

**CARLISLE CONSTRUCTION MATERIALS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**REGISTERED NUMBER: 01374446**



**CARLISLE CONSTRUCTION MATERIALS LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**CARLISLE CONSTRUCTION MATERIALS LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>DIRECTORS:</b>	D H Kirkwood T Ball M L Roberson
<b>SECRETARY:</b>	A T Motsi
<b>REGISTERED OFFICE:</b>	Ground Floor Office Suite Lancaster House, Concorde Way Millennium Business Park Mansfield Nottinghamshire United Kingdom NG19 7DW
<b>BUSINESS ADDRESS:</b>	Unit 4A Isabella Court Millennium Business Park Mansfield Nottinghamshire United Kingdom NG19 7JZ
<b>REGISTERED NUMBER:</b>	01374446 (England and Wales)
<b>AUDITORS:</b>	Deloitte LLP 5 Callaghan Square Cardiff United Kingdom CF10 5BT
<b>BANKERS:</b>	JP Morgan Chase Bank N.A. 25 Bank Street Canary Wharf London United Kingdom E14 5JP
<b>SOLICITORS:</b>	Battens Solicitors Mansion House Princes Street Yeovil Somerset United Kingdom BA20 1EP

## **CARLISLE CONSTRUCTION MATERIALS LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their annual report with the financial statements of the company for the year ended 31 December 2018.

#### **DIRECTORS**

The directors shown below have held office during the year and up to the date of this report.

D H Kirkwood  
T Ball  
M L Roberson

#### **DIRECTOR'S INDEMNITIES**

The company has not made any qualifying third party indemnity provisions for the benefit of its director during the year and this remains in force at the date of this report.

#### **GOING CONCERN**

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the director, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

##### **Cash flow risk**

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The certainty of cash flows are with the cash pooling facility with all Carlisle companies.

##### **Credit risk**

The company's principal financial assets are bank balances and cash, trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

##### **Liquidity risk**

Further details regarding liquidity risk can be found in the accounting policies in the notes to the financial statements.

#### **BREXIT**

The impact that BREXIT will have on the UK economy as a whole is unknown but to date it has had little effect on trading results

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

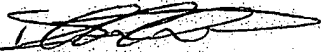
The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**CARLISLE CONSTRUCTION MATERIALS LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
D H Kirkwood - Director

Date: 31.07.2019 .....

**CARLISLE CONSTRUCTION MATERIALS LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- 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 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF**  
**CARLISLE CONSTRUCTION MATERIALS LIMITED**

**Opinion**

In our opinion the financial statements of Carlisle Construction Materials Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income and retained earnings
- the balance sheet and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

**Other information**

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

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

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
CARLISLE CONSTRUCTION MATERIALS LIMITED**

**Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.

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

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

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

**Report on other legal and regulatory requirements**

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

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

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

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

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

We have nothing to report in respect of these matters.

**Use of our report**

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



Andrew Woodhead  
Senior statutory auditor  
For and on behalf of Deloitte LLP  
5 Callaghan Square  
Cardiff  
CF10 5BT

Date: 31 July 2019

**CARLISLE CONSTRUCTION MATERIALS LIMITED****STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31.12.18 £	31.12.17 £
<b>TURNOVER</b>	4	8,529,588	8,867,366
Cost of sales		<u>6,545,204</u>	<u>6,717,942</u>
<b>GROSS PROFIT</b>		1,984,384	2,149,424
Administrative expenses		<u>1,576,162</u>	<u>1,600,195</u>
<b>OPERATING PROFIT</b>	6	408,222	549,229
Interest payable and similar expenses	7	<u>47,099</u>	<u>39,537</u>
<b>PROFIT BEFORE TAXATION</b>		361,123	509,692
Tax on profit	8	<u>70,806</u>	<u>103,587</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		290,317	406,105
Retained earnings at beginning of year		<u>659,283</u>	<u>253,178</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u><u>949,600</u></u>	<u><u>659,283</u></u>

There has been no comprehensive income in the current year or prior year other than the profit for that financial year and, accordingly, no separate statement of comprehensive income has been represented.

