

Company Registration No. 05088708 (England and Wales)

BOWATER BUILDING PRODUCTS LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

THURSDAY



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BOWATER BUILDING PRODUCTS LIMITED

COMPANY INFORMATION

Directors	Mr G Fitton Mr D Jones Mr C Torley
Company number	05088708
Registered office	Farrington Road Rossendale Road Industrial Estate Burnley Lancashire England BB11 5DA
Auditors	Baker Tilly UK Audit LLP 3 Hardman Street Manchester M3 3HF
Business address	Water Orton Lane Minworth Sutton Coldfield West Midlands B76 9BW
Bankers	HSBC Bank PLC 2-4 St Ann's Square Manchester M2 7HD
Solicitors	Brabners Chaffe Street Brook House 77 Fountain Street Manchester M2 2EE

BOWATER BUILDING PRODUCTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

During the year the company operated two businesses in the UK - Bowater Doors (composite doors) and Bowater Projects (contracting). On 31 December 2014 the trade and assets relating to Bowater Doors were transferred to the legal entity Bowater Doors Limited, a subsidiary company, in order to give it a separate identity in the market.

Bowater Doors specialises in high value added products such as its market leading Double Rebate door and has added a new Contemporary range as an alternative to more traditional styles.

Bowater Projects is a well established player in the commercial sector focused on the installation of windows and doors. It has a number of very strong business relationships based on its excellent record on contract delivery.

Recovery in the UK economy and growth in the UK window and door market created better trading conditions in 2014 and this is expected to continue in 2015. However there remains some uncertainty in the underlying strength of both the economy and the market. Raw material cost volatility and low market prices continue to create challenges. The directors believe the company is in an excellent position to continue to operate very successfully in the UK market for the long term.

Matters of strategic importance

The company continues to focus on providing high value added products and a first class service to its customer base.

Principal risks and uncertainties

The company's operations are financed by way of the group's treasury operations and it does not have any external funding.

The management's financial risk management objective is to retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due.

The directors have assessed the main risks facing the company as being:

- Raw material price;
- Competitive pressures; and
- Payment default by customers.

The company establishes long term partnership arrangements with suppliers with whom they work to manage raw material price volatility.

The risk from competitive pressures is managed by building strong partnerships with customers and providing them with the highest standard of quality and service.

The company works closely with its customers to mitigate potential payment default and, where it is available, utilise credit insurance.

Performance and development during the year

The company operates a range of KPIs covering all the aspects of its operations including customer satisfaction, product quality and financial performance.

The directors monitor performance through the use of detailed annual budgets and forecasts that cover all the trading divisions in the company and monitoring of actual performance against these budgets.

BOWATER BUILDING PRODUCTS LIMITED

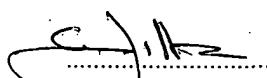
STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

Key performance indicators:

	2014	2013
	£000	£000
Turnover - continuing operations	8,448	9,720
Operating profit - continuing operations	9	1

The directors are satisfied with the performance of the business during the year.

On behalf of the board


.....
Mr G Pitton
Director
28 May 2015
.....

BOWATER BUILDING PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

Principal activities

The principal activities of the company are the manufacture and sale of Composite Doors and contracting for the installation of windows and doors. These activities are carried out by the trading divisions, Bowater Doors and Bowater Projects. As stated in the Strategic Report, the Bowater Doors division has been transferred to a subsidiary company as at 31 December 2014.

Results and dividends

The company's trading loss for the year, after taxation, was £14,000 (2013: profit £277,000).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G Fitton
Mr D Jones
Mr C Torley

Creditor payment policy

The company's policy is to agree settlement terms with its suppliers and then to abide by those terms. This policy will continue for the forthcoming year.

Auditors

Baker Tilly UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditors

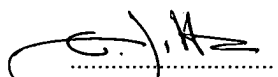
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Strategic report

The following information that was previously included in the directors' report is now in the strategic report:

- Review of the business
- Performance and development during the year including key performance indicators
- Principal risks and uncertainties.

