

# Epwin Group

2014 Annual Report  
and Accounts



A blurred photograph of people walking in a modern office lobby. The scene is captured with a motion blur effect, showing several individuals in business attire moving across a highly reflective, polished floor. Large windows in the background let in bright light, and the overall atmosphere is one of a busy, professional environment.

# Welcome to our Annual Report 2014

Epwin is a vertically integrated manufacturer of low maintenance building products, operating in the RMI, new build and social housing sectors.

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[www.epwin.co.uk](http://www.epwin.co.uk)



## Highlights

The Group believes it is well positioned to benefit from the anticipated rise in the Repair, Maintenance and Improvement (RMI) market as the UK economic upturn gathers pace and household disposable incomes begin to increase.

Revenue

**£259.5m**   
1.6%

Pre-tax operating cash flow

**£19.9m**

Adjusted EBITDA

**£24.5m**   
14.5%

Net cash at year end

**£1.1m**

Underlying operating profit

**£18.3m**   
37.6%

Basic earnings per share

**11.56p**

Operating profit

**£19.3m**   
119.3%

Final dividend per share

**2.83p**

Profit before tax

**£18.6m**   
138.5%

## Financial highlights

- Revenue from continuing operations increased by 1.6% to £259.5 million (2013: £255.3 million).
- Adjusted EBITDA (\*) increased by 14.5% to £24.5 million (2013: £21.4 million) and adjusted EBITDA margin to 9.4% from 8.4%.
- Underlying operating profit (\*\*) up 37.6% to £18.3 million (2013: £13.3 million). Operating profit was up £10.5 million from £8.8 million to £19.3 million.
- Proposed final dividend of 2.83 pence per ordinary share following on from an interim dividend of 1.41 pence per ordinary share, making the total dividend for the year 4.24 pence per share.
- Profit before tax increased from £7.8 million in 2013 to £18.6 million in 2014 as a result of the improvement in underlying profitability, the release of provisions no longer required on the settlement of a number of legacy property leases and elimination of the pre-IPO shareholder management charges.
- Basic earnings per share of 11.56 pence (2013: 4.09 pence).
- Positive net cash, £1.1 million, at 31 December 2014, up from a net debt position of £18.7 million at 31 December 2013, after £10 million was received at IPO, with cash generated from operations before tax up 54.3% at £19.9 million (2013: £12.9 million). Operating cash conversion (\*\*\*) increased from 97.0% in 2013 to 108.7% in 2014.

(\*) Adjusted EBITDA is before non-recurring costs, share-based payments, discontinued operations and pre-IPO shareholder management charges. Pre-IPO shareholder management charges relate to management services provided by entities controlled by the pre-IPO majority shareholders. These charges ceased from the date of admission to AIM.

(\*\*) Underlying operating profit is before amortisation of acquired intangible fixed assets, business re-organisation costs and share based payments.

(\*\*\*) Operating cash conversion is pre-tax operating cash flow as a percentage of underlying operating profit.

## Operational highlights

- Strong trading performance from the Extrusion Division, revenues increasing by 6.0% to £142.9 million and underlying operating profit by 50.9% to £16.6 million reflecting the full impact of synergy savings following the 2012 merger.
- Rainwater products continue to grow organically with sales increasing by 20% from the prior year, potential further increases in this area continue to represent opportunities for 2015 and onwards.
- The Fabrication and Distribution Division has had a more challenging year. Ongoing revenue decreased by 3.2% to £116.6 million due to delays to the start of new social housing contracts and the decision to withdraw from low margin business. Operating profit was £4.5 million, down from £6.1 million in 2013 due to operational and commercial inefficiencies which continue to be addressed through investment, recruitment, training and improved management.
- Investment in property, plant and equipment and IT systems continues to maintain and improve the Group's overall manufacturing efficiency and capacity, with future improvements targeted over the coming years.
- Further site integrations have been completed in the year and others will be completed during the first half of 2015 which will deliver further synergy benefits and cost savings.
- Two non-core businesses have been disposed of in the year allowing the Group to focus on its core competencies.
- The Group is well positioned to benefit from the anticipated rise in the Repair, Maintenance and Improvement (RMI) market as the UK economic upturn gathers pace and household disposable incomes begin to increase.

# Chairman's Statement

In what has been a year of change the Group has delivered a strong set of results, generating significantly higher profits and cash.

## Introduction

I am pleased to present our maiden results as a public company for the financial year ended 31 December 2014. In what has been another year of significant change, Epwin has made good progress towards the Group's strategic and financial goals. I believe we will look back on 2014 as a year in which we laid the foundations for a very successful and competitive business.

## Strategy & operational development

As well as the IPO, the senior management team have continued their strategy of restructuring and rationalisation as they continue to realise the opportunities presented by the merger with the Latium group of companies in 2012. This strategy has seen a number of senior appointments to strengthen the management team, in particular in the Fabrication and Distribution business, as well as the disposal of some non-core operations.

The completion of the restructuring, together with the refinancing of bank facilities and proceeds from the IPO, put the Group in a very healthy funding position and provides a platform from which to pursue the longer term Board strategy. This includes continued operational improvements and the intention to take advantage of opportunities to increase shareholder value as they arise.

## Results

In the year under review, revenue from continuing operations increased by 1.6% to £259.5 million and underlying operating profit before pre-IPO shareholder management charges improved by 25.8% to £19.5 million.

Strong cash conversion resulted in an operating cash flow before taxation of £19.9 million (2013: £12.9 million). Net funds at the year-end were £1.1 million (2013: net debt of £18.7 million).

## Dividends

In October 2014 we paid our first interim dividend of 1.41 pence per ordinary share. I am pleased to announce that, in line with our stated dividend policy, the Board is recommending a final dividend of 2.83 pence per ordinary share to be paid on 8 June 2015 to shareholders on the register on 15 May 2015. This gives a full year dividend of 4.24 pence per ordinary share, which represents a yield of 4.24% based on the market capitalisation of Epwin Group Plc on admission to AIM.

## People

2014 was another year of organisational change as management continued its programme of restructuring and rationalisation. The year just ended has also been about hiring and integrating a number of senior appointments that significantly strengthen the senior management team for the future.

On behalf of the Board and our shareholders I would like to thank our employees for the levels of commitment shown to the Group, and for the benefit of customers and shareholders, during this year of change. A number of employees throughout the Group have taken the opportunity that the IPO has presented to own shares in the Group. It is hoped that more will do so in the coming year as we launch an SAYE scheme.

## Outlook

The Board believes that the Group is well placed to continue to grow its operating profits and to capitalise on anticipated future market improvements over the coming year.

## Andrew Eastgate

Chairman

15th April 2015









# Strategic Report

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## Strategic Report

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# Business Overview

## Business overview & principal activities

Epwin is a vertically integrated manufacturer of extrusions, mouldings and fabricated low maintenance building products, operating in the RMI, new build and social housing sectors.

The Group is the result of a merger in January 2012 between the Epwin business and certain of the Latium businesses. Founded in 1976, the Epwin business has grown and developed both organically and by acquisition over the last 38 years. From its origins as one of the first PVC-U window fabrication businesses in the UK, the Epwin business has changed significantly to become a stable and substantial player, selling a broad range of low maintenance building products.

Listed for a period from the late 1980s, the Epwin business was taken private in 1999 as a predominantly fenestration-orientated business. In the following year, with the acquisition of Swish Building Products, the Epwin business began to diversify its product offering and has subsequently played a major role in consolidating the sector. Epwin's fabrication operations developed into a window profile systems manufacturer before widening its range of products to include cellular roofline and cladding extrusions, rainwater and underground moulding and extrusions, GRP and thermoplastic doorsets and glass sealed units.

The industry consolidation process led ultimately to the merger in January 2012, and the creation of the current Group. This gave Epwin a larger market share in its core markets and broadened its product portfolio as well as offering the opportunity to make synergistic cost savings and further leverage the vertically integrated approach to the market.

The Group has made significant steps in delivering post-merger synergies over the last three years, having successfully delivered on an initial programme of factory mergers, cost savings and logistics optimisation to improve efficiencies and profitability.

Today the Group operates from a number of facilities located across the UK. The Board and senior management view and run the business as two segments, being the Extrusion businesses that form the manufacturing base, as well as being a B2B supplier, and the Fabrication and Distribution businesses that provide alternative routes to market as well as additional pull on the manufacturing businesses.

The Group has developed and acquired a portfolio of over 30 brands, which collectively represent the market face of the Group and are operated to maximise the sales opportunities presented by a diverse and fragmented market.

## Extrusion Business

Manufactures and markets the following products:

- Leading brands of PVC-UE extruded 'cellular' roofline and cladding profile systems for the replacement and installation of soffits, barge boards, cladding and trims. The Division is the market leader extruding c.30,000 tonnes per annum.
- Complete extruded PVC-U window profile systems for fabricators of windows, doors, cavity closers and curtain walling. c.35,000 tonnes of profile manufactured per year, estimated to be one of the two largest manufacturers in the UK.
- A growing complementary range of PVC-U rainwater and drainage products, c.5,000 tonnes per annum.
- Operates from four extrusion and moulding facilities in Telford, Tamworth, Macclesfield and Scunthorpe.

## Fabrication and Distribution Business

Fabricates and markets ranges of branded windows and doors from the Group's own profile systems for sale to the trade, social and new build sectors.

- Manufactures around 350,000 frames per year, c. 40,000 Glass Reinforced Plastic (GRP) and Thermoplastic door sets and 1.3 million glass sealed units.
- Additionally operates 26 building plastic trade distribution centres and separately 16 Window Stores as direct trade outlets for the Group's manufactured products.



# Strategic and Operational Review

## Overview

The year ended 31 December 2014 was a year of change for Epwin with the business being admitted to trading on AIM in July. At the same time the year has been one of consolidation as the Group further progressed its strategy of rationalisation, disposing of non-core businesses and withdrawing from unprofitable business as well as realising further synergy benefits envisaged at the time of the merger in 2012 but delayed by the Competition Commission review of that year.

## Extrusion

Within the Extrusion business revenues increased by 6.0% to £142.9 million, principally driven by sales of cellular profile. Specification sales of cellular profile were strong in the year, assisted by the buoyant performance of housebuilders. Trade sales also performed well particularly in the second half of the year. Encouragingly, sales of rainwater products grew organically 20% year on year and this remains an area of focus for the business, as too is the growth of drainage products.

Window profile systems revenues were also up year on year, by 4.5%. This has been driven by an increase in sales volumes of the Spectus brand, which has seen growth in both existing and new customer accounts. Sales of window hardware increased by 4% over the prior year.

Operational performance within the extrusion business was excellent, with record levels of service and operational efficiencies being achieved. There has been investment in capacity and demand at the extrusion sites during 2014 which has helped ensure that demand from the market has been met effectively.

The window systems foiling plant was successfully re-located to a better equipped site at the end of 2014, which is expected to enhance product offer and customer service.

There is currently a project underway to re-locate a warehouse from Telford to a newly constructed facility adjacent to the Tamworth cellular extrusion facility. This will be completed in Q2 2015 and is expected to generate operational synergies. Together these projects are expected to realise synergies of £0.5 million annualised.

Additionally, the Group will build upon these developments by introducing further products in 2015/16, including entirely new, market leading, window profile systems to be sold under the Profile 22 brand.

## Fabrication and Distribution

The Fabrication and Distribution business has had a year of significant change. The changes made are now substantially completed and have addressed the majority of the legacy issues in the business, consequently there is confidence in the greater robustness of the business going forward. New management has been in post now for around twelve months and is driving the change process, focussing on upskilling across the business in order to improve efficiencies in operational performance and commercial execution. Revenues decreased by 3.2% to £116.6 million in the year as certain lower margin business was exited.

The Door business was consolidated during 2014, reducing from two sites to one. After a period of re-organisation the business is now moving forward and the launch of the new trade door in February 2015 strengthens the commercial offer significantly.

The Glass business has been through a process of reviewing customer profitability and has consequently reduced its revenue by around £2 million. A new Insulated Glass Unit (IGU) line has been installed in the Northampton glass plant and this will add an additional £0.5 million of annualised benefit through improved operational efficiency and increased output and quality. The Group also took the opportunity to dispose of a non-core, loss making bespoke glass business in August 2014.

## Health and safety

The Group is committed to ensuring a safe, clean and healthy working environment for all 2,300 of its employees, its customers and suppliers. The Group actively promotes health and safety and the continuous improvement in health and safety standards across all operations.

## Market outlook

There has been significant under investment by landlords and property owners in the UK's housing stock. The Office for National Statistics figures indicate that there are 27.8 million homes across the country and only 60% of these are maintained to a satisfactory level.

Recent industry figures indicate that around 4.3 million window frames are replaced each year, representing a replacement rate of less than 2% per annum. The Group believes that a replacement rate significantly above this is required to address the ageing population of fenestration products and due to the recent history of underinvestment in UK housing stock, there is further significant pent up demand within the RMI space.

The Group additionally believes that the same opportunities exist for its wider range of low maintenance building products designed for the broad spectrum of demand from the UK RMI market.

Forecast growth in real wages and growing consumer confidence should help the Group grow its revenues in coming years. The forthcoming General Election in May 2015 may cause some turbulence, however Government policy may assist the business as the Affordable Homes Programme has been extended to 2020. Additionally, the Government has said it will release public sector land with capacity for 150,000 homes by 2020 and the Group anticipates continued maintenance expenditure on social housing stock as well as schools, hospitals and other public buildings. Importantly, however, the Group's strategy is not

dependent on improving markets, or government policy, but on operational improvement and selective capital investment.

The Directors believe that the Group will benefit from the UK economic upturn in the RMI market, as well as the increased focus on energy efficient buildings. A four point strategic plan to take advantage of these market conditions and drive profit growth is in place, as follows:

### ***Cross selling opportunities***

The Directors believe there are a number of opportunities for the Group's products to be cross-sold through different brands and alternative sales channels.

### ***Brand extension***

The Group operates a multiple branding strategy and believes that the use of these brands can be extended. The Directors are developing the use of these brands in conjunction with the products portfolio to capitalise on the opportunities in the new build, social housing and RMI sectors which the Directors believe could increase revenues and enhance margins.

Potential exists to increase Group market share in the new build and social housing sectors by geographical extension of current regional activities.

### ***Market consolidation***

The Board believes there is opportunity to consolidate further operations by identifying potential targets that add routes to market, products and/or improve market share.

### ***Operational leverage***

The Board believes the Group has additional capacity in its manufacturing and warehousing network, and therefore market growth and additional revenues from organic growth would enhance margins.

# Financial Review

## Financial performance

Total revenue for the year ended 31 December 2014 increased by 1.6% to £259.5 million compared to £255.3 million for the year ended 31 December 2013. The growth in revenue was largely driven by strong demand for the Group's extruded products.

Underlying operating profit before pre-IPO shareholder management charges was £19.5 million (2013: £15.5 million), representing growth of 25.8%, as a result of cost savings from synergy and rationalisation projects, and higher extruded products volumes.

Operating profit was £19.3 million (2013: £8.8 million) as a result of the improvement in underlying business profitability and the release of provisions no longer required due to the settlement of a number of legacy property leases and elimination of the pre-IPO shareholder management charges.

