

JELD-WEN UK Limited

Annual Report and Financial Statements
for the year ended 31 December 2021

Registered Number 00499622

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JELD-WEN UK Limited

Annual Report and Financial Statements for the year ended 31 December 2021

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JELD-WEN UK Limited

Directors and advisers for the year ended 31 December 2021

Directors

W Christensen

J Hoyle

D Gaffey

Registered office

Retford Road

Woodhouse Mill

Sheffield

South Yorkshire

S13 9WH

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square

29 Wellington Street

Leeds

LS1 4DL

Solicitors

Eversheds LLP

Bridgewater Place

Water Lane

Leeds

LS11 5DR

Bankers

HSBC UK Bank Plc

8 Canada Square

Canary Wharf

London

E14 5HQ

JELD-WEN UK Limited

Strategic report for the year ended 31 December 2021

The directors present their reports and the audited financial statements of the company for the year ended 31 December 2021.

Principal activities

The company's principal activity during the year was that of a manufacturer of timber windows, doors and stairs. The company has continued to operate from two door factories (Sheffield & Penrith), one timber window factory (Melton Mowbray), one stair factory (Melton Mowbray) and a components mill (Melton Mowbray).

The company also leads and guides the operational activities of European group companies to drive profitable sales growth and improve operational efficiency.

Review of business

The company's sales were £116.7M (2020: £96.4M), an increase of 21% compared to the prior year. In the prior year all sites were shut during the initial COVID 19 lockdown in April 2020, re-opening in May and June, with an estimated impact of reduced sales in 2020 of £16.3M. Adjusting for this, in comparable periods the underlying sales are an increase of 4% on a more like-for-like period. The company has experienced increase demand for joinery products for the retail sectors whilst house building sectors remained reasonably level year on year. Gross margin achieved was 16% for 2021 compared to 15% in 2020.

The company had net assets of £222.1M at 31 December 2021 (2020 net assets: £210.7M), which the directors believe to represent a solvent position.

Strategy and future outlook

The company's objective is to sell windows, doors and stairs into the following market sectors:-

- Major builders
- Merchants
- Retailers

The ultimate holding company, JELD-WEN Holding, Inc. has provided funds for capital investment and new opportunities, with significant investments on energy efficiency and manufacturing automation in the year to improve productivity. The directors are confident that the company is well placed to capitalise on these opportunities.

The future development of the JELD-WEN group's business is focused on growing productivity and profitability, with targeted investments aimed at improving the range and quality of products and service offered to its customers.

Following a comprehensive business review of the business in 2022 it was decided that the three sites in Melton Mowbray would be closed, this would be expected to be completed during December 2022.

JELD-WEN UK Limited

Strategic report for the year ended 31 December 2021 (continued)

Section 172 (1) statement

The board acknowledges its responsibility under section 172(1) of the Companies Act 2006 and sets out below the key processes and considerations that demonstrates how the Directors promote the company.

Engagement with our stakeholders plays a vital role throughout the company. It helps us gain a better understanding of the impact of our decisions on stakeholder interests as well as understanding their needs and concerns. As a result, the directors consider the interests of each of our stakeholders and takes into account the information gathered through engagement with these stakeholders, when determining the company strategy. When making decisions, each director ensures they act in a way they consider, in good faith, would most likely promote the company's success for the benefit of all stakeholders.

(a) The likely consequences of any decision in the long-term

Supporting each decision, the directors look at potential outcomes of the decisions for any financial impacts to the long terms plans and any non-financial factors to see if these fit in with the strategy of the company and wider group. The core value of the company is to "Build businesses ethically and safely."

(b) The interests of the company's employees.

The directors consider the interest of employees in all decisions, and gain feedback with annual employee engagement questionnaires to look at employee engagement, manager effectiveness and performance enablers. In addition, periodic discussions are conducted throughout the year to get the employees views. One of our company values is to "invest in people."

(c) The need to foster the company's business relationships with suppliers, customers and others.

The directors know that delivering our strategy requires strong relationships with suppliers, customers and other parties obtained by regular discussion and feedback. We serve our customers best when we listen to and learn from them. We maintain strong relationships with our key suppliers and constantly monitor how best we can work with each other.

(d) The impact of the company's operations on the community and the environment.

The directors recognise the services offered by the company can impact the community and the local environment. All environmental regulations are adhered and where possible we try to do the best for both the local community and environment. The company is constantly looking to lower its carbon footprint such as looking at new, more efficient plant or changing lighting to LED's and changing to packaging which is more able to be recycled.

(e) The desirability of the company maintaining a reputation for high standards of business conduct.

The business aims to operate to the highest standards of business conduct through a program of compliance training, monthly business performance reviews and operating within a robust business process control framework.

(f) The need to act fairly as between members of the company.

The company is wholly owned by JELD-WEN Europe Limited and is part of the group headed by JELD-WEN Holding, Inc. and is committed to continue to build future growth through the current difficult economic environment.

Research and development

The company continues to invest in new product development with expenditure of £488,000 in 2021 (2020:£323,000). The company operates its own in-house research and development facilities at its Sheffield and Melton Mowbray operations.

JELD-WEN UK Limited

Strategic report for the year ended 31 December 2021 (continued)

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are:

Supply chain

The demand for timber from sustainable sources continues to increase worldwide. The sourcing of reliable and verifiable supply chains is a key business activity. The company uses its global presence and procurement team to maintain key supplier relationships.

