

Registered number: 02045211

**PARKER BUILDING SUPPLIES LIMITED**

**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



## **PARKER BUILDING SUPPLIES LIMITED**

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## **PARKER BUILDING SUPPLIES LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	P A Cudd N A House A Pittingale R P Robinson M W Stables
<b>Registered number</b>	02045211
<b>Registered office</b>	Units J1 - J4 Chaucer Industrial Estate Dittons Road Polegate BN26 6JF

## **PARKER BUILDING SUPPLIES LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present the Strategic Report of Parker Building Supplies Limited (the "Company") for the year ended 31 December 2021.

#### **Business review**

During the year the IBMG Group, including the Company, was acquired by Turbo Acquisitions 10 Topco Limited; this created the largest independent building products merchant group in the South of England with 137 branches and 1,930 staff as at 31 December 2021. The Group has acquired further businesses in 2022 and as at September 2022 these numbers have increased to 171 branches and 2,266 staff.

The business of the Company has not changed in 2021; it continues to service the RMI (Repairs, Maintenance and Improvements) market and its strategy continues to be to build and maintain the leading business in the sector. The benefits of joining a larger group fit in well with this strategy and the integration of the business into the wider group is moving forward successfully.

Market conditions in the RMI sector were strong in 2021. The second COVID lockdown in the early part of the year had only a minimal effect on trading; thereafter volumes remained buoyant with home owners increasing expenditure on home improvement as a result of higher savings through the COVID lockdowns. The Group continued to re-visit sales and pricing policies and procedures to ensure that it was well placed to meet this demand.

#### **Financial key performance indicators**

The key performance indicators that the directors monitor regarding financial performance are -

	<b>2021</b>	As restated 2020
	<b>£'000</b>	£'000
Turnover	<b>97,469</b>	74,813
Gross profit	<b>26,979</b>	19,822
Gross profit margin	<b>27.7%</b>	26.5%

The directors will aim to continue and enhance performance by making use of these KPI's, in addition to monitoring non-financial matters including health and safety, colleague retention, stock availability and customer satisfaction.

#### **Business environment and strategy**

As a regional independent business, the Company continues to operate in the South of England and is focussed on the RMI marketplace and the regional customers who operate within it. The market in which the Company operates is expected to remain stable, given the continued demand for residential RMI building materials. The strategy remains to develop the Group's principal activities and 2022 has seen a combination of acquisitions, new site developments and organic growth.

COVID-19, Brexit and the economic effects of the war in the Ukraine have led the Group and the Company to become more focussed on the need to continually risk assess all areas of the business. Being prepared for and understanding new issues quickly is beneficial in being able to minimise impact and respond quickly and appropriately.

The overall strategy continues to be to build the leading independent merchant business in the sector and geographical area in which the business operates. A key action in achieving this is a strong focus on customer needs, supported by further investment in staff, capital expenditure, stock range and stock availability.

## **PARKER BUILDING SUPPLIES LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Principal risks and uncertainties**

Given the nature of the Company's business, the principal risks and uncertainties are economic, operational and financial risks, and the policies and actions put in place to mitigate these risks are set out below.

#### **Economic risk**

The economic risk is based upon the risk of inflation, a downturn in the economy and the slowing of demand in the Group's end market sectors, and the effect these would have on the business' marketplace. These are managed by undertaking regular and frequent assessments of the risks faced using both macro market indicators and micro stakeholder information on the market, enabling the directors to take mitigating actions.

#### **Supply**

Being able to source all stocked items and to receive them on time and at the agreed price is a fundamental requirement of doing business in the builders' merchanting sector. Policies and procedures have been re-assessed during the year to ensure that there is strong visibility between suppliers and the Company as to what will be required and when, so that suppliers can plan availability as far in advance as possible. Pricing is discussed on a more frequent basis; it is important that there is understanding between Suppliers and the Company regarding material costs (including supplier rebate arrangements) and transport costs so that any anticipated changes to these costs can be appropriately reflected in the Company's selling price to its end customers.

#### **Financial risk**

The financial risks faced by the business are credit and liquidity risks.

#### **Credit risk**

The Credit risk is in respect of trade debtors. Policies and practices require credit checks on customers and prospects with the exposure to any single customer being reviewed carefully. Bad and doubtful debt provisions are reviewed by directors and senior management on an ongoing basis.

#### **Liquidity risk**

The Turbo Acquisitions 10 Topco Group maintains long and short term debt finance that is designed to ensure that all group businesses, including the Company, have available funds for their operations. The level of available funds required is measured and monitored on a regular basis through the use of detailed cash flow forecasts and the comparison of forecasts to actuals in order to improve forecasting techniques. The directors are confident that this detailed review of the cash inflows, outflows and demands, and regular meetings with *other group companies to discuss intercompany borrowings, provides strong insight into the successful management of the business' liquidity and cash resource.*

## **PARKER BUILDING SUPPLIES LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Statement of directors' duties to stakeholders**

The directors of the Company have a duty to promote the success of the Company for the benefit of its members, and, in doing so, have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The need to foster the Company's business relationships with lenders and others;
- The impact of the Company's operation on the community and environment;
- The desirability of the Company to maintain a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.  
(*'the Section 172 matters'*)

The directors of the Company have sought to balance the needs of its members with the Section 172 matters throughout the year, in the policies and practices which run through the Company, ensuring that the Company's reputation for high standards of conduct is maintained and included within the engagement with all stakeholders.