## Key financials

	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
<b>Revenue (excluding discontinued operations)</b>	<b>259.5</b>	<b>255.3</b>
<b>Adjusted EBITDA (*)</b>	<b>24.5</b>	<b>21.4</b>
Depreciation	(5.0)	(5.9)
<b>Underlying operating profit (**) before pre-IPO shareholder management charges</b>	<b>19.5</b>	<b>15.5</b>
Pre-IPO Shareholder management charges	(1.2)	(2.2)
<b>Underlying operating profit (**)</b>	<b>18.3</b>	<b>13.3</b>
Amortisation of acquired intangible fixed assets	(1.7)	(1.7)
Business re-organisation costs	3.5	(2.8)
Share-based payments	(0.8)	-
<b>Operating profit</b>	<b>19.3</b>	<b>8.8</b>
<b>Underlying operating margin (**) before pre-IPO shareholder management charges</b>	<b>7.5%</b>	<b>6.1%</b>
<b>Operating margin</b>	<b>7.4%</b>	<b>3.4%</b>

(\*) Adjusted EBITDA is before non-recurring costs, amortisation of acquired intangible fixed assets, share-based payments, discontinued operations and pre-IPO shareholder management charges. Pre-IPO shareholder management charges relate to management services provided by entities controlled by the pre-IPO majority shareholders. These charges ceased from the date of admission to AIM.

(\*\*) Underlying operating profit and margin is before amortisation of acquired intangible fixed assets, business re-organisation costs and share-based payments.

Reportable segments	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
<b>Revenue (excluding discontinued operations)</b>		
Extrusion	142.9	134.8
Fabrication and distribution	116.6	120.5
<b>Total</b>	<b>259.5</b>	<b>255.3</b>
<b>Underlying segmental operating profit</b>		
Extrusion	16.6	11.0
Fabrication and distribution	4.5	6.1
<b>Underlying segmental operating profit before corporate and other costs</b>	<b>21.1</b>	<b>17.1</b>
Corporate and other costs	(1.6)	(1.6)
<b>Underlying operating profit (*) before pre-IPO shareholder management charges (**)</b>	<b>19.5</b>	<b>15.5</b>
Pre-IPO shareholder management charges	(1.2)	(2.2)
<b>Underlying operating profit (*)</b>	<b>18.3</b>	<b>13.3</b>
Amortisation of acquired intangible fixed assets	(1.7)	(1.7)
Business re-organisation	3.5	(2.8)
Share-based payments	(0.8)	-
<b>Operating profit</b>	<b>19.3</b>	<b>8.8</b>

(\*) Underlying operating profit is before amortisation of acquired intangible fixed assets, business re-organisation costs and share based payments.

(\*\*) Pre-IPO shareholder management charges relate to management services provided by entities controlled by the pre-IPO majority shareholders. These charges ceased from the date of admission to AIM.

## Financial Review continued

### Extrusion

- Revenue increased by 6.0% to £142.9 million (2013: £134.8 million) during the year and operating profit increased to £16.6 million from £11.0 million.
- Operating margins improved to 11.6% compared to 8.2% in the same period in 2013, due to volume increases and site integration savings.

### Fabrication and Distribution

- Revenue decreased by 3.2% to £116.6 million (2013: £120.5 million). The revenue decreases are a combination of delays resulting from contract awards and the withdrawal from low margin work.
- Operating profit of £4.5 million, down from £6.1 million in 2013, due to lower sales volumes, disruption as a result of the re-organisation and the cost of improvement in operational and commercial efficiency which is now being addressed by new management. Consequently operating margins decreased to 3.9% compared to 5.1% in 2013.
- Improvements in the performance of commercial operations are being addressed through recruitment, training and improved management.

### Non underlying items

To assist users of the financial statements to understand underlying trading performance, non-recurring, exceptional items amortisation and share based payments have been excluded from operating profit in arriving at underlying operating profit. Non-recurring and exceptional items include:

#### Amortisation of acquired intangible fixed assets

£1.7 million amortisation of brand and customer contract intangible fixed assets created on the merger in 2012. Customer contract intangibles are fully amortised at 31 December 2014.

Business re-organisation	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
Site rationalisation and redundancy costs	(1.2)	(2.8)
Gain on closure of non-trading, legacy distribution business	2.9	-
Settlement of legacy onerous lease obligations	1.8	-
	<b>3.5</b>	<b>(2.8)</b>

#### Business re-organisation gains and costs

Business re-organisation gains of £3.5 million comprise redundancy costs associated with rationalisation and synergy projects offset by gains made on the favourable settlement of a number of legacy onerous leases.



Site rationalisation and redundancy costs relate to the re-organisation programme within the Fabrication and Distribution business. This is now largely completed. In 2013, the site rationalisation and redundancy costs relate to expenditure incurred on projects to bring about synergistic benefits arising from the Epwin and Latium merger in 2012. They predominantly relate to severance and site move costs in the Extrusion business.

The gain on closure of a non-trading, legacy distribution business generated a gain of £2.9 million as the business contained certain property related liabilities which are now no longer due by the Group.

The settlement of onerous lease obligations relates to provisions made for legacy leases for vacant properties that have subsequently either been settled for less than the amount provided or an alternative use has been found for the property.

### Share based payments

Share based payments include the IFRS 2: Share-based payments charge in respect of the Management Incentive Plan (£0.1 million) and warrants over ordinary shares issued as part of the IPO (£0.7 million).

Cash flow	Year ended 31 December 2014 £m	Year ended 31 December 2013 £m
<b>Pre-tax operating cash flow</b>	<b>19.9</b>	<b>12.9</b>
Tax paid	(1.7)	(0.9)
Acquisition of subsidiary	-	(0.2)
Net capital expenditure	(5.6)	(4.9)
Net interest paid	(0.7)	(0.9)
Proceeds of IPO	10.0	-
Net repayment of borrowings	(17.9)	(6.3)
Dividends	(1.9)	-
Discontinued operations	(0.1)	(1.0)
<b>Net increase in cash and cash equivalents</b>	<b>2.0</b>	<b>(1.3)</b>
<b>Net funds / (debt)</b>	<b>1.1</b>	<b>(18.7)</b>

Pre-tax operating cash flow increased by 54.3% to £19.9 million (2013: £12.9 million) demonstrating the strong cash generative characteristics of the business. In addition to this, £10.0 million of funding was raised as part of the IPO and, in combination with the operating cash inflow, was used to pay down the borrowings. After payment of interim dividends of £1.9 million the Group ended the year in a net funds position of £1.1 million (2013: net debt £18.7 million).

### Funding

As part of the IPO the Group renegotiated its existing banking facilities with Barclays. The new facility comprises of a £25 million revolving credit facility and £5 million overdraft. The term of the revolving credit facility is for five years ending July 2019.

## Key Performance Indicators

The Group has a range of performance indicators, both financial and non-financial, that allow the Board to monitor the performance of the Group as well as manage the business.

The Group has financial KPIs that it monitors on a regular basis at Board level and where relevant at operational management meetings as follows:

KPI		2014	2013
Revenue	↑	£259.5m	£255.3m
Underlying operating profit	↑	£18.3m	£13.3m
Underlying operating margin	↑	7.1%	5.2%
Adjusted EBITDA	↑	£24.5m	£21.4m
Capital expenditure	↑	£6.1m	£5.0m
Pre-tax operating cash flow	↑	£19.9m	£12.9m
Cash conversion	↑	108.7%	97.0%
Net cash/(debt)	↑	£1.1m	(£18.7m)
Leverage ratio (net debt/adjusted EBITDA)	↑	-	0.87
Basic EPS	↑	11.56p	4.09p
Dividends declared	↑	£5.7m	-

The Group also has non-financial KPIs that it monitors on a regular basis at Board level and where relevant at operational management meetings as follows:

- Tonnes/units manufactured
- Tonnes/units sold
- Stock turn
- Debtor days
- Employee output rates
- Health and Safety RIDDOR incidents
- On time and in full deliveries (OTIF)
- Scrap rates
- Customer complaints
- Backorders
- Supplier performance

# Principal Risks and Uncertainties

Epwin is affected by a number of risks and uncertainties, not all of which are wholly within its control, which could have a material impact on the Group's long term performance.

This section is intended to highlight the principal risks and uncertainties affecting the Group's business.

Epwin manages the risks inherent in its operations in order to mitigate exposure to all forms of risk, where practical. The Board has identified several specific risks and uncertainties that potentially impact the ongoing business including:

## Risk

### UK economy

One of the key risks to the business is any deterioration in the UK economy. The level of activity in the RMI, new build and social housing sectors has a direct impact on the levels of revenue, profitability and cash generation.

### Key customers

The inability to retain key customers or collect our receivables may cause our financial performance to suffer.

### Commodity prices

Adverse movements in commodity prices such as PVC glass and power will impact profit margins if the business is unable to pass the costs onto customers.

### Key suppliers

The Group relies upon certain key suppliers, particularly those supplying raw material such as glass and PVC resin. As a result, whilst alternative supply sources could be identified, the Group is exposed to a number of risks, including the risk of supply disruption, the risk of key suppliers increasing prices and the risk of key suppliers suffering a quality issue which impacts upon the quality of the Group's products.

### Key personnel

If we fail to attract and retain highly qualified key personnel, our ability to execute our business model and strategy could be impaired.

### Regulatory change

The Group recognises that the marketability of its products could be impacted by changes in regulation or government policy that in turn could adversely affect revenues and profitability.

### Integration of acquisitions

Acquisitions are an important growth option for the Group. Realisation of synergies may not occur, or may take significant time, resources and management attention. Any acquisitions we make may adversely affect our operations and, if not properly integrated, could disrupt our business model and profitability.

The strategic report has been approved by the Board and has been signed on its behalf by:

**Jonathan Bednall**

Chief Executive Officer

**Christopher Empson**

Group Finance Director

15th April 2015





# Our Governance

## Our Governance

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# Corporate Governance

The Directors acknowledge the importance of the principles set out in the QCA Corporate Governance Code. The Directors intend to apply the principles as far as they consider appropriate for a company of Epwin's size and nature in accordance with the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies 2013.

The Board of Directors is responsible to shareholders for effective direction and control of the Group. This report describes the framework for corporate governance and internal control that the Directors have established to enable them to carry out this responsibility.

## The Board's main responsibilities are:

- Providing leadership of the Group within a framework which enables risk to be assessed and managed
- Reviewing and approving the overall Group strategy and direction
- Reviewing and approving communications to shareholders
- Reviewing operational and financial performance
- Determining, maintaining and overseeing of controls, audit processes and risk management policies
- Approving the year end and interim financial statements
- Approving the annual budget
- Approving significant agreements and contracts
- Reviewing and approving acquisitions and disposals
- Reviewing the environmental and health and safety performance of the Group
- Reviewing and approving remuneration policies
- Approving appointments to the Board
- Monitoring and maintaining the Group's financing relationships





## Corporate Governance continued

### Structure and composition

As at the date of this report, the Board comprised three Executive and two Non-Executive Directors. Andrew Eastgate is Chairman of the Board of Directors and also Chairman of the Audit Committee and Nominations Committee. Michael O'Leary is Chairman of the Remuneration Committee. Peter Mottershead was Chairman of the Board of Directors Remuneration Committee and Nominations Committee until his resignation on 19 December 2014.

		Appointed	Audit Committee	Remuneration Committee	Nominations Committee
<b>Andrew Eastgate</b>	Non-Executive Chairman	14 July 2014	Chairman	Member	Chairman
<b>Jonathan Bednall</b>	Chief Executive Officer	12 January 2012	-	-	Member
<b>Christopher Empson</b>	Group Finance Director	17 June 2014	-	-	-
<b>Shaun Hanrahan</b>	Executive Director	17 June 2014	-	-	-
<b>Michael O'Leary</b>	Non-Executive Director	2 March 2015	Member	Chairman	Member

Biographies of all the Directors at the date of this report, including those offering themselves for re-election at this year's Annual General Meeting on 26 May 2015, are set out on page 30.

Details of the terms of appointment and remuneration of both the Executive and Non-Executive Directors are set out in the Directors' Remuneration Report on page 36.

#### Chairman

The Chairman is responsible for leadership of the Board, ensuring its effectiveness, setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items.

The Chairman facilitates the effective contribution and performance of all Board members whilst identifying any development needs of the Board. He also ensures that there is sufficient and effective communication with shareholders to understand their issues and concerns.



### Chief Executive Officer

The Chief Executive Officer has day to day responsibility, within the authority delegated by the Board, for implementing the Group's strategy and running the Group.

### Board committees

The Board is supported by Audit, Remuneration and Nomination Committees. Their specific responsibilities are set out on the following page.

Details of attendance at scheduled Board and Board Committee meetings during the period following admission to AIM on 24 July 2014 to 31 December 2014 are as follows:

	Board		Audit Committee		Remuneration Committee		Nominations Committee	
	Number	Attended	Number	Attended	Number	Attended	Number	Attended
<b>Andrew Eastgate</b>	5	5	2	2	0	0	1	1
<b>Jonathan Bednall</b>	5	5	n/a	n/a	n/a	n/a	1	1
<b>Christopher Empson</b>	5	5	n/a	n/a	n/a	n/a	n/a	n/a
<b>Shaun Hanrahan</b>	5	5	n/a	n/a	n/a	n/a	n/a	n/a
<b>Peter Mottershead*</b>	5	5	2	2	0	0	1	0

\*Peter Mottershead resigned as a Director of the company on 19 December 2014.

## Corporate Governance continued

The Board is supplied in a timely manner with the appropriate information to enable it to discharge its duties, including providing constructive challenge to, and scrutiny of, management. Further information is obtained by the Board from the Executive Directors and other relevant senior Executives as the Board, particularly its Non-Executive members, considers appropriate.

Procedures are in place for Directors to take independent professional advice, when necessary, at the Company's expense. No such advice was sought during the year under review.

The Board is supported by the Company Secretary who, under the direction of the Chairman, ensures good communication and information flows within the Board, including between Executive and Non-Executive Directors and between the Board and its Committees.

If Directors have concerns that cannot be resolved regarding the running of the Group or a proposed action, they are encouraged to make their views known and these are recorded in the Board minutes.

### Audit Committee

During the year the Audit Committee comprised two independent Non-Executive Directors: Andrew Eastgate (Chairman) and Peter Mottershead, up to the date of his resignation on 19 December 2014. On 2 March 2015 Michael O'Leary was appointed to the Board of Directors and to the Audit Committee on 24 March 2015.

The Committee's principal responsibilities include:

- 1) Reviewing and challenging the risk identification and risk management processes across the business; and
- 2) Managing relations with the external auditor to ensure the annual audit is effective, objective, independent and of high quality; and
- 3) Reviewing the company's corporate reporting.

During the period from admission to AIM on 24 July 2014 to 31 December 2014, the Audit Committee met twice.

Its activities included:

- Reviewing the interim announcement to 30 June 2014.
- Consideration of the audit plan for the year ended 31 December 2014.
- Reviewing and ensuring the suitability of the Committee's Terms of Reference.

### Remuneration Committee

The Remuneration Committee comprised Andrew Eastgate and Peter Mottershead, up to the date of his resignation on 19 December 2014. On 2 March 2015 Michael O'Leary was appointed to the Board of Directors and as Chairman of the Remuneration Committee on 24 March 2015.

The Committee's principal responsibilities include:

- Setting the remuneration policy for executive directors;
- Reviewing the level and structure of remuneration for senior management.

Full details of the role, policies and activities of the Remuneration Committee are set out in the Directors' Remuneration Report on pages 36.

Directors' remuneration was set as part of the admission to AIM, as such there has been no requirement for a meeting of the Remuneration Committee during the period from admission to 31 December 2014.

## Nominations Committee

The Nominations Committee comprised Andrew Eastgate (Chairman) and Peter Mottershead, up to the date of his resignation on 19 December 2014. On 2 March 2015 Michael O'Leary was appointed to the Board of Directors and to the Nominations Committee on 24 March 2015.

The Committee's principal responsibilities include:

- Keeping under review the structure, size and composition of the Board; and
- Identifying and nominating candidates to fill Board vacancies; and
- Considering succession planning for Directors and other senior management.

The Committee meets as and when required and met once during the year in order to consider the appointment of an additional Non-Executive Director.

