Registered number 08654028

H2 PVC TOPCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2013

H2 PVC TOPCO LIMITED

COMPANY INFORMATION

Directors	P Bateman (appointed 16 December 2013) M K Edwards (appointed 16 December 2013) S G Gilbert (appointed 11 September 2013) P H L Kalverboer (appointed 16 August 2013)
Registered number	08654028
Registered office	Fairbrook House Clover Nook Road Alfreton Derbyshire DE55 4RF
Independent auditors	PKF Cooper Parry Group Limited Chartered Accountants & Statutory Auditor 14 Park Row Nottingham NG1 6GR
Bankers	Barclays Bank Plc London E14 5HP
	PNC Financial Services Group Inc Haywards Heath West Sussex RH16 3AP

H2 PVC TOPCO LIMITED

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H2 PVC TOPCO LIMITED

GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2013

Business review

The company was incorporated on 16 August 2013 On 11 September 2013, H2 PVC Bidco, a wholly owned subsidiary undertaking, signed an agreement with Tessenderlo Chemie to transfer ownership of the Eurocell Group of Companies Under that agreement, economic ownership passed to H2 PVC Bidco Limited on 1 September 2013

The principal activity of the company is to act as a holding company which provides management and other services to its subsidiaries

The principal activities of the group is the extrusion of UPVC window and building products to the new and replacement window market and the sale of building plastics materials across the United Kingdom

In the opinion of the directors, the company's trading subsidiaries have performed satisfactorily in the current economic climate with both trading subsidiaries exceeding expectations

In 2012 previous owner of the Eurocell Group, Tessenderlo Chemie S A, announced its intention to divest all of its profiles businesses on the basis that these did not fit with the new group strategy Prior to the sale there had been uncertainty and speculation over the future of the Eurocell Group Now that the group is owned by H2 Equity Partners, and its future is more certain, the board consider that they can now focus on developing the business The economic climate meant that trading continued to be tough in the first Quarter of 2013. The drive to improve operating efficiencies and strategic initiatives in earlier years meant that when the economic climate began to improve in Quarter 2, 2013, the Group was well placed to take full advantage of the upturn The company opened two new branches during the year In order to best capitalise on the expanding branch network, focus was towards improving the performance of the existing branch network The Board are pleased with the results for the year which have exceeded expectations

Overleaf attached is a memorandum consolidated profit and loss account compiled from the management accounts representing the position of the group were it to have been acquired on 1 January 2012 The directors have included this information as to show the underlying group trading position year on year As noted within the audit report on pages 6 - 7 all financial and non-financial information included within the Group strategic report and the Directors' report has been read by our auditors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by them in the course of performing the audit

Memorandum consolidated profit and loss account

	2013 £	2012 £
Turnover	157,004	140,166
Changes in stock of finished goods and work in progress	65	(431)
	157,069	139,735
Raw materials and consumables	(85,114)	(78,246)
Staff costs	(33,994)	(30,995)
Depreciation and amortisation	(5,154)	(5,721)
Group recharges	(1,138)	(1,249)
Non recurring costs	(1,163)	-
Exceptional operating charges	(700)	(792)
Other operating charges	(22,702)	(20,811)
Total other operating charges	(25,703)	(22,852)
Operating Profit	7,104	1,921
Exceptional item – impairment of property	(2,433)	-
Profit on ordinary activities before interest	4,671	1,921
Interest receivable and similar income	2,414	2,075
Interest payable and similar charges	(4,924)	(3,644)
Profit on ordinary activities before taxation	2,161	352
Recurring EBITBA	15,259	9,787

Non-recurring costs relate to amounts incurred on acquisition of Eurocell Plc and its subsidiaries

GROUP STRATEGIC REPORT (continued)

Principal risks and uncertainties

The group continues to offset the risk of competitive pressure through continuing to focus on customer needs Price is an important consideration and the group strives to reduce costs by identifying non value added processes whilst continuing to exceed customer expectations

The group business may be affected by fluctuations in the price and supply of key raw materials Purchasing policies and practices seek to mitigate these risks where practicable

The group's pension schemes are all defined contribution schemes as noted in note 29

The group is financed by Asset Based Lending from PNC Financial Services Group Inc, loans from other group companies and shareholders loans

Environment

H2 PVC Topco Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities Initiatives aimed at minimising the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption

Employees

Details of the number of employees and related costs can be found in note 5 to the financial statements

Applications for employment by disabled persons are considered fully, bearing in mind the aptitudes of the applicant concerned In the event of employees becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

The company participates in Eurocell Group's policies and practices to keep employees informed on matters relevant to them through appropriate means, such as employee meetings and newsletters

This report was approved by the board on 12 May 2014 and signed on its behalf

P Bateman
Director

P Bateman

H2 PVC TOPCO LIMITED

DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the period ended 31 December 2013

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 judgments 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 will continue in business

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

Results

The profit for the period, after taxation, amounted to £597,000 The directors do not recommend the payment of a final dividend

Directors

The directors who have held office during the period were as shown on the company information page

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information

This report was approved by the board on 12 May 2014 and signed on its behalf

P Bateman
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H2 PVC TOPCO LIMITED

We have audited the financial statements of H2 PVC Topco Limited for the period ended 31 December 2013, set out on pages 8 to 30 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

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 Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

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 December 2013 and of the group's profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H2 PVC TOPCO LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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

Colin Shaw (Senior Statutory Auditor)

for and on behalf of
PKF Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Nottingham
Date 12 May 2014

H2 PVC TOPCO LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	4 months ended 31 December 2013 £000
Turnover	2	55,096
Changes in stock of finished goods and work in progress		111
		55,207
Raw materials and consumables		(28,579)
Staff costs	5	(12,233)
Depreciation and amortisation		(1,678)
Other operating charges		(9,883)
Exceptional other operating charges	8	(700)
Total other operating charges		(10,583)
Operating profit	3	2,134
Interest receivable and similar income	7	76
Interest payable and similar charges	9	(1,569)
Profit on ordinary activities before taxation		641
Tax on profit on ordinary activities	10	(44)
Profit for the financial period	22	597

All amounts relate to operations acquired on 1 September 2013

There were no recognised gains and losses for 2013 other than those included in the profit and loss account

The notes on pages 12 to 30 form part of these financial statements

H2 PVC TOPCO LIMITED
REGISTERED NUMBER. 08654028

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£000	2013 £000
Fixed assets			
Intangible assets	11		11,379
Tangible assets	12		29,515
			40,894
Current assets			
Stocks	15	15,245	
Debtors	16	22,650	
Cash at bank		3,308	
		41,203	
Creditors· amounts falling due within one year	17	(43,367)	
Net current liabilities			(2,164)
Total assets less current liabilities			38,730
Creditors. amounts falling due after more than one year	18		36,733
Provisions for liabilities			
Other provisions	20		1,299
Capital and reserves			
Called up share capital	21	2	
Share premium account	22	99	
Profit and loss account	22	597	
	23		698
			38,730

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

12 May 2014

P Bateman
Director

The notes on pages 12 to 30 form part of these financial statements

H2 PVC TOPCO LIMITED
REGISTERED NUMBER: 08654028

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2013

	Note	£000	2013 £000
Fixed assets			
Investments	13		90
Current assets			
Debtors			11
Net assets			101
Capital and Reserves			
Called up share capital	21	2	
Share premium account	22	99	
	23		101
			101

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
12 May 2014

P Bateman
Director

The notes on pages 12 to 30 form part of these financial statements

H2 PVC TOPCO LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	4 months ended 31 December 2013 £000
Net cash flow from operating activities	25	6,816
Returns on investments and servicing of finance	26	(191)
Capital expenditure and financial investment	26	(1,896)
Acquisitions and disposals	26	(49,869)
Cash outflow before financing		(45,140)
Financing	26	46,900
Increase in cash in the period		1,760

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE PERIOD ENDED 31 DECEMBER 2013

	Note	4 months ended 31 December 2013 £000
Increase in cash in the period		1,760
Cash inflow from increase in debt		(46,900)
Change in net debt resulting from cash flows		(45,140)
Other non-cash changes		1,548
Movement in net debt in the period		(43,592)
Net debt at 31 December 2013	26	(43,592)

The notes on pages 12 to 30 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

1 Accounting Policies

1 1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, in accordance with applicable accounting standards and under the historical cost accounting rules

1 2 Basis of consolidation

The financial statements consolidate the accounts of H2 PVC Topco Limited and all of its subsidiary undertakings ('subsidiaries')

The results of subsidiaries acquired during the period are included from the effective date of acquisition being 1 September 2013