The directors of the Company have a duty to promote the success of the Company, and it relies on the smooth operations, and the support and joint effort of stakeholders. Thus, effective communication and interaction are indispensable in the Company's business operations and the directors place a high degree of importance on investigating, analysing and responding to all stakeholder concerns.

*The directors have identified employees, customers, suppliers and shareholders as the Company's most important stakeholders and continue to keep in touch with these and other stakeholders to ensure that appropriate levels of communication are maintained.*

#### **Engagement with employees**

Employees are the most valuable asset of the Company. Engagement is achieved through group notice boards, staff meetings, toolbox talks and email on the following topics:

- Sustainable strategies and their implementation
- Serving the needs and requirements of suppliers and customers
- Compliance
- Work environment, safety and labour health protection
- Welfare and employee care

The Company has in place strict selection standards and procedures to ensure non-discriminatory employment policy. Employees are provided with relevant job induction and training, provided by external professionals where appropriate, and are encouraged to consider and take forward career development opportunities. Courses aimed at effective leadership and the Company achieving a higher level of performance are arranged for managers.

The directors strive to continually improve employee safety and care. Regular health and safety review and planning meetings are held and the Company has a comprehensive staff health and training programme which encourages employee involvement in the monitoring, enhancing and health and safety practices throughout the Company.

## **PARKER BUILDING SUPPLIES LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Engagement with customers, suppliers, shareholders and others in a business relationship with the Company**

##### **Customers**

Company branch staff and management keep in close contact with all customers using this interface to understand products and the relevant quality/quantity to stock. Offering collect and delivery alternatives at competitive prices are crucial to the success of the Company's customer relationships.

##### **Suppliers**

The Company works with its supplier base to ensure its operations run smoothly and efficiently, and customer needs can be satisfied effectively. Suppliers having maximum visibility of the Company's requirements and being paid in accordance with relevant terms and conditions are key relationship points.

##### **Shareholders**

The directors interface regularly with all Group companies and with the Private Equity Fund who have invested in the Group's strategy regarding the part that the Company plays within the whole Group. A key point in this interface is ensuring that funds are available to meet all financial commitments as they fall due.

##### **Other stakeholders**

Sound governance and an ethical corporate culture are important to the Company. As well as ensuring that all taxes are paid in accordance with the various regulations and guidelines currently in force, the Company is constantly mindful of its duties pursuant to environmental, recycling, anti-bribery, anti-corruption and anti-money laundering legislation when dealing with stakeholders.

This report was approved by the board and signed on its behalf by:



**R P Robinson**  
Director

Date: 27 September 2022

## **PARKER BUILDING SUPPLIES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their annual report and the unaudited financial statements of Parker Building Supplies Limited (the "Company") for the year ended 31 December 2021.

#### **Principal activity and future developments**

The principal activity of the Company in the year under review was the sale of building materials to trade and retail customers. The directors intend to continue with the current principal activities.

During the year the Group holding company, IBMG Topco Limited, was acquired by Turbo Acquisitions 10 Topco Limited who, consequently, became the ultimate parent undertaking.

#### **Results and dividends**

The profit for the financial year amounted to £632,448 (2020: £1,178,875).

No dividends were paid during the year (2020: £Nil). No final dividend is proposed.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

P Barry (resigned 17 September 2021)  
A R Cope (resigned 17 September 2021)  
P A Cudd (appointed 17 September 2021)  
J-C R L Declerck (resigned 17 September 2021)  
N A House (appointed 17 September 2021)  
F Perrin (resigned 17 September 2021)  
A Pittingale (appointed 1 July 2021)  
R P Robinson (appointed 17 September 2021)  
M W Stables (appointed 1 July 2022)

#### **Qualifying third party indemnity provisions**

During the period qualifying third party indemnity provisions for the directors were provided by a group company. Such qualifying indemnity provisions remain in force as at the date of approval of the financial statements.

#### **Going concern**

The Group has the strong support of the Private Equity Fund which has invested in its strategy. On an ongoing basis the directors prepare and update forecasts and monitor the cash position regularly. The directors are satisfied that, having reviewed the budgets and forecasts, having considered ongoing shareholder and group companies support and available facilities, the Company can meet its liabilities as they fall due for the foreseeable future. The directors are therefore of the opinion that it is appropriate to prepare these statements on a going concern basis.



**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Employee involvement and engagement**

The Company remains committed to providing a positive and motivating work culture for all employees. The Company's culture is driven by a determination to ensure that these values are more than just words. These values are intrinsic to all processes within the business, including recruitment and induction of new staff, appraisals, performance management, target setting, and performance related awards. They are:

- Progressive - we encourage innovation and creativity to develop our people and products.
- Passionate - we are passionate about our business and committed to deliver success.
- Responsible - we behave responsibly towards one another, the wider community, our customers and the environment.
- Trusted - we aim to be recognised as professional, open and fair by all.

