VISTA THERM LIMITED

Financial Statements
Financial Year Ended 30 December 2017

Annexed to the Annual Return
Registered Number: 2090203

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DIRECTORS AND OTHER INFORMATION

Board of Directors at 10 July 2018

W Carey
J Carey

Secretary and Registered Office

W Carey
Manorlane
Harwarden
Flintshire
CH5 3PP
United Kingdom

Registered Number: 2090203

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Albert Quay
Cork
Ireland

Solicitors

Patrick F Treacy
29 Pearse Street
Nenagh
Co Tipperary

Napier & Sons Solicitors
1-9 Castle Arcade
High Street
Belfast BT1 5DF
Northern Ireland

Bankers

Bank of Ireland
13 Market Street
Lurgan
BT66 6AR
United Kingdom

Bank of Ireland
International Operations
5th Floor
Donegall Square South
Belfast
BT1 5LR
United Kingdom

Danske Bank
39 Market Street
Lurgan
BT66 6AB
United Kingdom

STRATEGIC REPORT

The directors present their strategic report on the company for the financial year ended 30 December 2017.

Review of the business
The company is engaged in the manufacture of low emissivity, safety and solar controlled insulated glass units and structural glass systems. The company sells wholesale glass as well as various processed, toughened and laminated glass products. The directors do not anticipate that the principal activities of the company will change in the foreseeable future.

The company's activities are principally based in Great Britain, Northern Ireland and the Republic of Ireland. During 2017, despite the continuation of challenging trading conditions in certain markets, turnover increased along with profitability. Turnover increased in both domestic and foreign markets. Profit was impacted by foreign exchange gains together with cost saving initiatives implemented by management.

Results and dividends
The profit after taxation for the year amounted to £1,288,391 (2016: £550,425). The directors recommend that no dividend be declared for the year (2016: £Nil).

Key performance indicators
Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Business environment
The business environment continues to be competitive; however the directors remain confident that the level of performance will be sustained in the future through the execution of the strategic objectives of the company.

Strategy
The key strategic objective of the company is to deliver high quality products and services to the market.

Financial risk management, principal risks and uncertainties
The directors consider that the principal risks and uncertainties faced by the company fall into the following categories:

Economic risk
The risk of increased interest rates and/or inflation may have an adverse impact on served markets. These risks are managed by innovative product sourcing and strict control of costs. The risk of adverse economic effects from the United Kingdom's decision to leave the European Union further to the Brexit vote have also been considered, with the directors of the company monitoring the ongoing situation and working with key advisers in an effort to mitigate the risk.

Competition risk
The directors of the company manage competition risk through close attention to customer service levels and product innovation.

Financial risk
The directors of the company closely monitor the company's trading activities to manage credit, liquidity, foreign exchange exposure and other financial risk.

By order of the board

W Carey
Director

DIRECTORS' REPORT

The directors present their report together with the audited financial statements of the company for the financial year ended 30 December 2017.

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material disclosures 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.

Directors and secretary
The names of the persons who are currently and were directors at any time during the financial year ended 30 December 2017 are set out below. Each of the directors served for the entire year.

W Carey
J Carey

In accordance with the Articles of Association, the directors are not required to retire by rotation.

Dividends
The directors recommend that no dividends were declared for the financial year (2016: £Nil).

Future developments
The outlook for 2018 is relatively positive and it is anticipated that the performance of the construction sector will continue to improve leading to increased demand for the company's product. However, uncertainty remains due to the United Kingdom's ongoing negotiations to leave the European Union further to the Brexit vote. The directors are constantly monitoring the situation, including closely monitoring costs and responding to changes in market conditions.

Charitable and political donations
No donations for political or charitable purposes were made by the company during the year (2016: £Nil).

Post balance sheet events
There have been no significant events affecting the company since the year-end.

Research and development
The company did not engage in any research and development activities during the year.