Economic cycles

The construction market is particularly susceptible to economic cycles. One of the company's strategies is to sell into the largest companies in its target market sectors to mitigate the effects of economic downturn.

Climate change

Changes in weather patterns, including as a result of global climate change, could affect our financial results or financial condition. Weather patterns may affect our operating results and our ability to maintain our sales volume throughout the year. Because our customers depend on suitable weather to engage in construction projects, increased frequency or duration of extreme weather conditions could have a material adverse effect on our financial results or financial condition. New laws and regulations related to global climate change may also increase our expenses or reduce our sales. We manage our impact on the environment through a number of programs to reduce emissions, improve efficiencies in our production processes and moving towards a sustainable product portfolio.

Key performance indicators ("KPIs")

The directors of the company manage the JELD-WEN Holding, Inc. group's operations on a divisional basis. For this reason, the company's directors believe that analysis using more detailed KPIs for the UK company is not appropriate for an understanding of the development, performance or position of the business. The KPI used to manage the trading performance of the division of which the company is a part is EBITDA for UK Manufacturing (Earnings Before Interest, Tax, Depreciation and Amortisation and certain other non-reportable items such as Intercompany FX costs including hedging and one-off cost such as restructuring). Management also monitor fulfilment percentages, safety incidents and productivity rates.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in interest rates, liquidity risk, credit risk, and foreign exchange risk.

Interest rate / liquidity risk

The company's indirect parent company, JELD-WEN ApS (part of the JELD-WEN Holding, Inc. group) manages the interest rate and liquidity risks associated with the European companies.

The company pays and receives interest on intercompany borrowings and lending at a market rate of interest, and its bank deposits and overdraft facilities are at variable rates. No financial instruments were used by the company during the year to manage interest rate costs.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made and on a recurring basis. Customer balances, terms and credit limits are reviewed regularly by the company's management.

JELD-WEN UK Limited

Strategic report for the year ended 31 December 2021 (continued)

Foreign exchange risk

The company is exposed to movements in foreign exchange rates, as a result of transactions with a number of foreign suppliers and customers (including intercompany transactions).

It is the policy of JELD-WEN to mitigate volatility and exposure to losses by sound operation of our businesses and the use of hedging and risk transfer products. Explicit in this policy is the presumption that the Company does not speculate on either the level or direction of interest rates, foreign exchange or commodity prices but use hedging products to mitigate risk associated with the known and highly probable underlying business exposures.

In February 2022, the Russian military commenced an invasion of Ukraine, which is ongoing as of the date of this report. The Group do not have operations in Ukraine, and prior to the invasion, held limited sales operations in Russia which were discontinued in the first quarter of 2022. Along with other companies, however, we continue to experience heightened inflation on materials, freight, and other variable costs, such as utilities.

On behalf of the Board



J Hoyle
Director
29 November 2022

JELD-WEN UK Limited

Directors' report for the year ended 31 December 2021

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows. No indemnity provisions are held (2020: none).

D Guernsey resigned 23rd June 2022

K Dodd resigned 23rd June 2022

L Oxnard resigned 31st August 2022

W Christensen appointed 23rd June 2022

D Gaffey appointed 23rd June 2022

J Hoyle appointed 15th August 2022

Results and dividends

The company's profit for the financial year is £11,438,000 (2020: £36,231,000). The directors have not recommended a dividend for the year ended 31 December 2021 (2020: £nil). The profit sustained of £11,438,000 (2020: £36,231,000) was transferred to reserves.

Effective January 1, 2015 (the "Effective Date"), the company entered into an agreement with a related parties whereby the company would receive an arm's length fee from the related parties to perform various management and decision-making services for the related parties beginning on the Effective Date. Under the agreement, the related parties are guaranteed a specific return before interest and taxes commensurate with their functions and risks profile; such return is affected through a payment made to the company.

The company leads and guides the operational activities of various European group companies and assumes key operational risks which these companies face. Per the terms, the related parties are guaranteed a specific return before interest and taxes commensurate with their function and risk profile; such return is affected through a payment made to the company.

The strategic direction provided by the company to the related parties include, key decision-making in connection with strategy setting, procurement and production management, operations management, product development and innovation, marketing and sales support, IT strategy and support, finance management, human resource services, and legal and tax matters.

Moreover, the agreement allocates the key risks between the parties, such that the related parties operate as limited risk manufacturers and distributors. The risks that are clearly borne by the company under the agreement include, market risks, warranty costs, collectability of receivables, restructuring costs, excess inventory, increases in the costs of raw materials, environmental or regulatory risks, and excess costs resulting from the underutilization of the related party's manufacturing capacity.

Other operating income of £35,968,000 (2020: £52,555,000) was earned during the year in relation to this agreement.

Directors' report for the year ended 31 December 2021 (continued)

Future developments

Details of future developments in the business can be found in the Strategic Report on page 2 and forms part of this report by cross reference.

Employee involvement

The company's policy is to maintain discussions and consultations with employees with regard to their future performance and prospects. Employees are kept informed on the progress of the UK business and wider group activities.

During the year the company continued with its employee engagement survey to get their views on all aspects of the business and how the is run, the results collated by a third party we recommunicated to the employees and a whole and also by function. The results allowed the company to make changes to improve the areas which the employees felt the company could improve. In addition, regular meetings are held for information to be communicated and allow all employees to ask questions to the senior leadership team either in person or via a dedicated email for any issues.

The company shares with employees the quarterly financial results of the company and actively promotes employee engagement.

The directors consider the interest of employees in all decisions made.