The Company communicates effectively with employees through team briefings, emails and via the intranet; and ensures that all employees are aware of the financial and economic performance of their business units and of the Company. The Company has a flexible and supportive approach to maternity and parental leave returners, and as a result a high percentage continue working within the Company.

**Employee diversity**

The Company remains committed to having a diverse workforce that reflects our customers, suppliers and society at large. The Company is committed to achieving a working environment which provides equality of opportunity and freedom from unlawful discrimination on the grounds of race, religion or beliefs, age or sexual orientation.

**Disabled employees**

The Company gives full and fair consideration to employment applications from people with health conditions, having regard to their aptitude and abilities. Where an existing employee becomes disabled, it is the Company's policy to arrange retraining and adjust the employee's environment, where possible, to allow them to maximise their potential and continue to work with the Company.

## PARKER BUILDING SUPPLIES LIMITED

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

#### Streamlined energy and carbon reporting

The Company has followed the 2019 UK Government environmental reporting guidance and has used the 2021 UK Government conversion factors.

Energy usage covered in this disclosure covers all company branch properties and transport and is primarily electricity, gas heating and fuel for vehicles.

Energy usage has been calculated based on gas and electricity meter readings. Estimations were undertaken to cover missing billing periods for properties directly invoiced to the Company on a kWh/day pro-rata basis at meter level. Estimations were also undertaken to cover company vehicle fuel consumption.

#### Energy consumption derives from the following fuel types:

	Year ended 31/12/2021		Year ended 31/12/2020	
	Consumption	tCO2e	Consumption	tCO2e
Fuel type	(kWh)	(tonnes)	(kWh)	(tonnes)
Gas and fuel oil (scope 1)	371,086	76	231,730	48
Transportation (scope 1)	7,872,773	1,896	7,426,423	1,801
Electricity (scope 2)	958,155	223	825,005	192
<b>Total</b>	<b>9,202,014</b>	<b>2,195</b>	<b>8,483,158</b>	<b>2,041</b>
		<b>22.5</b>		<b>27.3</b>

Intensity ratio (tCO2e/£m revenue)

A review of energy efficiency measures available to the Company has been compiled and a programme of environmental impact reduction is in process as part of the Company adopting a formal Environmental Social Governance policy.

The Company is committed to its future vehicle fleet being hybrid or electric. All company cars and all forklift trucks that reach the end of their operational life will be replaced, where possible, with hybrid or electric vehicles.

Over the past couple of years, the Company has adopted sustainable practices such as waste compression and recycling at its branches and waste heat recycling. The Company has also ensured that the IT datacentres use 100% renewable energy and the Company is now looking forward to transitioning all its energy providers to renewable energy, continuously measuring its carbon emissions and offering carbon off-setting to customers along with its estimation service.

#### Matters covered in the Strategic Report

Director's duties to stakeholders and financial risk management are both discussed in the Strategic Report on pages 2 to 5.

This report was approved by the board and signed on its behalf by:



**R P Robinson**  
Director

Date: 27 September 2022

**PARKER BUILDING SUPPLIES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
Turnover	5	97,469,448	74,813,339
Cost of sales		(70,490,885)	(54,991,656)
<b>Gross profit</b>		<b>26,978,563</b>	<b>19,821,683</b>
Administrative expenses		(20,145,648)	(22,006,518)
<b>Operating profit/(loss)</b>	6	<b>6,832,915</b>	<b>(2,184,835)</b>
Dividend receivable from group companies		-	8,280,000
Interest receivable and similar income	9	9	14,415
Interest payable and similar expenses	10	(5,754,328)	(5,387,915)
<b>Profit before taxation</b>		<b>1,078,596</b>	<b>721,665</b>
Tax on profit	11	(446,148)	457,210
<b>Profit for the financial year</b>		<b>632,448</b>	<b>1,178,875</b>
<b>Total comprehensive income for the financial year</b>		<b>632,448</b>	<b>1,178,875</b>

The notes on pages 13 to 34 form part of these financial statements.

**PARKER BUILDING SUPPLIES LIMITED**  
**REGISTERED NUMBER: 02045211**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
<b>Fixed assets</b>			
Intangible assets	12	1,172,923	839,024
Tangible assets	13	4,166,001	2,493,873
Investments	14	75,992,817	75,915,077
		<u>81,331,741</u>	<u>79,247,974</u>
<b>Current assets</b>			
Stocks	15	7,069,520	5,377,366
Debtors	16	29,325,308	11,546,534
Cash at bank and in hand	17	485,138	1,569,237
		<u>36,879,966</u>	<u>18,493,137</u>
Creditors: amounts falling due within one year	18	(113,170,134)	(46,953,893)
<b>Net current liabilities</b>		<u>(76,290,168)</u>	<u>(28,460,756)</u>
<b>Total assets less current liabilities</b>		<u>5,041,573</u>	<u>50,787,218</u>
Creditors: amounts falling due after more than one year	19	(767,657)	(47,198,636)
<b>Provisions for liabilities</b>			
Other provisions	24	(261,202)	(208,316)
<b>Net assets</b>		<u>4,012,714</u>	<u>3,380,266</u>
<b>Capital and reserves</b>			
Called up share capital	25	100,000	100,000
Profit and loss account	26	3,912,714	3,280,266
<b>Total shareholders' funds</b>		<u>4,012,714</u>	<u>3,380,266</u>

**PARKER BUILDING SUPPLIES LIMITED**  
**REGISTERED NUMBER: 02045211**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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



**R P Robinson**  
Director

Date: 27 September 2022

The notes on pages 13 to 34 form part of these financial statements.