## Directors' conflicts of interest

Under the Companies Act 2006, a Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Group's interests. The requirement is considered very broad and could apply, for example, if a Director becomes a Director of another Company or a trustee of another organisation. The Act allows Directors of public companies to authorise conflicts and potential conflicts, where appropriate, provided that the articles of association contain a provision to this effect. The Company's articles authorise the Directors to approve such situational conflicts.

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict.

First, only Directors who have no interest in the matter being considered will be able to take the relevant decision, and second, in taking the decision, the Directors must act in a way which they consider, in good faith, will be most likely to promote the Group's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

Directors are required to notify the Company Secretary of any additional conflict situation or if there is a material change in a conflict situation previously notified, giving sufficient details of the situation to allow the Board to make an informed decision when considering authorisation.

## Internal controls

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material mis-statement or loss.

Epwin is committed to conducting its business responsibly and in accordance with all applicable laws and regulations. Employees are encouraged to raise concerns about fraud, bribery and other matters through a whistle-blowing procedure.

The Group's financial reporting processes are detailed and regularly reviewed. The detailed reporting is reviewed at least each month end by the members of the central finance team, highlighting areas of concern and checking/confirming that the reasons for variations are valid. Quarterly reviews of each of the businesses are performed by the Executive Directors covering both historic and forthcoming financial and business performance as well as anticipating key future events.

## Corporate Governance continued

In addition each business unit is required to submit a quarterly controls checklist which is signed locally to say that controls and reviews have been carried out both during the month and as part of the month end close. These reports are also used to follow up on any non-compliance points identified on these forms and are reviewed by the relevant Divisional Financial Directors.

### Auditor independence

The Audit Committee and the Board place great emphasis on the objectivity of the external auditor in their reporting to shareholders. The audit partner and senior manager are present at Audit Committee meetings as required to ensure full communication of matters relating to the audit. The overall performance of the auditor is reviewed annually by the Audit Committee, taking into account the views of management, and feedback is provided when necessary to senior members of KPMG unrelated to the audit. This activity also forms part of KPMG's own system of quality control. The Audit Committee also has discussions with the auditor on the adequacy of controls and on any judgmental areas. These discussions have proved satisfactory to date. The scope of the forthcoming year's audit is discussed in advance by the Audit Committee. Audit fees are approved by the Audit Committee after discussions between the Group Finance Director and KPMG.

Rotation of the audit partner's responsibilities within KPMG is required by their profession's ethical standards. There will be rotation of the audit partner and key members within the audit team as appropriate.

Assignments of non-audit work have been and are subject to controls by management that have been agreed by the Audit Committee so that audit independence is not compromised.

Other than audit, the Board is required to give prior approval of work carried out by KPMG and its associates in excess of £20,000. Part of this review is to determine that other potential providers of the services have been adequately considered. These controls provide the Audit Committee with confidence in the independence of KPMG in their reporting on the audit of the Group.

### Relations with shareholders

The Board is committed to maintaining good communications with shareholders. Other than during close periods, the Chief Executive Officer and Group Finance Director maintain a regular dialogue with institutional shareholders and give presentations to institutional shareholders and analysts immediately after the announcement of the Group's half year and full year results. The Group also encourages communications with private shareholders throughout the year and welcomes their participation at shareholder meetings.

The Group maintains a corporate website ([www.epwin.co.uk](http://www.epwin.co.uk)), which complies with AIM Rule 26 and contains a range of information of interest to institutional and private investors including the Group's annual and half year reports, trading statements and all regulatory announcements relating to the Group.

The Board wishes to encourage the constructive use of the Company's AGM for shareholder communication.

The Chairman of the Board and the Chairmen of the Audit, Remuneration and Nominations Committees will be available to answer questions at the forthcoming AGM. Resolutions will be proposed on each substantially separate issue and the level of proxies cast for each resolution will be available at the AGM.



## Directors and Advisors

### Andrew Eastgate

#### Non-Executive Chairman

Andrew was formerly a Partner at Pinsents where he was head of Pinsents' corporate practice in Birmingham. Andrew has a broad experience of advising quoted companies, particularly in connection with transactions and compliance issues, and is currently a non-executive director and Chairman of the audit committee of Headlam Group Plc. Andrew was a director of the old Epwin holding company between 2008 and 2012, and resigned on the merger with the Latium businesses. Andrew joined the Board on admission to AIM and became Chairman following the resignation of Peter Mottershead on 19 December 2014.

### Jonathan Bednall

#### Chief Executive Officer

Jon joined Epwin Group in 2008, becoming Group Finance Director in 2009 and was appointed Chief Executive Officer in 2013. Jon has been responsible for the significant restructuring of Epwin in that time, as well as devising and managing the merger with Latium in 2012. Jon has considerable group managerial experience, including acquisition and disposals, having previously spent 10 years at BI Group, a Kuwaiti owned engineering group, becoming Group Finance Director and then Chief Operating Officer. Prior to that Jon qualified as an ACA at KPMG in Birmingham where he spent six years in a number of roles.

### Christopher Empson

#### Group Finance Director

Chris has been with Epwin since 2012, having joined to assist with the business integration and development

following the Latium merger. Before this Chris was a divisional Finance Director within Rentokil Initial Plc, having previously worked at BI Group as Group Finance Director. Chris also spent five years with 3i after qualifying as an ACA at PricewaterhouseCoopers. Chris has considerable group management experience, including in corporate transactions.

### Shaun Hanrahan

#### Executive Director

Shaun has been with Epwin since the Group acquired Swish Building Products from Williams Holdings in 2000. Shaun has overseen the growth of Swish Building Products to a position of market strength, bringing a wealth of market knowledge and commercialism to the Group. Prior to his time at Swish, Shaun was a Business Analyst at Baco, British Alcan and Williams Holdings working on post-acquisition projects at companies in the UK and Europe including Rawlplug, Polycell and Fairey Engineering.

### Michael O'Leary

#### Non-executive Director

Mike was appointed to the Board as a non-executive Director on 2 March 2015. Mike was joint Chief Operating Officer at Misys Plc between 1986 and 2000, running both their UK Insurance Division and US Healthcare Division. He was then Chief Executive Officer of Huon Corporation and also Marlborough Stirling Plc. Since 2005 he has undertaken a number of non-executive roles. He is currently Non-executive Chairman of Emis Group Plc and a Non-executive Director of Headlam Group Plc, where he has served since March 2006.

**Registered office**

1b Stratford Court  
Cranmore Boulevard  
Solihull  
B90 4QT

**Company number**

07742256

**Auditors**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

**Nominated advisor and broker**

Zeus Capital Limited  
82 King Street  
Manchester  
M2 4WQ

**Bankers**

Barclays  
4th Floor, Bridgewater House  
Counterslip  
Finzels Reach  
Bristol  
BS1 6BX

**Registrars**

Capita Registrars Limited  
The Registry  
34 Beckenham Road  
Beckenham  
BR3 4TU

**Company Secretary**

Christopher Empson



## Directors' Report

The Directors present their report together with the audited financial statements for the year ended 31 December 2014.

### Financial results and dividends

The audited accounts for the Group and Company for the year ended 31 December 2014 are set out on pages 46 to 101. The Group profit for the year after taxation from continuing operations was £15.1 million (2013: £6.5 million). The Board recommends the payment of a final dividend of 2.83 pence per ordinary share. If approved, the final dividend will be paid on 8 June 2015 to shareholders on the register at the close of business on 15 May 2015.

### Directors and directors' interests

The directors who held office during the year and to the date of this report were as follows:

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**A K Eastgate**  
(appointed 14 July 2014)

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**J A Bednall**

---

**C A Empson**  
(appointed 17 June 2014)

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**S P Hanrahan**  
(appointed 17 June 2014)

---

**M K O'Leary**  
(appointed 2 March 2015)

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**P D L Mottershead**  
(appointed 14 July 2014, resigned 19 December 2014)

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**A J Rawson**  
(resigned 17 June 2014)

---

**B G Kennedy**  
(resigned 17 June 2014)

---

**D J Challinor**  
(resigned 25 June 2014)

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Full biographical details of the Company's Directors as at the date of this report are given on page 30.

The directors' remuneration and their interests in the share capital of the Company are detailed on pages 36 to 39.

### Directors' and officers' liability insurance

The Company has purchased insurance to cover its directors and officers against costs of defending themselves in legal proceedings taken against them in that capacity and in respect of any damages resulting from those proceedings. The insurance does not provide cover where the director has acted fraudulently or dishonestly.

### Supplier payment policy

The Group agrees payment terms with its suppliers when it enters into binding purchase contracts. The Group seeks to abide by the payment terms agreed whenever it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions. The Group seeks to treat all suppliers fairly, but it does not have a Group-wide standard or code of practice that deals specifically with payment to suppliers. Trade payables at 31 December 2014 represented on average 53 days credit based on actual invoices received (2013: 49 days credit).



## Share capital

The issued share capital of the Company at 31 December 2014 was £85,500, comprising of 135,000,000 ordinary shares of 0.05 pence each and 18,000 deferred shares of £1 each.

The Directors will be seeking authority at the forthcoming Annual General Meeting to renew their authority to allot shares and to repurchase ordinary and deferred shares. Full details of these resolutions, together with explanatory notes, are contained in the Notice of Annual General Meeting on pages 104 to 111.

## Substantial shareholdings

As at 15th April 2015, the following shareholders own more than 3% of the issued share capital of the Company:

	% of issued share capital	Number of shares
AJ Rawson	15.00	20,250,000
C Kennedy	15.00	20,250,000
Schroder Plc	12.00	16,195,915
Henderson Global Investors	9.77	13,200,000
Premier Fund Managers	9.11	12,303,121
AXA Investment Managers UK	7.57	10,218,750
Unicorn Asset Management	6.89	9,299,805
Ruffer LLP	5.90	7,965,000
Chelverton Asset Management	3.59	4,850,000

## Directors Report continued

### Charitable and political donations

The Group made no charitable donations during the year.

### Going concern

As highlighted in note 1 to the financial statements, the Group meets its day to day working capital requirements through an overdraft and revolving credit facility which is due for renewal in July 2019.

Further information on the Group's business activities, together with the factors likely to affect its future development, performance and position is set out in the Strategic Report on pages 10 to 19. In addition, note 26 to the financial statements details the Group's objectives, policies and processes for managing its capital and its exposures to credit risk and liquidity risk.

The Group's forecasts and projections, taking account of possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities.

After making enquiries, the Board has a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Annual General Meeting

The Annual General Meeting of the Company will be held on 26 May 2015 at Eversheds LLP, 115 Colmore Row, Birmingham B3 3AL. The Notice setting out details of the business to be considered at the meeting is included on pages 104 to 111.

### Auditor

KPMG LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be proposed at the forthcoming Annual General Meeting.

### Disclosure of information to the auditor

As required by Section 418 of the Companies Act 2006, each Director serving at the date of approval of the financial statements confirms that:

- to the best of his knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditors are unaware; and
- each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Words and phrases used in this confirmation should be interpreted in accordance with Section 418 of the Companies Act 2006.

### Employees

Our employment policies, including a commitment to equal opportunity, are designed to attract and retain high-calibre individuals, regardless of age, sex, religion, disability, marital status, race, ethnicity, nationality or sexual orientation. Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retain them in order that their employment with the Group may continue.

We take measures to ensure good working conditions. Employees are expected at all times to act honestly, respectfully, and in accordance with our Company policies. The Company does not tolerate misconduct or harassment in any form and will diligently investigate and, where necessary, take action following any complaints, including those of confidential “whistle-blowers.”

The Group keeps its employees informed of matters affecting them as employees through regular team briefings throughout the year. We value employees’ opinions and seek to actively consult them in the decision making process and keep them apprised of company news.

The average number of employees within the Group is shown in note 8 to the financial statements on page 71.

### By order of the Board

**Christopher Empson**

Group Finance Director

1b Stratford Court

Cranmore Boulevard

Solihull

B90 4QT

15th April 2015

# Directors' Remuneration Report

## Remuneration Committee and advisers

The Committee reviews the Company's policy on the remuneration and terms of engagement of the Executive Directors and Senior Management Team. Executive Directors attend by invitation only when appropriate and are not present at any discussion of their own remuneration.

The members of the Remuneration Committee and details of attendance at the meetings are disclosed in the Corporate Governance report on pages 24 and 25.

The Committee members have no personal financial interest, other than as shareholders, in the matters to be decided. They have no conflicts of interest arising from cross-directorships or from being involved in the day-to-day business of the Group. The Committee members do not participate in any bonus, share awards or pension arrangements.

## Remuneration policy

The Group operates in a highly competitive environment, the Board and Remuneration Committee of Epwin aim to ensure the Group has the best possible team to drive continued success and creation of shareholder value. For the Group to continue to compete successfully, it is essential that the level of remuneration and benefits offered achieve the objectives of attracting, retaining, motivating and rewarding the necessary high calibre of individuals at all levels across the Group.

The Group therefore sets out to provide competitive remuneration to all its employees, appropriate to the business environment in the market in which it operates. To achieve this, the remuneration package is based upon the following principles:

- total rewards should be set to provide a fair and attractive remuneration package;
- appropriate elements of the remuneration package should be designed to reinforce the link between performance and reward; and
- Executive Directors' incentives should be aligned with the interests of shareholders.

## Remuneration of Executive Directors

The Company's remuneration policy contains the following remuneration components:

### Fixed remuneration components

Fixed remuneration components play a key role in attracting, retaining and motivating high calibre and higher performing executives. Fixed remuneration consists of three components:

#### Basic salary or fees

- Basic salaries or fees are approved by the Remuneration Committee on an annual basis after taking into consideration the performance of the individuals, their levels of responsibility and rate of salary or fees for similar positions in comparator companies.

#### Pensions

- The Group makes defined contributions on behalf of the Directors into their individual pension plans based on a percentage of basic salary
- The amounts paid in the financial year are set out in the Directors' emoluments table on page 38.

### Other taxable benefits

- These principally comprise car benefits, life assurance and membership of the Group's healthcare insurance scheme or payment in lieu of these benefits. These benefits do not form part of pensionable earnings.

### Variable remuneration components

Variable remuneration components directly link an individual's reward, over both the short and the long term, to their contributions to the success of the Group. The schemes ensure that only high performance is rewarded with high reward and that failure is not rewarded.

### Annual performance related bonuses

- Performance related bonuses for the Executive Directors are contractual and are determined by reference to performance targets based on the Group's financial results set at the beginning of the financial year. Awards are capped at a maximum of 100% of the individual's basic pay. Terms and conditions are based on the recommendations of the Remuneration Committee.

### Long term incentive arrangements

The Group strongly believes that employee share ownership strengthens the link between employee's personal interests and those of the Group and its shareholders, as well as strengthening employee retention and motivation. With the aim of linking an individual's remuneration to Company performance over the longer term, the Group currently operates a long term, share based incentive plan.

In 2014, the Group established the Management Incentive Plan to create a stronger link between the interests of senior employees, and those of the Group and our shareholders, and to support retention in key roles.

Under the Management Incentive Plan, the Executive Directors and certain senior employees acquired shares in a subsidiary of the Group at par value. Subject to continuing employment and the attainment of specific performance targets, the employees will be able to exchange these shares for ordinary shares of Epwin Group Plc equal to 12.5% of the increase in market capitalisation generated in excess of the hurdle rate of £175 million, subject to a cap of £12.5 million.

The purpose of the Management Incentive Plan was to incentivise key members of the management team by granting rights to acquire shares based on an increase in market capitalisation, thus aligning their interests with shareholders.

### Non-Executive Directors' remuneration

The Non-Executive Directors receive fees set at a level commensurate with their experience and ability to make a contribution to the Group's affairs and are set by the Board as a whole. No other incentives, pensions or other benefits are available to the Non-Executive Directors.

