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Company Registration No. 03026433 (England and Wales)

**CRITTALL HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**



# CRITTALL HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J H Pyatt G J Eyles R J Ager
<b>Company number</b>	03026433
<b>Registered office</b>	Francis House Freebournes Road Witham Essex CM8 3UN
<b>Auditor</b>	HW Fisher Acre House 11-15 William Road London NW1 3ER United Kingdom
<b>Business address</b>	Francis House Freebournes Road Witham Essex CM8 3UN
<b>Bankers</b>	Natwest Bank Plc 100 The Crescent Colchester Business Park Colchester Essex CO4 9GN

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# CRITTALL HOLDINGS LIMITED

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# **CRITTALL HOLDINGS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present the strategic report for the year ended 31 March 2019.

#### **Fair review of the business**

Turnover increased significantly from last year's figures by 6.7% to £19.614M (2017/18 - £18.372M). Profit for the year before tax was £275K at 1.4% of Sales (2017/18 – loss of £870K at 4.7% of sales). Results were impacted in 2017/18 by first year losses of the newly incorporated Crittall-Fendor Limited since April 2017 which was significantly impacted by post acquisition costs following the purchase of the trade and assets of Crittall-Fendor Limited in administration and its integration into the Crittall Holdings Limited group, including the subsequent costs of merging this business with that of the Crittall Fabrications Limited business into one legal trading entity.

Gross Profit decreased in absolute terms by £197K to £5.2M (2017/18 - £5.397M). In percentage terms it reduced slightly to 26.5% (2017/18 - 29.4%) continuing pressure on labour and material costs had a detrimental effect on margins, however this was partially offset by improving efficiencies in both our factories. Improved controls over on-site installation works continues into 2019/20 with positive effect.

During 2018/19 our cash resources at bank reduced in absolute terms by £898K to £1.207M. The Group continues to invest strategically in 2018/19 and beyond, whilst managing debt repayments of the PPF Loan Notes. During the year the Group funded the acquisition of the trade of Crittall-Fendor Limited and supplied its initial working capital whilst continuing to support the other recently acquired subsidiary Crittall Fabrications Limited and eventually merged these businesses in April 2019 into Crittall-Fendor Limited as the on-going trading entity.

The company continues to update its IT facilities to further enhance financial analysis and commercial control of the business and give our employees access to latest technologies. On-going further IT infrastructure improvement continues with projects to upgrade ERP due to go live in April 19 and Product configurator software including Financials, Manufacturing Design & Drafting, Estimating, and CRM integrated across the product range. These projects will have a marked impact on operational efficiency and enable improved consolidation of group results.

The group continues to care for its effect on the environment by reviewing energy utilization and the recycling of waste products as part of general routine management in accordance with its ISO 9001 Quality and ISO 14001 Environmental Standard systems.

#### **Principal risks and uncertainties**

The Directors recognise that within the business there are a number of risks which may affect the performance of the group. These risks are subject to regular review and where appropriate processes are established to minimise the level of exposure

#### **Strategic planning**

The business continues to transition into a more diverse manufacturer of steel fenestration, with the introduction of several new products and enhancements of existing products planned for 2019/20, allowing it to extend its already strong brand and market position in both its UK and Export markets.

The strategic business plan linked to key business improvements continues to be updated to further improve operating efficiency and profitability from factory and on-site operation perspective in all group companies.

# CRITTALL HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2019**

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### Market

Current order prospects in the UK remain strong with a number of major projects currently being tendered but the decision making process remains lengthy not helped by Brexit effect with decisions to commence projects delayed often leading to restricted on-site programmes.

In the USA we continue to be one of the two major players in our niche market. The strength of the US Dollar against Sterling continues to help margins slightly and we remain competitive in this major overseas market. Foreign exchange hedging instruments are used where certainty of cash flows make it possible to minimise financial risk and online software trading at spot rates is available to take advantage of beneficial rate movements. We continue to develop this market sector with dedicated Account Management and increased regularity of Client and Architect interaction from the UK.