**PARKER BUILDING SUPPLIES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2020 (as previously stated)</b>	<b>100,000</b>	<b>2,475,144</b>	<b>2,575,144</b>
<i>Prior year adjustment</i>	-	(373,753)	(373,753)
	<u>100,000</u>	<u>2,101,391</u>	<u>2,201,391</u>
<b>At 1 January 2020 (as restated)</b>			
<b>Comprehensive income for the financial year</b>			
Profit for the financial year (as restated)	-	1,178,875	1,178,875
	<u>-</u>	<u>1,178,875</u>	<u>1,178,875</u>
<b>Total comprehensive income for the financial year</b>	-	1,178,875	1,178,875
	<u>-</u>	<u>1,178,875</u>	<u>1,178,875</u>
<b>At 31 December 2020 and 1 January 2021 (as previously reported)</b>	<b>100,000</b>	<b>3,669,526</b>	<b>3,769,526</b>
<i>Prior year adjustment</i>	-	(389,260)	(389,260)
	<u>-</u>	<u>(389,260)</u>	<u>(389,260)</u>
	<u>100,000</u>	<u>3,280,266</u>	<u>3,380,266</u>
<b>At 31 December 2020 and 1 January 2021 (as restated)</b>			
<b>Comprehensive income for the financial year</b>			
Profit for the financial year	-	632,448	632,448
	<u>-</u>	<u>632,448</u>	<u>632,448</u>
<b>Total comprehensive income for the financial year</b>	-	632,448	632,448
	<u>-</u>	<u>632,448</u>	<u>632,448</u>
<b>At 31 December 2021</b>	<b>100,000</b>	<b>3,912,714</b>	<b>4,012,714</b>
	<u>100,000</u>	<u>3,912,714</u>	<u>4,012,714</u>

The notes on pages 13 to 34 form part of these financial statements.

## **PARKER BUILDING SUPPLIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. General information**

Parker Building Supplies Limited (the "Company") is a private company, limited by shares, and registered in England and Wales. The address of its registered office is Units J1 - J4, Chaucer Industrial Estate, Dittons Road, Polegate, BN26 6JF.

The Company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in GBP, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied consistently throughout the year:

##### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Turbo Acquisitions 10 Topco Limited as at 31 December 2021 and these financial statements may be obtained from Unit 2 Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX.

##### **2.3 Exemption from preparing consolidated financial statements**

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the Company as an individual entity and not about its group. Parkers Building Supplies Limited is a wholly owned subsidiary of Turbo Acquisitions 10 Topco Limited and its results are included in the consolidated financial statements of Turbo Acquisitions 10 Topco Limited which are available and can be obtained from Unit 2 Mill End Road, High Wycombe, Buckinghamshire, HP12 4AX.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.4 Going concern**

The Group has the strong support of the Private Equity Fund which has invested in its strategy. On an ongoing basis the directors prepare and update forecasts and monitor the cash position regularly. *The directors are satisfied that, having reviewed the budgets and forecasts, having considered ongoing shareholder and group companies support and available facilities, the Company can meet its liabilities as they fall due for the foreseeable future.* The directors are therefore of the opinion that it is appropriate to prepare these statements on a going concern basis.

**2.5 Turnover**

Turnover represents the amounts derived from the provision of goods falling within the Company's ordinary activities after deduction of trade discounts and value added tax. It represents sales to external customers at invoiced amounts less value added tax. Turnover is recognised when the risks and rewards of owning goods has passed to the customer, which is generally on delivery.

**2.6 Supplier rebates**

Rebates are recognised by way of a reduction to cost of sales and stock held when the Company's contractual entitlement to the rebate has been established.

Rebate debtors, which are included within Other debtors, are reviewed regularly for recoverability.

**2.7 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**2.8 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.9 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

**2.10 Borrowing costs**

Finance acquisition and issue costs are initially recognised as a reduction in the carrying value of the associated borrowing. These costs are then transferred to the Statement of Comprehensive Income where they are included within the interest charge incurred in respect of the associated borrowing at a constant rate over the repayment period.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.11 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. The Company pays fixed contributions into the plan whose assets are held separately from the Company in independently administered funds.

Company contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Group and employee contributions, due to the plan but not paid, are included in accruals as a liability.

**2.12 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.13 Current and deferred taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.14 Intangible assets**

Goodwill, recognised on the acquisition of new branches in 2012, was originally amortised evenly over its estimated useful life. This was previously assessed at ten years, however, following a review during the 2014 year it was concluded that there was a much shorter life remaining and therefore an accelerated write off policy was adopted. The useful life was reassessed at 4 years from 1st January 2014, and as such the goodwill has now been written down in its entirety.