DIRECTORS' REPORT - continued

Directors' and secretary's interest in shares
The beneficial interests, including family interests, of the directors and secretary in office at 30 December 2016 and 30 December 2017 in the share capital of the company's parent undertaking, Carey Glass Holdings Unlimited Company, were as follows:

Director	Type of shareholding	No of shares held at 30 December 2017	No of shares held at 30 December 2016
W Carey	Ordinary shares of €1.30 each	174,900	174,900
J Carey	Ordinary shares of €1.30 each	174,900	174,900

In addition, W Carey and J Carey are each 50% shareholders of Samson Solar, which holds 970,200 of the issued ordinary share capital of Carey Glass Holdings Unlimited Company.

The directors and secretary and their families had no other interests in the shares of the company at 30 December 2016 and at 30 December 2017.

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

(1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
(2) the director has taken all 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.

Independent auditors
The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution that they will be re-appointed will be proposed at the Annual General Meeting.

On behalf of the board

W Carey

J Carey

pwc

Independent auditors' report to Vista Therm Limited under section 449 of the Companies Act 2006

Our opinion

In our opinion the company is entitled to deliver accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the accounts have been properly prepared in accordance with the regulations made under that section.

What we have examined

We have examined the accounts set out on pages 7 to 23, together with the financial statements of Vista Therm Limited for the year ended 30 December 2017 prepared under section 396 of the Companies Act 2006.

Our responsibilities and those of the directors

The directors are responsible for preparing the accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver accounts to the Registrar of Companies and whether the accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4, 'The special auditor's report on accounts in the United Kingdom', issued by the Auditing Practices Board. In accordance with that Bulletin, we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver accounts and that the accounts are properly prepared.

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Anthony Reidy (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Cork
Ireland
12 July 2018

PROFIT AND LOSS ACCOUNT
For the financial year ended 30 December 2017

	Note	2017 £	2016 £
Turnover	5	13,893,709	13,862,499
Cost of sales		(8,973,437)	(9,249,779)
Gross profit		4,920,272	4,612,720
Administrative expenses		(3,631,204)	(4,113,445)
Operating profit	6	1,289,068	499,275
Interest payable and similar expenses	7	(677)	(2,345)
Profit before taxation		1,288,391	496,930
Tax on profit on ordinary activities	9	59,419	53,495
Profit for the financial year		1,347,810	550,425
Other comprehensive income		-	-
Total comprehensive income for the financial year		1,347,810	550,425

The notes on pages 10 to 23 form an integral part of these financial statements.

BALANCE SHEET
As at 30 December 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible fixed assets	10	2,060	975
Tangible fixed assets	11	914,447	968,308
		916,507	969,283
Current assets			
Stocks	12	547,998	654,182
Debtors	13	2,755,120	2,672,468
Cash at bank and in hand		822,989	130,278
		4,126,107	3,456,928
Creditors – amounts falling due within one year	14	(2,141,910)	(2,847,457)
Net current assets		1,984,197	609,471
Total assets less current liabilities		2,900,704	1,578,754
Provision for liabilities and charges	16	(76,380)	(102,240)
Net assets		2,824,324	1,476,514
Capital and reserves			
Called up share capital	18	100	100
Profit and loss account	18	2,824,224	1,476,414
Total equity		2,824,324	1,476,514

The notes on pages 10 to 23 form an integral part of these financial statements.

The financial statements on pages 7 to 23 were authorised for issue by the board of directors on 10 July 2018 and were signed on its behalf by:

These financial statements have been prepared in accordance with the special provisions relating to medium-sized companies under section 445 of the Companies Act, 2006 with respect to delivery of individual accounts.

On behalf of the board

W Carey

J Carey

Vista Therm Limited

Registered Number: 2090203

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 December 2017

	Called up share capital £	Profit and loss account £	Total £
Balance at 31 December 2015	100	925,989	926,089
Total comprehensive income for the year	-	550,425	550,425
Balance as at 30 December 2016	100	1,476,414	1,476,514
Balance at 30 December 2016	100	1,476,414	1,476,514
Total comprehensive income for the year	-	1,347,810	1,347,810
Balance as at 30 December 2017	100	2,824,224	2,824,324

The notes on pages 10 to 23 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 General information

Vista Therm Limited ("the company") is involved in the manufacture of low emissivity and safety, insulated glass units and structural glass units. The company ultimate parent is Carey Glass Holdings Unlimited Company, a company registered in the Republic of Ireland.

