24,026)
Other interest receivable and similar income	–	(6)
Interest payable and similar expenses	138,113	143,526
Loss/(gains) on disposal of tangible assets	2,892,563	(191,347)
Gain on impairment or disposal of operations	–	(2,991,312)
Tax on profit/(loss)	(190,520)	3,973
Accrued (income)/expenses	(215,981)	101,650
<i>Changes in:</i>		
Stocks	1,909,385	(688,783)
Trade and other debtors	2,363,747	(1,054,172)
Trade and other creditors	(3,126,774)	1,329,145
Cash generated from operations	3,082,677	(681,903)
Interest paid	(138,113)	(143,526)
Interest received	–	6
Tax received/(paid)	47,370	(5,960)
Net cash from/(used in) operating activities	<u>2,991,934</u>	<u>(831,383)</u>
Cash flows from investing activities		
Purchase of tangible assets	(598,015)	(1,112,048)
Proceeds from sale of tangible assets	89,443	486,425
Dividends received	25,499	24,026
Net cash used in investing activities	<u>(483,073)</u>	<u>(601,597)</u>
Cash flows from financing activities		
Proceeds from borrowings	(2,119,551)	1,653,675
Payments of finance lease liabilities	(465,390)	424,708
Dividends paid	(360,000)	(360,000)
Net cash (used in)/from financing activities	<u>(2,944,941)</u>	<u>1,718,383</u>
Net (decrease)/increase in cash and cash equivalents	(436,080)	285,403
Cash and cash equivalents at beginning of year	589,253	303,850
Cash and cash equivalents at end of year	<u>153,173</u>	<u>589,253</u>

The notes on pages 17 to 30 form part of these financial statements.

Clayton Glass Limited

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 8, Harelaw Industrial Estate, North Road, Stanley, County Durham, DH9 8UX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in Sterling, which is the functional currency of the entity.

Regional growth grant

A grant of £300,000 was awarded in 2015 to assist with the purchase of plant & machinery. The primary condition of this funding was that the company created 38 jobs for a minimum period of 36 months. The grant income is being released to the profit and loss account based on achieving a number of jobs safeguarded/created each year. As a result £nil (2017: £100,000) has been released to the profit and loss account during the year.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Clayton Glass Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic life and residual value of each asset. Useful economic lives and residual values are reassessed annually and amended, when necessary, to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors at the end of each reporting period. When assessing whether any impairment should be recognised management considers factors including the current credit rating of the debtor, the ageing profile of balances and historical experience.

Valuation of investments

Investments in subsidiaries are initially measured at cost and subsequently at cost less impairment. In assessing whether an impairment should be recognised the directors consider the performance of the subsidiary as well as its expected future performance and its position at the reporting date.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	10% and 25% straight line
Long leasehold property	-	10% straight line
Plant and machinery	-	10% straight line
Fixtures and fittings	-	10% straight line
Motor vehicles & equipment	-	10%, 20% and 33% straight line

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost and subsequently stated at cost less any accumulated impairment losses.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Sale of goods	<u>19,472,178</u>	<u>25,331,145</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2018	2017
	£	£
Amortisation of intangible assets	-	(223,389)
Depreciation of tangible assets	699,244	1,167,216
Loss/(gains) on disposal of tangible assets	2,892,563	(191,347)
Impairment of trade debtors	13,613	81,375
Operating lease rentals	-	48,926
Foreign exchange differences	(11,433)	(18,046)
Goodwill impairment - release of negative goodwill	-	(2,991,312)

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>10,466</u>	<u>14,900</u>

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2018	2017
	No.	No.
Production staff	129	241
Administrative staff	30	71
Management staff	3	3
	<u>162</u>	<u>315</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018	2017
	£	£
Wages and salaries	4,221,884	7,220,798
Social security costs	347,277	565,881
Other pension costs	116,803	174,338
	<u>4,685,964</u>	<u>7,961,017</u>

Clayton Glass Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018	2017
	£	£
Remuneration	184,175	111,170
Company contributions to defined contribution pension plans	63,398	81,811
	<u>247,573</u>	<u>192,981</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018	2017
	No.	No.
Defined contribution plans	<u>3</u>	<u>3</u>

9. Income from other fixed asset investments

	2018	2017
	£	£
Income from other fixed asset investments	<u>25,499</u>	<u>24,026</u>