Computer software and licenses are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. Amortisation is provided using the straight line method at an annual rate of 33% which will write off the asset over its estimated useful life. The useful life of licenses does not exceed the contractual period.

**2.15 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Depreciation is provided on the following basis:

Long leasehold	- 2% straight line
Short leasehold	- Over life of lease
Plant and machinery	- 25% straight line
Motor vehicles	- 30% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 30% straight line

**2.16 Impairment of tangible fixed assets**

At each reporting period end date, the Company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

**2.17 Investments**

Investment in subsidiary companies are measured at cost less accumulated impairment.

## **PARKER BUILDING SUPPLIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **2. Accounting policies (continued)**

##### **2.18 Stocks**

Stocks are valued at the lower of cost, after deducting supplier rebates, and net realisable value.

*Stocks are recognised as an expense in the period in which the related revenue is recognised.*

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of any item of stock over its selling price less costs to sell is recognised as an impairment loss in the Statement of Comprehensive Income. Reversals of impairment losses are also recognised in the Statement of Comprehensive Income.

##### **2.19 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.20 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.21 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **2.22 Hire purchase and leasing commitments**

Leases which do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease. These include Company cars which are leased pursuant to contract hire agreements.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined, the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Finance lease assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date. The capital element of finance lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest method to produce a constant rate of charge on the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of future finance payments is recorded as a liability on inception of the arrangement. Periodic payments are apportioned between capital repayment and finance charge, using the effective interest method to produce a constant rate of charge on the balance of the capital repayments outstanding.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.23 Provisions for liabilities**

**Dilapidations**

Because a potential liability exists for dilapidations pursuant to property leases, the Company, during the lease period, has a policy of repairing and maintaining leasehold property to an appropriate standard and providing for any residual liability. All provisions for dilapidations are charged to the Statement of Comprehensive Income over the period of the lease.

When a dilapidations liability crystallises, the amount payable plus any consequential adjustment to the provision held, are charged to the Statement of Comprehensive Income.

**Long leasehold empty periods**

A provision is recognised when the Company has a legal liability to meet property running costs for a period when it is estimated that the property will not be in use or income earning.

**2.24 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.25 Equity instruments**

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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. Revision to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Key estimates have been made as follows:

**Stocks**

Current working practices are geared to ensure that obsolete or slow moving stock is identified and that appropriate amounts by way of write offs and provisions are recognised. The process of estimating which stock is slow moving and obsolete is overseen by directors and independent senior managers and takes into account staff knowledge and ageing of stock items.

**Supplier rebates**

Because rebate income is received in arrears, estimates are required to calculate the amounts receivable and to be included within Other debtors. Detailed purchase records and current rebate deals agreed with suppliers are used to estimate rebate amounts receivable and the valuation of stocks net of rebates.

**Debtors**

The Company reviews all overdue trade debtors on an ongoing basis to assess whether any impairment is necessary. Judgement is required in determining whether conditions are present indicating a provision for impairment is necessary. Appropriate impairment is recognised when amounts are identified that require provision or write off.

**Amounts due to/from other group companies**

The directors review the recoverability of amounts due from other group companies with the directors of the relevant companies on a regular basis. In the directors' opinion, at the period end there are no indicators of impairment and, therefore, no impairment is required.

**Provision for dilapidations**

Estimates are required to identify potential future property dilapidations liabilities, to calculate the cost to settle these liabilities and to take account of property repair and maintenance cost inflation until the end of the lease period. These estimates are calculated based on repair requirements identified during periodic property inspections and the estimated cost to be incurred based on past experience, appropriate property cost inflation figures to the end of the relevant lease period and the views of appropriate senior staff, and are reviewed on an ongoing basis, with appropriate changes to provisions made, as required.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**
**4. Prior period adjustments**

The directors are aware that the adjustment required to ensure that stocks are valued at cost net of rebates receivable has become a significant figure and that the Company's accounting policy should be amended so that the holding of each item of stock at the reporting date should be after the deduction of rebates due per contractual agreements with suppliers.

The Company has always had a policy of repairing and maintaining leasehold property to an appropriate standard during the lease period and to recognise all liabilities when they are identified. There may also be a residual liability to meet at the end of the lease period and the directors have decided to extend their policy accordingly, in line with past experience.

The directors have identified that over the period 2014 to 2019 certain operating leases for Plant and Equipment were wrongly categorised as finance leases. These leases have now been re-categorised with consequential changes being made to tangible fixed assets, depreciation, finance lease liabilities/repayments/interest and operating lease payments/commitments.

Prior year adjustments have been recognised to reflect the consequential changes to opening Reserves in respect of historical differences in the treatment of the above items.