Employment of disabled persons

It is the company's policy to give full consideration to applications for employment from disabled persons. Due regard is given to the requirements of the job concerned. If existing employees become disabled every effort is made to enable them to continue their jobs or to offer suitable alternative employment.

The company's general policy on training and promotion is to develop and improve the potential of each employee. This applies to disabled persons. All employees are given appropriate training to enable them to better carry out their roles and responsibilities.

Stakeholder Engagement

The directors maintain strong relationships with suppliers, customers and other parties to ensure a successful relationship with all. During the recent pandemic the company was able to look at payments terms to help customers and suppliers get through this difficult period. Refer to the section 172 statement in the strategic report for further details on engagement with key stakeholders.

Financial risk management

Details of financial risk management can be found in the Strategic Report on page 4 and forms part of this report by cross reference.

JELD-WEN UK Limited

Directors' report for the year ended 31 December 2021 (continued)

Streamlined Energy and Carbon Report (SECR)

UK energy use and associated greenhouse gas emissions

Current and historic UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

Organisational boundary

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those within the UK only that come under the operational control boundary. Consequently, energy use and emissions are aligned with financial reporting for Jeld-Wen UK Limited and exclude non-UK based sites and subsidiaries that would not qualify under the 2018 Regulations in their own right.

Reporting period

The annual reporting period is 1 January to 31 December each year and the Company has taken the opportunity to voluntarily report on energy consumption and emissions back to 1 January 2018.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The UK Government GHG Conversion Factors for Company Reporting were used in emission calculations for each respective reporting year. This report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

The energy data was collated using existing reporting mechanisms (ESOS Phase 2 for 2018 data and internal sustainability KPIs for 2019 onwards) to provide figures back to January 2018. These methodologies provided a continuous record of natural gas, electricity and transport data (consisting of company vehicles and employee-owned cars). In the interests of providing a full and transparent view of our energy use and resulting emissions, we have voluntarily included our use of fuel oils and biomass (waste wood is used to providing space and process heating at one of our manufacturing plants).

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities (scope 3). We have also voluntarily included our out-of-scope emissions in relation to biomass.

Estimations and data accuracy

There has been minimal use of estimations, with the vast majority of data taken from manual and automatic meter reads, supplier invoices or mileage and transport records.

JELD-WEN UK Limited

Directors' report for the year ended 31 December 2021 (continued)

Streamlined Energy and Carbon Report (SECR) (continued)

Base Year

The year January 2018 to December 2018 is chosen as the base year due to the completeness and accuracy of data reported in accordance with ESOS Phase 2. The base year will be retroactively recalculated in the event of significant changes to the company, such as structural changes, changes in methodology or improvements in the accuracy of data. Our base year recalculation policy defines the significant threshold as 10% of base year emissions.

Breakdown of energy consumption used to calculate emissions (kWh)

	2018 (Base Year)	2019	2020	2021
Mandatory requirements:				
Natural gas	7,967,997	6,982,526	6,499,228	7,350,290
LPG	3,347,832	3,604,360	3,183,802	942,798
Purchased electricity	15,289,778	15,896,267	13,360,632	13,749,213
Transport fuels	1,163,366	715,855	916,263	845,880
Total energy (mandatory)	27,768,974	27,199,008	23,959,926	22,888,181
Voluntary requirements:				
Gas oil	854,043	828,591	559,856	916,143
Burning oil	1,541,783	1,111,505	692,721	59,908
Wood chip	11,848,218	12,474,271	12,255,960	9,249,514
Total energy (voluntary)	14,244,043	14,414,366	13,508,537	10,225,564
Total energy (mandatory & voluntary)	42,013,017	41,628,505	37,468,462	33,113,745

JELD-WEN UK Limited

Directors' report for the year ended 31 December 2021 (continued)

Streamlined Energy and Carbon Report (SECR) (continued)

	2018 (Base Year)	2019	2020	2021
Mandatory requirements:				
<u>Scope 1</u>				
Natural gas	1,465.8	1,286.5	1,195.0	1,346.3
LPG	718.0	773.0	682.9	202.2
Wood chip *	178.4	195.0	189.4	142.9
Transport – Company-owned vehicles	267.9	163.5	204.6	193.0
<u>Scope 2</u>				
Purchased electricity (location based)	4,328.1	4,063.1	3,114.9	2,919.4
Purchased electricity (market based) **	0	0	0	0
<u>Scope 3</u>				
Transport - Employee-owned vehicles	18.7	10.4	14.9	6.5
Total gross emissions (mandatory) ***	6,977.0	6,491.5	5,401.7	4,810.2
Tonnes of CO ₂ e per hundred thousand units manufactured	188.7	172.4	166.3	129.0
Tonnes of CO ₂ e per thousand cubic meters processed	23.9	32.9	15.6	13.3
Voluntary requirements:				
<u>Scope 1</u>				
Gas oil	236.2	212.7	143.7	235.3
Burning oil	380.3	274.3	170.9	14.8
Total gross emissions (voluntary)	616.4	487.0	314.6	250.0
(mandatory & voluntary)	7,593.4	6,978.5	5,716.3	5,060.3
<u>Outside of Scopes (tCO₂)</u>				
Wood chip	4,190.1	4,411.9	4,334.4	3,339.8

* N₂O & CH₄ emissions only

** All of our purchased grid electricity is from renewable sources and is backed by REGOs

*** Based on location-based emissions for grid electricity as required by the GHG Protocol Corporate Accounting and Reporting Standard (revised edition)

JELD-WEN UK Limited

Directors' report for the year ended 31 December 2021 (continued)

Streamlined Energy and Carbon Report (SECR) (continued)

Intensity Ratios

Due to the differing manufacturing process, we have elected to use two intensity ratios.