1 3 Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost Patents are amortised over their estimated useful life of five years in equal instalments

Goodwill represents the excess of cost of acquisition on the fair value of the net assets of the business acquired Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful life of 10 years Impairment considerations are made annually which can result in goodwill being amortised at a rate shorter than a useful economic life of 10 years

1.4 Acquisitions

Businesses acquired are accounted for in accordance with FRS 6 "Acquisitions and Mergers"

1 5 Impairment of fixed asset and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable If any such indication exists, the asset's recoverable amount is estimated

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit of a pro rata or more appropriate basis An income-generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets

1 6 Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs

1 Accounting Policies (continued)

1 7 Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period

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

1 8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Land	-	No depreciation is provided on freehold land
Freehold property	-	2 5% on cost or valuation
Leasehold property	-	Equal instalments over the period of the lease
Plant, machinery and equipment	-	Between 10% and 25% on cost
Motor vehicles	-	Between 20% and 25% on cost
Computer equipment	-	Between 20% and 25% on cost
Mixing plant	-	13 years based on production usage
Extruders	-	5 to 10 years based on production usage
Stillages and tooling	-	5 years

1.9 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1 10 Stocks

Stocks are valued at the lower of cost and net realisable value In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads

1 11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

1 Accounting Policies (continued)

1 12 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

1.13 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1 14 Pensions

The group operates a defined contribution pension scheme The assets of the scheme are held separately from those of the group in an independently administered fund The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period The group has no obligation to pay future pension benefits

1.15 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts Turnover is recognised on dispatch of goods

1 16 Research and development

Research and development expenditure is written off in the year in which it is incurred

1.17 Dividends on shares presented within shareholders' fund

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

2. Turnover

An analysis of turnover by class of business is as follows

	2013 £000
Extrusion of UPVC window and building products	23,152
Sale of building plastic materials	31,944
	55,096

A geographical analysis of turnover is as follows

	2013 £000
United Kingdom	53,600
Rest of European Union	1,496
	55,096

3 Operating profit

The operating profit is stated after charging/(crediting)

	4 months ended 31 December 2013 £000
Amortisation - intangible fixed assets	240
Depreciation of tangible fixed assets	
- owned by the group	1,438
Operating lease rentals	
- plant and machinery	1,041
- other operating leases	1,103
Research and development expenditure	74

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

4 Auditors' remuneration

	4 months ended 31 December 2013 £000
Fees payable to the company's auditor for the audit of the parent company's annual accounts	4
Fees payable to the company's auditor in respect of	
The auditing of accounts of the subsidiary companies	48
Taxation compliance services	8

5 Staff costs

Staff costs, including directors' remuneration, were as follows

	4 months ended 31 December 2013 £000
Wages and salaries	10,433
Social security costs	1,013
Other pension costs	787
	12,233

The average monthly number of employees, including the directors, during the period was as follows

	4 months ended 31 December 2013 No.
Office and administration	115
Selling and distribution	497
Production	362
	974

6. Directors' remuneration

	4 months ended 31 December 2013 £000
Remuneration	178
Company pension contributions to defined contribution pension schemes	28

During the period retirement benefits were accruing to 4 directors in respect of defined contribution pension schemes

7. Interest receivable and similar income

	4 months ended 31 December 2013 £000
Foreign exchange gains	76

8 Exceptional items

	4 months ended 31 December 2013 £000
Costs related to the divestment from Tessenderlo Group	700

9. Interest payable and similar charges

	4 months ended 31 December 2013 £000
Bank loans	815
Shareholder and Management Loans	754
	1,569

10 Taxation

	4 months ended 31 December 2013 £000
Analysis of tax charge in the period	
Current tax (see note below)	
UK corporation tax charge on profit for the period	23
Deferred tax (see note 19)	
Origination and reversal of timing differences	21
Tax on profit on ordinary activities	44

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 23 25% The differences are explained below

	4 months ended 31 December 2013 £000
Profit on ordinary activities before tax	641
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 25%	149
Effects of	
Expenses not deductible for tax purposes	(126)
Current tax charge for the period (see note above)	23

Factors that may affect future tax charges

A reduction in the UK corporation tax rate to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the company's future current tax charge accordingly The deferred tax asset at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