The company is incorporated and domiciled in the UK. The company's registered office is Manorlane, Harwarden, Flintshire CH5 3PP, United Kingdom.

Carey Glass Holdings Unlimited Company prepares group financial statements and is both the smallest and largest group for which group financial statements are drawn up and of which Vista Therm Limited is a member. Copies of the Carey Glass Holdings Unlimited Company group financial statements are available from the company secretary at Limerick Road, Nenagh, Co Tipperary.

2 Statement of compliance

The individual financial statements of Vista Therm Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3 Summary of significant accounting policies

The principal accounting policies used in the preparation of these financial statements are set out below. These policies have been consistently applied to all financial years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Prior year correction

Certain corresponding amounts have been adjusted so they are directly comparable with the amounts shown in respect of the current financial period.

(b) Exemptions for qualifying entities under FRS 102

The company has availed of the exemption under FRS 102 from the requirement to prepare a statement of cash flows on the basis that the company's cash flows are included in its parent company's statement of consolidated cash flows.

(c) Turnover

Turnover is the amount of revenue derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value-added tax. Turnover comprises revenue arising from the sale of goods to contractors and end customers.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns, discounts and rebates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(c) Turnover - continued

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The company recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the company retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably; and (d) it is probable that future economic benefits will flow to the entity.

(d) Intangible fixed assets

Computer software

Computer software is carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life of five years and on a straight-line basis. Software is not considered to have a residual value.

Where factors, such as technological advancement or changes in market prices, indicate that the software's useful life has changed, the useful life is amended prospectively to reflect the new circumstances.

Intangible fixed assets are reviewed for impairment if there is an indication that the intangible fixed asset may be impaired.

(e) Tangible fixed assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the assets to its working condition for its intended use, dismantling and restoration costs.

(i) Buildings, plant and machinery, office equipment and motor vehicles

Buildings, plant and machinery, office equipment and motor vehicles are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Depreciation and residual values

Depreciation on assets is calculated, using the straight line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- Buildings - 2% straight line
- Plant and machinery - 20% straight line
- Motor vehicles - 20% straight line
- Office equipment - 20% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change is accounted for prospectively.

(iii) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as separate assets where they have significantly different patterns of consumption of economic benefits and are depreciated separately over their useful lives.

Repairs, maintenance and minor inspection costs are expensed as incurred.

(iv) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(f) Foreign currency

(i) Functional and presentation currency

The company's functional and presentation currency is pound sterling, denominated by the symbol "£".

(ii) Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'administration expenses' as appropriate. All other foreign exchange gains and losses are presented in the profit and loss account within 'administration expenses'.

(g) Financial instruments

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and cash equivalents, amounts owed by group companies and short-term deposits are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, cash and cash equivalents, amounts owed by group companies and financial assets from arrangements which constitute financing transactions are subsequently measured at amortised cost using the effective interest method.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the financial asset's estimated cash inflows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(g) Financial instruments - continued

(ii) Financial liabilities - continued

Trade and other creditors and amounts owed to group companies which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(h) Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the financial year in which the related revenue is recognised.

Cost is determined using the first-in, first-out (FIFO) method. Cost comprises the purchase price, including taxes and duties and transport and handling costs directly attributable to bringing the stock to its present location and condition. The cost of manufactured finished goods and work in progress includes raw materials, direct labour and a systematic allocation of direct costs and production overheads (based on normal operating capacity of the production facility).

At the end of each financial year, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in profit or loss

(i) Leased assets

Operating leases

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessor. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of the present value of minimum lease payments.

Incentives received to enter into an operating lease are recognised as a reduction of the operating lease expense on a straight-line basis over the term of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to recognise such lease incentives as a reduction in the operating lease expense on a straight-line basis over the period to the first review date on which the rent is adjusted to market rates.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(j) Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) Short term employee benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which employees render the related service.

(ii) Post-employment benefits

Defined contribution plan

The company operates a defined contribution plan for employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The assets of the plan are held separately from the company in independently administered funds. The contributions to the defined contribution plan are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet.

(k) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 Summary of significant accounting policies - continued

(l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

(m) Share capital

Equity shares issued are recognised at the proceeds received and presented as share capital and share premium. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Distributions to equity shareholders

Dividends and other distributions to the company's equity shareholders are recognised as a liability in the financial statements in the financial year in which the dividends and other distributions are approved by the company's shareholders.

