Anglian Home Improvements Group Limited

Annual Report

Period ended 31 March 2018
Registered number 09905204

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Strategic Report

Principal Activities

The Group sells, manufactures and installs a wide range of home improvement products designed to improve the properties of its customers from an aesthetic, security and energy efficiency point of view. These products include windows, doors (including bifold and garage doors), conservatories, rooftrim, garage conversions and driveways.

In addition to its presence in the retail market, the Group also supplies windows and doors to the social housing refurbishment market where it is the market leading supplier to many local authorities, housing associations and contractors. The Group is also doing increasing amounts of external wall insulation work which significantly enhances the thermal efficiency of properties.

Objectives

The Group's objective is to continue to sell its core products into its two main markets. It intends to increase its market share by focussing on the geographic areas within the UK in which it has been traditionally weaker, and by investing further in new product development to ensure that its products are industry leading and are continuing to meet customers' needs.

Key Strategies

The Group reviews its strategy on a regular basis to ensure it remains appropriate to achieve its objectives. A full strategic review was carried out following the acquisition of the Group by Alchemy in December 2015 and this review has been updated by management in response to the changing environment the business operates in.

The strategic review concluded that the Group should continue to strive to improve levels of customer service through the quality of its products and services and through a more focussed regional approach. The Group has made significant investment in its customer service infrastructure and continues to drive for increased profitability as an outcome of better service delivery.

Principal Risks and Uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key risks are set out below. The board reviews risks and ensures appropriate processes are put into place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group.

Customer Service, Brand and Reputation

The Group operates in a competitive market and therefore it is vital that the Group meets customers' expectations. In order to mitigate this risk the board monitors a number of service measures on an ongoing basis and obtains customer feedback to understand its customers' expectations and whether their needs are being met. This risk is also limited by continual training of key workers to ensure a quality product and service is delivered together with constant monitoring of social media and other media to ensure customer issues are dealt with appropriately.

Strategic report (continued)

Principal Risks and Uncertainties (continued)

Economic and Market Risk
The economic environment can affect the performance of the Group's businesses in terms of sales and costs. Consumer confidence is one of the key drivers of the level of sales in the short term. Through development of its product range and investment in price promotions, quality and good service levels, the Group works to ensure that it delivers value for all customers. External cost pressures can also impact the business although the Group seeks to mitigate the impact of these cost pressures on its customers and the Group's overall profitability through the delivery of cost and efficiency savings.

Employees
The Group's performance is significantly affected by both attracting and then retaining a high quality workforce who are key to the success of the business. Investing in training, development and incentivisation is essential to the efficiency and sustainability of the Group's operations and to delivering outstanding service levels to its customers. The Group's employment and training policies, remuneration and benefits packages are designed to be competitive with other companies, as well as providing fulfilling career opportunities.

Financial Risk Management
The Group's principal financial instruments comprise overdrafts and long term borrowings and cash and short-term deposits. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade debtors, deposits, guarantees and trade creditors, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk and liquidity risk.

Interest Rate Risk
The Group's exposure to the risk of changes in market rates relates to its overdraft, cash and short-term deposits, which have floating interest rates. The board constantly reviews interest rate expectations to assess the need to put in place hedges. All surplus funds are managed daily to ensure maximization of interest receivable or reduction in interest payable in the medium term.

Liquidity Risk
The Group's operational cash flow is largely predictable, reflecting the order cycle of the home improvements business. Short and long-term cash flow forecasts are produced frequently to assist management in identifying liquidity requirements. The Group aims to maintain a balance between continuity of funding and flexibility by ensuring that sufficient borrowing facilities are in place by reference to forecast cash flows.

Key Performance Indicators and Current Performance

The Group monitors a number of key performance indicators to ensure it maintains the standards it expects and continues to generate sufficient returns to reinvest in the company's future products and services. The main key performance indicators are customer service levels, turnover, margins, profitability and indebtedness. These items are discussed in the review of current performance set out below.

The key operational highlights for the period to 31st March 2018 are listed below.

Strategic report (continued)

Key Performance Indicators and Current Performance (continued)

The key operational highlights for the period to 31st March 2018 are listed below;

- The period has been a challenging one for the Group. The Group has completed its restructuring that started in 2015/16. The Group incurred one off costs of £2.2m (2017 £8.4m). These costs related primarily to redundancy and consultancy. Although this gives a stronger local core, overall economic conditions have become less favourable with depressed consumer confidence hitting the overall retail sector and home improvements, in particular. Orders and revenue both fell in the retail business and pressures have built on material prices and transportation costs. Whilst some of this has been passed onto the customer, it has impacted margins and overall profit. In addition, finance related costs have increased as finance commission has reduced and card collection costs have increased whilst the ability to pass these onto customers has been removed.

- Reduced consumer confidence has led to an impairment of the brand value by £1.7m.

- Overall these factors have led to an increase in the operating loss to £2.6m (2017: £1.4m). Increased financing costs have contributed to a rise in the loss before tax from £3.0m to £4.5m over the same period.

- Following the successful exit from one of its factories in 2016/17, the Group has reassessed the need for provisions relating to dilapidations for its remaining factory sites and substantially decreased those liabilities (by £2.6m) after discussions with property experts.

- The installation of significant levels of new equipment did present challenges for manufacturing in the first half of 2017/18 however the new equipment has been successfully established and is operating effectively.

- Given the factors discussed above, after adjusting for one off items and adjusting for depreciation, underlying EBITDA fell from £11.5m to £3.8m.

	Period ended 31 March 2018 £000	Period ended 1 April 2017 £000
Operating loss	(2,594)	(1,393)
Add back		
Impairment of brand value	1,700	-
Depreciation	5,082	4,454
Reassessment of factory dilapidations	(2,610)	-
One-off costs	2,207	8,445
Underlying EBITDA	**3,785**	11,505

- New orders coming into the business fell during the year to £230m (2017: £241m). Commercial orders rose however the impact on consumer confidence of the uncertainty caused by both Brexit and the loss of the government's majority meant that orders from domestic customers fell.