The first intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per total hundred thousand units manufactured. The second intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per thousand cubic meters processed.

Both manufacturing outputs relate to UK operations only to align with the energy and emission reporting boundary. These manufacturing metrics are considered the most relevant to the Company's energy consuming activities and follows best practice as well as providing a good comparison of performance over time.

Energy efficiency action during current financial year

In the period 1 January 2021 to 31 December 2021, the Company have undertaken the following actions to improve energy efficiency:

- Continued to purchase 100% renewable grid electricity backed by REGOs (Renewables Energy Guarantees of Origin)
- Installed high-efficiency LED lighting at two of our key production plants. This is expected to reduce the energy and location-based carbon emissions associated by lighting by more than 50%.
- Install a new dust extraction system at one of our production facilities, which has decreased the energy intensity per unit manufactured by more than 20%
- Undertook a feasibility study into installing a biomass system at one of our production facilities
- Continued to use data collected from our operational systems to drive energy efficiency across our sites.
- Continued our planned and preventative maintenance programmes to ensure plant is operating as efficiently as possible.
- Continued to use OEE data to optimise our manufacturing processes and reduce waste.

JELD-WEN UK Limited

Directors' report for the year ended 31 December 2021 (continued)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



J Hoyle

Director

29 November 2022

Independent auditors' report to the members of Jeld-Wen UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Jeld-Wen UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Balance sheet as at 31 December 2021; Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and Taxation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate financial performance and bias within management's accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Enquiring with management and those charged with governance to understand the relevant laws and regulations applicable to the company, and their assessment of fraud related risks;
- Identifying and testing journal entries using a risk- based targeting approach for unexpected account combinations and unusual words in the journal description;
- Reviewing financial statements disclosures and testing to supporting documentation, where appropriate, to assess compliance with the applicable laws and regulations; and
- Challenging assumptions and judgements made by management in determining significant accounting estimates (because of the risk of management bias) , including accruals and provisions.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Rebecca Gissing (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
29 November 2022

JELD-WEN UK Limited

Profit and loss account for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Turnover	2	116,661	96,403
Cost of sales		(97,980)	(81,513)
Gross profit		18,681	14,890
Distribution costs		(15,498)	(18,000)
Administrative expenses		(27,784)	(16,216)
Other operating income	3	36,003	54,539
Finance income	5	2,266	2,356
Finance expenses	6	(307)	(10)
Profit before taxation		13,361	37,559
Tax on profit	7	(1,923)	(1,328)
Profit for the financial year		11,438	36,231

The above results all relate to continuing operations.

The company has no other comprehensive income other than as disclosed in the results above and therefore no separate statement of total comprehensive income has been presented.

JELD-WEN UK Limited

Balance sheet as at 31 December 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	8	493	408
Tangible assets	9	15,971	15,592
Investments	10	40,997	40,997
		57,461	56,997
Current assets			
Stocks	11	22,818	15,746
Debtors	12	178,783	174,649
Deferred tax	7	7,867	4,022
Cash at bank and in hand		6,337	931
		215,805	195,348
Creditors: amounts falling due within one year	14	(44,295)	(36,057)
Net current assets		171,510	159,291
Total assets less current liabilities		228,971	216,288
Provisions for liabilities	16	(6,882)	(5,637)
Net assets		222,089	210,651
Capital and reserves			
Called up share capital	17	27,103	27,103
Capital contribution reserve		99,234	99,234
Profit and loss account		95,752	84,314
Total shareholders' funds		222,089	210,651

Deferred tax includes £6,057,000 (2020: £2,891,000) which is due greater than one year.

The accompanying notes on pages 22 to 41 are an integral part of these financial statements.

The financial statements on pages 19 to 41 were authorised for issue by the Board of directors on 29 November 2022 and were signed on its behalf by:



J Hoyle
Director

Registered number: 00499622

JELD-WEN UK Limited

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Capital contribution reserve	Profit and loss account	Total shareholders' funds
	£'000	£'000	£'000	£'000
Balance at 1 January 2020	27,103	99,234	48,083	174,420
Profit for the financial year	-	-	36,231	36,231
Balance at 31 December 2020	27,103	99,234	84,314	210,651
Balance at 1 January 2021	27,103	99,234	84,314	210,651
Profit for the financial year	-	-	11,438	11,438
Balance at 31 December 2021	27,103	99,234	95,752	220,089

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

General Information

JELD-WEN UK Limited ('the company') is a private limited liability company (limited by shares) incorporated in the United Kingdom which manufactures timber windows, doors and stairs. The company operates from two door factories (Sheffield & Penrith), one timber window factory (Melton Mowbray), one stair factory (Melton Mowbray) and a components mill (Melton Mowbray).

The company is incorporated and domiciled in the UK. The address of its registered office is Retford Road, Woodhouse Mill, Sheffield, South Yorkshire, S13 9WH.

Statement of compliance

The individual financial statements of JELD-WEN UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements.