(o) Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that a transfer of economic benefits will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of 'interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because it is not probable that the company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised in the financial statements. However, contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

NOTES TO THE FINANCIAL STATEMENTS - continued

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are required when applying accounting policies. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future, which can involve a high degree of judgement or complexity. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of debtors

The directors make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor. See note 13 for the net carrying amount of the debtors and the impairment loss recognised in the financial year.

(b) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible assets and note 3(e) for the useful economic lives of each class of tangible fixed asset.

(c) Impairment of stock

Stock represents goods for resale, work-in-progress, raw materials and is measured at the lower of cost and net realisable value. Net realisable value is the estimated selling prices in the ordinary course of business, less the estimated costs necessary to make the sale. Provision is made for obsolete and slow moving stock based on historical experience. See note 12 for the net carrying amount of stock.

(d) Provisions for liabilities

Provisions by their nature are liabilities with an uncertain timing or amount. Estimates are made in relation to the cash outflows likely to arise in connection with obligations existing at the reporting date. See note 16 for details of provisions at the financial year-end.

5 Turnover

	2017	2016
	£	£
Analysis of turnover by geographic market:		
United Kingdom	11,052,445	11,582,751
Republic of Ireland	2,841,264	2,279,748
	13,893,709	13,862,499
Analysis of turnover by category:		
Sale of glass products	13,893,709	13,862,499

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Operating profit

	2017	2016
	£	£
Operating profit is stated after charging/(crediting):		
Costs in respect of the employment of staff for the period were as follows:		
Wages and salaries	3,198,120	3,101,072
Social security costs	246,759	220,017
Other pension costs	27,121	24,824
Staff costs	3,472,000	3,345,913
Amortisation of intangible fixed assets	880	487
Depreciation of tangible fixed assets	300,598	300,385
Gain on the disposals of tangible assets	-	(2,720)
Foreign exchange loss	60,500	135,104
Auditors' remuneration	16,206	9,000
Stock recognised as an expense	6,040,844	6,603,924
Impairment loss – stock	12,875	5,952
Operating lease charges:		
- premises	220,550	200,550
- motor vehicles	123,630	118,379

The above charges/(credits) are included in administration expenses in the profit and loss account with the exception of stock recognised as an expense and impairment losses in respect of stock which are recognised in cost of sales in the profit and loss account.

7 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank loans and overdraft	677	2,345

8 Employees, directors and key management compensation

The average number of persons employed by the company during the financial year was as follows:

	2017	2016
	No.	No.
Administration	12	12
Selling and distribution	14	14
Production	134	128
	160	154

Of the total staff costs (as noted in note 6), £2,932,594 (2016: £2,645,855) has been capitalised into stocks and has been treated as an expense in the profit and loss account. The directors who are considered to be the company key management personnel are compensated through a fellow subsidiary undertaking, Carey Glass Unlimited Company.

NOTES TO THE FINANCIAL STATEMENTS - continued

9 Taxation on ordinary activities	2017 £	2016 £
(a) Tax expense included in profit and loss		
Current tax:		
UK corporation tax on profit for the year		-
Adjustment in respect of prior years		-
Total current tax		-
Deferred tax:		
Reversal of timing differences	(59,419)	(53,495)
Total deferred tax	(59,419)	(53,495)
Tax (credit)/charge on profit on ordinary activities	(59,419)	(53,495)

(b) Reconciliation of tax expense

Tax assessed for the year differs (2016: differs) to the standard rate of corporation tax for the year ended 30 December 2017 of __% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit before taxation	1,288,391	496,930
Profit multiplied by the average rate of UK corporation tax for the year of 20% (2016: 20%)	257,678	99,386
Effects of:		
Disallowable expenses	2,395	7,325
Group relief	(319,395)	(160,055)
Other adjustments	(98)	(151)
Tax (credit) for the year	(59,419)	(53,495)

The standard rate of corporation tax is 20%, effective 1 April 2015. The standard rate of corporation tax was 21% for the period 1 April 2014 to 30 March 2015, giving a rate for the prior period of 20.25%.