- Turnover fell to £228m (2017: £237m) reflecting the reduction in orders in the retail business (offset by use of pipeline) and, in the commercial business, some delays in EWI installations not allowing revenue to grow. Overall the pipeline of uninstalled orders rose to £96m from £95m. The retail pipeline fell whilst the commercial pipeline increased. The pipeline provides a good foundation for the current year.

Strategic report (continued)

Key Performance Indicators and Current Performance (continued)

The other key financial highlights for the period ended 31 March 2018 include;

- The Group invested a further £8.8m (2017: £5.4m) in capital expenditure and will continue to invest in the coming years to improve efficiency and quality. At the year end, the Group had committed to £0.7m of further expenditure primarily in respect of new manufacturing equipment and software to enhance sales.

- The Group's ultimate parent injected a further £11m of debt capital to fund the investment in plant and equipment and the Group's reorganisation. Details of the debt are set out in Note 14.

- Following the additional contributions from the ultimate parent together with investment in business improvements and in plant, cash was £7.5m in hand at the period end and the Group also had an unused overdraft facility of £5.4m. This overdraft was rolled over in June 2017 and now expires in June 2019.

Future Prospects

Clearly in the short term the UK's decision to leave the EU and the results of the recent General Election continue to create a degree of uncertainty in the economy and impact consumer spending. This will impact revenue and profitability however the strength of the Group's brand, together with its quality products and high service levels will stand the Group in good stead. In addition the Group has already entered into discussions with suppliers who have exposure overseas to work together to mitigate risks caused by currency fluctuations and potential changes in import procedures.

By order of the board

Nichd Rbt

N A Roberts

Director
Liberator Road, Norwich, NR6 6EU
22 January 2019

Directors' Report

Registered number 09905204

The directors present their Directors' Report and the audited financial statements for the period ended 31 March 2018.

Directors

The directors who served during the period were as follows:

M Gradischnig
B A McCluskie (resigned 28 November 2018)
J A Zaremba
N A Roberts (appointed 1 January 2018)
P M Bridges (resigned 31 March 2018)
J Gething (appointed 3 April 2018, resigned 25 September 2018),

Going concern

The directors have considered the factors that impact the Group's future development, performance, cash flows and financial position along with the Group's current liquidity in forming their conclusion on the applicability of the going concern basis.

Notwithstanding net current liabilities of £15,545k as at 31 March 2018, a loss for the year then ended of £4,733k and operating cash outflows for the year of £4,028k, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company and the group will have sufficient funds, through its financing facilities and if required funding from its majority stakeholder, Alchemy Special Opportunities Fund III L.P., to meet its liabilities as they fall due for that period.

Alchemy Special Opportunities Fund III L.P. has indicated its intention to continue to make available such funds as are needed by the company and the group. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company and the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Employees

The directors believe that the skilled and loyal Anglian workforce is a key asset of the business and is vital to its success. As such, the Group treats the welfare of employees as highly important and continues to invest in training and development. To this end the Group carries out surveys of its employees to assess satisfaction and identify improvement actions.

The group attaches considerable importance to keeping its employees informed of matters affecting their jobs and the progress of the business. Group communications contribute towards this purpose and are supported by various other in-house publications. The Group maintains a close dialogue with its employee representatives on all matters concerning the employees' working environment.

The Group gives sympathetic consideration to the employment of disabled people. If existing employees become disabled (whether from illness or accident) every reasonable effort is made to continue to provide suitable employment either in the same job or, after re-training, in an alternative role. Disabled people are given equal consideration for training, career development and opportunities for promotion within the Group.

Directors' report *(continued)*

Environment

The Group is one of the market leaders in the quantity of PVC which is recycled from the reprocessing of old windows removed as part of the installation of new products and is continually looking to enhance this further. The Group is committed to the provision of products and services which improve the quality of life for its customers, using working practices designed to protect the environment. The Group seeks to pursue policies aiming to:

- Integrate environmental considerations into the business, including decision making, operations, training and communications.
- Adopt environmental standards that aim to exceed legal requirements where possible.
- Minimise the use of unsustainable materials and energy, the production of waste and the impact of waste on the environment.

In recent years the Group has made significant progress in reducing its carbon footprint through the introduction of various technologies and methods to reduce energy consumption.

Research and Development

The Group undertakes research and development activities to suit its particular markets and product needs. All research and development costs are charged directly to the profit and loss account.

Results and dividend

The Group made a loss after tax of £4,521,000 (2017 Loss: £2,959,000). No dividend has been paid or proposed (2017: £Nil)..

Political and charitable contributions

No political contributions have been made in the current or prior period. Charitable contributions of £4,977 (2017:£8,212) were made in the period.

Matters covered in the Strategic Report

The Strategic report includes discussion of the following matters which would otherwise have been included in the Directors' Report: Business Review, Key Performance Indicators, Principal Risks and Uncertainties and Financial Risk Management Policies and Objectives.

Disclosure of Information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Nick Roberts

N A Roberts

Director
Norwich
22 January 2019

Statement of directors' responsibilities in respect of the Directors' Report, the Strategic Report and the financial statements

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 group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG

Independent Auditor's report to the members of Anglian Home Improvements Group Limited

Opinion

We have audited the financial statements of Anglian Home Improvements Group Limited ("the company") for the year ended 31 March 2018 which comprise the Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated and Company Balance Sheets, Consolidated and Company Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2018 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments, intangibles assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they 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

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Stephen Muncey

Stephen Muncey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Dragonfly House, 2 Gilders Way, Norwich, NR3 1UB.
22 January 2019

Consolidated Statement of Profit and Loss and Other Comprehensive Income

for the period ended 31 March 2018

	Note	**Period ended 31 March 2018**	Period ended 1 April 2017
		£000	£000
Turnover	*2*	**227,599**	237,011
Operating costs	*3*	**(230,193)**	(238,404)
Operating (loss)		**(2,594)**	(1,393)
Finance income		**5**	18
Finance costs	*5*	**(2,604)**	(1,969)
Net finance cost		**(2,599)**	(1,951)
(Loss) before taxation		**(5,193)**	(3,344)
Income tax credit	*6*	**672**	385
(Loss) for the financial period		**(4,521)**	(2,959)
Actuarial (losses)	*17*	**(259)**	(167)
Deferred tax arising on actuarial (losses)		**47**	28
Other comprehensive (loss) for the period, net of income tax		**(212)**	(139)
Total comprehensive (loss) for the period		**(4,733)**	(3,098)

The period ended 31 March 2018 and the period ended 1 April 2017 both comprise 52 weeks.