On behalf of the board


.....
Mr G Fitton
Director
28 May 2015

BOWATER BUILDING PRODUCTS LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOWATER BUILDING PRODUCTS LIMITED

We have audited the financial statements set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Eric Solomons (Senior Statutory Auditor)
for and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants

3 Hardman Street
Manchester

M3 3HE

12 June 2015

BOWATER BUILDING PRODUCTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

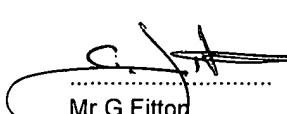
	Notes	2014 £000	2013 £000
Turnover	2		
Existing operations		8,448	9,720
Discontinued operations		3,447	3,581
		<u>11,895</u>	<u>13,301</u>
Cost of sales		(9,967)	(11,418)
		<u>1,928</u>	<u>1,883</u>
Gross profit			
Distribution costs		(324)	(371)
Administrative expenses		(2,168)	(2,235)
Other operating income		550	1,000
Operating (loss)/profit			
Existing operations		9	1
Discontinued operations		(23)	276
		<u>(14)</u>	<u>277</u>
(Loss)/profit on ordinary activities before taxation	4	(14)	277
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit for the financial year	15	(14)	277

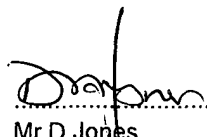
There are no recognised gains and losses other than those passing through the profit and loss account.

BOWATER BUILDING PRODUCTS LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2014**

	Notes	2014 £000	£000	2013 £000	£000
Fixed assets					
Tangible assets	7		-		134
Current assets					
Stocks	9	282		1,309	
Debtors	10	2,849		3,797	
Cash at bank and in hand		92		570	
		<u>3,223</u>		<u>5,676</u>	
Creditors: amounts falling due within one year	11	<u>(3,176)</u>		<u>(5,706)</u>	
Net current assets/(liabilities)			47		(30)
Total assets less current liabilities			<u>47</u>		<u>104</u>
Provisions for liabilities	12		-		(43)
Net assets			<u>47</u>		<u>61</u>
Capital and reserves					
Share premium account	15		13,600		13,600
Profit and loss account	15		(13,553)		(13,539)
Shareholders' funds	16		<u>47</u>		<u>61</u>

The financial statements on pages 6 to 18 were approved by the board of directors and authorised for issue on 28 May 2015 and are signed on its behalf by:


Mr G Fittor
Director


Mr D Jones
Director

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Going concern

The Director's have concluded that it is appropriate to prepare the accounts on a going concern basis as the company has adequate cash resources and financial projections indicate that the company will continue to trade within its existing bank facilities.

Cash flow statement

The company has used the exemption under Finance Reporting Standard 1, "Cash Flow Statements", and has therefore not prepared a cashflow statement. A consolidated cash flow statement is included in the financial statements of the ultimate parent company.

Group accounts

The company is exempt from preparing group accounts on the basis that it is wholly owned by an EU incorporated company which prepares consolidated group accounts. These financial statements present information on the Bowater Building Products Limited as an individual undertaking.

Turnover and profits

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of consideration received excluding discounts, rebates, VAT and other sales taxes or duty. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	- 10% to 33.3% per annum straight line
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Leasing

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

Stock

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

Raw materials, consumables and goods for resale purchase are included at cost on a FIFO basis.

Finished goods are included at cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred prior to completion and disposal.

Work in progress and contract accounting

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on a normal level of activity.

For long term contracts, profit is recognised by reference to the stage of completion of each contract where there is reasonable certainty that the contract will be profitable. Where the outcome of the contract cannot be established with reasonable certainty, no profit is recognised. Foreseeable losses are provided for in full at the point at which the loss is anticipated.

Where amounts invoiced exceed the value of work done, the excess is accounted for as payments received on account and is included within creditors. Where the value of work done exceeds the amounts invoiced, the excess is accounted for as amounts recoverable on contracts and is included within debtors.

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Pensions

The company operates a money purchase pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies (Continued)

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

Product warranties

Costs incurred relating to claims under product warranties are charged to the profit and loss account as incurred.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions.

Monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the year end.

Non-monetary assets and liabilities and transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the date of the transactions, or at an average rate for the period if the rates do not fluctuate significantly.