10 Intangible assets	Software £	Total £
Financial year ended 30 December 2016		
Opening carrying amount	1,462	1,462
Amortisation	(487)	(487)
Closing carrying amount	975	975
At 30 December 2016		
Cost or deemed cost	2,436	2,436
Accumulated amortisation and impairment	(1,461)	(1,461)
Carrying amount	975	975

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Intangible assets - continued	Software	Total
	£	£
Financial year ended 30 December 2017		
Opening carrying amount	975	975
Additions	1,965	1,965
Amortisation	(880)	(880)
Closing carrying amount	2,060	2,060
At 30 December 2017		
Cost or deemed cost	4,401	4,401
Accumulated amortisation and impairment	(2,341)	(2,341)
Carrying amount	2,060	2,060

Software costs are wholly comprised of the company's financial reporting system. This asset has a remaining amortisation period of 2 years.

11 Tangible assets	Buildings	Plant and machinery	Office equipment	Motor vehicles	Total
	£	£	£	£	£
Financial year ended 30 December 2016					
Opening carrying amount	-	187,080	2,191	145,390	334,661
Additions	157,655	711,919	18,927	67,800	956,301
Disposals	-	-	-	(22,269)	(22,269)
Depreciation	(31,531)	(209,841)	(4,516)	(54,497)	(300,385)
Carrying amount	126,124	689,158	16,602	136,424	968,308
At 30 December 2016					
Cost or deemed cost	157,655	3,452,425	22,578	272,482	3,905,140
Accumulated depreciation and impairment	(31,531)	(2,763,267)	(5,976)	(136,058)	(2,936,832)
Carrying amount	126,124	689,158	16,602	136,424	968,308
Financial year ended 30 December 2017					
Opening carrying amount	126,124	689,158	16,602	136,424	968,308
Additions	-	308,185	1,021	9,240	318,446
Disposals	-	(71,709)	-	-	(71,709)
Depreciation	(3,153)	(240,933)	(4,720)	(51,792)	(300,598)
Carrying amount	122,971	684,701	12,903	93,872	914,447
At 30 December 2017					
Cost or deemed cost	157,655	3,581,178	23,599	281,722	4,044,154
Accumulated depreciation and impairment	(34,684)	(2,896,477)	(10,696)	(187,850)	(3,129,707)
Carrying amount	122,971	684,701	12,903	93,872	914,447

During the financial year, tangible fixed assets with a carrying amount of £71,709 were disposed of. The assets had a cost of £179,432 and accumulated depreciation and impairment of £107,723. The profit on the disposal of these tangible fixed assets was £Nil (2016: £2,720).

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Stocks

	2017	2016
	£	£
Finished goods	48,112	50,891
Raw materials	488,504	592,666
Consumables parts	11,382	10,625
	547,998	654,182

The directors are of the opinion that the replacement cost of stocks is not materially different from the balance sheet values.

Inventories are stated after provisions for impairment of £12,878 (2016: £5,949).

13 Debtors

	2017	2016
	£	£
Trade debtors	1,964,058	2,469,430
Amounts owed by group undertakings (note 20)	500,000	-
Sundry debtors and prepayments	154,133	120,071
Irish VAT	9,149	14,606
	2,627,340	2,604,107
Amounts falling due after one year:		
Deferred tax asset (note 21)	127,780	68,361
	2,755,120	2,672,468

Amounts owed by group companies are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

Trade debtors are after provision for impairment of £77,980 (2016: £237,688).

14 Creditors – amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,254,350	896,940
Amounts owed to group companies (note 20)	496,017	1,483,174
Creditors including tax and social insurance (see below)	321,442	363,387
Accruals and deferred income	70,101	103,956
	2,141,910	2,847,457

Trade creditors are payable at various dates in a number of months after the end of the financial year in accordance with the suppliers usual and customary credit terms.

Trade creditors include an amount not exceeding £1,043,072 (2016: £843,679) owing to suppliers who include reservation of title clauses in their conditions of sale.

Amounts owed to group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

	2017	2016
	£	£
Creditors including tax and social insurance comprise:		
United Kingdom VAT	256,899	307,859
Income tax/NIC	64,544	55,528
	321,442	363,387

Tax and social insurance are repayable in the timeframe set down in the relevant legislation.