## Directors' Remuneration Report continued

Details of the Directors' emoluments, share awards and shareholdings are given below and form part of the audited financial statements.

	Salary and fees	Other taxable benefits	Bonus	Pension contributions	Total	Total
<b>EXECUTIVE</b>	<b>2014 £000</b>	<b>2014 £000</b>	<b>2014 £000</b>	<b>2014 £000</b>	<b>2014 £000</b>	<b>2013 £000</b>
<b>J A Bednall</b>	200	8	100	24	332	332
<b>C A Empson</b> (appointed 17 June 2014)	65	5	49	8	127	-
<b>S P Hanrahan</b> (appointed 17 June 2014)	81	8	38	15	142	-
<b>A J Rawson</b> (resigned 17 June 2014)	7	-	-	-	7*	87*
<b>B G Kennedy</b> (resigned 17 June 2014)	-	-	-	-	**	**
<b>D J Challinor</b> (resigned 25 June 2014)	-	-	-	-	**	**
<b>NON-EXECUTIVE</b>						
<b>A K Eastgate</b> (appointed 14 July 2014)	19	-	-	-	19	-
<b>P D L Mottershead</b> (appointed 14 July 2014, resigned 19 December 2014)	30	-	-	-	30	-
<b>Total</b>	<b>402</b>	<b>21</b>	<b>187</b>	<b>47</b>	<b>657</b>	<b>419</b>

\* Fees of £0.5 million (2013: £0.9 million) were paid in the period from 1 January 2014 to 24 July 2014 to Pentwin Limited, a company controlled by A J Rawson.

\*\* Fees of £0.7 million (2013: £1.3 million) were paid in the period from 1 January 2014 to 24 July 2014 to Latium Management Services Limited a company controlled by B G Kennedy and which employs D J Challinor.

## Long term incentives vested during the financial year

Awards were made to JA Bednall, CA Empson, SP Hanrahan and other senior employees under the Management Incentive Plan on 14 July 2014. The Management Incentive Plan grants the award holder a variable number of ordinary shares of Epwin Group Plc based on the increase in the market capitalisation of the Group over a 3 year period and also the Group achieving certain earnings targets. If the market capitalisation of the Group is in excess of £175 million on 14 July 2017 the award holders will be entitled to ordinary shares equal to 12.5% of the excess, subject to a cap of £12.5 million. As the number of shares awarded is variable, based on the increase in market capitalisation achieved, it is not possible to quantify the number of awards granted to each Executive Director.

## Directors' service agreements

The service agreements of the Executive Directors entitle them on termination to payments in lieu of notice equal to salary, benefits and pension contributions for a period of 12 months or less if the Director finds alternative full time employment. There will be no compensation for loss of office due to misconduct or resignation by the Directors.

Non-Executive Directors are appointed for an initial period of 3 years, subject to reappointment at the forthcoming AGM.

## Directors' shareholdings

The interests of the Directors' who held office at 31 December 2014 in the ordinary share capital of the Company are as shown in the table below.

	As at 31 December 2014	As at 31 December 2013
<b>EXECUTIVE</b>	<b>Number</b>	<b>Number</b>
Jonathan Bednall	578,500	260*
Christopher Empson	39,200	-
Shaun Hanrahan	-	100**
<b>NON-EXECUTIVE</b>	<b>Number</b>	<b>Number</b>
Andrew Eastgate	5,000	-

\* As at 31 December 2013 Jonathan Bednall held 260 ordinary C1 shares of 1 pence each which were part realised during the capital restructuring performed as part of the IPO.

\*\* As at 31 December 2013 Shaun Hanrahan held 100 ordinary C3 shares of 1 pence each which were realised during the capital restructuring performed as part of the IPO.

This report has been approved by the Board and has been signed on its behalf by:

**Michael O'Leary**

Chairman of the Remuneration Committee

15th April 2015

# Statement of Directors' Responsibilities

## in respect of the annual report and accounts

The Directors are responsible for preparing the Annual Report and the Group and parent company 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. As required by the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;

- for the parent company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

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 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.







**Epwin Group**  
2018 Annual Report  
and Accounts



**GLOBAL MAP**  
Worldwide Subgrouping





# Financial Statements



## Financial Statements

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# Independent Auditor's Report

## to the members of Epwin Group Plc

We have audited the financial statements of Epwin Group Plc for the year ended 31 December 2014 set out on pages 46 to 101.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The financial reporting framework that has been applied in the preparation of the parent Company financial statements is applicable law and UK Accounting Standards (UK 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 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.

### Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 40, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### Opinion on financial statements

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 December 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- the financial statements 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 information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## 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.

## Michael Froom

(Senior Statutory Auditor)

for and on behalf of

### **KPMG LLP, Statutory Auditor**

Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

15 April 2015

# Consolidated Income Statement and Other Comprehensive Income

for the year ended 31 December 2014

	Note	2014 £m	(restated, see note 6) 2013 £m
<b>Group revenue</b>	1	<b>259.5</b>	<b>255.3</b>
Cost of sales		(186.7)	(185.8)
<b>Gross profit</b>		<b>72.8</b>	<b>69.5</b>
Distribution expenses		(23.3)	(26.4)
Administrative expenses		(30.2)	(34.3)
<b>Underlying operating profit</b>		<b>18.3</b>	<b>13.3</b>
Amortisation of acquired intangible assets	15	(1.7)	(1.7)
Business re-organisation	7	3.5	(2.8)
Share-based payments	9	(0.8)	-
<b>Operating profit from continuing operations</b>		<b>19.3</b>	<b>8.8</b>
Net finance costs	10	(0.7)	(1.0)
<b>Profit before tax</b>		<b>18.6</b>	<b>7.8</b>
Taxation	11	(3.5)	(1.3)
<b>Profit from continuing operations</b>		<b>15.1</b>	<b>6.5</b>
Loss from discontinued operations net of tax	6	(0.3)	(1.5)
<b>Profit for the year and total comprehensive income</b>		<b>14.8</b>	<b>5.0</b>
<b>Earnings per share</b>		<b>pence</b>	<b>pence</b>
Basic	12	11.56	4.09
Basic - continuing operations	12	11.76	5.32
Basic – discontinued operations	12	(0.20)	(1.23)
Diluted	12	11.55	4.09
Diluted – continuing operations	12	11.75	5.32
Diluted – discontinued operations	12	(0.20)	(1.23)

# Consolidated Balance Sheet

as at 31 December 2014

	Note	2014 £m	2013 £m
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	14	24.5	24.5
Other intangible assets	15	0.2	1.9
Property, plant and equipment	17	26.2	25.1
Deferred tax	24	2.9	3.2
		<b>53.8</b>	<b>54.7</b>
<b>Current assets</b>			
Inventories	18	22.4	21.7
Trade and other receivables	19	37.6	40.1
Cash and cash equivalents	20	2.3	0.3
		<b>62.3</b>	<b>62.1</b>
<b>Total assets</b>		<b>116.1</b>	<b>116.8</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other interest bearing loans and borrowings	22	0.4	3.0
Trade and other payables	21	45.6	47.9
Income tax payable		2.0	0.5
Provisions	23	1.0	3.1
		<b>49.0</b>	<b>54.5</b>
<b>Non-current liabilities</b>			
Other interest bearing loans and borrowings	22	0.8	16.0
Other payables	21	-	2.7
Provisions	23	3.5	7.0
		<b>4.3</b>	<b>25.7</b>
<b>Total liabilities</b>		<b>53.3</b>	<b>80.2</b>
<b>Net assets</b>		<b>62.8</b>	<b>36.6</b>
<b>Equity</b>			
Ordinary share capital	25	0.1	-
Share premium	25	12.5	-
Merger reserve	25	15.6	27.0
Retained earnings		34.6	9.6
<b>Total equity</b>		<b>62.8</b>	<b>36.6</b>

The financial statements were approved by the Board of Directors and authorised for issue on 15 April 2015.

They were signed on its behalf by:

**Jonathan Bednall**  
Chief Executive Officer

**Christopher Empson**  
Group Finance Director

**Company number:**  
**07742256**

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2014

	Share capital £m	Share premium £m	Merger reserve £m	Retained earnings £m	Total £m
<b>Balance as at 31 December 2012</b>	-	-	<b>27.0</b>	<b>4.6</b>	<b>31.6</b>
<b>Comprehensive income:</b>					
Profit for the year	-	-	-	5.0	5.0
<b>Total comprehensive income:</b>	-	-	-	<b>5.0</b>	<b>5.0</b>
<b>Balance as at 31 December 2013</b>	-	-	<b>27.0</b>	<b>9.6</b>	<b>36.6</b>
<b>Comprehensive income:</b>					
Profit for the year	-	-	-	14.8	14.8
<b>Total comprehensive income:</b>	-	-	-	<b>14.8</b>	<b>14.8</b>
<b>Transactions with owners recorded directly in equity:</b>					
Issue of shares (pre IPO)	-	2.5	-	-	2.5
Bonus issue of shares	11.4	-	(11.4)	-	-
Cancellation of shares	(11.3)	-	-	11.3	-
IPO share placing	-	10.0	-	-	10.0
Share-based payments	-	-	-	0.1	0.1
Share warrants issued on IPO	-	-	-	0.7	0.7
Dividends	-	-	-	(1.9)	(1.9)
<b>Total transactions with owners</b>	<b>0.1</b>	<b>12.5</b>	<b>(11.4)</b>	<b>10.2</b>	<b>11.4</b>
<b>Balance as at 31 December 2014</b>	<b>0.1</b>	<b>12.5</b>	<b>15.6</b>	<b>34.6</b>	<b>62.8</b>



# Consolidated Cash Flow Statement

for the year ended 31 December 2014

	Note	2014 £m	(restated, see note 6) 2013 £m
<b>Cash flows from operating activities</b>			
<b>Profit for the year</b>		<b>14.8</b>	<b>5.0</b>
Adjustments for:			
Depreciation and amortisation	15 & 17	6.7	7.6
Net finance costs	10	0.7	1.0
(Profit) on disposal of property, plant and equipment		(0.1)	(0.1)
Taxation	11	3.5	1.3
Share-based payments	9	0.8	-
Loss from discontinued operations net of tax	6	0.3	1.5
<b>Operating cash flow before movement in working capital</b>		<b>26.7</b>	<b>16.3</b>
(Increase) in inventories		(0.9)	(0.8)
Decrease/(increase) in trade and other receivables		2.4	(2.7)
(Decrease)/increase in trade and other payables		(2.7)	0.9
(Decrease) in provisions		(5.6)	(0.8)
		<b>19.9</b>	<b>12.9</b>
Tax paid		(1.7)	(0.9)
<b>Net cash inflow from operating activities</b>		<b>18.2</b>	<b>12.0</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiary, net of cash acquired	5	-	(0.2)
Acquisition of property, plant and equipment		(5.7)	(5.2)
Receipts from disposal of property, plant and equipment		0.1	0.3
<b>Net cash (outflow) from investing activities</b>		<b>(5.6)</b>	<b>(5.1)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(0.7)	(0.9)
Proceeds from the issue of share capital	25	10.0	-
Repayment of borrowings		(17.6)	(5.8)
Transaction costs related to loans and borrowings		-	(0.1)
Capital element of finance lease rental payments		(0.3)	(0.4)
Dividends paid		(1.9)	-
<b>Net cash (outflow) from financing activities</b>		<b>(10.5)</b>	<b>(7.2)</b>
<b>Discontinued operations</b>			
Net cash flow from operating activities		(0.1)	(1.0)
<b>Net cash (outflow) from discontinued operations</b>		<b>(0.1)</b>	<b>(1.0)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2.0</b>	<b>(1.3)</b>

# Consolidated Cash Flow Statement continued

for the year ended 31 December 2014

	Note	2014 £m	(restated, see note 6) 2013 £m
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2.0</b>	<b>(1.3)</b>
Cash and cash equivalents at the beginning of year		0.3	1.6
Cash and cash equivalents at end of year	20	2.3	0.3
Secured bank loans	22	-	(18.4)
Finance lease liabilities	22	(1.2)	(0.6)
<b>Net cash/(debt)</b>		<b>1.1</b>	<b>(18.7)</b>

# Notes to the Accounts

for the year ended 31 December 2014

## 1. Accounting policies

### 1.1 Basis of preparation

Epwin Group Plc (the "Company") is a company incorporated and domiciled in the United Kingdom.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The financial statements of the parent company have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP") and presented from page 96.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements.

Judgements made by the directors in the application of these accounting policies, that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in note 2.

The financial statements are prepared on the historical cost basis except where Adopted IFRSs require an alternative treatment.

### 1.2 Going concern

The Group financial statements are prepared on a going concern basis as the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group has considered financial resources, together with a strong ongoing trading performance. The bank facilities are available until July 2019. The Group has prepared a detailed business plan, including cash projections, for the period to 31 December 2017 and has applied sensitivities to these plans. These plans, and sensitised forecasts, demonstrate that the Group's current facilities provide adequate headroom for its current and future anticipated cash requirements.

# Notes to the Accounts continued

for the year ended 31 December 2014

## 1.3 Basis of consolidation

### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

## 1.4 Foreign currencies

Transactions in foreign currencies are translated to the respective functional currency of the Group at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated statement of comprehensive income.

## 1.5 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists, these components are separated and accounted for individually under the above policy.

## 1.6 Financial instruments

### Financial Assets

The Group's financial assets include cash and cash equivalents and trade and other receivables. All financial assets are recognised when the Group becomes party to the contractual provisions of the instrument.

#### i) Trade receivables

Trade receivables are recognised and carried at original invoice amount less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows, and is recognised in the consolidated income statement in administrative expenses.

#### ii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits held at call with banks. For the purpose of the consolidated cash flow statement, cash and cash equivalents includes bank overdrafts in addition to the definition above.

### Financial Liabilities

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

The Group's financial liabilities comprise trade and other payables and borrowings. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### i) Bank borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest method.

Financial expenses comprise interest expense on borrowings.

#### ii) Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

## Notes to the Accounts continued

for the year ended 31 December 2014

### 1.7 Property, plant and equipment

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 Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. 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 consolidated statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Leasehold improvements	over the term of the lease
Fixtures, fittings and equipment	3-15 years
Motor Vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

### 1.8 Business combinations

Business combinations are accounted for using the acquisition method at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs relating to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

## 1.9 Intangible assets and goodwill

### Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but tested annually for impairment.

### Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

### Amortisation

Amortisation is charged to the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Brand	10 years
Customer relationships	3 years

## 1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

## 1.11 Impairment excluding inventories and deferred tax assets

### 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 has 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.

# Notes to the Accounts continued

for the year ended 31 December 2014

## **Non-financial assets**

The carrying amounts of the Group'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, ("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 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.

## 1.12 Employee benefits

### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of profit and loss in the periods during which services are rendered by employees.



### Share based payments

The Group grants share options to certain employees, which may, if certain performance criteria are met, allow these employees to acquire shares in the Company. The specific schemes are detailed in note 9 to the accounts.

The share options are measured at fair value at the date of grant and recognised as an employee expense, with a corresponding increase in equity, on a straight-line basis over the vesting period. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where variations are due only to share prices not achieving the threshold for vesting.

### Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 1.13 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured 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 risks specific to the liability.

## 1.14 Revenue recognition

Revenue comprises the fair value of goods sold to external customers, net of value added tax, discounts, rebates, VAT and other sales taxes or duty. Revenue is recognised on the sale of goods when the significant risks and rewards of ownership of the goods have passed to the customer and the amount of revenue can be measured reliably, usually on the dispatch of goods.