The results for the period are entirely attributable to continuing activities.

There were no material differences between the results as disclosed in the profit and loss account and those given by an unmodified historic costs basis during the period.

Under Section 408 of the Companies Act the company is exempt from the requirements to present its own profit and loss account.

The notes on pages 16 to 40 form part of these financial statements.

Balance sheets
at 31 March 2018

	Note	Group		Company	
		31 March 2018	1 April 2017	**31 March 2018**	1 April 2017
		£000	£000	**£000**	£000
Fixed assets					
Intangible assets	*7*	**19,437**	21,137	-	-
Tangible assets	*8*	**18,090**	14,547	-	-
Investments	*9*	-	-	-	-
		37,527	35,684	-	-
Current assets					
Stocks	*10*	**10,380**	11,881	-	-
Debtors	*11*	**24,945**	24,360	-	-
Deferred tax asset recoverable in more than one year	*16*	**2,742**	2,041		
Cash at bank and in hand		**7,537**	6,650	-	-
		45,604	44,932	-	-
Current liabilities					
Corporation tax	*12*	**(452)**	(147)	-	-
Trade and other payables	*12*	**(54,799)**	(58,802)	**(188)**	(188)
Provisions due within one year	*12/15*	**(3,131)**	(3,178)	-	-
Other interest bearing loans and borrowings	*12/14*	**(2,767)**	(2,120)	-	-
		(61,149)	(64,247)	**(188)**	(188)
Net current (liabilities)		**(15,545)**	(19,315)	**(188)**	(188)
Total assets less current liabilities		**21,982**	16,369	**(188)**	(188)
Non-current liabilities					
Other interest bearing loans and borrowings	*13*	**(26,354)**	(11,705)	-	-
Provisions	*15*	**(7,184)**	(11,574)	-	-
Net pension deficit	*17*	**(254)**	(167)	-	-
Net (liabilities)		**(11,810)**	(7,077)	**(188)**	(188)
Capital and reserves					
Called up share capital	*19*	**48**	48	**48**	48
Share premium		**677**	677	**677**	677
Profit and loss account		**(12,535)**	(7,802)	**(913)**	(913)
Shareholders' (deficit)		**(11,810)**	(7,077)	**(188)**	(188)

These financial statements were approved by the board of directors on 22 January 2019 and were signed on its behalf by:

N A Roberts NARoberts *Director*

Company registered number 09905204
The notes on pages 16 to 40 form part of these financial statements.

Consolidated cash flow statement

for the period ended 31 March 2018

	Period ended 31 March 2018 £000	Period ended 1 April 2017 £000
Cash flows from operating activities		
Loss for the period	**(4,521)**	(2,959)
Net finance cost	**2,599**	1,951
Taxation credit	**(672)**	(385)
Impairment of brand	**1,700**	-
Depreciation	**5,082**	4,454
(Profit)/loss on sale of fixed assets	**(311)**	136
Decrease/(increase) in stocks	**1,501**	(3,897)
(Increase in debtors)	**(523)**	(4,120)
Decrease/(increase) in creditors and provisions	**(8,883)**	6,038
Net cash from operating activities	**(4,028)**	1,218
Cash from financing activities		
Tax refund	**306**	60
Proceeds from issue of equity share capital	**-**	680
Proceeds from new loans	**11,000**	-
Repayment of finance leases and HP agreements	**(2,582)**	(2,211)
Receipts from finance agreements and HP agreements commencing in the year	**5,221**	2,327
Cash from financing activities	**13,945**	856
Cash from investing activities		
Interest received	**5**	18
Interest paid	**(721)**	(521)
Payments to acquire tangible fixed assets	**(8,769)**	(5,431)
Proceeds from sale of tangible fixed assets	**455**	394
Cash from investing activities	**(9,030)**	**(5,540)**
Net increase/(decrease) in cash and cash equivalents	**887**	(3,466)
Cash and cash equivalents at start of period	**6,650**	**10,116**
Cash and cash equivalents at end of period	7,537	6,650

The period ended 31 March 2018 and the period ended 1 April 2017 both comprise 52 weeks.

The notes on pages 16 to 40 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the period ended 31 March 2018

	Share Capital	Share Premium	Profit and Loss Account	Total
	£000	**£000**	**£000**	**£000**
At 2 April 16	45	-	(4,704)	**(4,659)**
Comprehensive (loss) for the period	-	-	(3,098)	**(3,098)**
Transactions with owners, recorded directly in equity				
Shares issued in the period	3	677	-	**680**
At 2 April 2017	**48**	**677**	**(7,802)**	**(7,077)**
Comprehensive (loss) for the period	-	-	(4,733)	**(4,733)**
At 31 March 2018	**48**	**677**	**(12,535)**	**(11,810)**

Company statement of changes in equity

for the period ended 31 March 2018

	Share Capital	Share Premium	Profit and Loss Account	Total
At 2 April 2016	**45**	-	**(913)**	**(913)**
Transactions with owners, recorded directly in equity				
Shares issued in the period	3	677	-	**680**
At 1 April 2017 and 31 March 2018	**48**	**677**	**(913)**	**(188)**

The company had no comprehensive income in either the current or prior period.

The notes on pages 16 to 40 form part of these financial statements.

Notes

(forming part of the financial statements)

Anglian Home Improvements Group Limited is a company limited by shares and incorporated and domiciled in England in the UK.

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements;

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

The consolidated financial statements were authorised for issue by the board of directors in December 2018.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet:

(i) Financial instruments at fair value through profit or loss are measured at fair value

(ii) The defined benefit pension scheme liability is recognised as the net total of the plan assets less the present value of the defined benefit obligation.

(c) Basis of preparation

The directors have considered the factors that impact the Group's future development, performance, cash flows and financial position along with the Group's current liquidity in forming their conclusion on the applicability of the going concern basis.