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Loans and borrowings	2017	2016
	£	£
Bank overdrafts	-	-
Bank loans and overdrafts		
Due within one year (note 14)	-	-

No security is held by the bank in respect of the overdraft facility.

16 Provision for liabilities and charges	2017	2016
	£	£
Self-insurance provision	76,380	102,240

Self-Insurance provision
At 30 December 2017 and 30 December 2016, a number of claims in respect of injuries from employees were outstanding. The provision represents the best estimate of the costs to the company associated with settling the relevant claims.

17 Financial instruments	Notes	2017	2016
		£	£
The company had the following financial instruments:			
Financial assets that are debt instruments measured at amortised cost			
- Trade debtors	13	1,964,058	2,469,430
- Amounts owed by group undertakings		500,000	-
Cash at bank and in hand		822,989	130,278
		3,287,047	2,599,708
Financial liabilities measured at amortised cost			
- Trade creditors	14	1,254,350	896,940
- Amounts owed to group undertakings	14	496,017	1,483,174
- Bank loans and overdrafts	15	-	-
		1,750,367	2,380,114

18 Share capital and reserves	2017	2016
	£	£
Authorised share capital:		
100 ordinary shares of Stg£1 (2016: 100 shares) each	100	100
Allotted, issued and fully paid - presented as equity		
100 ordinary shares of Stg£1 (2016: 100 shares) each	100	100

NOTES TO THE FINANCIAL STATEMENTS - continued

18 Share capital and reserves – continued

There are no restrictions on the distribution of dividends and the repayment of capital.

A description of each reserve within equity is outlined below:

Profit and loss account

Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years plus related tax credits less dividends paid.

19 Operating lease commitments

Future minimum lease payments under non-cancellable operating leases at the end of the financial year were:

Payments due:	Premises £	Motor vehicles £	Total 2017 £	Total 2016 £
Not later than one year	200,550	261,845	462,395	520,109
Later than one year and not later than five years	249,553	206,331	455,884	897,186
	450,103	468,176	918,279	1,417,295

The company had no other off-balance sheet arrangements.

20 Related party transactions and ultimate controlling party

The company is a wholly owned subsidiary of Carey Glass Holdings Unlimited Company, a company which is incorporated in the Republic of Ireland.

Group companies comprise the ultimate parent company, Carey Glass Holdings Unlimited Company, and fellow subsidiary companies, Carey Solar Unlimited Company, Carey Glass Unlimited Company and Carey Glass Chester Limited.

	2017 £	2016 £
Transactions with related parties are as follows:		
Management charge from Carey Glass Unlimited Company	813,761	967,427
Sales to Carey Glass Unlimited Company on normal trading terms	131,566	122,283
Sales to Carey Glass Chester Limited on normal trading terms	5,123	10,477
Purchases from Carey Glass Unlimited Company on normal trading items	1,005,352	1,727,718
Purchases from Carey Glass Chester Limited on normal trading terms	7,318	199,734
Amounts due at the end of the financial year with related parties are as follows:		
Amounts owing by Carey Glass Chester Limited	500,000	-
Amounts owing to Carey Glass Unlimited Company	496,017	1,419,901
Amounts owing to Carey Solar Unlimited Company	-	63,274

Carey Glass Unlimited Company, Carey Solar Unlimited Company and Carey Glass Chester Limited are fellow subsidiaries of Carey Glass Holdings Unlimited Company, a company registered and operating in the Republic of Ireland.

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Deferred tax asset

	2017	2016
	£	£
Deferred taxation asset:		
Differences in depreciation and capital allowances claimed to date	127,780	68,361

22 Controlling parties

The immediate and ultimate parent undertaking and the largest and smallest group to consolidate these financial statements is Carey Glass Holdings, a company incorporated in the Republic of Ireland. Copies of the Carey Glass Holdings consolidated financial statements can be obtained from the company secretary at Limerick Road, Nenagh, Co Tipperary.

23 Events since the end of the financial year

There have been no significant events impacting the company since the end of the financial year.

24 Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 10 July 2018 and were signed on its behalf on that day.