Basis of Preparation

These financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of tangible fixed assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The company is a wholly owned subsidiary of JELD-WEN Europe Ltd and of its ultimate parent JELD-WEN Holding, Inc.. It is included in the consolidated financial statements of JELD-WEN Holding, Inc. which are publicly available. Therefore the company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Going Concern

The company have prepared forecasts, which have been reviewed by the directors, which reflect the ongoing impact of world events and their impact on the global economy, for example utility and materials price increases. These demonstrate that the company as a whole is forecasting to generate results which show the company has sufficient cash reserves to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

The company meets its day-to-day working capital requirements, however, if required it has access to funds as part of the group's cash pooling arrangement that is administered through JELD-WEN ApS, our European holding company. The company has unrestricted access to funds of EUR15M as part of the contractual cash pooling terms and conditions, and either party has the right to withdraw from the agreement by giving notice, for which no reason needs to be given. Under the cash pooling arrangements, cash held by the company is classed as a group loan on which interest is paid/earned.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Going Concern (continued)

The company has received confirmation that the Group will not withdraw the facility in the foreseeable future. As such, the directors are satisfied that it has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing these financial statements.

Exemptions for qualifying entities under FRS 102

The company is a wholly owned subsidiary of JELD-WEN Holding, Inc. It is included in the consolidated financial statements of JELD-WEN Holding, Inc. which are publicly available. Consequently the company is a qualifying entity as per FRS 102 and has taken advantage of the disclosure exemptions of FRS 102, Section 1, paragraph 1.12(b) statement of cash flows, 1.12(c) financial instruments, 1.12(d) certain share based payments disclosures and 1.12(e) key management compensation in total.

Intangible fixed assets and amortisation

Intangible fixed assets are initially recognised at cost and then amortised on a straight-line basis over their expected useful life.

The principle annual rates of amortisation are:

Licences & Rights 20% - 33.33%

Tangible fixed assets and depreciation

Freehold land and buildings are stated at a professional valuation as at September 1983, less accumulated depreciation and impairment. The company chose to retain land and buildings at their book value as deemed cost at 31 December 2000. The company continued to use this valuation as deemed cost by adopting the transition exemption under FRS 102 paragraph 35.10(d) as part of the transition to FRS 102 completed for the year ended 31 December 2014.

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write off cost or valuation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. No depreciation is provided on assets in the course of construction.

Tangible fixed assets, with the exception of freehold land, are depreciated on a straight line basis over their expected useful lives.

The principal annual rates of depreciation applied are:

Freehold buildings	2.5%
Plant, machinery, equipment, and vehicles	5% to 33%

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation (continued)

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. Any impairment in the value of fixed assets is dealt with in the profit and loss account in the year in which it arises.

The annual depreciation charge for property, plant, equipment and amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 8 and 9 for the carrying amount of the intangible assets and property, plant, equipment respectively, and accounting policy for the useful economic lives for each class of assets.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Taxation

Current tax is the amount of income tax payable or receivable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Stock is recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the by weighted average cost of materials. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the stock to its present location and condition. The cost of manufactured finished goods and work in progress includes raw materials, direct labour and other direct costs and related production overheads on a standard cost basis.

Where necessary, provision is made for obsolete, slow moving and defective inventories.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods and services rendered, net of returns, discounts and rebates allowed by the company and value added tax.

The company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer upon delivery to the customer or collection by the customer or their agent; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

Some installed goods are sold on a bill and hold basis, the company recognises revenue when the buyer takes title, provided, (a) it is probable delivery and installation will be made, (b) the item is on hand and ready for delivery to the buyer at the time the sale is recognised, (c) the buyer acknowledges the deferred delivery instructions and (d) the usual payment terms apply.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

Warranty costs

The company provides for warranties on products sold to cover the expected level of costs to be incurred against warranty claims ranging from one to ten years depending on the product sold.

The provision is calculated based on the time taken between the original date of sale and date of claim, historical warranty costs percentages and applied to current sales.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The assets of the scheme are held separately from those of the company in an independently administered fund.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Foreign currency

The company's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. All foreign exchange differences arising in the normal course of business are accounted for through the profit and loss account within cost of sales.

Accrued income

An accrual is made for any income earned but not yet received.

Other income

Other income is recognised in the accounting period in which it relates when the outcome can be estimated reliably.

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and that the group will comply with all attached conditions. Government grants relating to governmental Coronavirus Job Retention Scheme (CJRS) are recognised in gross in other operating income (note 3).

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

i) *Carrying value of stock and work in progress*

Stock and work in progress is stated at the lower of cost and fair value less costs to sell and the assessment of fair value less costs to sell requirements judgement according to market conditions and historical trends. Full stocktakes are done quarterly to ensure these are accurately recorded.

Stocks are assessed for obsolescence on an ongoing basis and written down accordingly if deemed to be obsolete, slow moving stock is reviewed according to sales trends and is written down with reference to this using a group matrix, hence the application of judgement in the final inventory provision.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Critical accounting judgements and key source of estimation uncertainty (continued)

ii) *Recoverability of accounts receivable*

The recoverability of accounts receivable is inherently judgemental and is assessed on an ongoing basis according to trend analysis, market and company indicators. Provisions are calculated based on the aging of the accounts receivable and done in conjunction with current expected credit losses work which looks at collectability based on previous experience.

iii) *Provision for warranty claims*

The future liability for warranty claims is inherently judgemental. It is assessed on an ongoing basis using a model which takes account of historical trends, and future anticipated events, to predict a best estimate of the likely outcome and derive the required provision.

iv) *Carrying value of investments*

The directors make an assessment as to the appropriateness of the carrying value of investments based on the trading performance and underlying asset values.