Notwithstanding net current liabilities of £15,545k as at 31 March 2018, a loss for the year then ended of £4,733k and operating cash outflows for the year of £4,028k, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company and the group will have sufficient funds, through its financing facilities and if required funding from its majority stakeholder, Alchemy Special Opportunities Fund III L.P., to meet its liabilities as they fall due for that period.

Alchemy Special Opportunities Fund III L.P. has indicated its intention to continue to make available such funds as are needed by the company and the group. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company and the group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Notes *(continued)*

1 Accounting policies *(continued)*

(d) Basis of consolidation

The financial statements comprise the accounts of the company and all of its subsidiary undertakings made up to 31 March 2018. The Group's share of the results of subsidiary undertakings is included in the profit and loss account as from the date of acquisition.

The company's subsidiaries are all 100% owned and controlled by the company.

All intra group transactions, together with any balances resulting from those transactions, are eliminated in preparing the consolidated financial statements.

(e) Intangible fixed assets

In accordance with IFRS 3, on acquisition of subsidiary companies the Group has identified intangible assets which are either separate or arise from contractual or legal rights.

Trade name

The Anglian trade name and logo was registered as an EU trademark in 1997, with the name having been in use since 1966. The trade name is not amortised but is instead reviewed annually for impairment.

(f) Depreciation of tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. . Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Plant, machinery and computers	3 to 10 years
Light vehicles	4 to 6 years
Containers and heavy vehicles	5 to 10 years

Leasehold properties are amortised over the life of the lease

(g) Leased assets

As noted above, assets held under finance leases that give rights approximating to ownership are treated as if they have been purchased. Depreciation is provided in accordance with the Group's normal depreciation policy. Interest on finance leases is charged to the profit and loss account in the period in which it accrues and is allocated to each period during the lease term so as to give a constant yearly rate of interest on the capital balance outstanding. All other leases are "operating leases" and the rentals are charged to the profit and loss account on a straight line basis over the lease term.

(h) Stocks

Stocks and work in progress are valued at the lower of cost (including appropriate overheads) and net realisable value.

Notes *(continued)*

1 Accounting policies *(continued)*

(i) Taxation

The income tax expense comprises current and deferred tax.

Current tax is the expected tax payable on the taxable profits for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment related to tax payable in respect of prior periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Guarantee and claims reserve

A reserve is maintained to cover claims against the Group in relation to products sold by the Group. This primarily relates to guaranteed work and the core provision is calculated by reference to the product guaranteed, the experience of costs actually incurred and the length of the guarantee period. Additionally further provision is made on a specific basis for any known/expected claims.

The provision is discounted by 11%.

Other provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Notes *(continued)*

1 Accounting policies *(continued)*

(k) Financial Instruments

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at cost less any impairment losses in the case of trade debtors.

Interest bearing borrowings

Immediately after issue, debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

Investments

In the Company's financial statements, investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(l) Turnover

Turnover represents the fair value of consideration received and receivable.

Revenue from the installation of home improvements is recognised in the profit and loss account when the installation of the product has been completed at the customer's address and the risks and rewards of ownership have thus passed to the customer.

(m) Construction contract debtors

Construction contract debtors include the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date less a provision for any foreseeable losses and less progress billings. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

Notes *(continued)*

1 Accounting policies *(continued)*

(n) *Operating segments*

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments' operating results are reviewed regularly by the board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group's two segments are Anglian Home Improvements (AHI) which sells home improvement products to homeowners and Anglian Building Products (ABP) which sells similar products to the commercial market.

The Group manufactures much of the products it installs and the operating segments results, as well as including directly attributable profits, also include apportionments of the manufacturing performance, as well as allocations of central resources such as IT and HR. Unallocated expenses comprise the costs of the Group's central management. Finance costs and income are also not apportioned.

Operating segments manage their own working capital and certain specific assets. Unallocated assets and liabilities include manufacturing and central assets and liabilities (including dilapidation provisions) as well as net debt and income and other taxes.

(o) Employee benefits

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The scheme has, since 31 March 2001, only deferred members. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A full actuarial valuation is performed tri-annually and updated each year by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes *(continued)*

1 Accounting policies *(continued)*

(p) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is as follows:

(i) Following the successful exit from one of its factories in 2016/17, the company has reassessed the need for provisions relating to dilapidations for its remaining factory sites and decreased those liabilities by £2.6m after discussions with property experts.

(ii) Depreciation policies as discussed in (f) above and applied in arriving at the valuations in note 8 are based on experience over the 47 years in which the business has traded. In addition annual internal audits of assets are conducted to assess if impairment has occurred.

(iii) Discount factors are used in calculating provisions and impairment of intangibles. The Directors utilise their own experience as well as holding discussions with stakeholders and advisors in making judgements as to appropriate rates to use.

(iv) The provisions shown within note 15 have been calculated based on the monitoring of related transactions over a large number of years and application of that data to the current profile of installations under warranty and properties leased. Discount factors are also used in the calculation of provisioms.

(q) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 31 March 2018, and have not been applied in preparing these consolidated financial statements. As disclosed in note 20, the Group has significant lease commitments and will reflect significant additional assets and liabilities under IFRS 16. Rents currently shown as operating costs will also in large part shift to depreciation and interest. The group will not be impacted in any significant form by IFRS 15 as its revenue is largely measured in line with the standard. Any impact will be recognised on 1 April 2018.

None of the others (listed in the table below) is expected to have a material effect on the consolidated financial statements of the Group.

IFRS	*Subject*
IFRS 14	*Regulatory deferral accounts*
IFRS 11	*Joint Arrangements*
IFRS 9	*Financial Instruments*
IAS12	*Deferred tax*
IAS27	*Equity method*
IAS 16/38	*Depreciation*

Notes *(continued)*

1 Accounting policies *(continued)*

(q) Impairment excluding inventories

Financial assets (including receivables)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets
The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes *(continued)*

2 Segmental reporting

(a) No analysis by geographical market is presented as amounts arising outside the United Kingdom are not significant.

(b) As discussed in note 1(m) the Group has two operating segments, AHI and ABP. Information in respect of these segments is shown below. The segment referred to as Other include manufacturing and central management departments. The latter departments manage all fixed assets, cash and debt for the group.