**Changes to the Balance Sheet**

	As previously reported £	Adjustment at 1 Jan 2020 £	Adjustment at 31 Dec 2020 £	As restated £
<b>Tangible fixed assets</b>				
Cost	8,762,730	(3,661,757)	-	5,100,973
Depreciation	(4,376,113)	1,232,473	536,540	(2,607,100)
<b>Current assets</b>				
Stock	6,188,773	(648,275)	(163,132)	5,377,366
<b>Current liabilities &lt; 1 year</b>				
Finance lease and hire purchase	(507,720)	671,364	(163,644)	-
<b>Current liabilities &gt; 1 year</b>				
Finance lease and hire purchase	(1,396,462)	1,777,288	(380,826)	-
<b>Provisions for liabilities</b>				
Dilapidations	(619,025)	255,154	155,555	(208,316)
<b>Net assets</b>	<u>3,769,526</u>	<u>(373,753)</u>	<u>(15,507)</u>	<u>3,380,266</u>
<b>Capital and reserves</b>				
Profit and loss	3,669,526	(373,753)	(15,507)	3,280,266
<b>Total equity</b>	<u>3,769,526</u>	<u>(373,753)</u>	<u>(15,507)</u>	<u>3,380,266</u>

# PARKER BUILDING SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 4. Prior period adjustments (continued)

#### Changes to the Statement of Comprehensive Income

	As previously reported £	Adjustment £	As restated £
Cost of sales	(54,828,524)	(163,132)	(54,991,656)
<b>Gross profit</b>	<b>19,984,815</b>	<b>(163,132)</b>	<b>19,821,683</b>
Administrative expenses	(22,062,416)	(55,898)	(22,006,518)
<b>Operating loss</b>	<b>(2,077,601)</b>	<b>(107,234)</b>	<b>(2,184,835)</b>
Interest payable	(5,479,642)	91,727	(5,387,915)
<b>Profit before taxation</b>	<b>737,172</b>	<b>(15,507)</b>	<b>721,665</b>
Taxation	457,210	-	457,210
<b>Profit after taxation</b>	<b>1,194,382</b>	<b>(15,507)</b>	<b>1,178,875</b>

### 5. Turnover

Turnover is all attributable to the principle activity of the Company and is earned entirely within the United Kingdom.

### 6. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2021 £	As restated 2020 £
Depreciation - owned assets	381,128	512,938
Depreciation - assets on hire purchase contracts and finance leases	86,280	127,554
Profit on disposal of fixed assets	(93,950)	-
Amortisation - intangible assets	58,929	72,376
Operating lease rentals	2,744,785	2,275,140
Government grants receivable	(44,364)	(506,849)
Exceptional administrative expenses	1,211,616	1,573,455

Exceptional expenses include once-off professional fees, restructuring and redundancy costs and transformation and consultancy costs which have been incurred with the intention of integrating the businesses acquired in 2019 and enhancing future business performance. Whilst these are not considered to be statutory exceptional items, they have been disclosed to provide clarity of their impact on the financial performance of the Company in 2020 and 2021.

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>12,187,429</b>	9,766,526
Social security costs	<b>1,157,543</b>	937,738
Other pension costs	<b>279,925</b>	258,099
	<b>13,624,897</b>	10,962,363

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Directors	<b>4</b>	4
Office and management	<b>145</b>	163
Yard and sales	<b>134</b>	127
Administrative	<b>40</b>	31
	<b>323</b>	325

**8. Directors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Aggregate directors' remuneration	<b>551,230</b>	664,893
Compensation for loss of office	<b>163,063</b>	1,614
Company contributions to defined contribution pension schemes	<b>12,020</b>	19,359
	<b>726,313</b>	685,866

During the year retirement benefits were accruing to 4 directors (2020: 5) in respect of defined contribution pension schemes.

Some directors are employed by other group companies and do not receive remuneration for services provided to the Company.



**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Directors' remuneration (continued)**

	2021 £	2020 £
<b>Highest paid director</b>		
Aggregate directors' remuneration	278,681	275,450
Compensation for loss of office	142,250	-
Company contributions to defined contribution pension schemes	4,647	6,460
	<u>425,578</u>	<u>281,910</u>

**9. Interest receivable and similar income**

	2021 £	2020 £
Bank interest	<u>9</u>	<u>14,415</u>

**10. Interest payable and similar expenses**

	2021 £	As restated 2020 £
Bank interest	-	1
Senior term and subordinated loan interest	5,046,562	4,822,398
Revolving credit facility interest and fees	461,134	237,532
Interest on fellow subsidiary company loan notes	234,537	308,213
Interest on finance lease and hire purchase contracts	12,095	19,771
	<u>5,754,328</u>	<u>5,387,915</u>

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**11. Tax on profit**

	2021 £	2020 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	353,880	(457,210)
Changes to tax rates	(97,033)	-
Adjustments in respect of prior years	189,301	-
<b>Total deferred tax</b>	<u>446,148</u>	<u>(457,210)</u>

**Factors affecting tax charge/(credit) for the year**

The tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £	As restated 2020 £
Profit before taxation	<u>1,078,596</u>	<u>721,665</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	204,933	137,116
<b>Effects of:</b>		
Expenses not deductible	24,844	462,017
Depreciation in excess of capital allowances	-	340,141
Adjustments in respect of prior years	189,301	-
Non-taxable income	(18,614)	-
Deferred tax not provided	(136,585)	-
Changes in tax rates	(97,033)	95,145
Exempt distributions	-	(1,573,200)
Effects of group relief/ other reliefs	279,302	-
Group relief surrendered	-	78,624
Tax effect of prior year adjustment	-	2,947
<b>Total tax charge/(credit) for the financial year</b>	<u>446,148</u>	<u>(457,210)</u>

**Factors that may affect future tax charges**

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% has been substantively enacted at the Balance Sheet date, its effects are included in these financial statements.