All exchange differences are taken to the profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Cost of sales and net operating expenses

	2014		Total £000	2013		Total £000
	Continuing £000	Discontinued £000		Continuing £000	Discontinued £000	
Cost of sales	7,308	2,659	9,967	8,563	2,855	11,418
Distribution costs	-	324	324	-	371	371
Administrative expenses	1,131	1,037	2,168	1,156	1,079	2,235
Other operating income	-	(550)	(550)	-	(1,000)	(1,000)
	<u>8,439</u>	<u>3,470</u>	<u>11,909</u>	<u>9,719</u>	<u>3,305</u>	<u>13,024</u>

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

4	(Loss)/profit on ordinary activities before taxation	2014 £000	2013 £000
	(Loss)/profit on ordinary activities before taxation is stated after charging/ (crediting):		
	Depreciation of tangible fixed assets		
	- owned	86	121
	(Profit) on disposal of tangible assets	(2)	(18)
	Operating lease rentals		
	- Plant and machinery	34	95
	- Other assets	170	179
		<u> </u>	<u> </u>

Auditors' remuneration

Amounts payable to Baker Tilly UK Audit LLP and its associates in respect of both audit and non-audit services were as follows

Audit services

- statutory audit of financial statements	14	12
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Non audit services

- Taxation and other services	6	5
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<u>20</u>	<u>17</u>
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5 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Number of production staff	41	40
Number of administrative staff	27	28
	<u>68</u>	<u>68</u>

Employment costs

	2014 £000	2013 £000
Wages and salaries	1,722	1,822
Social security costs	158	165
Other pension costs	42	25
	<u>1,922</u>	<u>2,012</u>

The directors received no remuneration from the company during the year (2013: £Nil)

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

6	Tax on (loss)/profit on ordinary activities	2014	2013
	Total current tax	-	-
		<u> </u>	<u> </u>

Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax (23%). The differences are explained below:

(Loss)/profit on ordinary activities before taxation	(14)	277
	<u> </u>	<u> </u>
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2013 - 23.25%)	(3)	64
	<u> </u>	<u> </u>
Effects of:		
Expenses not deductible for tax purposes	1	4
Depreciation in excess of capital allowances	19	24
Unrelieved tax losses	91	137
Other timing differences	19	3
Income not taxable	(127)	(232)
	<u> </u>	<u> </u>
	3	(64)
	<u> </u>	<u> </u>
Current tax charge for the year	-	-
	<u> </u>	<u> </u>

At 31 December 2014, there are corporation tax losses of approximately £1.6m (2013 - £3.4m) which are available for set-off against future taxable profits of the same trade.

Tax losses of £2.2m in relation to the composite doors trade have been transferred to Bowater Doors Limited, a subsidiary company as part of the hive down on 31 December 2014.

Reductions in the UK Corporation Tax rate from 23% to 21% for the tax year 2014/15 and to 20% for the tax year 2015/16 were substantially enacted on 2 July 2013. This will reduce the company's future tax charge accordingly and the deferred tax balances as at 31 December 2014 has been calculated at this reduced rate.

BOWATER BUILDING PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

7 Tangible fixed assets

	Plant and machinery
	£000
Cost	
At 1 January 2014	1,327
Additions	46
Transfer to subsidiary	(1,373)
At 31 December 2014	-
Depreciation	
At 1 January 2014	1,193
Transfer to subsidiary	(1,279)
Charge for the year	86
At 31 December 2014	-
Net book value	
At 31 December 2014	-
At 31 December 2013	134

8 Fixed asset investments

	Unlisted investments
	£
Cost	
At 1 January 2014 & at 31 December 2014	8
Net book value	
At 31 December 2014	8
At 31 December 2013	8

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

8 Fixed asset investments (Continued)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held	%
Subsidiary undertakings				
Bowater Projects Limited	UK	Ordinary	100.00	100.00
Bowater Doors Limited	UK	Ordinary	100.00	100.00
Bowater Architectural Limited	UK	Ordinary	100.00	100.00
Bowater Windows Limited	UK	Ordinary	100.00	100.00
James Harcourt Limited	UK	Ordinary	100.00	100.00
The Prime Connection Limited	UK	Ordinary	100.00	100.00
W H Smith & Sons (Extrusions) Limited	UK	Ordinary	100.00	100.00
WHS Halo Limited	UK	Ordinary	100.00	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves	Profit/(loss) for the year
		2014	2014
		£000	£000
	Principal activity		
Bowater Projects Limited	Dormant company	1	-
Bowater Doors Limited	Manufacture and sale of composite doors	1	-
Bowater Architectural Limited	Dormant company	1	-
Bowater Windows Limited	Dormant company	1	-
James Harcourt Limited	Dormant company	1	-
The Prime Connection Limited	Dormant company	1	-
W H Smith & Sons (Extrusions) Limited	Dormant company	1	-
WHS Halo Limited	Dormant company	1	-
		<u>1</u>	<u>-</u>