In the UK domestic market our network of Crittall Windows Specialists continue to find greater opportunities as domestic homeowners begin to have slightly more disposable income and aspirations to develop their properties in line with modern interpretation of the Crittall brand and its products uses. Expansion of our network in numbers of Crittall Window Specialists outlets enable more penetration of the UK domestic residential markets. A new modern website aimed at all major sectors of our market continues to be developed to incorporate the traditional Crittall products and all new product initiatives as well as the specialist section serviced by Crittall-Fendor Limited which provides a conduit to several new markets both in the new build and refurbishment sectors, in specialist areas high on the economic and political agendas such as security in the Mental Health, Prison and Custodial sectors, as well as Blast and Ballistic proof windows and doors for security and petrochemical installations and specialist Fire Rated installations.

### Overheads

Headcount during period increased from an average of 180 to 244 due primarily to the integration of Crittall-Fendor Limited staff from April 2018 and the increase in temporary labour and staff re-structuring to implement new systems and develop new products including some planned changes to establishment whilst working positively toward our strategic goals.

### Pension scheme deficit funding

During April 2013 the group completed a Regulated Apportionment Arrangement (RAA) with the Trustees of the Crittall Pension Plan, a defined pension benefit scheme (CPP) and The Pensions Protection Fund (PPF), with the agreement of The Pensions Regulator (TPR).

As part of the transaction the group entered into Loan Notes which were provided by the group to CPP/PPF in the sum of £2.0M to be repaid between 2017 and 2021. Crittall Holdings Limited also transferred 33% of the equity share capital of Crittall Window Limited to the CPP/PPF as part of the RAA. The first three instalments have now been paid reducing the balance on the Loan Notes to £1.2M. The fourth £400K tranche of the Loan Notes was paid on time in April 2019 reducing the balance on the Loan Notes to £0.8M. Scheduled repayments are factored into the Cash Flows of the business going forward, from both future cash generation and current cash reserves.

### Working capital

Cash and working capital management remains a major priority for the focus of the whole management board and their respective teams and is closely scrutinised on a daily basis. Overdraft facilities put in place in CWL since 2007 with our Bankers NatWest Bank Plc have not been required to be called upon and remain in place to further underpin the financial stability of the group, the facility previously partly guaranteed by the Directors and a major shareholder is now no longer secured by guarantees, having reached agreement with our Bankers on the back of several years successful trading to release these requirements. Support in terms of Inter Company Loans to fellow Subsidiary Crittall-Fendor Limited is under constant surveillance as we work with their Management to bring the new Business into a profitable state to add to the wider development of the Crittall Brand.

# CRITTALL HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2019**

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### Financial risk

The group is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets may not be sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk, interest rate risk, foreign currency risk and liquidity risk. Credit risks are mitigated by rigorous credit checking and reporting of all clients using online Experian credit reports and Companies House information. Where possible foreign currency predominantly sale of US Dollars and purchases of Euros is hedged forward where cash flows are reasonably certain via bankers RBS with advice from their Foreign Exchange desk and liquidity risk is managed by routine daily monitoring of cash flows backed by bank deposits underpinned by overdraft facilities. Detailed three month forward cash flows are also updated on a weekly basis.

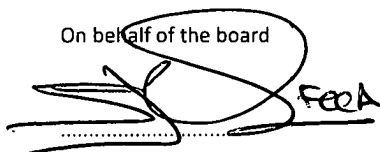
### Health and safety

Ensuring the health and safety of all our employees continues to be central to the culture of the group as a responsible employer. The Health & Safety Committee and the Board pay particular attention to ensuring that we continually strive to improve occupational health and safety in the workplace. Where accidents do occur they are fully investigated and corrective measures are taken, in particular, raising the level of training and support available to staff and reinforcing strong positive attitude to health and safety at all levels in the group.

### Key performance indicators

Key Performance Indicators are provided to the management board on a monthly basis, covering liquidity, new orders, profitability, debtor and creditor management and inventory turnover. Each is considered in turn as part of strict working capital management against budgeted target levels and to ensure progress of the business activities and drivers.

On behalf of the board



G J Eyles

Director

20/12/2019

# CRITTALL HOLDINGS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present their report and financial statements for the period to 31 March 2019.

### Principal activities

The principal activity of the company continues to be that of a holding company. The principal activity of the group continues to be that of the design, manufacture, supply and installation of steel windows and related products.

### Directors

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

J H Pyatt

G J Eyles

R J Ager

S I Judge

(Resigned 31 October 2018)

### Results and dividends

The results for the year are set out on page 8.

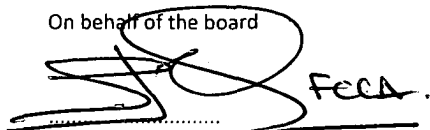
### Auditor

The auditor, HW Fisher, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.

