

Registration number: 05088708

Bowater Building Products Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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Bowater Building Products Limited

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Bowater Building Products Limited

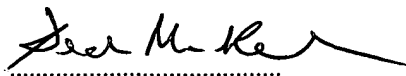
(Registration number: 05088708)
Balance Sheet as at 31 December 2018

	Note	2018	2017
		£	£
Fixed assets			
Investments	5	8	8
Current assets			
Stocks		170,140	293,834
Debtors	6	1,988,422	1,994,729
Cash at bank and in hand		<u>43,513</u>	<u>132,871</u>
		2,202,075	2,421,434
Creditors: Amounts falling due within one year	7	<u>(2,524,202)</u>	<u>(2,387,647)</u>
Net current (liabilities)/assets		<u>(322,127)</u>	<u>33,787</u>
Net (liabilities)/assets		<u>(322,119)</u>	<u>33,795</u>
Capital and reserves			
Called up share capital	8	4	4
Share premium reserve		13,599,996	13,599,996
Profit and loss account		<u>(13,922,119)</u>	<u>(13,566,205)</u>
Total equity		<u>(322,119)</u>	<u>33,795</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 30 June 2020



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D McKelvey
Director

Bowater Building Products Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Ferrymoor Way
Park Springs
Grimethorpe
Barnsley
S72 7BN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including the disclosure and presentation requirements of Section 1A and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company's functional and presentation currency is pound sterling.

Going concern

At the year end the company has negative net assets shown in its balance sheet of £322,119 (2017 - positive net assets of £33,795) and suffered a loss before tax of £355,914 (2019 - loss of £32,153). In prior years the company has relied upon support from its parent company to continue as a going concern. Following the year end, its parent company has gone into administration and that support is therefore in doubt. The administrators are currently seeking a buyer for Bowater Building Products Limited, and therefore the future of the company is dependent on securing that buyer. Material uncertainties related to events or conditions therefore exist after the year end which cast significant doubt upon the entity's ability to continue as a going concern.

Audit report

The Independent Auditor's Report was unqualified. We draw attention to the going concern accounting policy note in the financial statements which indicates that the company incurred a loss before tax of £355,914 during the year ended 31 December 2018 and, as of that date, the company's current liabilities exceeded its total assets by £322,119. As stated in the notes, these events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter. The name of the Senior Statutory Auditor who signed the audit report on 30 June 2020 was Mark Wilcock FCA, who signed for and on behalf of Watson Buckle Limited.

Bowater Building Products Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Reclassification of comparative amounts

The directors have reclassified exceptional income of £400,000 which was incorrectly net off against administrative expenses in the prior year.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax.

The company recognises revenue when the significant risks and rewards of ownership have been transferred to the buyer; the company retains no continuing involvement or control over the goods; the amount of revenue can be measured reliably and it is probable that future economic benefits will flow to the entity.

Contract revenue recognition

In the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be ascertained with reasonable certainty.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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Notes to the Financial Statements for the Year Ended 31 December 2018

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar asset. Such assets are subsequently carried at amortised cost using the effective interest method.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

3 Staff numbers

The average number of persons employed by the company (including the director) during the year was 16 (2017 - 18).

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Notes to the Financial Statements for the Year Ended 31 December 2018

4 Exceptional income

The exceptional income of £500,000 (2017 - £400,000) relates to the write off of an inter company loan.

5 Investments

	2018 £	2017 £
Investments in subsidiaries	<u>8</u>	<u>8</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2018		<u>8</u>
Carrying amount		
At 31 December 2018		<u>8</u>
At 31 December 2017		<u>8</u>

6 Debtors

	2018 £	2017 £
Trade debtors	524,330	834,396
Other debtors	39,202	21,199
Prepayments	11,840	18,762
Gross amount due from customers for contract work	<u>1,413,050</u>	<u>1,120,372</u>
	<u>1,988,422</u>	<u>1,994,729</u>

7 Creditors

	2018 £	2017 £
Due within one year		
Trade creditors	696,615	939,049
Amounts owed to group undertakings	1,794,871	1,424,019
Taxation and social security	12,345	14,522
Accruals and deferred income	<u>20,371</u>	<u>10,057</u>
	<u>2,524,202</u>	<u>2,387,647</u>

Bowater Building Products Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

8 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £12,451 (2017 - £1,712). This financial commitment is in respect of an operating lease.

The total amount of guarantees not included in the balance sheet is £7,795,000 (2017 - £7,150,000). As at 31 December 2018 the company together with its parent undertaking and fellow subsidiaries are party to cross guarantees under group banking arrangements with RBS plc. The group cross guarantee is secured by a debenture over all assets of the company.

10 Parent and ultimate parent undertaking

The company's immediate parent is Veka Plc, incorporated in England and Wales. The registered address of Veka Plc is Farrington Road, Burnley, Lancashire, BB11 5DA.

On 5 February 2019 the immediate parent became Sash UK Limited upon sale of the company by Veka Plc. The registered address of Sash UK Limited is Ferrymoor Way, Park Springs Grimethorpe, Barnsley, South Yorkshire, S72 7BN.

11 Non adjusting events after the financial period

On 5 February 2019 the company allotted 1,900,000 £1 ordinary shares via a non-cash consideration by capitalisation of an inter-company loan account. On this date the company became a wholly owned subsidiary of Sash UK Limited.

The COVID-19 pandemic has led to a significant shut-down of both social and economic activity in the UK and in many other countries around the globe. The Directors monitor developments with regard to the COVID-19 virus on a daily basis. Fundamental uncertainty still exists as to the time frame of a return to normal trading conditions and consequently it is not possible to estimate the financial affect of COVID-19 at this stage.

Following the year end, its parent company has gone into administration and support is therefore in doubt. Material uncertainties related to events or conditions therefore exist after the year end which cast significant doubt upon the entity's ability to continue as a going concern.