v) *Tax assets*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Financial Instruments

The company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments

i) *Financial Assets*

Basic financial assets, including trade and other receivables, cash and bank balances are recognised at transaction price.

ii) *Financial Liabilities*

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies are classified as debt are recognised at transaction price. Trade payables are obligations for goods and services that have been acquired in the ordinary course of the business. Accounts payables are classified as current liabilities if payment is due within one year or less, if not they are presented as non-current liabilities. Derivatives, for forward foreign exchange contracts, are measured at fair value, changes in the fair value of derivatives are recognised as profit or loss in finance costs or income as appropriate.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 continued)

2 Turnover

	2021	2020
Analysis of turnover by destination	£'000	£'000
United Kingdom	116,455	96,396
Rest of Europe	206	7
	116,661	96,403

	2021	2020
Analysis of turnover by category	£'000	£'000
Doors	91,985	75,386
Windows	16,145	13,635
Stairs	8,531	7,382
	116,661	96,403

All the turnover is generated by principal activities of the business.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 continued)

3 Operating profit	2021	2020
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Amortisation of intangible assets – (note 8)	320	387
Depreciation		
- owned assets (note 9)	2,531	2,484
Operating lease charges	2,763	2,205
Loss on disposal of fixed assets	73	19
Foreign exchange losses/(gains)	2,690	(2,171)
Research and development	488	323
Impairment of trade debtors	197	107
Impairment of stock	(104)	281
Impairment of investments	-	161
Stock recognised as an expense	59,413	49,522
Staff costs	41,088	38,913
Fees payable to the company's auditors:		
- Audit of the company's, parent's, and subsidiaries' financial statements	470	654
- Audit-related assurance services	70	70
- Tax advisory services	75	52
Total amount payable to the company's auditor and its associates	615	776
Other operating income:		
Earned under European business model (see below)	(36,003)	(52,555)
Furloughed employee income	(35)	(1,984)

Other operating income of £36,003,000 (2020: £52,555,000) was earned during the year in relation to the company's role as principle, within the group's European business model. This reflects the company's performance of the European leadership role and assumption of key business and operating risks.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

4 Employee costs

	2021	2020
	£'000	£'000
Wages and salaries	35,308	34,173
Social security costs	3,794	2,928
Other pension costs	1,986	1,812
	41,088	38,913

The monthly average number of employees (including directors) during the year was:

	2021	2020
By activity:	Number	Number
Administration and sales	282	266
Production	688	658
	970	924

At 31 December 2021 JELD-WEN UK Limited had £313,000 (2020: £250,000) pension contributions outstanding being one (2020:one) month's contributions.

Directors' emoluments included above comprise:

	2021	2020
	£'000	£'000
Aggregate emoluments	813	582
Pension contribution to defined contribution scheme	35	33
	848	615

Retirement benefits are accruing to two directors (2020: two directors) under a defined contribution scheme.

In addition one (2020: one) directors emoluments are borne by the parent company which makes no recharge. This director is a director of a number of fellow subsidiaries, and it is not possible to apportion remuneration in respect of all the companies, therefore the above includes no remuneration for this director and his remuneration is included in the financial statements of the parent company JELD-WEN Holding Inc..

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

4 Employee costs (continued)

Highest paid director

Emoluments include salary and bonus payments made in the year.

	2021 £'000	2020 £'000
Aggregate emoluments	446	349
Pension contribution to defined contribution scheme	19	18
	465	367

The highest paid director exercised share options in 2021 (2020: no shares exercised) and is accruing benefits under a long term incentive scheme in 2021 and 2020

5 Finance income

	2021 £'000	2020 £'000
Interest receivable from group banking facility	140	139
Interest receivable from group loans	2,126	2,216
Interest receivable - other	-	1
	2,266	2,356

6 Finance expenses

	2021 £'000	2020 £'000
Interest payable to group banking facility	3	-
Interest payable other	304	10
	307	10

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Tax on profit

Analysis of tax charge in year	2021 £'000	2020 £'000
Tax on the profit for the year:		
UK corporation tax on profits in the year:		
Current year	3,374	5,230
Tax recovery income	-	(3,452)
Adjustments in respect of previous years	2,394	(105)
Total current tax	5,768	1,673
Deferred tax:		
Current year	(917)	810
Adjustment in respect of change in UK corporation tax rate	(1,270)	(433)
Adjustments in respect of previous years	(1,658)	(722)
Total deferred tax	(3,845)	(345)
Income tax charge on profit	1,923	1,328

The tax assessed for the year is lower (2020: lower) to the standard rate of corporation tax in the UK. The differences are explained below:

	2021 £'000	2020 £'000
Profit before taxation	13,361	37,559
Profit before taxation multiplied by standard rate in the UK 19% (2020: 19%)	2,539	7,136
Effects of:		
Difference between standard rate and closing deferred tax rate on timing differences	(149)	(433)
Tax recovery income	-	(3,452)
Adjustment in respect of change in UK corporation tax rate	(1,270)	-
Adjustments in respect of prior years	736	(827)
Income not deductible for tax purposes	67	(1,096)
Total tax charge for the year	1,923	1,328

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Tax on profit (continued)

Factors affecting future tax charges

The increase in the UK's main rate of corporation tax to 25% effective from 1 April 2023, was substantively enacted in law on 24 May 2021. Therefore, the new 25% rate has been reflected in the calculation of any timing differences expected to reverse on or after 1 April 2023, in the closing Balance Sheet.