On behalf of the board

A handwritten signature in black ink, appearing to be 'G J Eyles', with a horizontal line underneath it.

G J Eyles

Director

Date: 20/12/2019

# CRITTALL HOLDINGS LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2019**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# CRITTALL HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF CRITTALL HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Crittall Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2019 and of the group's profit 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# CRITTALL HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CRITTALL HOLDINGS LIMITED

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### Matters on which we are required to report by exception

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

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

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

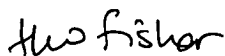
### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Gilles Siow (Senior Statutory Auditor)  
for and on behalf of HW Fisher

Chartered Accountants  
Statutory Auditor

Acre House  
11-15 William Road  
London  
NW1 3ER  
United Kingdom

.....23/12/2019

# CRITTALL HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £'000	2018 £'000
Turnover	3	19,614	18,372
Cost of sales		(14,414)	(13,176)
<b>Gross profit</b>		<b>5,200</b>	<b>5,196</b>
Distribution costs		(1,954)	(1,465)
Administrative expenses		(2,927)	(4,554)
<b>Operating profit/(loss)</b>	<b>4</b>	<b>319</b>	<b>(823)</b>
Interest receivable and similar income	8	2	14
Interest payable and similar expenses	9	(46)	(61)
<b>Profit/(loss) before taxation</b>		<b>275</b>	<b>(870)</b>
Tax on profit/(loss)	10	-	-
<b>Profit/(loss) for the financial year</b>		<b>275</b>	<b>(870)</b>
Profit/(loss) for the financial year is attributable to:			
- Owners of the parent company		118	(1,119)
- Non-controlling interests		157	249
		<b>275</b>	<b>(870)</b>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		118	(1,119)
- Non-controlling interests		157	249
		<b>275</b>	<b>(870)</b>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

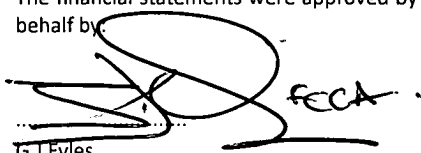
# CRITTALL HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	12		396		366
Tangible assets	13		848		1,042
			<u>1,244</u>		<u>1,408</u>
<b>Current assets</b>					
Stocks	17	837		714	
Debtors	18	2,127		1,890	
Cash at bank and in hand		1,207		2,105	
		<u>4,171</u>		<u>4,709</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(4,541)</u>		<u>(4,793)</u>	
<b>Net current liabilities</b>			<u>(370)</u>		<u>(84)</u>
<b>Total assets less current liabilities</b>			874		1,324
<b>Creditors: amounts falling due after more than one year</b>	22		(879)		(1,331)
<b>Accruals and deferred income</b>	24		<u>(742)</u>		<u>(1,015)</u>
<b>Net liabilities</b>			<u>(747)</u>		<u>(1,022)</u>
<b>Capital and reserves</b>					
Called up share capital	26		7,004		7,004
Other reserves			(601)		-
Profit and loss reserves			<u>(7,560)</u>		<u>(8,279)</u>
<b>Equity attributable to owners of the parent company</b>			<u>(1,157)</u>		<u>(1,275)</u>
<b>Non-controlling interests</b>			410		253
			<u>(747)</u>		<u>(1,022)</u>

The financial statements were approved by the board of directors and authorised for issue on 25/12/2019 and are signed on its behalf by

  
GJ Eyles  
Director

# CRITTALL HOLDINGS LIMITED

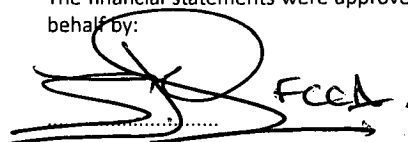
## COMPANY BALANCE SHEET

AS AT 1 APRIL 2019

	Notes	2019 £'000	£'000	2018 £'000	£'000
<b>Fixed assets</b>					
Investments	14		11		11
<b>Current assets</b>					
Debtors	18	3		3	
Creditors: amounts falling due within one year	19	(11)		(11)	
<b>Net current liabilities</b>			(8)		(8)
<b>Total assets less current liabilities</b>			3		3
<b>Capital and reserves</b>					
Called up share capital	26		7,004		7,004
Profit and loss reserves			(7,001)		(7,001)
<b>Total equity</b>			3		3

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £Nil (2018: profit of £Nil).