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**12. Intangible assets**

	Computer software and licenses £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2021	1,150,588	1,122,200	2,272,788
Additions	416,444	-	416,444
Disposals	(23,616)	-	(23,616)
At 31 December 2021	<u>1,543,416</u>	<u>1,122,200</u>	<u>2,665,616</u>
<b>Accumulated amortisation</b>			
At 1 January 2021	311,564	1,122,200	1,433,764
Charge for the year	58,929	-	58,929
At 31 December 2021	<u>370,493</u>	<u>1,122,200</u>	<u>1,492,693</u>
<b>Net book value</b>			
At 31 December 2021	<u>1,172,923</u>	<u>-</u>	<u>1,172,923</u>
At 31 December 2020	<u>839,024</u>	<u>-</u>	<u>839,024</u>

Certain computer software items where the expenditure was incurred in 2020 and 2021 only came into full operation in 2022. Thus no amortisation was recognised in 2020 or 2021 for these assets.

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Tangible fixed assets**

	Leasehold land and building £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>						
At 1 January 2021 (as restated)	2,082,325	233,727	886,681	1,898,240	-	5,100,973
Additions	397,823	366,267	1,081,130	205,624	122,080	2,172,924
Disposals	(5,021)	(19,381)	(118,047)	(1,920)	-	(144,369)
At 31 December 2021	2,475,127	580,613	1,849,764	2,101,944	122,080	7,129,528
<b>Accumulated depreciation</b>						
At 1 January 2021 (as restated)	509,246	155,299	627,077	1,315,478	-	2,607,100
Charge for the year	69,760	51,242	152,851	185,031	8,524	467,408
Disposals	(59)	(5,327)	(105,595)	-	-	(110,981)
At 31 December 2021	578,947	201,214	674,333	1,500,509	8,524	2,963,527
<b>Net book value</b>						
At 31 December 2021	1,896,180	379,399	1,175,431	601,435	113,556	4,166,001
At 31 December 2020 (as restated)	1,573,079	78,428	259,604	582,762	-	2,493,873

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. Tangible fixed assets (continued)**

Included within the total net book value of tangible assets is £1,034,505 (2020: £1,892,744) in respect of assets held under finance lease and hire purchase contracts.

**14. Investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 January 2021	75,915,077
Additions	88,740
Adjustment to prior year costs	(11,000)
At 31 December 2021	<u>75,992,817</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Sussex Turnery & Moulding Company Limited	1	Ordinary	100%
Fairalls Group Limited	1	Ordinary	100%
Fairalls (Builders Merchants) Limited*	1	Ordinary	100%
Chandlers Topco Limited	2	Ordinary	100%
Chandlers Buildings Supplies Holdings Limited*	2	Ordinary	100%
Chandlers Buildings Supplies Limited*	2	Ordinary	100%
Chandlers Roofing Supplies Limited*	2	Ordinary	100%
Chandlers Roofing Supplies (Halesowen) Limited*	2	Ordinary	100%
Chandlers Roofing Supplies (North London) Limited*	2	Ordinary	100%
Chandlers Roofing Supplies (Coventry) LLP*	2	Membership Interest	100%

## PARKER BUILDING SUPPLIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 14. Investments (continued)

##### Subsidiary undertakings (continued)

\* indirectly held

Registered office addresses:

1. 4. J1 - J4, Chaucer Industrial Estate, Dittons Road, Polegate, England, BN26 6JF.
2. The Broyle, Ringmer, Lewes, East Sussex, BN8 5NP.

The principal activity of Fairalls (Builders Merchants) Limited, Chandlers Buildings Supplies Limited, Chandlers Roofing Supplies (Halesowen) Limited, Chandlers Roofing Supplies (North London) Limited and Chandlers Roofing Supplies (Coventry) LLP is the sale of building materials to trade and retail customers.

Fairalls Group Limited, Chandlers Topco Limited, Chandlers Buildings Supplies Holdings Limited and Chandlers Roofing Supplies Limited acts as intermediate holding companies.

The principal activity of Sussex Turnery & Moulding Company Limited is the manufacture and sale of timber products to trade and retail customers.

#### 15. Stocks

	2021 £	As restated 2020 £
Goods for resale	<u>7,069,520</u>	<u>5,377,366</u>

Stocks are stated after provision for impairment of £225,910 (2020: £495,000).

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**16. Debtors**

	2021 £	2020 £
Trade debtors	10,495,073	9,262,697
Amounts owed by group undertakings	10,036,005	-
Other debtors	2,541,045	753,229
Taxation	79,111	79,111
Deferred taxation (see note 23)	186,822	632,970
Prepayments and accrued income	5,987,252	818,527
	<u>29,325,308</u>	<u>11,546,534</u>

Trade debtors are stated after provision for impairment of £256,504 (2020: £468,000).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

Taxation includes £79,111 (2020: £79,111) relating to Section 455 tax.