10. Other interest receivable and similar income

	2018	2017
	£	£
Interest on bank deposits	<u>-</u>	<u>6</u>

11. Interest payable and similar expenses

	2018	2017
	£	£
Interest on banks loans and overdrafts	-	11,464
Interest on obligations under finance leases and hire purchase contracts	77,231	85,372
Other interest payable and similar charges	60,882	46,690
	<u>138,113</u>	<u>143,526</u>

12. Tax on profit/(loss)

Major components of tax (income)/expense

	2018	2017
	£	£
Current tax:		
UK current tax expense	14,157	31,783
Adjustments in respect of prior periods	(79,153)	(41,403)
Total current tax	<u>(64,996)</u>	<u>(9,620)</u>

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

12. Tax on profit/(loss) *(continued)*

	2018 £	2017 £
Deferred tax:		
Origination and reversal of timing differences	<u>(125,524)</u>	<u>13,593</u>
Tax on profit/(loss)	<u>(190,520)</u>	<u>3,973</u>

Reconciliation of tax (income)/expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018 £	2017 £
(Loss)/profit on ordinary activities before taxation	<u>(1,552,121)</u>	<u>1,749,595</u>
(Loss)/profit on ordinary activities by rate of tax	<u>(294,903)</u>	<u>332,423</u>
Adjustment to tax charge in respect of prior periods	<u>(79,153)</u>	<u>(41,403)</u>
Effect of expenses not deductible for tax purposes	<u>336,992</u>	<u>(603,251)</u>
Effect of capital allowances and depreciation	<u>(23,182)</u>	<u>(21,362)</u>
Unused tax losses	<u>-</u>	<u>328,130</u>
Rounding on tax charge	<u>-</u>	<u>408</u>
Dividends received	<u>(4,750)</u>	<u>(4,565)</u>
Movement in deferred taxation	<u>(125,524)</u>	<u>13,593</u>
Tax on profit/(loss)	<u>(190,520)</u>	<u>3,973</u>

13. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018 £	2017 £
Dividends on equity shares	<u>360,000</u>	<u>360,000</u>

Clayton Glass Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

14. Intangible assets

Group	Negative Goodwill £
Cost	
At 1 January 2018	(4,467,770)
Disposals of previously acquired businesses	4,467,770
At 31 December 2018	–
Amortisation	
At 1 January 2018	(4,467,770)
Disposals of previously acquired businesses	4,467,770
At 31 December 2018	–
Carrying amount	
At 31 December 2018	–
At 31 December 2017	–

The company has no intangible assets.

15. Tangible assets

Group	Freehold property £	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 Jan 2018	1,120,152	697,500	8,014,614	238,419	250,921	10,321,606
Additions	–	–	598,015	–	–	598,015
Disposals	(1,120,152)	–	(2,221,945)	(34,772)	(250,921)	(3,627,790)
Transfers	–	–	–	2,118	–	2,118
At 31 Dec 2018	–	697,500	6,390,684	205,765	–	7,293,949
Depreciation						
At 1 Jan 2018	93,310	17,499	2,738,393	167,102	5,553	3,021,857
Charge for the year	4,846	22,487	663,114	6,257	2,540	699,244
Disposals	(98,156)	–	(531,946)	(7,589)	(8,093)	(645,784)
Transfers	–	–	–	2,122	–	2,122
At 31 Dec 2018	–	39,986	2,869,561	167,892	–	3,077,439
Carrying amount						
At 31 Dec 2018	–	657,514	3,521,123	37,873	–	4,216,510
At 31 Dec 2017	1,026,842	680,001	5,276,221	71,317	245,368	7,299,749

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

15. Tangible assets *(continued)*

Company	Long leasehold property £	Plant and machinery £	Equipment £	Total £
Cost				
At 1 January 2018	697,500	6,006,736	205,765	6,910,001
Additions	–	515,607	–	515,607
Disposals	–	(131,549)	–	(131,549)
At 31 December 2018	697,500	6,390,794	205,765	7,294,059
Depreciation				
At 1 January 2018	17,499	2,370,529	161,902	2,549,930
Charge for the year	22,487	627,366	5,990	655,843
Disposals	–	(128,334)	–	(128,334)
At 31 December 2018	39,986	2,869,561	167,892	3,077,439
Carrying amount				
At 31 December 2018	657,514	3,521,233	37,873	4,216,620
At 31 December 2017	680,001	3,636,207	43,863	4,360,071

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Plant and machinery £
At 31 December 2018	3,014,681
At 31 December 2017	3,686,870
Company	Plant and machinery £
At 31 December 2018	3,014,681
At 31 December 2017	3,282,461