	Period ended 31 March 2018			
	AHI	**ABP**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
Revenue	**187,409**	**40,190**	**-**	**227,599**
Operating profit/(loss)	**(452)**	**1,298**	**(3,440)**	**(2,594)**
Net interest	**-**	**-**	**(2,599)**	**(2,599)**
Profit/(loss) before tax	**(452)**	**1,298**	**(6,039)**	**(5,193)**
Intangible assets	**16,536**	**2,901**	**-**	**19,437**
Other net (liabilities)/assets	**(12,316)**	**7,339**	**(26,270)**	**(31,247)**
Net assets/ (liabilities)	**4,220**	**10,240**	**(26,270)**	**(11,810)**
Impairment of brand	**1,700**	**-**	**-**	**1,700**
Depreciation	**-**	**-**	**5,082**	**5,082**
Fixed asset expenditure	**-**	**-**	**8,769**	**8,769**

	Period ended 1 April 2017			
	AHI	ABP	Other	Total
	£000	£000	£000	£000
Revenue	197,209	39,802	-	237,011
Operating profit/(loss)	6,911	1,872	(10,176)	(1,393)
Net interest	-	-	(1,951)	(1,951)
Profit/(loss) before tax	6,911	1,872	(12,127)	(3,344)
Intangible assets	18,236	2,901	-	21,137
Other net (liabilities)/assets	(16,563)	6,514	(18,165)	(28,214)
Net assets/ (liabilities)	1,673	9,415	(18,165)	(7,077)
Depreciation	-	-	4,454	4,454
Fixed asset expenditure	-	-	5,431	5,431

Notes *(continued)*

3 Operating costs and auditor's remuneration

Operating costs comprise

	Period ended 31 March 2018 Total	Period ended 1 April 2017 Total
	£000	£000
Other operating income	**(8,597)**	(10,578)
Change in stocks of finished goods and work in progress	**1,380**	(3,272)
Raw materials and consumables	**50,609**	54,547
Subcontracted services	**71,304**	77,945
Staff costs (note 4)	**53,542**	57,051
Depreciation	**5,082**	4,454
Impairment of brand	**1,700**	-
Other operating charges	**55,173**	58,257
	230,193	238,404

Operating costs include:

(Profit)/loss on disposal of tangible fixed assets	**(311)**	136
Operating leases – plant, machinery and vehicles	**2,801**	2,670
Operating leases – property	**3,135**	3,290
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**72**	67
Other services relating to taxation	**-**	15
All other services	**149**	42
Research and development	**331**	295

Operating costs also include one off costs of £2,207,000 (2017: £8,445,000). These costs relate primarily to redundancy, and consultancy.

Other operating income includes:

Finance commissions	**(7,606)**	(9,718)

Notes *(continued)*

4 Staff costs

	Period ended 31 March 2018 Number	Period ended 1 April 2017 Number
(i) Employees		
Average number of employees during the period:		
Commercial	**98**	100
Manufacturing	**575**	556
Retail	**820**	952
Support	**93**	104
	1,586	1,712
	£000	£000
Costs during the period:		
Wages and salaries	**47,389**	51,013
Social security costs	**4,808**	4,687
Pension costs	**1,345**	1,351
	53,542	57,051
(ii) Directors' remuneration		
Salaries	**328**	553
Fees	**170**	146
Taxable benefits	**82**	77
Compensation for loss of office	**-**	316
	580	1,092
Contributions to defined contribution schemes	**30**	73
	610	1,165
Remuneration of the highest paid director		
Salary	**274**	228
Taxable benefits	**60**	6
Compensation for loss of office	**-**	316
	334	550
Contributions to defined contribution schemes	**25**	39
	359	589

The number of directors accruing pension benefits was 2 (2017:2).

Notes *(continued)*

5 Finance costs

	Period ended 31 March 2018 £000	Period ended 1 April 2017 £000
On loans and overdrafts	**1,630**	916
Loan costs	**233**	356
Finance and HP agreement interest payable	**427**	312
Discount on provisions	**311**	382
Other	**3**	3
	2,604	1,969

6 Taxation

i) *Analysis of credit in period*

	Period ended 31 March 2018 £000	Period ended 1 April 2017 £000
Current corporation tax on result for the period	**-**	-
Deferred tax		
- Credit for timing differences arising in the period	**745**	570
- Prior year adjustments	**8**	(6)
- Impact of changes in tax rates	**(81)**	(179)
Tax credit for the year	**672**	385

ii) *Factors affecting the tax credit for the period*

The current tax credit for the period is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	Period ended 31 March 2018 £000	Period ended 1 April 2017 £000
Loss on ordinary activities before tax	**5,193**	3,344
Loss on ordinary activities multiplied by standard rate of Corporation Tax in the UK at 19%	**987**	669
Effects of:		
Expenses not deductible for tax purposes including impairment of brand	**(798)**	(99)
Provision releases not taxable	**556**	-
Impact of change in tax rates	**(81)**	(179)
Prior year adjustments	**8**	(6)
Tax credit for the period	**672**	385

iii) *Factors that may affect future tax charges*

A reduction in the UK corporation tax rate from 20% (effective from April 2015) to 19% (effective 1 April 2017) was substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

The deferred tax asset at 31 March 2018 has been calculated based on these rates.

Notes *(continued)*

7 Intangible fixed assets

Group	**Trade name £000**
Cost	
At 1 April 2017 and 31 March 2018	**21,137**
Impairment	
Provision in year	**1,700**
At 31 March 2018	**1,700**
Net book value	
At 31 March 2018	**19,437**
At 1 April 2017	**21,137**

The Group values its trade names by considering the forecast revenue for each CGU and calculating the net present value of post-tax royalties the brand could generate.

The Group tests the trade name annually for impairment or more frequently if there are indications that it might be impaired. The recoverable amounts of the CGUs are determined from value in use. The key assumptions for the value in use calculations are those regarding the discount rates, forecast revenues and growth rates.