The financial statements were approved by the board of directors and authorised for issue on 20/12/2019 and are signed on its behalf by:

  
G J Eyles  
Director

Company Registration No. 03026433

# CRITTALL HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Other reserves	Profit and loss reserves	Total controlling interest	Non- controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2017	7,004	-	(7,160)	(156)	4	(152)
Year ended 31 March 2018:						
Loss and total comprehensive income for the year	-	-	(1,119)	(1,119)	249	(870)
Balance at 31 March 2018	7,004	-	(8,279)	(1,275)	253	(1,022)
Year ended 31 March 2019:						
Profit and total comprehensive income for the year	-	-	118	118	157	275
Transfers	-	(601)	601	-	-	-
Balance at 31 March 2019	7,004	(601)	(7,560)	(1,157)	410	(747)

# CRITTALL HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 MARCH 2019**

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	Share capital	Profit and loss reserves	Total
	£'000	£'000	£'000
Balance at 1 April 2017	7,004	(7,001)	3
	<hr/>	<hr/>	<hr/>
Year ended 31 March 2018:			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	7,004	(7,001)	3
	<hr/>	<hr/>	<hr/>
Year ended 31 March 2019:			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	7,004	(7,001)	3
	<hr/>	<hr/>	<hr/>

# CRITTALL HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

		2019		2018	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	30		(269)		(448)
Interest paid			(46)		(61)
Income taxes paid			-		(4)
<b>Net cash outflow from operating activities</b>			(315)		(513)
<b>Investing activities</b>					
Purchase of business		-		(795)	
Purchase of intangible assets		(73)		(262)	
Purchase of tangible fixed assets		(55)		(292)	
Proceeds on disposal of tangible fixed assets		-		3	
Interest received		2		14	
<b>Net cash used in investing activities</b>			(126)		(1,332)
<b>Financing activities</b>					
Repayment of borrowings		(400)		(400)	
Payment of finance leases obligations		(57)		(50)	
<b>Net cash used in financing activities</b>			(457)		(450)
<b>Net decrease in cash and cash equivalents</b>			(898)		(2,295)
Cash and cash equivalents at beginning of year			2,105		4,400
<b>Cash and cash equivalents at end of year</b>			1,207		2,105



# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Company information

Crittall Holdings Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The registered office is Francis House, Freebournes Road, Witham, Essex, CM8 3UN.

The Group consists of Crittall Holdings Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £Nil (2018: profit of £Nil).

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

##### 1.2 Basis of consolidation

The consolidated financial statements incorporate those of Crittall Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

##### 1.3 Going concern

The group made profit of £275,000 during the year and the balance sheet showed a deficit of £747,000. Following the acquisitions and restructuring of Crittall Fabrications and Crittall-Fendor businesses in recent years, the group has started to see the benefits of a leaner management structure, a more effective contracting process and new work which has seen the group return to profitability.

At the time of approving the financial statements, the directors have considered the business environment under which the group, of which its subsidiary Crittall Windows Limited accounts for a significant part, operates. The directors are of the opinion that Crittall Windows Limited, and hence the group, will have adequate resources to continue their operational existence for the foreseeable future. The directors have prepared forecasts and are of the opinion that the group will be generating sufficient profits and positive cashflows so that it will be able to settle its liabilities as they fall due. Thus the directors have adopted the going concern basis of accounting in preparing the financial statements

##### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue 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 dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from work completed under contracts is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% per annum straight line
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Intellectual property acquired on business combinations is recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Over the life of the lease
Plant, machinery and motor vehicles	Between 3 and 15 years straight line
Fixtures, fittings & equipment	Between 3 and 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

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#### 1 Accounting policies

(Continued)

##### *Basic financial liabilities*

Basic financial liabilities, including creditors and bank loans 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

The company operates a defined contribution scheme under the automatic enrolment legislation for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

(Continued)

#### 1.17 Contract costs

Costs incurred from work completed under contract are recognised by reference to the stage of completion. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

An asset is recognised for amounts due from customers for contract work where the contract costs incurred plus recognised profits net of losses exceed progress billings. A liability is recognised for amounts due to customers for contract work where progress billings exceed contract costs incurred plus recognised profits net of losses. Negative balances are not offset against positive work-in-progress balances on other contracts.