## 1.15 Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# Notes to the Accounts continued

for the year ended 31 December 2014

## 1.16 Operating lease payments

Payments made under operating leases are recognised in the statement of profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of profit and loss as an integral part of the total lease expense.

## 1.17 Financial income and expense

Financial expenses comprise interest payable and the unwinding of the discount on provisions. Financial income comprises interest receivable on funds invested.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

## 1.18 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future profits will be available against which the temporary difference can be utilised.

### 1.19 Non-current assets held for sale and discontinued operations

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent re-measurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated income statement is restated as if the operation has been discontinued from the start of the comparative period.

### 1.20 Underlying operating profit

Underlying operating profit is a key measure used by management to monitor the underlying performance of the business and is defined as operating profit before amortisation of acquired intangible fixed assets, business re-organisation costs and share-based payments.

## Notes to the Accounts continued

for the year ended 31 December 2014

### 1.21 Adopted IFRS not yet applied

At the date of approval of these financial statements the following standards/improvements have been published and endorsed by the EU, but have not yet been applied by the Group in these financial statements:

- IFRS 2 Share-based payments – definition of ‘vesting condition’;
- IFRS 3 Business combinations – classification and measurement of contingent consideration and scope exclusion for the formation of joint arrangements;
- IFRS 8 Operating segments – disclosures on the aggregation of operating segments;
- IFRS 13 Fair value measurement – measurement of short-term receivables and payables and scope of portfolio exception;
- IAS 16 Property, plant and equipment & IAS 38 Intangible assets – clarification of restatement of accumulated depreciation/amortisation on revaluation; and
- IAS 24 Related party disclosures – definition of ‘related party’.

## 2. Critical judgements and estimations in applying the Group's accounting policies

The preparation of the consolidated financial statements requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. 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 estimate is revised and in any future periods impacted.

The key judgements and estimates employed in the financial statements are considered below.

### Impairment of goodwill

On an annual basis, the Group is required to perform an impairment review to assess whether the carrying value of goodwill is less than its recoverable amount. Recoverable amount is based on a calculation of expected future cash flows, which include estimates of future performance. Details of assumptions used in the impairment of goodwill are detailed in note 14.

### Allowances against the carrying amount of inventories

The Group provides against the carrying amount of inventories based on expected demand for its products to ensure that inventory is stated at the lower of cost and net realisable value.

### Provisions

Provisions are made using the directors' best estimates of future cash flows based on the current level of information available to them. Actual cash flows will be dependent on future events. For details of assumptions see note 23.

### Deferred taxation

The Group recognises deferred tax assets and liabilities based upon future taxable income and the expected recoverability of the balance. The estimate will include assumptions regarding future income streams of the Group and the future movement in corporation tax rates in the respective jurisdictions.

# Notes to the Accounts continued

for the year ended 31 December 2014

## 3. Segmental reporting

Segmental information is presented in respect of the Group's reportable operating segments in line with IFRS 8 'Operating Segments', which requires segmental information to be disclosed on the same basis as it is viewed internally by the Chief Operating Decision Maker.

Following the IPO, the Group's Board of Directors, considered as the Chief Operating Decision Makers, reviewed the existing reportable segments and concluded the Group has two reportable segments based on the operations and products and services offered; Extrusion, and Fabrication and Distribution.

### Reportable segments

#### **Extrusion**

### Operations

Extrusion and marketing of PVC-U window profile systems, PVC-UE cellular roofline and cladding, rigid rainwater and drainage products.

#### **Fabrication and Distribution**

Fabrication and marketing of windows and doors, distribution of cellular roofline, cladding, rainwater and drainage products, and manufacture of glass sealed units.

In arriving at the reportable segments, the existing operating segments of Window Systems and Building Components have been aggregated as the Extrusion reportable segment.

Distribution operations, previously reported as part of the Building Components division, are now reported in the Fabrication and Distribution reportable segment along with the fabrication and distribution operations previously reported in Building Products division.

	2014 £m	2013 £m
<b>Revenue from external customers</b>		
Extrusion - total revenue	170.2	161.2
Inter - segment revenue	(27.3)	(26.4)
	142.9	134.8
Fabrication and Distribution - total revenue	116.7	120.6
Inter - segment revenue	(0.1)	(0.1)
	116.6	120.5
<b>Total revenue from external customers</b>	<b>259.5</b>	<b>255.3</b>
<b>Segmental operating profit</b>		
Extrusion	16.6	11.0
Fabrication and Distribution	4.5	6.1
<b>Segmental operating profit before corporate and other costs</b>	<b>21.1</b>	<b>17.1</b>
Corporate and other costs	(1.6)	(1.6)
<b>Underlying operating profit before pre-IPO shareholder management charges</b>	<b>19.5</b>	<b>15.5</b>
Pre-IPO shareholder management charges	(1.2)	(2.2)
<b>Underlying operating profit</b>	<b>18.3</b>	<b>13.3</b>
Amortisation of acquired intangible fixed assets	(1.7)	(1.7)
Business re-organisation	3.5	(2.8)
Share-based payments	(0.8)	-
<b>Group operating profit</b>	<b>19.3</b>	<b>8.8</b>
Net finance costs	(0.7)	(1.0)
<b>Profit before tax</b>	<b>18.6</b>	<b>7.8</b>

## Notes to the Accounts continued

for the year ended 31 December 2014

Balance sheet 2014	Extrusion £m	Fabrication and Distribution £m	Total £m
Total assets	73.1	37.6	110.7
Total liabilities	(34.2)	(15.7)	(49.9)
<b>Segment assets</b>	<b>38.9</b>	<b>21.9</b>	<b>60.8</b>
Group and other balances			2.0
<b>Net assets</b>			<b>62.8</b>

Balance sheet 2013	Extrusion £m	Fabrication and Distribution £m	Total £m
Total assets	73.4	39.9	113.3
Total liabilities	(37.5)	(20.7)	(58.2)
<b>Segment assets</b>	<b>35.9</b>	<b>19.2</b>	<b>55.1</b>
Group and other balances			(18.5)
<b>Net assets</b>			<b>36.6</b>



Other material items 2014	Extrusion £m	Fabrication and Distribution £m	Group and other costs £m	Total £m
Capital expenditure	3.9	2.2	-	6.1
Depreciation	4.2	0.8	-	5.0

Other material items 2013	Extrusion £m	Fabrication and Distribution £m	Group and other costs £m	Total £m
Capital expenditure	4.3	0.7	-	5.0
Depreciation	4.4	1.5	-	5.9

Geographical information	2014 £m	2013 £m
Revenue from external customers		
UK	247.0	240.8
Europe	11.4	13.5
Rest of World	1.1	1.0
	<b>259.5</b>	<b>255.3</b>

There are no customers which individually account for more than 10% of the Group's revenues.

## 4. Operating profit from continuing operations

Operating profit from continuing operations is stated after charging/(crediting):	2014 £m	2013 £m
Amortisation of acquired intangible assets	1.7	1.7
Depreciation of property, plant and equipment	5.0	5.9
Operating lease rentals	8.9	8.4

## Notes to the Accounts continued

for the year ended 31 December 2014

The analysis of auditors' remuneration is as follows:

	2014 £m	2013 £m
Fees payable to the Company's auditors for the audit of the Company's annual accounts	45	30
The audit of the Company's subsidiaries pursuant to legislation	125	93
<b>Total audit fees</b>	<b>170</b>	<b>123</b>
Non-audit fees		
Taxation advisory services	29	59
Non-audit fees	<b>29</b>	<b>59</b>
	<b>199</b>	<b>182</b>

During the year, professional fees of £1,050,000 were paid to KPMG LLP, by the ultimate shareholders, for services in relation to the IPO.

## 5. Acquisition of subsidiaries

### Acquisitions in the year ended 31 December 2013

In April 2013, the Group acquired the trade and assets of Crown Architectural Aluminium (UK) Limited. The consideration of £0.2 million was satisfied in cash. This transaction has been accounted for by the acquisition method of accounting.

Acquiree's net assets at the acquisition date	Book values on acquisition £m	Recognised values on acquisition £m
Property, plant and equipment	-	-
Inventories	-	-
Total identifiable assets and liabilities	-	-
Cash consideration relating to business combination	-	0.2
<b>Goodwill</b>	<b>-</b>	<b>0.2</b>

## 6. Discontinued operations

As part of the Group's overall rationalisation project, following the merger in 2012, a number of non-core operations have been discontinued.

On 2 January 2014 the Group disposed of the trade and assets of Europlas, a non-core retail business. No material gain or loss arose on disposal. This disposal continues the strategy of rationalisation and focussing on the Group's core activities of window profile and cellular roofline extrusion, window and door fabrication and glass sealed unit manufacture. The comparative consolidated income statement and cash flow statement have been restated to show the discontinued operation separately from continued operations.

	2014 £m	2013 £m
Revenue	-	5.0
Cost of sales	-	(4.1)
Operating expenses	-	(0.9)
Loss before tax	-	-
Taxation	-	-
<b>Loss after tax from discontinued operations</b>	<b>-</b>	<b>-</b>

On 29 August 2014 the Group disposed of the trade and assets of a bespoke, glass distributor based in Portsmouth. A loss of £0.2 million arose on disposal. The comparative consolidated income statement and cash flow statement have been restated to show the discontinued operation separately from continued operations.

	2014 £m	2013 £m
Revenue	2.4	3.8
Cost of sales	(2.0)	(3.1)
Operating expenses	(0.7)	(0.8)
Loss before tax	(0.3)	(0.1)
Taxation	-	-
<b>Loss after tax from discontinued operations</b>	<b>(0.3)</b>	<b>(0.1)</b>

## Notes to the Accounts continued

for the year ended 31 December 2014

In the year to 31 December 2013, the Group closed its material re-processing business. All employees were made redundant, the site cleared and the plant and equipment sold.

	2014 £m	2013 £m
Revenue	-	2.8
Cost of sales	-	(2.8)
Operating expenses	-	(1.8)
Loss before tax	-	(1.8)
Taxation	-	0.4
<b>Loss after tax from discontinued operations</b>	<b>-</b>	<b>(1.4)</b>

## 7. Non-underlying items

	2014 £m	2013 £m
Amortisation of acquired intangible assets	1.7	1.7
Business re-organisation	(3.5)	2.8
Share-based payments	0.8	-
<b>(Income)/expense</b>	<b>(1.0)</b>	<b>4.5</b>

Non-underlying items included within operating profit include:

### Amortisation of acquired intangible fixed assets

£1.7 million amortisation of brand and customer contract intangibles fixed assets created on the merger in 2012. Customer contract intangibles are fully amortised at 31 December 2014.

### Business re-organisation gains and costs

Business re-organisation gains of £3.5 million (2013: £2.8 million costs) comprise redundancy costs associated with rationalisation and synergy projects offset by gains made on the favourable settlement of a number of legacy onerous leases.

	2014 £m	2013 £m
Site rationalisation and redundancy costs	(1.2)	(2.8)
Gain on closure of non-trading, legacy distribution business	2.9	-
Settlement of legacy onerous lease obligations	1.8	-
	<b>3.5</b>	<b>(2.8)</b>

## Notes to the Accounts continued

for the year ended 31 December 2014

Site rationalisation and redundancy costs relate to the re-organisation programme within the Fabrication and Distribution business. This is now largely completed. In 2013, the site rationalisation and redundancy costs relate to expenditure incurred on projects to bring about synergistic benefits arising from the Epwin and Latium merger in 2012. They predominantly relate to severance and site move costs in the Extrusion business.

The closure of a non-trading, legacy distribution business generated a gain of £2.9 million as the business contained certain property related liabilities which are now no longer due by the Group.

The settlement of onerous lease obligations relates to legacy leases for vacant properties that have subsequently either been settled for less than the amount provided or an alternative use has been found for the property.

### Share-based payments

The share-based payment expense of £0.8 million comprises £0.1 million in respect of the IFRS 2: Share-based payments charge for the Management Incentive Plan and £0.7 million in respect of share warrants issued as part of the IPO.

## 8. Staff costs

	2014 Number	2013 Number
<b>Average number of employees</b>		
Production and distribution	1,718	1,707
Marketing and administration	550	627
	<b>2,268</b>	<b>2,334</b>

	2014 £m	2013 £m
<b>Aggregate payroll costs</b>		
Wages and salaries	54.1	54.9
Social security costs	4.8	5.0
Contributions to defined contribution plans	1.3	1.2
Share based payments	0.1	-
	<b>60.3</b>	<b>61.1</b>

Key management personnel have been identified as the Corporate and Operations Boards.

Remuneration of key management personnel is as follows:

	2014 £m	2013 £m
<b>Key management personnel costs</b>		
Short-term employee benefits	1.1	0.8
Post-employment benefits	0.1	0.1
Share based payment charges	0.1	-
	<b>1.3</b>	<b>0.9</b>

Key management personnel costs exclude management fees paid to related parties for the services of Jim Rawson, Brian Kennedy and David Challinor of £1.2 million (2013: £2.2 million).

The remuneration of individual Directors is detailed in the Remuneration Report on pages 36 to 39.

## Notes to the Accounts continued

for the year ended 31 December 2014

### 9. Share based payments

The Group operates the Management Incentive Plan for certain Executive Directors and senior management. The terms of the Management Incentive Plan are disclosed in the Directors' Remuneration Report.

Awards issued under the equity based Management Incentive Plan vest three years from the date of the grant based on certain market and non-market performance criteria being met. Options are settled in equity, the number of shares is calculated based on the increase in market capitalisation above a specified target.

The number of shares vesting under the Management Incentive Plan is determined as follows:

- Following the end of the performance period, the Remuneration Committee will determine whether the applicable performance targets have been satisfied and calculate the increase in market capitalisation over the target set at grant;
- Each award holder will be entitled to shares, with a value equal to a specified percentage of the increase in market capitalisation over the target, provided that the performance targets have been met – that increase for each award holder is divided by the market value of a share at the end of the performance period to determine the number of shares to be awarded.

As the number of shares to be awarded is variable, dependent upon the increase in shareholder value generated, it is not possible to quantify the number of options awarded.

The fair values for the above options were calculated using the inputs and pricing models outlined in the table below:

#### Management Incentive Plan

Date of grant	24 July 2014
Earliest year in which options are exercisable	2017
Option pricing model used	Monte Carlo
Aggregate fair value of options granted at date of grant	£1.0 million
Expected volatility	35.0%
Risk free interest rate	1.98%
Exercise price (per share)	-
Expected dividend yield	6.00%
Expected term (years)	5 years
Expected departures	-
Settlement	Equity



In July 2014 the Group also issued warrants to Zeus Capital for services related to the IPO. The warrant is for 3% of the share capital of the company at IPO. The warrant is exercisable anytime between the first and tenth anniversary of admission to AIM. The fair value of the warrant has been determined by reference to the estimated value of services provided using a Black Scholes valuation model and was charged in full as an IPO expense in the year ended 31 December 2014.

Total expense recognised in the income statement for each of the schemes and disclosed on the face on the income statement was as follows:

	2014 £m	2013 £m
Management Incentive Plan	0.1	-
Share warrants issued as part of IPO	0.7	-
	<b>0.8</b>	-

## 10. Finance costs

	2014 £m	2013 £m
Total interest expense on financial liabilities measured at amortised cost	0.7	1.0
<b>Total finance costs</b>	<b>0.7</b>	<b>1.0</b>

# Notes to the Accounts continued

for the year ended 31 December 2014

## 11. Tax

	2014 £m	2013 £m
<b>Current tax expense</b>		
Current period	3.4	1.7
Prior period	(0.2)	-
<b>Total current tax charge</b>	<b>3.2</b>	<b>1.7</b>
<b>Deferred tax expense</b>		
Current period	(0.4)	(0.8)
Prior period	0.7	0.4
<b>Total deferred tax charge/(credit)</b>	<b>0.3</b>	<b>(0.4)</b>
Tax expense from continuing operations	3.5	1.3
Tax expense from discontinued operations	-	(0.4)
<b>Total tax expense</b>	<b>3.5</b>	<b>0.9</b>

UK Corporation tax is calculated at 21.5% (2013: 23.25%) of the estimated assessable profit for the year.