The brand values for each CGU are as follows

	ABP £000	AHI £000
At 1 April 2017	2,901	18,236
Impairment in period	-	(1,700)
At 31 March 2018	**2,901**	**16,536**

These values have been calculated using the following assumptions at 31 March 2018

15 years of forecast revenue
For AHI, zero revenue growth for the first three years followed by 2.5% per annum thereafter
For ABP, 4% revenue growth on average for the first three years followed by 2.5% per annum thereafter
A discount rate of 45%

The discount rate reflects the cost of capital of the Group (by reference to funds raised and market review), the risks attributable to the length of the forecast period and the risks inherent in the underlying asset.

The low consumer confidence caused in large part by the uncertainty surrounding Brexit has not only impacted demand in the current period but is likely to impact demand in the near future and is reflected in the growth. As a result the Group has written down the value of its brand by £1,700,000.

Notes *(continued)*

8 Tangible fixed assets

Group	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost				
At 1 April 2017	5,182	47,293	13,746	66,221
Additions	458	7,018	1,293	8,769
Disposals	(471)	(7,474)	(1,713)	(9,658)
At 31 March 2018	**5,169**	**46,837**	**13,326**	**65,332**
Depreciation				
At 1 April 2017	4,035	39,932	7,707	51,674
Charge for the period	98	2,416	2,568	5,082
Disposals	(426)	(7,445)	(1,643)	(9,514)
At 31 March 2018	**3,707**	**34,903**	**8,632**	**47,242**
Net book value				
At 31 March 2018	**1,462**	**11,934**	**4,694**	**18,090**
At 1 April 2017	1,147	7,361	6,039	14,547

The net book value of land and buildings comprises:

	2018 £000	2017 £000
Freehold	-	45
Long leasehold	**1,440**	1,046
Short leasehold	**22**	56
	1,462	1,147

The net book value shown above includes the following assets held under finances leases or purchased under HP contracts.

	2018 £000	2017 £000
Plant and machinery	**5,529**	1,052
Motor vehicles	**4,697**	6,036
	10,226	7,088
Depreciation on financed assets	**2,959**	**2,368**

Notes *(continued)*

9 Investments

Company

The following are the principal operating undertakings in which the company has an interest:

			Profit/(loss) for the period £000	Net assets £000	Activity
Subsidiary undertakings:					
Anglian Group Investments Limited	Ordinary shares	100%	(11,672)	11,129	Holding company
Anglian Group Limited	Ordinary shares	100%*	(10,000)	52,229	Holding company
Anglian Windows Limited	Ordinary shares	100%*	(1,246)	46,578	Home Improvement Products
New England Windows Limited	Ordinary shares	100%*	71	3,063	Commercial Products
Ampleoffice Limited	Ordinary shares	100%*	-	3,000	Dormant

* held by subsidiary undertaking

Company	Shares in group undertakings £000
Cost or Valuation	
At 2 April 2016 and 1 April 2017	-

The registered office address of all subsidiaries is Liberator Road, Norwich, Norfolk, NR6 6EU.

Other minor shareholdings are listed in note 22.

10 Stocks

	Group 2018 £000	Group 2017 £000
Raw materials	3,485	3,606
Work in progress	6,895	8,275
	10,380	11,881

Work in progress includes manufactured product awaiting installation.

Stock write offs net of movements in provisions were £320,000 (2017:£182,000).

Notes *(continued)*

11 Debtors

	Group		Company	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Amounts falling due within one year;				
Trade debtors	**13,954**	12,256	**-**	-
Prepayments and accrued income	**10,991**	12,104	**-**	-
	24,945	24,360	**-**	-

12 Creditors – Other liabilities falling due within one year

	Group		Company	
	2018	2017	**2018**	2017
	£000	£000	**£000**	£000
Corporation tax	**452**	147	**-**	-
Payments received on account	**12,072**	10,602	**-**	-
Finance leases and HP agreements (note 14)	**2,767**	2,120	**-**	-
Trade creditors	**16,348**	19,539	**-**	-
Other taxation and social security	**7,508**	6,216	**-**	-
Accruals and deferred income	**18,871**	22,445	**15**	15
Amounts due to subsidiary undertakings	**-**	-	**173**	173
Provisions due within one year (note 15)	**3,131**	3,178	**-**	-
	61,149	64,247	**188**	188

13 Creditors: Amounts falling due after more than one year

	Group	
	2018	2017
	£000	£000
Alchemy loan (note 14)	**20,601**	7,944
Finance leases and HP agreements (note 14)	**5,753**	3,761
	26,354	11,705

Notes *(continued)*

14 Loans

	Group	
	2018	2017
	£000	£000
Alchemy loans		
Secured (note 13)		
Sterling loaned at 12% per annum	**9,015**	7,944
Sterling loaned at 14% per annum	**11,586**	-
	20,601	7,944
Other sources of financing		
Obligations under finance leases and HP agreements (notes 12 and 13)	**8,520**	5,881

The loans are repayable:

	2018	2017
	£000	£000
Repayable within one year	**2,767**	2,120
Repayable between one and two years	**2,254**	1,712
Repayable between two and five years	**24,100**	9,993
	29,121	13,825

£7,000,000 was loaned by Alchemy and other shareholders of the company in December 2015. This £7,000,000 is repayable in December 2020. The loan carries PIK interest of 12% per annum, the interest is payable on maturity of the loan and on a quarterly basis is rolled up into the principal. The Alchemy loan is stated net of associated costs of £141,000 (2017:£199,000). Costs of £58,000 (2017: £53,000) have been amortised to the profit and loss account in the period. The loan is secured upon the assets of the Group.

In 2017/18 Alchemy loaned a further £11,000,000. This £11,000,000 is repayable in December 2020. The loan carries PIK interest of 14% per annum, the interest is payable on maturity of the loan and on a quarterly basis is rolled up into the principal. The loan is secured upon the assets of the Group.

In addition to the loans above, unutilised facilities of £5,475,000 (2017: £5,432,000) were available to the Group.