The notes form part of these financial statements

**CARLISLE CONSTRUCTION MATERIALS LIMITED**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Notes	31.12.18 £	£	31.12.17 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		5,792		10,540
<b>CURRENT ASSETS</b>					
Stocks	10	153,841		345,021	
Debtors	11	2,230,219		1,865,561	
Cash in hand		<u>358</u>		<u>58</u>	
		2,384,418		2,210,640	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>879,610</u>		<u>1,000,897</u>	
<b>NET CURRENT ASSETS</b>			<u>1,504,808</u>		<u>1,209,743</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,510,600</u>		<u>1,220,283</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		561,000		561,000
Retained earnings			<u>949,600</u>		<u>659,283</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,510,600</u>		<u>1,220,283</u>

The financial statements have been prepared in accordance with the small companies' regime.

The financial statements were approved by the Board of Directors on 31.07.2019 and were signed on its behalf by:



.....  
D H Kirkwood - Director

## **CARLISLE CONSTRUCTION MATERIALS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1. STATUTORY INFORMATION**

Carlisle Construction Materials Limited is a private company, limited by shares, registered in England and Wales and incorporated in the United Kingdom under the Companies Act 2006. The company's registered number and registered office address can be found on the Company Information page.

The principal activity of the company in the year under review was that of the supply of roofing products.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional currency of Carlisle Construction Materials Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Carlisle Construction Materials Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Carlisle Construction Materials Limited is consolidated in the financial statements of its ultimate parent, Carlisle Companies Incorporated, which may be obtained at [www.carlisle.com](http://www.carlisle.com).

##### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Directors' Report further describes the financial position of the company; its cash flows, liquidity position and borrowing facilities; the company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Turnover**

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	25% reducing balance
Motor vehicles	33% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

## **CARLISLE CONSTRUCTION MATERIALS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **2. ACCOUNTING POLICIES - continued**

##### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### **Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

##### **Financial assets**

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Where necessary, provision is made for obsolete, slow-moving or defective items where appropriate.

##### **Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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 company after deducting all of its liabilities.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**(i) Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.

(b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.

(d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**(ii) Equity instruments**

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

**(iii) Fair value measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

## **CARLISLE CONSTRUCTION MATERIALS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **2. ACCOUNTING POLICIES - continued**

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above); and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

##### **Employee benefits**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other 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.

## **CARLISLE CONSTRUCTION MATERIALS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued** **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. There are no critical accounting judgements or key sources of estimation.

#### **4. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.18 £	31.12.17 £
Sale of goods	<u>8,529,588</u>	<u>8,867,366</u>
	<u>8,529,588</u>	<u>8,867,366</u>

An analysis of turnover by geographical market is given below:

	31.12.18	31.12.17
United Kingdom	92.90%	95.72%
Europe	<u>7.10%</u>	<u>4.28%</u>
	<u>100.00%</u>	<u>100.00%</u>

#### **5. EMPLOYEES AND DIRECTORS**

	31.12.18 £	31.12.17 £
Wages and salaries	917,059	901,545
Social security costs	99,065	93,571
Other pension costs	<u>27,407</u>	<u>35,009</u>
	<u>1,043,531</u>	<u>1,030,125</u>

The average number of employees and directors during the year was as follows:

	31.12.18	31.12.17
Production and selling	16	14
Administration	<u>10</u>	<u>10</u>
	<u>26</u>	<u>24</u>