Deferred tax assets

	Accelerated capital allowances	Short term timing differences	Total
	£'000	£'000	£'000
At 1 January 2021	2,891	1,131	4,022
Movements	3,166	679	3,845
At 31 December 2021	6,057	1,810	7,867

Deferred tax assets relating to losses and other tax relief have been recognised as it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. The deferred taxation balances at the yearend have been measured at the rate at which timing differences are expected to reverse.

A total of £6,057,000 (2020: £2,891,000) is due over one year, these relate to deferred tax of 5,846,000 (2020: £2,731,000) on fixed assts and £211,000 (2020: £160,000) on intangible assets.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Intangible assets

	Licences and Rights £'000
Cost or valuation	
At 1 January 2021	1,192
Additions	405
Retirements	(533)
At 31 December 2021	1,064
Accumulated amortisation	
At 1 January 2021	784
Charge for the financial year	320
Retirements	(533)
At 31 December 2021	571
Net book amount	
At 31 December 2021	493
At 31 December 2020	408

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

9 Tangible assets

	Freehold land and buildings	Plant, machinery, equipment and vehicles	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 January 2021	9,198	32,412	2,996	44,606
Additions	-	-	3,021	3,021
Transfers	1,030	4,118	(5,148)	-
Disposals	-	(176)	-	(176)
At 31 December 2021	10,228	36,354	869	47,451
Accumulated depreciation				
At 1 January 2021	5,647	23,367	-	29,014
Charge for the financial year	279	2,252	-	2,531
Additions	-	38	-	38
Disposals	-	(103)	-	(103)
At 31 December 2021	5,926	25,554	-	31,480
Net book amount				
At 31 December 2021	4,302	10,800	869	15,971
At 31 December 2020	3,551	9,045	2,996	15,592

The cost of freehold land on which no depreciation is charged amounted at 31 December 2021 to £1,732,000 (2020: £1,732,000).

If stated at original cost the comparable amounts of the assets at valuation would be:

	2021	2020
	£'000	£'000
Cost	2,685	2,685
Accumulated depreciation	(1,826)	(1,772)
	859	913

At the year end there were no capital commitments contracted but not provided for in the financial statements.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Investments

	Total £'000
Cost	
At 1 January 2021	41,158
At 31 December 2021	41,158
Impairment	
At 1 January 2021	(161)
Charge for the financial year	-
At 31 December 2021	(161)
Net book amount	
At 31 December 2021	40,997
At 31 December 2020	40,997

Company	Ownership	Holding	Country of Incorporation	Registered office
JELD-WEN Hong Kong Limited	100%	Direct	Hong Kong	20th Floor, Alexander House, 18 Chater Road, Central
JELD-WEN Pension Trustees Limited	100%	Direct	United Kingdom	Retford Road, Woodhouse Mill, Sheffield, S13 9WH
Domoferm Service GmbH	100%	Direct	Austria	Sonnenweg 1 2230 Gänserndorf
Domoferm GmbH & Co. KG	100%	Direct	Austria	Sonnenweg 1 2230 Gänserndorf
Domoferm Export GmbH	100%	Direct	Austria	Sonnenweg 1 2230 Gänserndorf
Domoferm Tschechia s.r.o.	100%	Indirect	Czech Republic	Nádražní 344/23, Smíchov, 150 00 Praha 5
Domoferm Polska Sp. Z.o.o.	100%	Indirect	Poland	ul. Jedności 10 05-506 Lesznowola
Domoferm Hungaria Kft.	100%	Indirect	Hungary	1211 Budapest, Szállítók u. 6
Domoferm d.o.o.	100%	Indirect	Croatia	Puškarićeva 15 10250 Zagreb (Lučko) Hrvatska
Drumetall Sp. Z.o.o.	100%	Indirect	Poland	ul. Jedności 10 05-506 Lesznowola
OOO Domoferm	100%	Indirect	Russia	123007 Moscow 4. Magistralnaya 11, building 2, office 214 Business Center
Staalkozijn Nederland B.V.	100%	Indirect	Netherlands	Beatrixpark 24, 7101BN Winterswijk
Drumetall GmbH	100%	Indirect	Austria	Sonnenweg 1 2230 Gänserndorf
HSE Spol s.r.o	100%	Direct	Czech Republic	Nerudova 957. 396 01 Humpolec

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Investments (continued)

The investments relate to the companies listed above.

The impairment listed above relates to the investment in JELD-WEN Hong Kong which is in the process of being deregistered and therefore this has impaired the value down to nil.

11 Stocks

	2021 £'000	2020 £'000
Goods in transit	1,595	1,596
Raw materials and consumables	10,494	5,947
Work in progress	2,273	2,150
Finished goods	8,456	6,053
	22,818	15,746

Amount of inventory expensed in cost of sales in the year was £59,413,000 (2020: £49,500,000)

Inventory are stated after provisions for impairment of £1,965,000 (2020: £2,069,000)

12 Debtors

	2021 £'000	2020 £'000
Trade debtors	26,817	24,309
Amounts owed by group undertaking	97,361	97,946
Amounts owed by parent undertakings	48,129	46,762
Tax receivable	3,452	3,452
Prepayments and accrued income	3,024	2,180
	178,783	174,649

Amounts owed by group undertakings includes a loan provided in January 2019 for EUR23,425,000 (£19,646,000) which attracts interest at 3.712% (2020: 3.712%) and has been repaid in March 2022. The remaining balance of £77,715,000 (2020: £76,821,000) are repayable on demand, have no interest accruing on them and no security has been pledged.