#### 1.18 Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Stock provision**

Inventories are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions require judgements to be made, which include forecasting consumer demand, competitive and economic environment and inventory loss trends.

#### **Trade receivable impairment**

Trade receivables are stated at transaction price less provisions for any debts that are not deemed to be recoverable. Calculations of these provisions require judgements to be made, which include the likelihood of receiving the monies owed, the situation of the customer and any other external factors which may affect the ability to pay.

#### **Deferred tax assets**

The recognition of deferred tax assets are based on whether it is more than likely that there will be sufficient taxable profits available in the future against which the reversal of temporary difference can be deducted. To determine the future taxable profits, reference will be made to the latest forecasts for the group. Judgement is required to determine whether the asset can be recognised based on the information available.

#### **Key sources of estimation uncertainty**

The key sources of estimation uncertainty which have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are;

#### **Fixing and rectification accruals**

The group make provisions for snagging costs to be incurred with regards to contract work. It also makes a provision for further rectification required to remediate defective products. The rectification provision at year end is £44,000 (2018: £225,000). Based on the situation of the snagging and rectification work, the amount of provisions required is estimated and reviewed throughout the snagging process.

#### **Legal costs accrual**

The group is exposed to litigation costs arising from current and former employees in respect of matters such as work-related injury and illnesses. Calculation of the provisions is based on an assessment of the situation and likelihood of the claims being made and consulting with the company's legal and professional advisers. The legal cost accrual at year end is £60,000 (2018: £100,000).

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 £'000	2018 £'000
<b>Turnover analysed by class of business</b>		
Sale of goods	9,879	9,241
Revenue from contract customers	9,207	8,664
Commissions and other receipts	528	467
	<u>19,614</u>	<u>18,372</u>

	2019 £'000	2018 £'000
<b>Other significant revenue</b>		
Interest income	2	14
	<u>2</u>	<u>14</u>

	2019 £'000	2018 £'000
<b>Turnover analysed by geographical market</b>		
United Kingdom	18,480	17,639
Rest of the world	1,134	733
	<u>19,614</u>	<u>18,372</u>

### 4 Operating profit/(loss)

	2019 £'000	2018 £'000
Operating profit/(loss) for the year is stated after charging:		
Depreciation of owned tangible fixed assets	210	163
Depreciation of tangible fixed assets held under finance leases	39	39
Amortisation of intangible assets	43	7
Impairment of intangible assets	-	375
Cost of stocks recognised as an expense	6,919	6,286
Operating lease charges	686	761
	<u>686</u>	<u>761</u>



# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 5 Auditor's remuneration

	2019 £'000	2018 £'000
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	4	4
Audit of the financial statements of the company's subsidiaries	45	39
	<u>49</u>	<u>43</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Production	140	166	-	-
Distribution, sales and marketing	37	31	-	-
Contract management and administration	45	47	-	-
	<u>222</u>	<u>244</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Wages and salaries	6,656	6,911	-	-
Social security costs	645	695	-	-
Pension costs	132	121	-	-
	<u>7,433</u>	<u>7,727</u>	<u>-</u>	<u>-</u>

### 7 Directors' remuneration

	2019 £'000	2018 £'000
Remuneration for qualifying services	348	441
Company pension contributions to defined contribution schemes	8	8
	<u>356</u>	<u>449</u>

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

<b>7</b>	<b>Directors' remuneration</b>	<b>(Continued)</b>	
	Remuneration disclosed above includes the following amounts paid to the highest paid director:		
		<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Remuneration for qualifying services	115	135
	Company pension contributions to defined contribution schemes	3	2
		<u>          </u>	<u>          </u>
	The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 5).		
<b>8</b>	<b>Interest receivable and similar income</b>	<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Interest income		
	Other interest income	2	14
		<u>          </u>	<u>          </u>
<b>9</b>	<b>Interest payable and similar expenses</b>	<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Interest on bank overdrafts and loans	2	10
	Interest on finance leases and hire purchase contracts	34	13
	Other interest on financial liabilities	10	38
		<u>          </u>	<u>          </u>
	Total finance costs	46	61
		<u>          </u>	<u>          </u>
<b>10</b>	<b>Taxation</b>		
	The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:		
		<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Profit/(loss) before taxation	275	(870)
		<u>          </u>	<u>          </u>
	Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	52	(165)
	Tax effect of expenses that are not deductible in determining taxable profit	2	(149)
	Unutilised tax losses carried forward	-	298
	Change in unrecognised deferred tax assets	(56)	-
	Permanent capital allowances in excess of depreciation	2	(23)
	Amortisation on assets not qualifying for tax allowances	-	52
	Other tax adjustments	-	(13)
		<u>          </u>	<u>          </u>
	Taxation charge	-	-
		<u>          </u>	<u>          </u>