11 Intangible fixed assets

Group	Goodwill £000
Cost	
Additions (note 24)	10,241
On acquisition of subsidiaries (note 24)	1,378
At 31 December 2013	11,619
Amortisation	
At 16 August 2013	-
Charge for the period	240
At 31 December 2013	240
Net book value	
At 31 December 2013	11,379

During the period goodwill of £10,241,000 arose in respect of the acquisition of Eurocell Plc and subsidiary companies (note 24)

12. Tangible fixed assets

Group	Freehold property £000	Leasehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost					
Additions	-	-	1,923	-	1,923
Disposals	-	-	-	(27)	(27)
On acquisition of subsidiaries	13,232	89	15,678	58	29,057
At 31 December 2013	13,232	89	17,601	31	30,953
Depreciation					
Charge for the period	112	16	1,306	4	1,438
At 31 December 2013	112	16	1,306	4	1,438
Net book value					
At 31 December 2013	13,120	73	16,295	27	29,515

Included within land and buildings is non-depreciable land of £6,150,000

During the year assets with a net book value of £29,057,000 were acquired (note 24)

13 Fixed asset investments

Company	Investments in subsidiary companies £000
Cost	
Additions	90
At 31 December 2013	90
Net book value	
At 31 December 2013	90

Details of the principal subsidiaries can be found under note number 14

14. Principal subsidiaries

Name	Principal activity	Holding
H2 PVC Bidco Limited	Management and holding Company	100%
Eurocell Plc	Management and holding Company	100%
Eurocell Building Plastics Limited	Distribution of plastic building products	100%
Eurocell Profiles Limited	Manufacture of plastic window and building products	100%
Northampton Profiles Limited	Dormant	100%
Cavalok Building Products Limited	Dormant	100%
Merritt Engineering Limited	Dormant	100%
Merritt Plastics Limited	Dormant	100%
Peninsula Plastics Limited	Dormant	100%
Sheet Plastic UK Limited	Dormant	100%
Fairbrook Limited	Dormant	100%
Eurocell Holdings Limited	Dormant	100%
Eurocell Window Systems Limited	Dormant	100%
Eurocell Plastics Limited	Dormant	100%
Brunel Building Plastics Limited	Dormant	100%
Reversible Systems Limited	Dormant	100%
Deeplas Limited	Dormant	100%
Deeplas Building Plastics Limited	Dormant	100%

All of the subsidiary companies are incorporated in England and Wales

15. Stocks

	Group 2013 £000	Company 2013 £000
Raw materials	1,779	-
Work in progress	2,492	-
Finished goods and goods for resale	10,974	-
	15,245	-

16 Debtors

	Group 2013 £000	Company 2013 £000
Trade debtors	19,136	-
Amounts owed by group undertakings	-	11
Other debtors	1,707	-
Deferred tax asset (see note 19)	1,807	-
	22,650	11

17. Creditors:
Amounts falling due within one year

	Group 2013 £000	Company 2013 £000
Bank loans	18,240	-
Trade creditors	15,090	-
Corporation tax	64	-
Other taxation and social security	2,178	-
Other creditors	2,843	-
Accruals and deferred income	4,952	-
	43,367	-

The bank loans are secured as follows

	Group 2013 £000	Company 2013 £000
Secured over trade debtors and stock	14,938	-
Secured against cash flow	1,875	-
Secured over plant and machinery	763	-
Secured against property	664	-
Total	18,240	-

18 Creditors·

Amounts falling due after more than one year

	Group 2013 £000	Company 2013 £000
Bank loans	10,911	-
Other loans	17,749	-
Other creditors	8,073	-
	36,733	-

Included within the above are amounts falling due as follows

	Group 2013 £000	Company 2013 £000
Between one and two years		
Bank loans	3,302	-
Between two and five years		
Bank loans	7,609	-
Over five years		
Other loans	17,749	-

Creditors include amounts not wholly repayable within 5 years as follows

	Group 2013 £000	Company 2013 £000
Repayable other than by instalments	18,436	-

18. Creditors
Amounts falling due after more than one year (continued)

The bank loans are secured as follows

	Group 2013 £000	Company 2013 £000
Secured against cash flow	3,125	-
Secured against plant and machinery	2,037	-
Secured against property	5,749	-
Total	10,911	-

The bank loans are secured by way of fixed and floating charge over the subsidiary company assets as detailed on notes 16 and 17 Interest is charged at an excess over base rate of between 2% and 4%