Amounts owed by parent undertakings are unsecured loan notes which attract interest at 3.107% (2020: 3.107%) and are repayable on demand.

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

12 Debtors (continued)

Trade debtors are stated after provisions for impairment of £404,000 (2020: £207,000)

13 Loans and other income

	2021	2020
	£'000	£'000
Amounts owed by group undertakings	97,361	97,946
Amounts owed by parent undertakings	48,129	46,762
	145,490	144,708

Maturity of debt

	2021	2020
	£'000	£'000
In one year or less or on demand	145,304	144,708

Amounts owed by group undertakings includes a loan provided in January 2019 for EUR 23,425,000 (£19,646,000) which attracts interest at 3.712% and was repaid in March 2022. The balance remaining balances of £77,715,000 (2020: 76,821,000) are repayable on demand, have no interest accruing on them and no security has been pledged.

Amounts owed by parent undertakings are unsecured loan notes which attract interest at 3.107% (2020: 3.107%) and are repayable on demand.

14 Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Trade creditors	18,764	12,276
Amounts owed to group undertakings	10,979	11,135
Amounts owed to parent undertakings	1,065	1,065
Other taxation and social security	2,385	5,739
Corporation Tax	2,332	888
Other creditors	4,177	1,581
Accruals and deferred income	4,593	3,373
	44,295	36,057

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Creditors: amounts falling due within one year (continued)

Amounts owed to group undertakings include borrowing which are unsecured, repayable on demand and interest free. Amounts owed to parent undertakings relate to loans and other borrowings which are unsecured, interest free and repayable on demand.

15 Loans and other borrowings

	2021	2020
	£'000	£'000
Amounts owed to group undertakings	10,979	11,135
Amounts owed to parent undertakings	1,065	1,065
	12,044	12,200

Maturity of debt

	2021	2020
	£'000	£'000
In one year or less or on demand	12,044	12,200

Amounts owed to group undertakings include borrowing which are unsecured, repayable on demand and interest free. Amounts owed to parent undertakings relate to loans and other borrowings which are unsecured, interest free and repayable on demand.

16 Provisions for liabilities

	Warranty	Stock Options	Total Provisions
	£'000	£'000	£'000
Balance at 1 January 2020	956	4,482	5,438
Awarded	-	465	465
Utilised	(266)	-	(266)
Balance at 31 December 2020	690	4,947	5,637
Balance at 1 January 2021	690	4,947	5,637
Awarded	60	1185	1245
Utilised	-	-	-
Balance at 31 December 2021	750	6,132	6,882

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

16 Provisions for liabilities (continued)

Warranty costs

The company gives warranties on products sold to cover defects which arise during periods ranging from 1 to 10 years. The amount provided for warranty costs has been estimate based on the company's actual experience of costs incurred with respect to warranties.

Stock option costs

Options have been granted to certain employees of the company to purchase shares at a price per share between \$9.55 and \$33.34. The options are granted on a basis the employees have a choice to settle in cash or shares. The options vest at a rate of 33.3% (3 years) each year so long as the optionee continues to be an employee at all times from grant date through to each vesting date.

17 Called up share capital

	2021	2020
	£'000	£'000
Issued, allotted and fully paid		
108,413,288 (2020: 108,413,288) ordinary shares of 25p each	27,103	27,103

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

18 Operating lease commitments

At the year end the company had the following lease commitments in respect of non-cancellable operating leases which expire:

	2021	2020
	£'000	£'000
- In less than one year	597	1,203
- In one to two years	253	599
- In two to five years	185	289

There are no finance lease obligations (2020: none).

JELD-WEN UK Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

19 Ultimate parent undertaking and controlling party

The company's ultimate parent undertaking, controlling party and parent undertaking of the largest group in which the financial statements for the company are consolidated is JELD-WEN Holding, Inc., incorporated in the US and listed on the US stock exchange (code: JELD). For financial information reference is made to public shareholder information available from JELD-WEN Holding, Inc. Copies of the financial statements may be obtained from company secretary at Retford Road, Woodhouse Mill, Sheffield, S13 9WH.

JELD-WEN Europe ApS registered in Denmark is the parent undertaking of the smallest group in which the financial statements of the company are consolidated. Copies of the financial statements may be obtained from company secretary at Retford Road, Woodhouse Mill, Sheffield, S13 9WH.

The company's immediate parent is JELD-WEN Europe Limited.

20 Related party disclosures

There were no material transactions between directors or key managers and the JELD-WEN group of companies which need to be disclosed.

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31 December 2021 it was a wholly owned subsidiary.

The company has elected to take advantage of key personnel compensation disclosure exemption under FRS 102 paragraph 1.12(e) and 33.7.

Of the pension contribution amounts in Note 4 of £1,986,000 (2020: £1,812,000), £738,000 (2020: £1,671,000) relates to JWUK Fidelity Pension Scheme, £1,090,000 (2020:none) relating to the Aviva Pension Scheme and £158,000 (2020: £141,000) relates to the People's Pension AE Scheme.

Of the £313,000 (2020: £250,000) pension contributions outstanding at end of 2021, £238,000 (2020:none) relates to the Aviva pension Scheme, none (2020: £210,000) relates to the JWUK Fidelity Pension Scheme and £75,000 (2020: £40,000) relates to the People's Pension AE scheme.

21 Subsequent events

During 2022 management made the decision to close the three sites in Melton Mowbray