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019 £'000	2018 £'000
In respect of:			
Goodwill	12	-	100
Intangible assets	12	-	275
		<u>          </u>	<u>          </u>
Recognised in:			
Administrative expenses		-	375
		<u>          </u>	<u>          </u>

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

#### 12 Intangible fixed assets

Group	Goodwill £'000	Software £'000	Intellectual Property £'000	Total £'000
<b>Cost</b>				
At 1 April 2018	100	373	275	748
Additions	-	73	-	73
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2019	100	446	275	821
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation and impairment</b>				
At 1 April 2018	100	7	275	382
Amortisation charged for the year	-	43	-	43
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2019	100	50	275	425
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>				
At 31 March 2019	-	396	-	396
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2018	-	366	-	366
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company had no intangible fixed assets at 31 March 2019 or 31 March 2018.

More information on the impairment arising in the year is given in note 11.

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 13 Tangible fixed assets

Group	Leasehold improvements	Plant and machinery and motor vehicles	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 April 2018	184	3,045	88	3,317
Additions	2	53	-	55
Disposals	-	(27)	-	(27)
At 31 March 2019	186	3,071	88	3,345
<b>Depreciation and impairment</b>				
At 1 April 2018	123	2,131	21	2,275
Depreciation charged in the year	19	208	22	249
Eliminated in respect of disposals	-	(27)	-	(27)
At 31 March 2019	142	2,312	43	2,497
<b>Carrying amount</b>				
At 31 March 2019	44	759	45	848
At 31 March 2018	61	914	67	1,042

The company had no tangible fixed assets at 31 March 2019 or 31 March 2018.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £39,000 (2018: £39,000) for the year.

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Plant and machinery and motor vehicles	227	266	-	-
Depreciation charge for the year in respect of leased assets	39	39	-	-

#### 14 Fixed asset investments

	Notes	Group		Company	
		2019	2018	2019	2018
		£'000	£'000	£'000	£'000
Investments in subsidiaries	15	-	-	11	11

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2019

#### 14 Fixed asset investments (Continued)

Movements in fixed asset investments	Shares in group undertakings
Company	£'000
<b>Cost or valuation</b>	
At 1 April 2018 and 31 March 2019	4,823
<b>Impairment</b>	
At 1 April 2018 and 31 March 2019	4,812
<b>Carrying amount</b>	
At 31 March 2019	11
At 31 March 2018	11

#### 15 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
				Direct Indirect
Crittall Fabrications Limited	Francis House, Freebournes Road, Witham, Essex, CM8 3UN	Fabrication of specialist steel glazing systems and doorsets	Ordinary shares	100
Crittall Windows Limited	Francis House, Freebournes Road, Witham, Essex, CM8 3UN	Design, manufacture, supply and installation of steel windows and related products	Ordinary shares	67
Crittall-Fendor Limited	Francis House, Freebournes Road, Witham, Essex, United Kingdom, CM8 3UN	Manufacturing and installation of specialist windows for high security establishments	Ordinary Shares	100

#### 16 Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,258	895	n/a	n/a
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	4,949	6,621	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 17 Stocks

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Raw materials and consumables	406	305	-	-
Work in progress	332	344	-	-
Finished goods and goods for resale	99	65	-	-
	<u>837</u>	<u>714</u>	<u>-</u>	<u>-</u>

During the year the group recognised impairment losses of £nil (2018: £327,000) relating to items of stock.