Clayton Glass Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

16. Investments

Group			Other investments other than loans £
Cost			
At 1 January 2018 and 31 December 2018			<u>100,000</u>
Impairment			
At 1 January 2018 and 31 December 2018			<u>-</u>
Carrying amount			
At 1 January 2018 and 31 December 2018			<u>100,000</u>
At 31 December 2017			<u>100,000</u>
Company	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 January 2018	284,963	100,000	384,963
Disposals	(284,963)	-	(284,963)
At 31 December 2018	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Impairment			
At 1 January 2018	284,963	-	284,963
Disposals	(284,963)	-	(284,963)
At 31 December 2018	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount			
At 31 December 2018	<u>-</u>	<u>100,000</u>	<u>100,000</u>
At 31 December 2017	<u>-</u>	<u>100,000</u>	<u>100,000</u>

Subsidiaries, associates and other investments

On the 5th March 2018 the investment in Romag Limited and Romag PPM Limited was disposed of for £nil proceeds.

17. Stocks

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Total stock	<u>750,907</u>	<u>2,660,292</u>	<u>750,907</u>	<u>755,083</u>

Clayton Glass Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

18. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	2,912,942	5,181,931	2,922,020	2,754,438
Amounts owed by group undertakings	–	–	–	15,625
Prepayments and accrued income	98,968	193,726	98,968	132,726
	<u>3,011,910</u>	<u>5,375,657</u>	<u>3,020,988</u>	<u>2,902,789</u>

19. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts	2,424,582	4,544,133	2,424,582	2,133,018
Trade creditors	1,721,256	4,456,054	1,724,484	2,089,400
Accruals and deferred income	198,665	414,650	198,665	260,441
Corporation tax	14,157	31,783	14,157	31,783
Social security and other taxes	517,247	846,700	517,247	450,958
Obligations under finance leases and hire purchase contracts	561,971	641,501	561,971	587,989
Other creditors	10,373	72,896	10,373	25,569
	<u>5,448,251</u>	<u>11,007,717</u>	<u>5,451,479</u>	<u>5,579,158</u>

20. Creditors: amounts falling due after more than one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Obligations under finance leases and hire purchase contracts	1,379,262	1,765,122	1,379,262	1,665,500

21. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	561,971	641,501	561,971	587,989
Later than 1 year and not later than 5 years	1,379,262	1,765,122	1,379,262	1,665,500
	<u>1,941,233</u>	<u>2,406,623</u>	<u>1,941,233</u>	<u>2,253,489</u>

Clayton Glass Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

22. Provisions

Group and company	Deferred tax (note 23) £
At 1 January 2018	270,484
Transfers	(125,524)
At 31 December 2018	<u>144,960</u>

23. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Included in provisions (note 22)	<u>144,960</u>	<u>270,484</u>	<u>144,960</u>	<u>270,484</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Accelerated capital allowances	<u>144,960</u>	<u>270,484</u>	<u>144,960</u>	<u>270,484</u>

24. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £53,405 (2017: £92,527).

25. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000.00</u>	<u>25,000</u>	<u>25,000.00</u>

26. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

27. Disposals

In March 2018 Romag Ltd and Romag PPM Ltd were successfully disposed of. The loss of £1,772,660 as noted in the Consolidated Statement of Comprehensive Income is fully attributable to these disposals.

Clayton Glass Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

28. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Not later than 1 year	88,241	79,673	88,241	74,491
Later than 1 year and not later than 5 years	199,004	160,261	199,004	159,243
Later than 5 years	72,000	108,000	72,000	108,000
	<u>359,245</u>	<u>347,934</u>	<u>359,245</u>	<u>341,734</u>

29. Charges on assets

A legal mortgage, chattel mortgage and an all asset debenture by way of a fixed and floating charge are held over the assets of the company.

30. Related party transactions

Group

During the year the group entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2018	2017	2018	2017
	£	£	£	£
Entities with common control	<u>180,000</u>	<u>180,000</u>	<u>36,000</u>	<u>-</u>

The company received services from a company which is under common control.

The company has taken advantage of the exemption in FRS 102 section 33 from disclosing details of transactions with other group companies. This exemption has been taken on the grounds that the company is included within the group's consolidated accounts, which are publicly available.

Company

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2018	2017	2018	2017
	£	£	£	£
Entities with common control	<u>180,000</u>	<u>180,000</u>	<u>36,000</u>	<u>-</u>

31. Controlling party

In the directors' opinion R Green is the controlling party.