The Group's total income tax charge is reconciled with the standard rates of UK Corporation tax for the year of 21.5% (2013: 23.25%) as follows:

	2014 £m	2013 £m
Profit before tax	18.6	7.8
Tax at standard UK corporation tax rate of 21.5% (2013: 23.25%)	4.0	1.8
Factors affecting the charge for the period:		
Expenses not deductible	0.4	0.1
Non-taxable income	(0.8)	-
Change in recognised deductible temporary difference	-	(0.4)
Losses utilised for which no deferred tax previously recognised	(0.6)	(0.6)
Prior period	0.5	0.4
	<b>3.5</b>	<b>1.3</b>

### Factors that may affect future current and total tax charges

Reductions in the UK corporation tax rate from 26 per cent. to 24 per cent. (effective from 1 April 2012) and to 23 per cent. (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21 per cent. (effective from 1 April 2014) and 20 per cent. (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 assets at 31 December 2014 have been calculated based on the rate of 20 per cent. substantively enacted at the balance sheet date (31 December 2013: 20 per cent.).

## 12. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period. The weighted average number of shares has been adjusted for the issues and cancellations of shares during the period.

Diluted earnings per share are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, plus the dilutive potential ordinary shares arising from share options in issue at the end of the period.

EPS Summary	2014 Pence	2013 Pence
Basic earnings per share	11.56	4.09
Basic earnings per share – continuing operations	11.76	5.32
Basic earnings per share – discontinued operations	(0.20)	(1.23)
Diluted earnings per share	11.55	4.09
Diluted earnings per share – continuing operations	11.75	5.32
Diluted earnings per share – discontinued operations	(0.20)	(1.23)

Number of shares	2014 No.	2013 No. (restated)
Weighted average number of ordinary shares (basic)	128,046,892	122,330,253
Effect of share options in issue	68,283	-
<b>Weighted average number of ordinary shares (diluted)</b>	<b>128,115,175</b>	<b>122,330,253</b>

The outstanding awards granted under the Management Incentive Plan are not dilutive as at 31 December 2014 and therefore are excluded from the diluted EPS calculation.

## Notes to the Accounts continued

for the year ended 31 December 2014

### 13. Dividends

	2014 £m	2014 Pence per share	2013 £m	2013 Pence per share
Previous year final dividend	-	-	-	-
Current year interim dividend	1.9	1.41	-	-
	<b>1.9</b>	<b>1.41</b>	-	-

### 14. Goodwill

	Goodwill £m
<b>Cost</b>	
At 31 December 2012	24.3
Acquisitions through business combinations	0.2
At 31 December 2013	24.5
Acquisitions through business combinations	-
<b>At 31 December 2014</b>	<b>24.5</b>
<b>Accumulated impairment losses</b>	
At 31 December 2012, 2013 and 2014	-
<b>Net book value</b>	
<b>At 31 December 2014</b>	<b>24.5</b>
At 31 December 2013	24.5
At 31 December 2012	24.3

#### Impairment testing

Goodwill of £24.5 million arising on the acquisition of subsidiaries is allocated to the Group's three cash generating units. For impairment testing purposes, goodwill has been allocated to cash generating units represented by the Group's three divisions. This represents the lowest level within the Group at which goodwill is monitored for internal management

purposes. At 31 December 2014 and 31 December 2013, £11.7 million of goodwill was allocated to Building Components Division, £8.7 million to Building Products Division and £4.1 million to Window Systems Division.

Goodwill is not amortised, but tested annually for impairment on the basis of value in use calculations using discounted cash flows. As the value in use exceeded the carrying value for each of the cash generating units, no impairment loss was recognised in any of the periods.

In assessing the value in use, the 2015 budget and three year business plan were used to provide cash flow projections to the period ended 31 December 2017. For periods after 31 December 2017 an annual growth rate of 1.5 per cent. is used to determine the terminal value.

The cash flow projections are subject to key assumptions in respect of discount rates and achievement of future revenue and EBITDA growth. The directors have reviewed and approved the assumptions inherent in the model as part of the annual budget process using historic experience and considering economic and business risks facing the Group.

In assessing the Group's value in use a pre-tax discount rate of 12.77 per cent. (2013: 10 per cent.) has been applied to the operating cash flows of the Group's CGUs.

The calculated value in use exceeded the carrying value of goodwill and neither a 10 per cent. increase in the discount rate or 10 per cent. decrease in the operating cash flows would result in an impairment.

## 15. Other intangible assets

	Customer Relationships £m	Brands £m	Total £m
<b>Cost</b>			
<b>At 31 December 2012, 2013 and 2014</b>	<b>5.0</b>	<b>0.3</b>	<b>5.3</b>
<b>Accumulated amortisation</b>			
<b>At 31 December 2012</b>	<b>1.7</b>	<b>-</b>	<b>1.7</b>
Charge for the year	1.6	0.1	1.7
<b>At 31 December 2013</b>	<b>3.3</b>	<b>0.1</b>	<b>3.4</b>
Charge for the year	1.7	-	1.7
<b>At 31 December 2014</b>	<b>5.0</b>	<b>0.1</b>	<b>5.1</b>
<b>Net book value at 31 December 2014</b>	<b>-</b>	<b>0.2</b>	<b>0.2</b>
Net book value at 31 December 2013	1.7	0.2	1.9
Net book value at 31 December 2012	3.3	0.3	3.6
<b>Amortisation</b>		2014 £m	2013 £m
Amortisation is recognised in administrative expenses in the consolidated income statement:			
Customer relationships		1.7	1.6
Brands		-	0.1
<b>Amortisation</b>		<b>1.7</b>	<b>1.7</b>

## Notes to the Accounts continued

for the year ended 31 December 2014

### 16. Investments

The Group's principal subsidiary undertakings are as follows:

Company name	Principal activity of the company	Ownership percentage by the Group as at 31 December 2014	Country of incorporation
<b>Held directly by the Company</b>			
Specialist Building Products Limited	The extrusion of PVC-U and PVC-UE, the manufacturer of windows, doors and conservatories, sealed double glazed units, related building materials and the trade and public sector sales of these products	100%	England
<b>Held indirectly by the Company</b>			
Venture Building Plastics Limited	Supply of plastic building products	100%	England
CET Glass Processors (Holdings) Limited	Assembly and supply of insulated glass units	100%	England
Specialist Building Distribution Limited (formerly Shepherds (UK) Limited)	Supply of plastic building products	100%	England
Indigo Products Limited	Fabrication of PVC-U products	100%	England

All investments are in the ordinary share capital of the subsidiaries.  
All subsidiaries are included in the consolidated results of the Group.

## 17. Property, plant and equipment

	Leasehold improvements £m	Fixtures, fittings and equipment £m	Motor vehicles £m	Total £m
<b>Cost</b>				
<b>At 31 December 2012</b>	-	<b>30.9</b>	<b>0.7</b>	<b>31.6</b>
Additions	0.1	4.9	-	5.0
Disposals	-	(0.8)	(0.3)	(1.1)
<b>At 31 December 2013</b>	<b>0.1</b>	<b>35.0</b>	<b>0.4</b>	<b>35.5</b>
Additions	-	6.1	-	6.1
Disposals	-	-	-	-
<b>At 31 December 2014</b>	<b>0.1</b>	<b>41.1</b>	<b>0.4</b>	<b>41.6</b>
<b>Accumulated depreciation</b>				
<b>At 31 December 2012</b>	-	<b>5.2</b>	<b>0.2</b>	<b>5.4</b>
Charge for the year	-	5.7	0.2	5.9
Disposals	-	(0.6)	(0.3)	(0.9)
<b>At 31 December 2013</b>	-	<b>10.3</b>	<b>0.1</b>	<b>10.4</b>
Charge for the year	-	4.8	0.2	5.0
Disposals	-	-	-	-
<b>At 31 December 2014</b>	-	<b>15.1</b>	<b>0.3</b>	<b>15.4</b>
<b>Net book value at 31 December 2014</b>	<b>0.1</b>	<b>26.0</b>	<b>0.1</b>	<b>26.2</b>
Net book value at 31 December 2013	0.1	24.7	0.3	25.1
Net book value at 31 December 2012	-	25.7	0.5	26.2

At 31 December 2014 the net book value of property, plant and equipment held under finance leases was £1.9 million (2013: £0.7 million). The depreciation charge in respect of these assets was £0.2 million (2013: £0.1 million). The lease obligations are secured on the leased assets.

## Notes to the Accounts continued

for the year ended 31 December 2014

### 18. Inventories

	2014 £m	2013 £m
Raw materials	9.4	9.2
Work in progress	1.2	1.4
Finished goods	11.8	11.1
	<b>22.4</b>	<b>21.7</b>

All inventories are expected to be sold within 12 months.

Inventory purchased in the period recognised as an expense was £120.6 million (2013: £123.1 million).

During the year £0.6 million (2013: £0.5 million) was recognised as an expense in cost of sales in respect of the write down of inventory to net realisable value.

### 19. Trade and other receivables

	2014 £m	2013 £m
Trade receivables	36.9	39.0
Less: provision for doubtful trade receivables	(2.9)	(2.6)
Trade receivables net of provision	34.0	36.4
Prepayments and accrued income	2.7	2.4
Other debtors	0.9	1.3
<b>Trade and other receivables</b>	<b>37.6</b>	<b>40.1</b>



## 20. Cash and cash equivalents

	2014 £m	2013 £m
Cash at bank and in hand	<b>2.3</b>	<b>0.3</b>

## 21. Trade and other payables

Current	2014 £m	2013 £m
Trade payables	32.4	30.9
Other taxation and social security	4.5	3.9
Other payables	1.9	6.0
Accruals and deferred income	6.8	7.1
<b>Trade and other payables</b>	<b>45.6</b>	<b>47.9</b>

Non-current	2014 £m	2013 £m
Other payables	-	2.7

## Notes to the Accounts continued

for the year ended 31 December 2014

### 22. Other interest bearing loans and borrowings

	2014 £m	2013 £m
<b>Non-current liabilities:</b>		
Secured bank loans	-	15.6
Finance lease liabilities	0.8	0.4
	<b>0.8</b>	<b>16.0</b>
<b>Current liabilities:</b>		
Secured bank loans	-	2.8
Finance lease liabilities	0.4	0.2
	<b>0.4</b>	<b>3.0</b>

The facilities available to the Group at 31 December 2013 were a £15 million term loan, £5 million overdraft and £20 million revolving credit facility, secured on the assets of the Group. These facilities were due to expire in January 2017. However, as part of the flotation on the AIM on 24 July 2014, the Group renegotiated its existing banking facilities with Barclays agreeing a new £25 million revolving credit facility and £5 million overdraft, secured on the assets of the Group. The term of the revolving credit facility is for five years ending July 2019.

Borrowing costs of £nil (2013: £0.1 million) are set-off against the amount owing at year end.

The revolving credit facility carried an interest rate of 2.25 per cent. above LIBOR. The margin above LIBOR is dependent on the level of borrowings.

	Year of maturity	2014 Face value £m	2014 Carrying amount £m	2013 Face value £m	2013 Carrying amount £m
Term loan	2017	-	-	8.4	8.4
Revolving credit facility	2017	-	-	10.0	10.0
Revolving credit facility	2019	-	-	-	-
		-	-	18.4	18.4

The Group had the following undrawn committed borrowing facilities available at each balance sheet date in respect of which all conditions precedent have been met:

	2014 £m	2013 £m
Expiring between two and five years	30.0	-
Expiring after five years	-	10.0
	<b>30.0</b>	<b>10.0</b>

Finance lease liabilities are payable as follows:

	2014 £m	2013 £m
Within one year	0.4	0.2
In the second to fifth years	0.8	0.4
	<b>1.2</b>	<b>0.6</b>

## Notes to the Accounts continued

for the year ended 31 December 2014

### 23. Provisions

	Leasehold dilapidations £m	Warranties £m	Onerous lease provisions £m	Total £m
<b>At 1 January 2014</b>	<b>2.6</b>	<b>2.0</b>	<b>5.5</b>	<b>10.1</b>
Created during the year	-	0.5	-	0.5
Utilised during the year	(0.1)	(0.5)	(0.7)	(1.3)
Released to profit and loss (non-underlying items)	-	-	(4.8)	(4.8)
<b>At 31 December 2014</b>	<b>2.5</b>	<b>2.0</b>	<b>-</b>	<b>4.5</b>

	Leasehold dilapidations £m	Warranties £m	Onerous lease provisions £m	Total £m
Non-current	2.0	1.5	-	3.5
Current	0.5	0.5	-	1.0
<b>At 31 December 2014</b>	<b>2.5</b>	<b>2.0</b>	<b>-</b>	<b>4.5</b>

	Leasehold dilapidations £m	Warranties £m	Onerous lease provisions £m	Total £m
<b>At 1 January 2013</b>	<b>2.8</b>	<b>2.0</b>	<b>5.4</b>	<b>10.2</b>
Created during the year	-	0.6	0.6	1.2
Utilised during the year	(0.2)	(0.6)	(0.5)	(1.3)
<b>At 31 December 2013</b>	<b>2.6</b>	<b>2.0</b>	<b>5.5</b>	<b>10.1</b>

	Leasehold dilapidations £m	Warranties £m	Onerous lease provisions £m	Total £m
Non-current	1.9	1.4	3.7	7.0
Current	0.7	0.6	1.8	3.1
<b>At 31 December 2013</b>	<b>2.6</b>	<b>2.0</b>	<b>5.5</b>	<b>10.1</b>

### Leasehold dilapidations

Epwin Group leases a number of properties. Under the terms of these leases Epwin Group companies, as tenants, are required to return the property to its original condition prior to the termination of the lease. Epwin Group provides for the estimated costs as a contractual obligation exists.

### Warranties

Epwin Group companies offer warranties of up to 25 years on certain products. As such, a provision is estimated to cover the cost of any future replacement and reinstallation on these products.

### Onerous lease provisions

The Group leases a number of properties which due to restructuring and re-organisations are now vacant. Where the likelihood of subletting the properties is considered remote, the Group books a provision for the remaining, committed rental costs under the terms of the lease. During 2014 the Group settled a number of legacy, onerous property leases resulting in a credit to the profit and loss account, see note 7.

## Notes to the Accounts continued

for the year ended 31 December 2014

### 24. Deferred tax

	2014 Assets £m	2014 Liabilities £m	2013 Assets £m	2013 Liabilities £m
Property plant and equipment	-	(1.6)	-	(1.0)
Intangible assets	-	(0.1)	-	(0.4)
Trade and other payables	0.2	-	0.3	-
Provisions	0.2	-	0.1	-
Tax value of loss carry-forwards	4.2	-	4.2	-
Deferred tax assets/(liabilities)	4.6	(1.7)	4.6	(1.4)
Net of deferred tax (liabilities)/assets	(1.7)		(1.4)	
Net deferred tax asset	<b>2.9</b>		<b>3.2</b>	

Movement in deferred tax during the periods:

	At 1 January 2014 £m	Recognised in comprehensive income £m	At 31 December 2014 £m
Property plant and equipment	(1.0)	(0.6)	(1.6)
Intangible assets	(0.4)	0.3	(0.1)
Trade and other payables	0.3	(0.1)	0.2
Provisions	0.1	0.1	0.2
Tax value of loss carry-forwards	4.2	-	4.2
	<b>3.2</b>	<b>(0.3)</b>	<b>2.9</b>

	At 1 January 2013 £m	Recognised in comprehensive income £m	At 31 December 2013 £m
Property plant and equipment	(1.5)	0.5	(1.0)
Intangible assets	(0.8)	0.4	(0.4)
Trade and other payables	0.4	(0.1)	0.3
Provisions	0.1	-	0.1
Tax value of loss carry-forwards	4.6	(0.4)	4.2
	<b>2.8</b>	<b>0.4</b>	<b>3.2</b>

Deferred tax assets have not been recognised in respect of the following items:

	2014 £m	2013 £m
<b>Tax losses</b>	<b>17.7</b>	<b>22.2</b>

As at 31 December 2014, of the potential net deferred tax asset of £6.4 million, the Group has recognised a net deferred tax asset of £2.9 million. This is because, on reviewing the business forecasts, management has concluded that it is only probable that future taxable profit will be available to utilise £2.9 million of net deferred tax.