	31.12.18 £	31.12.17 £
Directors' remuneration	<u>119,036</u>	<u>102,827</u>

**CARLISLE CONSTRUCTION MATERIALS LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018****6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.18	31.12.17
	£	£
Depreciation - owned tangible fixed assets	4,748	4,208
Auditors' remuneration	20,513	24,500
Operating lease rentals	152,925	151,578
Foreign exchange (gain)/loss	(54,902)	172,906
Cost of stock recognised as an expense	<u>6,545,204</u>	<u>6,717,942</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.18	31.12.17
	£	£
Interest on overdue tax	-	435
Interest (receivable)/payable to group companies	(6,899)	(2,358)
Other charges	<u>53,998</u>	<u>41,460</u>
	<u>47,099</u>	<u>39,537</u>

**8. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.18	31.12.17
	£	£
Current tax:		
UK corporation tax	81,130	109,662
Deferred tax	<u>(10,324)</u>	<u>(6,075)</u>
Tax on profit	<u>70,806</u>	<u>103,587</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

**CARLISLE CONSTRUCTION MATERIALS LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018****8. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.18 £	31.12.17 £
Profit before tax	<u>361,123</u>	<u>509,692</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.246%)	68,612	98,096
Effects of:		
Expenses not deductible for tax purposes	2,601	3,044
Adjustments to tax charge in respect of previous periods	(1,451)	1,451
Tax rate changes	1,044	996
Total tax charge	<u>70,806</u>	<u>103,587</u>

In the budget on 8 July 2015, the government announced further reductions in the main rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. Further, on 16 March 2016, the UK Government has proposed that the UK corporation tax rate will now fall to 17% with effect from 1 April 2020. These changes were substantively enacted in September 2016.

**9. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 January 2018 and 31 December 2018	<u>46,827</u>	<u>9,710</u>	<u>56,537</u>
<b>DEPRECIATION</b>			
At 1 January 2018	43,300	2,697	45,997
Charge for year	<u>1,511</u>	<u>3,237</u>	<u>4,748</u>
At 31 December 2018	<u>44,811</u>	<u>5,934</u>	<u>50,745</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>2,016</u>	<u>3,776</u>	<u>5,792</u>
At 31 December 2017	<u>3,527</u>	<u>7,013</u>	<u>10,540</u>

**10. STOCKS**

	31.12.18 £	31.12.17 £
Stocks	<u>153,841</u>	<u>345,021</u>

**CARLISLE CONSTRUCTION MATERIALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	31.12.17
	£	£
Trade debtors	1,252,034	1,230,736
Amounts owed by group undertakings	955,485	623,318
Corporation tax	869	-
Deferred tax asset	21,831	11,507
	<u>2,230,219</u>	<u>1,865,561</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.18	31.12.17
	£	£
Trade creditors	251,391	163,793
Corporation tax	-	67,162
Social security and other taxes	276,157	279,519
Accruals and deferred income	324,933	473,481
Accrued expenses	27,129	16,942
	<u>879,610</u>	<u>1,000,897</u>

**13. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.18	31.12.17
	£	£
Within one year	82,392	122,547
Between one and five years	<u>63,888</u>	<u>106,344</u>
	<u>146,280</u>	<u>228,891</u>

**14. DEFERRED TAX**

	£
Balance at 1 January 2018	(11,507)
Provided during year	(8,873)
In respect of prior year	<u>(1,451)</u>
Balance at 31 December 2018	<u>(21,831)</u>

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the company.

There is a deferred taxation asset created in respect of the current financial period due to expectations of profits continuing to be generated in the foreseeable future.

Deferred tax relates to accelerated capital allowances.

**15. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			31.12.18	31.12.17
Number:	Class:	Nominal value:	£	£
561,000	Ordinary shares	£1	<u>561,000</u>	<u>561,000</u>

**CARLISLE CONSTRUCTION MATERIALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**15. CALLED UP SHARE CAPITAL (continued)**

The Company has one class of ordinary shares which have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The company's other reserves are as follows:

- The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**16. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**17. EMPLOYEE BENEFIT**

The company operates a defined contribution pension scheme. The total expense charged to the profit and loss account in the year ended 31 December 2018 was £27,407 (2017 - £35,009).