Loans secured on Property, Plant and Machinery and Cash Flow are repayable by instalments Loans secured on Accounts Receivable and Inventory are not repayable by instalments

The Management Loans are repayable 31 August 2023 and amount to £338,876 Interest is charged at 11% Interest on this loan compounds until the loan is repaid

The Shareholder Loans are repayable on 31 August 2023 and amount to £17,992,000 in total of which £583,000 is included within other creditors due after more than one year Interest is charged at 11% Interest compounds until the loan is repaid

Included within other creditors is deferred consideration of £10,036,000 of which £2,650,000 is payable within one year and £7,386,000 is due after more than one year but less than five years £8,250,000 of the deferred consideration accrues interest at 5% The balance of the deferred consideration of £1,786,000 is dependent on the unwinding of the deferred tax asset on acquisition

19 Deferred taxation

	Group 2013 £000	Company 2013 £000
At beginning of period	-	-
Movement during the period	21	-
On acquisition	1,786	-
At end of period	1,807	-

19 Deferred taxation (continued)

The deferred taxation balance is made up as follows

	Group 2013 £000	Company 2013 £000
Accelerated capital allowances	1,542	-
Other timing differences	265	-
	1,807	-

20 Provisions for liabilities and charges

Group	Dilapidation £000
Additions	1,299
At 31 December 2013	1,299

Dilapidation

The provision is for the potential dilapidation costs likely to be incurred to restore leased properties to their original state The provision represents the directors best estimate of costs associated with its leased properties

The Company has no provisions

21 Share capital

Allotted, called up and fully paid	2013 £000
90,000 A Ordinary shares of £0 01 each	1
5,057 B Ordinary shares of £0 10 each	1
3,034 C Ordinary shares of £0 10 each	-
1,011 D Ordinary shares of £0 20 each	-
1,011 E Ordinary shares of £0 20 each	-
1,011 F Ordinary shares of £0 20 each	-
	2

On incorporation 90,000 shares were issued at a premium of 99p per share to form a capital base for the company

In December 2013 the Ordinary shares were designated as A shares and a further 5 category of shares were created The B to F shares were then issued to the Eurocell Management The A ordinary shares account for 89% of the equity and 75% of the voting rights

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

22. Reserves

Group	Share premium account £000	Profit and loss account £000
Profit for the financial period	-	597
Premium on shares issued during the period	99	-
At 31 December 2013	99	597

Company	Share premium account £000
At 16 August 2013 and 31 December 2013	99

23. Reconciliation of movement in shareholders' funds

Group	2013 £000
Opening shareholders' funds	-
Profit for the financial period	597
Shares issued during the period	2
Share premium on shares issued (net of expenses)	99
Closing shareholders' funds	698

Company	2013 £000
Opening shareholders' funds	-
Shares issued during the period	2
Share premium on shares issued (net of expenses)	99
Closing shareholders' funds	101

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the period dealt with in the accounts of the company was £nil

24. Acquisitions and disposals

Acquisition of subsidiary

On 1 September 2013 the group acquired 100% of the issued equity share capital of Eurocell Plc and its subsidiary undertakings The companies are incorporated in England and Wales However, operating control was deemed to be effective from 1 September 2013, as this is when the group took on the risks and rewards of ownership

The fair value of the net assets at the date of acquisition are detailed below

	Net book value £000	Fair value adjustments £000	Fair value to the group £000
Assets and liabilities acquired			
Tangible fixed assets	31,490	(2,433)	29,057
Intangible fixed assets	1,378	-	1,378
Stocks	14,201	-	14,201
Debtors	23,740	-	23,740
Cash at bank	1,548	-	1,548
Creditors and provisions	(24,444)	-	(24,444)
Net assets acquired	47,913	(2,433)	45,480
Satisfied by			
Consideration			
Cash			28,275
Deferred consideration			10,036
Loan notes			17,410
			55,721
Goodwill arising on consolidation (see note 11)			10,241

Eurocell Plc, and its subsidiary undertakings reported turnover of £140,166,000, an operating profit of £1,882,000, and a profit before taxation of £352,000 for the year ended 31 December 2012, and turnover of £101,907,000, an operating profit of £4,924,000, and a profit before taxation of £3,907,000 for the period 1 January 2013 to 1 September 2013 prior to acquisition