# Notes to the Accounts continued

for the year ended 31 December 2014

## 25. Share capital and reserves

	2014 Number of shares	£	2013 Number of shares	£
<b>Allotted and called up:</b>				
Ordinary A shares of 1p each	-	-	1,620,002	16,200
Ordinary A1 shares of 1p each	-	-	36,818	368
Ordinary B shares of 1p each	-	-	1,952,809	19,528
Ordinary B1 shares of 1p each	-	-	72,191	722
Ordinary C shares of 1p each	-	-	1,110	11
Ordinary shares of 0.05p each	135,000,000	67,500	-	-
Deferred shares of 1p each	1,800,000	18,000	-	-
		<b>85,500</b>		<b>36,829</b>

On 24 July 2014 the Company was admitted to AIM. In preparation for the flotation the following transactions with shareholders occurred:

On 4 July 2014 the Company capitalised £2.5 million loan notes in exchange for 76,378 ordinary A shares of 1 pence each and 2,998 ordinary A1 shares of 1 pence each, giving rise to a share premium of £2.5 million.

On 4 July 2014 1,800,000 deferred shares of 1 pence each were issued from the Company's share premium account. These deferred shares confer no entitlement to receive notice, attend or vote at any general meeting of the company. The shares may be redeemed at any time by the company for aggregate proceeds of £1.

On 8 July 2014 the Company made a bonus issue of 300 shares of each existing class of ordinary share for each existing ordinary share of each class. The total number of shares allotted was 1,128,691,800 resulting in the capitalisation of the sum of £11.3 million standing to the credit on the Company's merger reserve.

On 9 July 2014 the Company reduced its share capital by £11.3 million by the way of cancellation of the shares issued by way of the bonus issue on 8 July 2014.



On 24 July 2014 the company made the following bonus issues of shares:

- 0.46160647968 new ordinary A shares for every issued ordinary A share;
- 0.54736789230 new ordinary A1 shares for every issued ordinary A1 share;
- 0.58324751678 new ordinary B shares for every issued ordinary B share;
- 0.70686096605 new ordinary B1 shares for every issued ordinary B1 share;
- 444 new ordinary C1 shares for every issued ordinary C1 share;
- 444 new ordinary C2 shares for every issued ordinary C2 share; and
- 444 new ordinary C3 shares for every issued ordinary C3 share.

Following the bonus issue of shares every issued A ordinary share, A1 ordinary share, B ordinary share, B1 ordinary share, C1 ordinary share, C2 ordinary share and C3 ordinary share was sub-divided and reclassified as 20 ordinary shares of 0.05 pence each.

On 24 July 2014 the Company placed 10 million ordinary shares of 0.05 pence each for proceeds of £10.0 million as part of its admission to AIM.

#### **Share premium**

The share premium arose on the issue of the Company's shares at a premium to the nominal value of the shares, less any expenses of issue incurred in issuing equity.

#### **Merger reserve**

The merger reserve arose on the share for share exchange on the acquisition of subsidiaries.

#### **Outstanding options**

Outstanding options have been granted to the Directors and Senior Management of the Group under the Management Incentive Plan. Further details are included within note 9.

Share warrants for 3% of the fully diluted share capital of the company were issued to Zeus Capital for services related to the IPO. The warrant is exercisable anytime between the first and tenth anniversary of admission to AIM.

## Notes to the Accounts continued

for the year ended 31 December 2014

### 26. Financial instruments and related disclosures

#### Financial risk management

The directors have overall responsibility for the oversight of the Group's risk management framework. A formal process for reviewing and managing risk in the business has been developed. A register of strategic and operational risk is maintained and reviewed by the directors, who also monitor the status of agreed actions to mitigate key risks.

#### Credit risk

Credit risk is the risk of financial loss to the Group if counterparties to a financial instrument fail to meet contractual obligations, and arises principally from the Group's receivables from customers.

As the principal business of the Group is credit sales, the Group trade receivables are large and therefore contain exposure to credit risk. The carrying amount of trade receivables recorded in the financial statements represents the Group's principal exposure to credit risk other than cash and cash equivalents held with financial institutions.

The concentration of credit risk for trade receivables at the balance sheet date by geographic region was:

	2014 £m	2013 £m
UK	35.4	36.9
Europe	1.5	2.1
	<b>36.9</b>	<b>39.0</b>

#### Credit quality of financial assets and impairment losses

The ageing of trade receivables at the balance sheet date was:

	2014 Gross £m	2014 Impairment £m	2013 Gross £m	2013 Impairment £m
Not past due	24.9	0.6	23.1	0.2
Past due 0-30 days	7.3	0.5	10.1	0.1
Past due 31-120 days	2.9	0.4	4.7	1.2
More than 120 days	1.8	1.4	1.1	1.1
	<b>36.9</b>	<b>2.9</b>	<b>39.0</b>	<b>2.6</b>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2014 £m	2013 £m
Balance at 1 January	2.6	4.1
Impairment loss recognised	1.0	0.6
Impairment loss utilised	(0.7)	(2.1)
<b>Balance at 31 December</b>	<b>2.9</b>	<b>2.6</b>

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group ensures that it has sufficient cash or loan facilities to meet all its commitments when they fall due by ensuring that there are sufficient cash or working capital facilities to meet the cash requirements of the Group.

The risk is measured by review of forecast liquidity each month to determine whether there are sufficient credit facilities to meet forecast requirements and by monitoring covenants on a regular basis to ensure there are no expected significant breaches. Cash flow forecasts are submitted monthly to the directors. These continue to demonstrate the strong cash generating ability of the business and its ability to operate within existing agreed banking facilities. There have been no breaches of covenants during the reported periods.

The Group has a £5.0 million overdraft and £25.0 million revolving credit facility to support short and medium term liquidity.

### Contractual cash flows

The contractual maturity of other interest-bearing loans and borrowings and other payables agreements is shown below:

	2014 £m	2013 £m
Due in less than one year	0.4	3.0
Expiring between one and two years	0.4	2.9
Expiring between two and five years	0.4	13.1
Expiring after five years	-	-
Contractual cash flows	1.2	19.0
<b>Carrying amount</b>	<b>1.2</b>	<b>19.0</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

# Notes to the Accounts continued

for the year ended 31 December 2014

## Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income. The Group's exposure to market risk predominantly relates to currency risk.

## Foreign currency risk

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date is as follows:

Foreign currency risk	2014 Euro £m	2014 GBP £m	2013 Euro £m	2013 GBP £m
Trade and other receivables	1.5	36.1	2.1	38.0
Cash and cash equivalents	0.5	1.8	-	0.3
Interest bearing loans and borrowings	-	(1.2)	-	(19.0)
Tax payable	-	(2.0)	-	(0.5)
Trade and other payables	(0.3)	(45.3)	(0.4)	(50.2)
	<b>1.7</b>	<b>(10.6)</b>	<b>1.7</b>	<b>(31.4)</b>

## Interest rate risk

The Group's bank borrowings incur variable interest rate charges linked to LIBOR plus a margin. The Group's policy aims to manage the interest cost of the Group within the constraints of its financial covenants and forecasts.

## Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to optimise returns to its shareholders. The Group views its capital as share capital, bank loans, revolving credit facility, overdraft and operating cash flow. The Board's policy is to retain a strong capital base so as to maintain investor, creditor, and market confidence and to sustain future growth. The directors regularly monitor the level of capital in the Group to ensure that this can be achieved.

## Fair value disclosures

The fair value of each class of financial assets and liabilities is the carrying amount, based on the following assumptions:

<b>Trade receivables, trade payables and short term borrowings</b>	The fair value approximates to the carrying value because of the short maturity of these instruments.
<b>Long term borrowings</b>	The fair value of bank loans and other loans approximates to the carrying value reported in the balance sheet.

### Fair value hierarchy

Financial instruments carried at fair value should be measured with 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 observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2014 and 2013, the Group did not hold any assets or liabilities classified at level 1 or 3 in the fair value hierarchy.

The fair value of financial assets and liabilities are as follows:

	2014 £m	2013 £m
Cash and cash equivalents	2.3	0.3
Trade and other receivables	37.6	40.1
<b>Total financial assets</b>	<b>39.9</b>	<b>40.4</b>

	2014 £m	2013 £m
Trade and other payables	45.6	50.6
Borrowings at amortised cost	1.2	19.0
<b>Total financial liabilities</b>	<b>46.8</b>	<b>69.6</b>

## Notes to the Accounts continued

for the year ended 31 December 2014

### Interest rate sensitivity analysis

The table below shows the Group's sensitivity to interest rates on floating rate borrowings (i.e. cash and cash equivalents and bank borrowings which attract interest at floating rates) if interest rates were to change by +/- 1%. The impact on the result in the statement of profit and loss would be:

	2014 Increase/ (decrease) in equity £m	2013 Increase/ (decrease) in equity £m
+1 percentage point movement in interest rates	(0.2)	(0.3)
-1 percentage point movement in interest rates	0.2	0.3

### Foreign exchange rate sensitivity analysis

The table below shows the Group's sensitivity to foreign exchange rates for its Euro financial instruments, the major non-sterling currency in which the Group's receivables are denominated:

	2014 Increase/ (decrease) in equity £m	2013 Increase/ (decrease) in equity £m
+10 percentage points appreciation of the Euro	0.4	0.4
-10 percentage points depreciation of the Euro	(0.3)	(0.3)

A strengthening/weakening of sterling, as indicated, against the Euro at each period end would have increased/(decreased) the profit and loss by the amounts shown above. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

## 27. Commitments

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings 2014 £m	Land and buildings 2013 £m	Other 2014 £m	Other 2013 £m
Less than one year	4.7	5.8	2.7	1.1
Between one and five years	15.5	17.0	5.1	3.6
More than five years	33.6	20.6	0.1	-
	<b>53.8</b>	<b>43.4</b>	<b>7.9</b>	<b>4.7</b>

## 28. Related party transactions

During the year the Group leased properties at a market rent of £0.8 million (2013: £2.2 million) from entities in which Mr. A J Rawson (shareholder and former director) has a beneficial interest.

During the year the Group also paid management fees to entities in which Mr. A J Rawson has a beneficial interest, the net cost of which was £0.5 million (2013: £0.7 million).

The amount outstanding to entities in which Mr. A J Rawson has a beneficial interest at 31 December 2014 was £nil (2013: £0.7 million).

During the year the Group also paid rentals and management fees to entities in which Mr. B G Kennedy has a beneficial interest, the net cost of which was £1.6 million (2013: £2.7 million).

The amount owed to the Group by entities in which Mr. B G Kennedy has a beneficial interest at 31 December 2014 was £0.3 million (2013: £0.2 million).

All transactions with Directors are included in the Directors' Remuneration Report on pages 36 to 39.

# Company Balance Sheet

for the year ended 31 December 2014

	Note	2014 £m	2013 £m
<b>Fixed Assets</b>			
Investments in subsidiaries	3	27.9	27.8
		<b>27.9</b>	<b>27.8</b>
<b>Current assets</b>			
Debtors - included in debtors is £19.4m (2013: 24.8m) falling due after more than one year	4	20.8	25.6
		<b>20.8</b>	<b>25.6</b>
<b>Creditors:</b>			
Amounts falling due within one year	5	(9.0)	(13.9)
		<b>11.8</b>	<b>11.7</b>
<b>Net current assets</b>			
		<b>39.7</b>	<b>39.5</b>
<b>Total assets less current liabilities</b>			
<b>Creditors:</b>			
Amounts falling due after more than one year	6	-	(15.6)
		<b>-</b>	<b>(15.6)</b>
<b>Amounts falling due after more than one year</b>			
		<b>39.7</b>	<b>23.9</b>
<b>Net assets</b>			
<b>Equity</b>			
Ordinary share capital	7	0.1	-
Share premium	8	12.5	-
Merger reserve	8	15.7	27.0
Profit and loss	8	11.4	(3.1)
		<b>39.7</b>	<b>23.9</b>
<b>Equity shareholders' funds</b>			

The financial statements were approved by the Board of Directors and authorised for issue on 15 April 2015.

They were signed on its behalf by:

**Jonathan Bednall**  
Chief Executive Officer

**Christopher Empson**  
Group Finance Director

**Company number:**  
**07742256**



# Notes to the Company Accounts

for the year ended 31 December 2014

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

## 1. Basis of preparation

Epwin Group Plc (the "Company") is a company incorporated and domiciled in the United Kingdom.

The financial statements of the parent company have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), and under the historical cost accounting rules.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account and related notes.

### Going concern

As highlighted in note 26 of the Group's financial statements, the Group meets its day to day working capital requirements through an overdraft and revolving credit facility which is due for renewal in July 2019.

Further information on the Group's business activities, together with the factors likely to affect its future development, performance and position is set out in the Strategic Report on pages 10 to 19. Further information on the financial position of the Group, its cash flow, liquidity position and borrowing facilities is described in this review.

In addition, note 26 to the Group's financial statements includes the Group's objectives, policies and processes for managing its capital and its exposures to credit risk and liquidity risk.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

After making enquiries, the Board has a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment where in the opinion of the directors there has been a diminution in the value of the investment.

### Operating leases

Rentals payable under operating leases are recognised in the profit and loss account on a straight line basis over the periods of the leases.

# Notes to the Company Accounts continued

for the year ended 31 December 2014

## Bank borrowings and financing costs

Interest-bearing bank loans and overdrafts are stated at the amount of the proceeds received, net of financing costs, where the intention is to hold the debt instrument to maturity. Financing costs are amortised over the expected term of the loan so as to produce a constant rate of return over the period to the date of expected redemption.

## Share based payments

The Company operates an equity settled Management Incentive Plan and has issued share warrants as part of the IPO.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

The fair value of the warrants is recognised as an expense with a corresponding increase in equity.

The fair value of both the share options and warrants is measured at grant date using an option pricing model, taking into account the terms and conditions upon which the options were granted.

## Taxation

The charge for taxation is based on the profit / (loss) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

## 2. Staff costs

Please see disclosure in note 8 of the consolidated financial statements.

Disclosure of individual Directors' remuneration is included in the Remuneration Report on pages 36 to 39.

### 3. Fixed asset investments

Shares in subsidiary  
undertakings  
£m

#### Cost

At 1 January 2014	27.8
Additions	0.1
At 31 December 2014	27.9

#### Impairment

At 1 January 2014 and 31 December 2014	-
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#### Net book value

<b>At 31 December 2014</b>	<b>27.9</b>
At 31 December 2013	27.8

Fixed asset investments represent holdings in the ordinary share capital of wholly owned subsidiaries. Details of the subsidiaries is provided in note 16 to the Group financial statements.