### 18 Debtors

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	1,251	892	-	-
Gross amounts owed by contract customers	323	413	-	-
Amounts owed by group undertakings	-	-	3	3
Other debtors	7	13	-	-
Prepayments and accrued income	546	572	-	-
	<u>2,127</u>	<u>1,890</u>	<u>3</u>	<u>3</u>

### 19 Creditors: amounts falling due within one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£'000	£'000	£'000	£'000
Obligations under finance leases	21	51	56	-	-
Other borrowings	20	400	400	-	-
Trade creditors		2,726	2,562	-	-
Gross amounts owed to contract customers		404	769	-	-
Amounts owed to group undertakings		-	-	11	11
Other taxation and social security		471	518	-	-
Other creditors		489	488	-	-
		<u>4,541</u>	<u>4,793</u>	<u>11</u>	<u>11</u>

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 20 Loans and overdrafts

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Loan notes	1,200	1,600	-	-
Payable within one year	400	400	-	-
Payable after one year	800	1,200	-	-

Loan notes totalling £1,200,000 are secured by way of a fixed and floating charge over the assets of the group and rank subordinate to the bank overdraft facility. The loan notes are repayable in £400,000 instalments annually between April 2017 and April 2021. Interest on the loan notes is charged on the outstanding amounts, including accumulated interest, at the rate of 2% over LIBOR and are payable quarterly in arrears commencing after the bank loans have been repaid.

### 21 Finance lease obligations

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Future minimum lease payments due under finance leases:				
Within one year	57	66	-	-
In two to five years	85	142	-	-
	142	208	-	-
Less: future finance charges	(12)	(21)	-	-
	130	187	-	-

Finance lease payments represent rentals payable by the group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance lease obligations are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Current liabilities	51	56	-	-
Non-current liabilities	79	131	-	-
	130	187	-	-

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 22 Creditors: amounts falling due after more than one year

		Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
	Notes				
Loan notes	20	800	1,200	-	-
Obligations under finance leases	21	79	131	-	-
		<u>879</u>	<u>1,331</u>	<u>-</u>	<u>-</u>

### 23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £'000	Liabilities 2018 £'000	Assets 2019 £'000	Assets 2018 £'000
Group				
Accelerated capital allowances	-	-	-	-
Tax losses	-	-	1,593	1,610
Other timing differences	-	-	168	234
Unprovided	-	-	(1,761)	(1,844)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Deferred tax is not recognised in respect of tax losses and other reliefs where it is not certain that they can be recovered.

### 24 Accruals and deferred income

	Group 2019 £'000	2018 £'000	Company 2019 £'000	2018 £'000
Accruals	742	1,015	-	-
	<u>742</u>	<u>1,015</u>	<u>-</u>	<u>-</u>

Accruals and deferred income represent items which are expected to settle within one year.



# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 25 Retirement benefit schemes

	2019	2018
	£'000	£'000
Defined contribution schemes		
Charge to profit and loss in respect of defined contribution schemes	132	121
	<u>132</u>	<u>121</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 26 Share capital

	Group and company	
	2019	2018
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
6,641,911 A Ordinary shares of £1 each	6,642	6,642
2,999,000 B Ordinary shares of £0.001 each	3	3
359,089 A Non-voting shares of £1 each	359	359
	<u>7,004</u>	<u>7,004</u>

### 27 Financial commitments, guarantees and contingent liabilities

Crittall Windows Limited has provided a letter of comfort to its fellow subsidiary company, Crittall-Fendor Limited, to assist that company in meeting their liabilities as and when they fall due, to the extent that money is not available to Crittall-Fendor Limited to meet such liabilities.

The Board of the Pension Protection Fund, which owns 33% of Crittall Windows Limited, a subsidiary, has a legal fixed and floating charge over the assets of Crittall Fabrications Limited and Crittall-Fendor Limited fellow subsidiaries, in respect of a loan of £660,000 made by Crittall Windows Limited to Crittall Fabrications Limited and Crittall-Fendor Limited.

### 28 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Within one year	778	780	-	-
Between two and five years	1,202	1,724	-	-
	<u>1,980</u>	<u>2,504</u>	<u>-</u>	<u>-</u>

# CRITTALL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 29 Related party transactions

The remuneration of key management personnel is given in note 7.

### 30 Cash generated from group operations

	2019 £'000	2018 £'000
Profit/(loss) for the year after tax	275	(870)
Adjustments for:		
Finance costs	46	61
Investment income	(2)	(14)
Amortisation and impairment of intangible assets	43	382
Depreciation and impairment of tangible fixed assets	249	202
(Decrease)/increase in deferred income	(273)	281
Movements in working capital:		
(Increase)/decrease in stocks	(123)	87
(Increase) in debtors	(247)	(552)
(Decrease) in creditors	(237)	(25)
Cash absorbed by operations	(269)	(448)