

REGISTRAR COPY

Registered number: 01520736

PADIHAM GLASS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018



PADIHAM GLASS LIMITED
REGISTERED NUMBER: 01520736

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	692,753	840,621
Current assets			
Stocks		228,544	254,184
Debtors	5	869,291	1,400,384
Cash at bank and in hand	6	59,568	35,090
		<u>1,157,403</u>	<u>1,689,658</u>
Creditors: amounts falling due within one year	7	<u>(1,818,589)</u>	<u>(2,004,953)</u>
Net current liabilities		(661,186)	(315,295)
Total assets less current liabilities		31,567	525,326
Creditors: amounts falling due after more than one year	8	(192,238)	(252,088)
Provisions for liabilities			
Deferred tax	11	-	(44,675)
		<u>-</u>	<u>(44,675)</u>
Net (liabilities)/assets		(160,671)	228,563
Capital and reserves			
Called up share capital		5,000	5,000
Capital redemption reserve		15,000	15,000
Profit and loss account		(180,671)	208,563
		<u>(160,671)</u>	<u>228,563</u>

PADIHAM GLASS LIMITED
REGISTERED NUMBER: 01520736

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P J Brown
Director

Date: 26-6-19

The notes on pages 3 to 11 form part of these financial statements.

PADIHAM GLASS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

Padiham Glass Limited is a private company limited by shares incorporated in England and Wales, registered number 01520736. The registered office and principal place of business is Unit 10A, Glastec Centre, Shuttleworth Mead Business Park, Padiham, Lancashire.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company made a loss in the current and previous financial year and, as at 30 September 2018, has liabilities exceeding its assets.

On 3 May 2018, the holding company of Padiham Glass Limited, Padiham Glass Holdings Limited, was acquired by Lilliput Glass Holdings Limited, a wholly owned subsidiary of Lilliput Holdings Limited, which has indicated a willingness to provide financial support should it be required.

After consideration, the directors have decided that it continues to be appropriate to prepare the accounts on a Going Concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold land and buildings	- 33% straight line or over the period of the lease
Plant and machinery	- 10% to 20% - straight line basis
Motor vehicles	- 25% - reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 90 (2017 - 95).

PADIHAM GLASS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

4. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 October 2017	34,560	3,171,152	161,978	3,367,690
Additions	-	60,673	20,500	81,173
Disposals	-	(1,701,776)	(17,300)	(1,719,076)
At 30 September 2018	34,560	1,530,049	165,178	1,729,787
Depreciation				
At 1 October 2017	27,405	2,381,322	118,342	2,527,069
Charge for the year	7,155	198,584	14,837	220,576
Disposals	-	(1,696,390)	(14,221)	(1,710,611)
At 30 September 2018	34,560	883,516	118,958	1,037,034
Net book value				
At 30 September 2018	-	646,533	46,220	692,753
At 30 September 2017	7,155	789,830	43,636	840,621

5. Debtors

	2018 £	2017 £
Trade debtors	794,282	1,295,067
Amounts owed by group undertakings	-	15,679
Other debtors	-	4,000
Prepayments and accrued income	75,009	85,638
	869,291	1,400,384

PADIHAM GLASS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

6. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>59,568</u>	<u>35,090</u>

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	41,950	59,217
Trade creditors	756,706	748,293
Amounts owed to group undertakings	10,021	-
Other taxation and social security	193,791	176,022
Obligations under finance lease and hire purchase contracts	116,435	122,171
Other creditors	606,672	743,036
Accruals and deferred income	93,014	156,214
	<u>1,818,589</u>	<u>2,004,953</u>

Included in other creditors is £546,004 (2017 - £729,676) which relates to an invoice discounting facility which is secured on certain trade debtors.

Obligations under HP and finance leases are secured on the assets to which they relate.

The bank loan is secured by a debenture on the assets of the Company.

8. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	72,419	25,113
Net obligations under finance leases and hire purchase contracts	85,053	187,913
Government grants received	34,766	39,062
	<u>192,238</u>	<u>252,088</u>

Obligations under HP and finance leases are secured on the assets to which they relate.

The bank loan is secured by a debenture on the assets of the Company.

PADIHAM GLASS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

9. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Falling due within one year	41,950	59,217
Falling due in more than one year	72,419	25,113
	<u>114,369</u>	<u>84,330</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	122,868	136,944
Between 1-5 years	106,060	231,221
	<u>228,928</u>	<u>368,165</u>

11. Deferred taxation

	2018 £	2017 £
At beginning of year	44,675	67,575
Charged to profit or loss	44,675	22,900
At end of year	<u>-</u>	<u>44,675</u>

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>-</u>	<u>44,675</u>

PADIHAM GLASS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions totalling £3,412 (2017 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

13. Transactions with directors

At the start of the year the Company was owed £4,000 by the directors (2017 - £9,000). During the year the directors received further advances of £Nil (2017 - £80,000) and made repayments of £4,000 (2017 - £85,000). The loan was unsecured, interest free and repayable on demand.

14. Related party transactions

The Company has taken advantage of the provisions available in FRS 102 not to report transactions with 100% owned group companies.

15. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2018 was unqualified.

The audit report was signed by Richard Powell BA FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.