### 4. Debtors

Amounts falling due within one year	2014 £m	2013 £m
Amounts due from subsidiary undertakings	<b>1.4</b>	<b>0.8</b>
Amounts falling due after more than one year	2014 £m	2013 £m
Amounts due from subsidiary undertakings	<b>19.4</b>	<b>24.8</b>

## Notes to the Company Accounts continued

for the year ended 31 December 2014

### 5. Creditors amounts falling due within one year

	2014 £m	2013 £m
Bank loans and overdraft	9.0	13.8
Amounts owed to subsidiary undertakings	-	-
Other creditors	-	0.1
	<b>9.0</b>	<b>13.9</b>

### 6. Creditors amounts falling due after more than one year

	2014 £m	2013 £m
Bank loans and other borrowings	-	<b>15.6</b>

#### Analysis of bank loans and borrowings:

	2014 £m	2013 £m
<b>Repayable:</b>		
Within one year	9.0	13.8
Between one and two years	-	2.8
Between two and five years	-	12.8
	<b>9.0</b>	<b>29.4</b>

The terms of the bank loans and borrowings are disclosed in the consolidated accounts in note 22.

## 7. Share capital

The movement in share capital is disclosed in note 25 to the consolidated financial statements.

## 8. Reserves

	Share premium account £m	Merger reserve £m	Profit and loss £m	Total £m
At 1 January 2014	12.0	15.0	(3.1)	23.9
Restatement	(12.0)	12.0	-	-
At 1 January 2014 (restated)	-	27.0	(3.1)	23.9
Shares issued prior to IPO	2.5	-	-	2.5
Bonus issue of shares	-	(11.3)	-	(11.3)
Cancellation of shares	-	-	11.3	11.3
Shares issued as part of IPO	10.0	-	-	10.0
Dividends paid	-	-	(1.9)	(1.9)
Share based payments	-	-	0.8	0.8
Retained profit for the year	-	-	4.3	4.3
<b>Retained profit for the year</b>	<b>12.5</b>	<b>15.7</b>	<b>11.4</b>	<b>39.6</b>

The movements in reserves are explained in note 25 to the consolidated financial statements.

The restatement of reserves as at 1 January 2014 relates to a classification correction from share premium account to a merger reserve.





# Notice of AGM

# Notice of Annual General Meeting

## Explanatory Notes to the Resolutions

Notice is hereby given that the Annual General Meeting of Epwin Group Plc ("the Company") will be held at Eversheds LLP, 115 Colmore Row, Birmingham, West Midlands, B3 3AL on Tuesday 26 May 2015 at 11.00am for the following purposes:

### Ordinary business

To consider, and if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive and adopt the Company's annual accounts for the year ended 31 December 2014, together with the report of the Directors and the auditors on those accounts.
2. To declare a final dividend of 2.83 pence per ordinary share in respect of the financial year ended 31 December 2014.
3. To re-appoint KPMG LLP as auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company.
4. To authorise the Directors to determine the remuneration of the auditors of the Company.
5. To re-elect Jonathan Bednall as a director of the Company.
6. To re-elect Christopher Empson as a director of the Company.
7. To re-elect Shaun Hanrahan as a director of the Company.
8. To re-elect Andrew Eastgate as a director of the Company.
9. To re-elect Michael O'Leary as a director of the Company.

### Special business

As special business, to consider and if thought fit pass the following resolutions which will be proposed as to resolution 10 as an ordinary resolution and as to resolutions 11, 12 and 13 as special resolutions:

10. That in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:
  - (a) comprising equity securities (as defined by section 560(1) of the Companies Act 2006) up to an aggregate nominal amount of £45,000 (such amount to be reduced by the nominal amount of any equity securities (within the meaning of section 560 of the said Act) allotted pursuant to the authority in paragraph (b) below) in connection with an offer by way of a rights issue:
    - (i) to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
    - (ii) to holders of other equity securities as required by the rights of those securities or as the Directors consider necessary but subject to exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or exchange; and
  - (b) in any other case, up to a nominal amount of £22,500 (such amount to be reduced by the nominal amount of any equity securities allotted pursuant to the authority in paragraph (a) above in excess of £22,500.



Such authorities shall apply until the close of business on 30 June 2016 or, if earlier, the end of the next Annual General Meeting of the Company, unless previously varied or revoked by the Company in general meeting, save that, in each case, the Company may make offers or agreements which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the Directors may allot shares or grant rights to subscribe for or convert securities into shares in pursuance of any such offer or agreement as if the authority had not ended.

11. That, subject to the passing of resolution 10, pursuant to Section 570 of the Companies Act 2006 ("the Act") the Directors be and are hereby unconditionally empowered to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by resolution 10 as if Section 561(1) of the Act did not apply to such allotment, provided that such power shall be limited to:
- (a) the allotment of equity securities in connection with an offer (whether by way of a rights issue, open offer or otherwise) to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange, and
  - (b) the allotment of equity securities for cash (otherwise than pursuant to paragraph (a) above) up to an aggregate nominal amount of £3,375,

and (unless previously revoked, varied or renewed) shall expire on 30 June 2016 or at the conclusion of the next annual general meeting of the Company after the passing of this resolution, whichever is the earlier, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

12. That the terms of both:
- (a) a contract proposed to be made between the Company and Jim Rawson for the purchase by the Company of 990,000 deferred shares of £0.01 each in the capital of the Company for a total consideration of £0.55 as set out in the contract produced to the meeting and signed by the chairperson of the meeting for the purposes of identification (the "First Purchase Contract"); and
  - (b) a contract proposed to be made between the Company and Brian Kennedy for the purchase by the Company of 810,000 deferred shares of £0.01 each in the capital of the Company for a total consideration of £0.45 as set out in the contract produced to the meeting and signed by the chairperson of the meeting for the purposes of identification (the "Second Purchase Contract"),

be approved and the Company be authorised to enter into the First Purchase Contract and the Second Purchase Contract.

# Notice of Annual General Meeting

## Explanatory Notes to the Resolutions

13. That pursuant to Section 701 of the Companies Act 2006 ("the Act"), the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 0.05 pence each in the capital of the Company ("Shares"), provided that:
- (a) the maximum number of Shares which may be purchased is 6,750,000;
  - (b) the minimum price (exclusive of expenses) that may be paid for a share is 0.05 pence;
  - (c) the maximum price (exclusive of expenses) which may be paid for a Share is an amount equal to the higher of: (i) 105 per cent of the average of the middle market quotations for the Shares as derived from the Daily Official List for the five business days immediately preceding the day on which the purchase is made; and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System;
  - (d) unless previously revoked, varied or renewed, this authority shall expire on 30 June 2016 or at the conclusion of the next annual general meeting of the Company, whichever is the earlier; and
  - (e) the Company may enter into a contract to purchase Shares before the expiry of this authority under which such purchase will or may be completed or executed wholly or partly after such expiry and may make a purchase of Shares pursuant to any such contract as if the authority conferred by this resolution had not expired.

### By Order of the Board

**Christopher Empson**  
Company Secretary

15 April 2015

Company Number: 07742256

**Registered Office**  
1b Stratford Court  
Cranmore Boulevard  
Solihull  
B90 4QT

## Ordinary Business

Resolutions 1 to 10 will be proposed as ordinary resolutions, and will be passed if more than 50 per cent of shareholders' votes cast are in favour.

### **Resolution 1: To receive the 2014 Report and Accounts**

The directors of the Company ("the Directors") must present their annual report and accounts of the Company for the year ended 31 December 2014 (the "Annual Report") to shareholders for formal adoption at the Annual General Meeting.

### **Resolution 2: To declare a final dividend**

A final dividend of 2.83 pence per ordinary share is proposed. An interim dividend of 1.41 pence per ordinary share was paid during the year. If approved, the final dividend will be paid on 8 June 2015 to shareholders on the register at the close of business on 15 May 2015.

### **Resolutions 3 and 4: To reappoint the auditors and authorise the Board to determine their remuneration**

The Company is required to appoint auditors at each general meeting at which accounts are laid before the Company, to hold office until the conclusion of the next such meeting. The Audit Committee has reviewed the effectiveness, independence and objectivity of the external auditors, KPMG LLP, on behalf of the Board.

Following the Audit Committee's review of the effectiveness of the external auditor referred to above, the Board has decided to put KPMG LLP forward to be appointed as auditors. Resolution 4 also authorises the Directors, in accordance with standard practice, to negotiate and agree the remuneration of the auditors.

### **Resolution 5 to 9: To appoint Directors**

At each annual general meeting the following directors will retire from office and be eligible for re-election:

- (a) any Directors who have been appointed by the Directors since the last annual general meeting; and
- (b) any Director who was not elected or re-elected at either of the two preceding annual general meetings.

Jonathan Bednall, Christopher Empson, Shaun Hanrahan, Andrew Eastgate and Michael O'Leary, will retire and seek election at this year's AGM. Biographies for each Director appear on page 30 of the Annual Report.

# Notice of Annual General Meeting

Explanatory Notes to the Resolutions

## Special business

As well as the ordinary business of the meeting outlined above, special matters will be dealt with at the Annual General Meeting. Resolution 10 will be proposed as an ordinary resolution and resolutions 11, 12 and 13 will be proposed as special resolutions. For these resolutions to be passed, more than 75 per cent of shareholders' votes cast must be in favour.

### **Resolution 10: Directors' authority to allot shares**

This resolution would give the Directors authority to allot ordinary shares, and grant rights to subscribe for or convert any security into shares in the Company, up to an aggregate nominal value of £22,500. This amount represents one third of the issued ordinary share capital of the Company as at 15 April 2015, the last practicable date prior to the publication of this document. The resolution would also give the Directors authority to allot equity securities up to an aggregate nominal amount of £45,000.

The Directors have no present intention to allot new shares other than in connection with employee share and incentive plans.

### **Resolution 11: Disapplication of pre-emption rights**

If directors of a company wish to allot shares in the company for cash (other than in connection with an employee share scheme) company law requires that these shares are offered first to shareholders in proportion to their existing holdings.

The purpose of Resolution 11 is to authorise the Directors to allot ordinary shares in the Company for cash (i) in connection with a rights issue; and, otherwise, (ii) up to a nominal value of £3,375, equivalent to five per cent of the total issued ordinary share capital of the Company as at 15 April 2015 without the shares first being offered to existing shareholders in proportion to their existing holdings. This level of authority is required in order to give the Company flexibility in the event of acquisition opportunities and major shareholders will be consulted in advance of the authority being exercised

### **Resolution 12: Buyback of deferred shares**

This resolution seeks authority for the Company to make off market purchases of its own deferred shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase 1,800,000 of its deferred shares under two separate purchase agreements, representing 100 per cent of the Company's issued deferred share capital as at 15 April 2015.

The resolution is proposed in order that clarity be brought to the Company's share capital position. The directors currently intend to cancel all shares purchased under this authority.

The buyback for an aggregate sum of £1.00 is based on the existing provisions of the Company's articles of association.

### **Resolution 13: Authority to purchase own shares**

Under the Companies Act 2006 ("the Act"), the Company requires authorisation from shareholders if it wishes to purchase its own shares.

Resolution 13 specifies the maximum number of shares that may be purchased (5% of the Company's issued share capital) and the highest and lowest prices at which they may be bought.

Under the Act, the Company can hold the shares which have been repurchased as treasury shares and either resell them for cash, cancel them, either immediately or at a point in the future, or use them for the purposes of its employee shares schemes. The Directors believe that it is desirable for the Company to have this choice and therefore intend to hold any shares purchased pursuant to this authority as treasury shares. Holding the repurchased shares as treasury shares will give the Company the ability to re-sell or transfer them in the future, and so provide the Company with additional flexibility in the management of its capital base. However, in order to respond properly to the Company's capital requirements and prevailing market conditions, the Directors will need to reassess at the time of any actual purchase, whether to hold the shares in treasury or cancel them.

The Directors have no present intention of exercising this authority. The Directors intend to keep under review the Company's potential to buy back its shares, taking into account other investment and funding opportunities. The authority will only be used if in the opinion of the Directors this will result in an increase in earnings per share or would otherwise be in the best interests of shareholders generally.

#### **Entitlement to appoint proxies**

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A proxy need not be a shareholder of the company.
2. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by the shareholder. To appoint more than one proxy, you should contact the Company's registrars, Capita Asset Services, on 0871 664 0300 (calls cost 10 pence per minute plus network extras, lines are open 8:30 am to 5:30 pm Monday to Friday) or on +44 208 639 3399 (if calling from outside the UK), for further forms of proxy, or photocopy this form of proxy as required. Please ensure that, for each proxy appointed in this way, you fill in, alongside the proxy's details, the number of shares in respect of which each proxy is appointed.
3. Shareholders who return the form(s) of proxy will still be able to attend the meeting, speak and vote in person if they so wish. Shareholders or their duly appointed proxies are requested to bring proof of identity with them to the meeting in order to confirm their identity for security reasons. A shareholder may only appoint a proxy or proxies:
  - (a) In hard copy form (together with any power of attorney or other written authority under which it is signed or a copy of such authority notarially certified or certified in some other way by the Directors) by post, courier or by hand to the offices of the Company's registrars, CapitaAsset Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU, or
  - (b) In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

#### **Appointing Proxies**

4. A shareholder wishing to appoint a proxy should complete the accompanying form(s) of proxy and return it/them to the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham BR3 4TU. Alternatively, you may submit your proxy electronically by using the CREST proxy service.

# Notice of Annual General Meeting

## Explanatory Notes to the Resolutions

### Electronic proxy appointment through CREST

5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instructions given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by noon on 22nd May 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
7. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Un-certificated Securities Regulations 2001.

### Joint holders

9. In the case of joint holdings, only one holder may sign and the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, seniority for this purpose being determined by the order in which the names stand on the register of members in respect of joint holdings.

### Entitlement to attend and vote

10. In accordance with Regulation 41 of the Un-certificated Securities Regulations 2001, only those members registered in the register of members of the Company as at close of business on 22 May 2015 or, in the event the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at the time. Changes to entries in the register of members after close of business on 22 May 2015 or, in the event of the meeting being adjourned, after 48 hours before the time of any adjourned meeting shall be disregarded in determining the rights of any person to attend or vote at the meeting.

### **Corporate Representatives**

11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

### **Voting Rights**

12. As at 15 April 2015 (being the last business day prior to the publication of this Notice), the Company's issued share capital consists of 135,000,000 ordinary shares, carrying one vote each and 1,800,000 deferred shares with no entitlement to vote. Therefore, the total voting rights in the Company as at 15 April 2015 are 135,000,000.

### **Communicating with the Company in relation to the AGM**

13. Except as provided above, shareholders wishing to communicate with the Company in relation to the AGM should write to the Company Secretary, Epwin Group Plc, 1b Stratford Court, Cranmore Boulevard, Solihull, B90 4QT.

14. You may not use any electronic address provided either in this Notice or any related documents, to communicate with the Company for any purposes other than those expressly stated.

### **Inspection of documents**

15. Copies of the Executive Directors' service contracts and Non-executive Directors' letters of appointment will be available for inspection during normal business hours at the offices of Epwin Group Plc, 1b Stratford Court, Cranmore Boulevard, Solihull, B90 4QT (excluding weekends and public holidays). They will also be available for inspection at the place of the annual general meeting from 10.45 a.m. on the day of the meeting until the conclusion of the meeting.

### **Voting Results**

16. The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on our website [www.epwin.co.uk](http://www.epwin.co.uk).

### **Data Protection Statement**

17. Your personal data includes all data provided by you, or on your behalf, which relates to you as a shareholder, including your name and contact details, the votes you cast and your Shareholder Reference Number (attributed to you by the Company). The Company determines the purposes for which and the manner in which your personal data is to be processed. The Company and any third party to whom it discloses the data (including the Company's registrars) may process your personal data for the purposes of compiling, fulfilling its legal obligations and processing the shareholder rights you exercise.

# Epwin Group Plc

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Visit our permanent exhibition at The Building Centre, London