With the exception of Bowater Doors Limited, which did not trade during the year, all of the above subsidiaries are dormant companies,

9 Stocks	2014	2013
	£000	£000
Raw materials and consumables	-	733
Long term contract balances:		
- Net cost less foreseeable losses	282	572
Finished goods and goods for resale	-	4
	<u>282</u>	<u>1,309</u>

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

10 Debtors	2014 £000	2013 £000
Trade debtors	872	2,027
Amounts recoverable on long term contracts	1,055	1,704
Amounts owed by group undertakings	889	-
Other debtors	2	3
Prepayments and accrued income	31	63
	<u>2,849</u>	<u>3,797</u>

Amounts falling due after more than one year and included in the debtors above are:

	2014 £000	2013 £000
Trade debtors	<u>194</u>	<u>130</u>

11 Creditors: amounts falling due within one year	2014 £000	2013 £000
Trade creditors	361	1,213
Amounts owed to group undertakings	2,189	3,599
Taxes and social security costs	103	171
Accruals and deferred income	523	723
	<u>3,176</u>	<u>5,706</u>

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

12 Provisions for liabilities

	Other £000
Balance at 1 January 2014	43
Profit and loss account	(1)
Transfers	(42)
	<u> </u>
Balance at 31 December 2014	<u> </u>

Some of the Group's manufactured products are sold with a performance warranty for up to ten years from the date of sale or installation. Provision is made for the estimated cost of the commitment based on historic claims experience.

The movement in the year relates to utilisations of £1,000 and £42,000 transfer to Bowater Doors Limited.

Deferred taxation provided in the financial statements and the amounts not provided are as follows:

	Not provided		Provided	
	2014	2013	2014	2013
	£000	£000	£000	£000
Accelerated capital allowances	3	235	-	-
Other timing differences	-	16	-	-
Tax losses available	329	717	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	332	968	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The deferred tax asset has not been recognised, as the balance is not expected to crystallise, and thus benefit current tax charges, in the foreseeable future.

13 Retirement Benefits

Defined contribution scheme

The company operates a money purchase pension scheme. Amounts due to the scheme at the year end were £Nil (2013 - £Nil).

	2014 £000	2013 £000
Contributions payable by the company for the year	42	25
	<u> </u>	<u> </u>

14 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
4 Ordinary shares of £1 each	4	4
	<u> </u>	<u> </u>

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

15 Reserves

	Share premium account £000	Profit and loss account £000
Balance at 1 January 2014	13,600	(13,539)
Loss for the year	-	(14)
Balance at 31 December 2014	<u>13,600</u>	<u>(13,553)</u>

There was no movement on the share premium account during the financial year.

16 Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
(Loss)/Profit for the financial year	(14)	277
Opening shareholders' funds	61	(216)
Closing shareholders' funds	<u>47</u>	<u>61</u>

17 Contingent liabilities

As at 31 December 2014 the company together with its parent undertaking are party to cross guarantees under group banking arrangements with HSBC Bank plc. At 31 December 2014, the liabilities covered by this guarantee were £6,887,000 (2013: £8,690,000).

18 Commitments under operating leases

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings		Other	
	2014 £000	2013 £000	2014 £000	2013 £000
Operating leases which expire:				
Within one year	-	-	-	10
Between two and five years	170	170	28	44
	<u>170</u>	<u>170</u>	<u>28</u>	<u>54</u>

BOWATER BUILDING PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2014

19 Control

At 31 December 2014 the company's immediate parent company was VEKA plc and its ultimate parent was VEKA AG, a company registered in Germany. Copies of the financial statements of VEKA AG are available from the company's registered office.

As at 31 December 2014 the ultimate controlling party was E Hartleif.

20 Related party relationships and transactions

The group has taken advantage of the exemption available under paragraph 3c of Financial Reporting Standard 8, allowing non-disclosure of transactions between group undertakings.