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2013

25 Net cash flow from operating activities

	4 months ended 31 December 2013 £000
Operating profit	2,134
Amortisation of intangible fixed assets	240
Depreciation of tangible fixed assets	1,438
Increase in stocks	(1,044)
Decrease in debtors	2,896
Decrease in creditors	(147)
Increase in provisions	1,299
Net cash inflow from operating activities	6,816

26. Analysis of cash flows for headings netted in cash flow statement

	4 months ended 31 December 2013 £000
Returns on investments and servicing of finance	
Interest received	76
Interest paid	(267)
Net cash outflow from returns on investments and servicing of finance	(191)

	4 months ended 31 December 2013 £000
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(1,923)
Sale of tangible fixed assets	27
Net cash outflow from capital expenditure	(1,896)

	4 months ended 31 December 2013 £000
Acquisitions and disposals	
Purchase of subsidiary undertaking	(49,869)

26 Analysis of cash flows for headings netted in cash flow statement (continued)

	4 months ended 31 December 2013 £000
Financing	
Bank loans	33,750
Repayment of loans	(4,599)
Shareholder and director loans	17,749
Net cash inflow from financing	46,900

27 Analysis of changes in net funds

	16 August 2013 £000	Cash flow £000	On Acquisition £000	Other non-cash changes £000	31 December 2013 £000
Cash at bank and in hand	-	1,760	1,548	-	3,308
Debt:					
Debts due within one year	-	-	-	(18,240)	(18,240)
Debts falling due after more than one year	-	(46,900)	-	18,240	(28,660)
Net funds	-	(45,140)	1,548	-	(43,592)

28. Contingent liabilities

The company has guaranteed the borrowings of other companies in the Eurocell Group, headed by H2 PVC Bidco Limited

29 Pension commitments

The group operates a defined contribution scheme for the benefit of directors and employees The asset of the scheme are held separately from those of the company in independently administered funds The pension cost for the year was £787,000 There were no unpaid contributions at the balance sheet date

30 Operatıng lease commıtments

At 31 December 2013 the group had annual commıtments under non-cancellable operatıng leases as follows

Group	Land and buildıngs 2013 £000	Other 2013 £000
Expıry date		
Wıthın 1 year	1,589	266
Between 2 and 5 years	1,813	2,752
After more than 5 years	28	263

31. Related party transactıons

H2 Equıty Partners Lımıted ıs consıdered to be a related party by vırtue of ıts common dırectors and common ultımate controllıng party Kalverboer Management UK LLP ıs controlled by P H L Kalverboer, a dırector of H2 PVC Topco Lımıted

Sınce acquısıtıon the followıng management charges have been made to the above companıes

	2013 £000	2012 £000
H2 Equıty Partners Lımıted	65	-
Kalverboer Management UK LLP	10	-

These amounts were outstandıng and ıncluded wıthın credıtors at the year end

Durıng the perıod Management loan notes receıved from dırectors' of the group were as follows

P Bateman	£154,034
M K Edwards	£92,421
G Parkınson	£30,807
A Smıth	£30,807
I Kemp	£30,807

Interest ıs charged at 11% and the total of £339,590 remaıned outstandıng at the perıod end and ıncluded wıthın credıtors due after more than one year

Durıng the perıod Shareholder loan notes of £17,410,000 were receıved from H2 Equıty Partners Lımıted, whıch ıs a company under common owershıp wıth H2 PVC Topco Lımıted

Interest ıs charged at 11%, and £17,992,400 remaıned outstandıng at the perıod end, ıncluded wıthın credıtors due after more than one year

During the period shares were issued to directors of the group, the premium received was as follows

P Bateman	£5,057
M K Edwards	£3,034
G Parkinson	£1,011
A Smith	£1,011
I Kemp	£1,011

The group has taken advantage of the exemption contained in FRS 8 not to disclose transactions with wholly owned group undertakings

32. Controlling party

In the opinion of the directors the ultimate controlling party is Cooperatief H2 Equity Partners Fund IV Holding W A

UNAUDITED MEMORANDUM RECONCILIATION TO MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £000	2012 £000
Reconciliation to Management Accounts		
Profit before tax per management accounts	4,594	352
Impairment of property on acquisition	(2,433)	-
Profit on ordinary activities before taxation as above	2,161	352

This page does not form part of the audited financial statements