Notes *(continued)*

15 Provisions for liabilities and charges

	As at 1 April 2017	Profit and loss charge	Paid	As at 31 March 2018
	£000	£000	£000	£000
Guarantee and claims reserve (a)	**8,366**	2,485	(3,457)	**7,394**
Property (b)	**5,940**	(3,002)	(157)	**2,781**
Redundancies (c)	**446**	125	(431)	**140**
	14,752	(392)	(4,045)	**10,315**
Payable within one year	**(3,178)**			**(3,131)**
	11,574			**7,184**

a) *Guarantee and claims reserve*

A reserve is maintained to cover claims against the Group in relation to products sold by the Group. This primarily relates to guaranteed work and the core provision is calculated by reference to the product guaranteed, the experience of costs actually incurred and the length of the guarantee period. Additionally further provision is made on a specific basis for any known/expected claims. It is expected that £3,198,000 is payable in the next 12 months with the remainder accruing over the life of the warranties (10 to 15 years). The provision is discounted at 11%.

b) Property

The provision is for rental liabilities for properties not in operational use and for dilapidations arising at the end of leases. Following the successful exit from one of its factories in 2016/17, the group has reassessed the need for provisions relating to dilapidations for its remaining factory sites and decreased those liabilities by £2.6m after discussions with property experts. This is the largest element of the reduction in the provision.

It is expected that £300,000 will be spent in the next year. The provision is discounted at 11%.

c) *Redundancies*

The provision is expected to be utilised fully in the next financial period.

Notes *(continued)*

16 Deferred tax asset

	Group	
	2018	2017
	£000	£000
At 1 April 2017	**2,041**	1,638
Credit for the period	**701**	403
At 31 March 2018	**2,742**	2,041

Deferred taxation provided in the financial statements is made up as follows:

	Group	
	2018	2017
	£000	£000
Timing differences arising because of depreciation in excess tax allowances	**2,742**	2041

As discussed in note 6, the UK government has enacted reductions in Corporation Tax rates to 17% in future years. The deferred tax asset has been calculated using the currently enacted rate of 17% for the year commencing 1 April 2020 as the balance is not expected to unwind in the short term.

17 Pension costs

During the period the Group operated various defined contribution pension schemes. The assets of these schemes are held separately from those of the Group in independently administered funds. The charge in respect of these funds and associated assurance amounted to £1,345,00 (2017:£1,351,000).

The Group also operates a defined benefit pension scheme fully insured with Clerical Medical Investment Group. The assets of the scheme were valued by an independent qualified actuary as at April 2015.

The assets of the scheme are held separately from those of the Group.

The scheme is closed to new employees and there has been no contributing member since May 2008. The Group contributions are determined by an independent qualified actuary using the attained age method. There were no contributions payable to the fund at the period end (2017:£Nil). The most recent actuarial valuation showed that on the prescribed statutory surplus basis the actuarial value of the scheme's assets represented approximately 80% of the value of the liabilities. The actuary's final recommendation was that the contributions of the Group should be £13,100 per month for the 43 months from August 2016 until February 2020.

Notes *(continued)*

17 Pension costs *(continued)*

a) *Assumptions*

The valuation at April 2015 has been updated by the actuary as at 31 March 2018. The major assumptions used in this valuation were:

	2018	2017
Discount rate	**2.5%**	2.5%
Inflation assumption – CPI	**2.5%**	2.6%
Rate of increase in pensions in payment	**2.2%**	2.2%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Average future life expectancies for mortality tables used to determine the actuarial value of liabilities were:

	Male	**Female**
Members attaining age 65 in 2016	22.2 years	24.2 years
Members attaining age 65 in 2036	23.5 years	25.7 years

b) *Valuation*

	31 March 2018 £000	1 April 2017 £000
Assets of the scheme – insurance policy	**1,987**	1,962
Expected rate of return	**2.5%**	4.1%
Present value of scheme liabilities	**(2,293)**	(2,163)
Deficit in the scheme	**(306)**	(201)
Related deferred tax asset	**52**	34
Net pension liability	**(254)**	(167)

c) *Movements in Assets and Defined Benefit Obligation*

The change in assets over the period was:	**31 March 2018**	1 April 2017
	£000	£000
Fair value of assets at the beginning of the period	**1,962**	1,806
Expected return on assets	**49**	71
Contributions	**157**	92
Benefits paid	**(171)**	(55)
Actuarial (loss)/gain	**(10)**	48
Fair value of assets at the end of the period	**1,987**	1,962

17 Pension costs *(continued)*

e) *Movements in Assets and Defined Benefit Obligation (continued)*

The change in defined benefit obligation over the period was:

	31 March 2018 £000	1 April 2017 £000
Defined benefit obligation at the beginning of the period	**2,163**	1,929
Interest cost	**52**	74
Benefits paid	**(171)**	(55)
Actuarial loss	**249**	215
Defined benefit obligation at the end of the period	**2,293**	2,163
Expected contributions in the next period	**157**	157

d) *Other disclosures*

	31 March 2018 £000	1 April 2017 £000
i) Analysis of amounts charged to other finance charges		
Expected return on pension scheme assets	**49**	71
Interest cost on pension scheme liabilities	**(52)**	(74)
Net cost	**(3)**	(3)
ii) Analysis of amounts recognised in other comprehensive income		
(loss)/gain on scheme assets	**(10)**	**48**
(Loss) on scheme liabilities	**(249)**	**(215)**
Net (loss)/gain	**(259)**	**(167)**

iii) *History of scheme*

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Present value of liabilities	**2,293**	2,163	1,929	2,304	2,050
Fair value of assets	**1,987**	1,962	1,806	2,171	2,050
Deficit	**(306)**	(201)	(123)	(133)	-
Experience adjustment on assets	**(10)**	48	(153)	57	(58)
As a percentage of assets %	**0.5**	2.5	(7.7)	2.7	(2.8)
Experience adjustment on liabilities	**290**	7	(69)	(31)	27
As a percentage of liabilities %	**13.3**	0.3	(3.1)	(1.3)	1.3

Notes *(continued)*

18 Financial Instruments

The Group holds and uses financial instruments to fund its operations and to ensure that its interest rate and liquidity risks are managed as set out in the Strategic Report. The Group uses borrowings and retained profits to fund its operations.

The principal methods and assumptions used in estimating the fair values of financial instruments (which do not differ significantly) from book value are:

(a) Trade and other receivables

The fair value of trade and other receivables is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date if the effect is material.

(b) Interest bearing borrowings

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases and HP agreements, the market rate of interest is determined by reference to similar lease agreements.

Financial instruments carried at fair value are required to be measured by reference to the following levels:

Level 1 – quoted prices in active markets for identical assets or liabilities.
Level 2 - inputs other than quoted prices included within Level 1 that are obtainable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 – inputs for the asset or liability that are based on observable market data (unobservable inputs).

Notes *(continued)*

18 Financial Instruments *(continued)*

The book and fair values of all the Group's financial assets and liabilities are set out below:

	2018		2017	
	Book value	**Fair value**	**Book value**	**Fair value**
	£000	**£000**	**£000**	**£000**
Receivables	**24,945**	**24,945**	24,360	24,360
Trade and other payables	**(57,930)**	**(57,930)**	(61,980)	(61,980)
Cash and cash equivalents	**7,537**	**7,537**	6,650	6,650
Secured loans	**(20,601)**	**(20,601)**	(7,944)	(7,944)
Finance leases and HP agreements	**(8,520)**	**(8,520)**	(5,881)	(5,881)
Total financial instruments	**(54,569)**	**(54,569)**	(44,795)	(44,795)

The fair values above reflect the value of the Group's financial instruments.

	2018		2017	
	Book value	**Fair value**	**Book value**	**Fair value**
	£000	**£000**	**£000**	**£000**
Receivables	**24,945**	**24,945**	24,360	24,360
Cash and cash equivalents	**7,537**	**7,537**	6,650	6,650
Total financial assets	**32,482**	**32,482**	31,010	31,010
Total financial liabilities measured at amortised cost	**(87,051)**	**(87,051)**	(75,805)	(75,805)
Total financial instruments	**(54,569)**	**(54,569)**	(44,795)	(44,795)

In addition to the risks discussed in the Strategic Report, the Group also bears a credit risk which primarily relates to customers not fulfilling their contractual obligations. Included within receivables are the Group's trade receivables and it is in respect of these that credit risks primarily arise.

Trade receivables are reviewed weekly and for larger customers, credit tests are conducted prior to accepting their contracts.

Notes *(continued)*

18 Financial Instruments *(continued)*

The aging of trade receivables (net of impairment) is shown below together with details of the impairment provision.

Trade receivables	**2018**	2017
	£000	£000
Current	**11,289**	9,857
Outstanding 1 to 29 days	**1,493**	631
Outstanding 30 to 180 days	**987**	1,576
Outstanding over 180 days	**185**	192
Total	**13,954**	12,256

Net of impairment there was £2,665,000 (2017: £2,207,000) past due at the reporting date. There was no indication at that date that the customers would not fulfil their obligations.

Impairment provision	**£000**	**£000**
Balance at start of period/on acquisition	**732**	**801**
Debit/(credit) to profit and loss account	**88**	**(69)**
Balance at end of period	**820**	**732**

Further details of the Group's financial liabilities are set out in Notes 12, 13 and 14.

19 Share capital

Group and Company
Allotted, called up and fully paid

	Ordinary Shares of 1p	**B1Ordinary Shares of 1p**	**B2 Ordinary Shares of £7**	
Number				
At 1 April 2017 and 31 March 2018	**4,627,884**	570	332	
				Total
Value	**£000**	**£000**	**£000**	**£000**
At 1 April 2017 and 31 March 2018	**46**	-	2	**48**

Notes *(continued)*

20 Commitments and contingencies

The Group has the following future commitments under non-cancellable operating leases payable as follows:

	Land and buildings		Plant and equipment	
	2018	**2017**	**2018**	**2017**
	£000	**£000**	**£000**	**£000**
Within one year	**2,321**	2,259	**1,388**	1,230
Two to five years	**6,610**	5,998	**2,291**	1,700
Thereafter	**8,666**	8,969	**-**	-
	17,597	17,226	**3,679**	2,930

The company and its subsidiaries have given guarantees and debentures (which contain fixed and floating charges over all the business assets) in respect of any indebtedness to the Group's bankers and in respect of the loan from shareholders. The directors do not expect any loss to arise in respect of these guarantees.

Guarantees given by the bank on behalf of the Group to third parties total £25,000 (2017 £68,000). The directors do not expect any loss to arise in respect of these guarantees.

The Group has capital expenditure commitments contracted for but not provided in the accounts at the period end of £659,000 (2017:£5,754,000).

21 Ultimate controlling party

Alchemy Special Opportunities Fund III LP holds a majority stake in the Group. The ultimate parent undertaking and controlling party is Alchemy Partners LP Inc., a partnership registered in Guernsey, acting through its general partner Alchemy Partners GP Limited, a company registered in Guernsey.

Details of the loan provided by the controlling party and the other initial shareholders are shown in Note 14. Alchemy loaned the Group an additional £11,000,000 in the year. The interest charged on this loan was £1,603,000 (2017: £906,000). There are no other related party transactions.

Notes *(continued)*

22 Subsidiaries

As discussed in note 9, the company has the following additional investments in subsidiary undertakings (all indirectly owned). The subsidiaries are all dormant and incorporated in the UK and 100% owned.

Anglia Home Improvements Limited	The Anglian Conservatory Company Limited
Anglia Windows Limited	Anglian Commercial Limited
Climatic Extrusions Limited	Anglian Building Insulation Limited
Anglian Building Products Limited	Anglian Financial Services Limited
Anglian Decorative Glass Limited	Anglian Home Improvements Insulations Limited
Anglian Direct Limited	Anglian Green Power Limited
Anglian Double Glazing Limited	Anglian Home Improvements Solar Energy Limited
Anglian First Home Improvements Limited	Anglian Limited
Anglian Solar Thermal Limited	Anglian Solar Energy Limited
Anglian Window Centres Limited	Anglian Home Improvements Green Power Limited
Timberland Windows Limited	New England Windows Pension Trustee Limited
Timberland Conservatories Limited	Tradelines Building Products Limited
Timberland Doors Limited	Anglian Home Improvements Limited (formerly Timberland Floors Limited)
The Anglian Conservatory Company Limited	AHI Bidco Limited (formerly Anglian Home Energy Limited)
Anglian Home Improvements Solar Thermal Limited	Anglian Group Holdings Limited (formerly Anglian Warmspace Limited)

The registered office address of all subsidiaries is Liberator Road, Norwich, Norfolk, NR6 6EU.