**17. Cash at bank and in hand**

	2021 £	2020 £
Cash at bank and in hand	<u>485,138</u>	<u>1,569,237</u>

**18. Creditors: amounts falling due within one year**

	2021 £	As restated 2020 £
Revolving credit facility (see note 20)	-	5,000,000
Senior term loan (see note 20)	-	3,380,000
Trade creditors	10,481,397	10,589,528
Amounts owed to group undertakings	95,932,774	24,196,917
Other taxation and social security	1,383,730	1,479,470
Obligations under finance lease and hire purchase contracts (see note 22)	189,409	-
Other creditors	208,477	414,695
Accruals and deferred income	4,974,347	1,893,283
	<u>113,170,134</u>	<u>46,953,893</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**19. Creditors: amounts falling due after more than one year**

	<b>2021</b>	As restated <b>2020</b>
	<b>£</b>	<b>£</b>
Senior term loan (see note 20)	-	26,484,097
Subordinated loan (see note 20)	-	15,340,751
Loan notes owed to fellow subsidiary (see note 20)	-	5,373,788
Obligations under finance lease and hire purchase contracts (see note 22)	<b>767,657</b>	-
	<b>767,657</b>	47,198,636

**20. Loans**

Analysis of the maturity of loans is given below:

	<b>2021</b>	2020
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Revolving credit facility	-	5,000,000
Senior term loan	-	3,380,000
	-	8,380,000
<b>Amounts falling due between one and five years</b>		
Senior term loan	-	27,885,000
Subordinated loan	-	15,999,997
	-	43,884,997
<b>Amounts falling due after five years</b>		
Loan notes owed to fellow subsidiary	-	5,373,788
<b>Total loans</b>	-	57,638,788
Unamortised fees and discounts	-	(2,060,152)
	-	55,578,636



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**20. Loans (continued)**

**Senior term loan, subordinated term loan and revolving credit facility**

The Company borrowed £33,800,000, £15,999,997 and £3,400,000 respectively pursuant to a joint senior term loan, subordinated term loan and revolving credit facility. This was drawn down in two tranches in June and October 2019. During the year, the Company repaid all remaining amounts due pursuant to these facilities (2020: £2,535,000).

Interest was chargeable at rates between 4.25% and 5% per annum above LIBOR on the senior term loan, at a fixed rate of 14.75% on the subordinated loan and at 5% above LIBOR on the revolving credit facility.

All facility balances per Notes 18 and 19 are net of fees incurred when acquiring the facilities. These fees originally amounted to £2,559,370 (2020: £2,559,370) and were being amortised to the Statement of Comprehensive Income over the period of the facilities. With all amounts having been repaid pursuant to the facilities in September 2021, unamortised fees at 31 December 2021 amounted to £Nil (2020: £2,060,152).

£15,999,997 14.75% loan notes issued by the Company pursuant to the subordinated loan agreement terms and conditions were admitted to the Official List of the International Stock Exchange on 23 October 2019. After the repayment of all amounts due pursuant to this facility in September 2021, these loan notes have been de-listed.

**Other loan notes**

The Company acquired £8,280,000 of Fairalls Group Limited loan notes on acquisition of that group in July 2019. This amount was fully repaid in July 2020. No interest was payable.

The Company acquired £5,000,000 of parent company, Independent Builders Merchant Group Limited loan notes in October 2019. Interest was chargeable at a fixed rate of 6% per annum and was capitalised annually on 31 December, with new loan notes at the same interest rate being issued. All loan notes, including those issued covering annual interest, were repaid in September 2021.

**21. Security**

Amounts borrowed by fellow subsidiary companies pursuant to Loan note, term loan and revolving credit facility borrowings were secured by way of fixed and floating charges over the property and undertakings of the Company. These fixed and floating charges were discharged during the year when all amounts due pursuant to these facilities were repaid.

In September 2021 new fixed and floating charges over the property and undertakings of the Company were granted in respect of existing and new facilities provided to a fellow subsidiary, Turbo Acquisitions 10 Bidco Limited.

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**22. Finance lease and hire purchase commitments**

Minimum payments under finance lease and hire purchase contracts fall due as follows:¹

	2021 £	As restated 2020 £
Within one year	189,409	-
Between one and five years	767,657	-
	<u>957,066</u>	<u>-</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

**23. Deferred taxation**

	2021 £
At beginning of year	632,970
Charged to profit or loss	(446,148)
<b>At end of year</b>	<u><b>186,822</b></u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(45,247)	(130,898)
Short term timing differences - trading	232,069	47,892
Losses and other deductions	-	715,976
	<u><b>186,822</b></u>	<u>632,970</u>

**PARKER BUILDING SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Other provisions**

	<b>Dilapidation provisions £</b>	<b>Long leasehold property empty periods £</b>	<b>Total £</b>
At 1 January 2021 (as restated see note 4)	<b>203,944</b>	<b>4,372</b>	<b>208,316</b>
Charged to profit or loss	<b>52,886</b>	<b>-</b>	<b>52,886</b>
<b>At 31 December 2021</b>	<b>256,830</b>	<b>4,372</b>	<b>261,202</b>

Dilapidation provisions relate to wear and tear, damage repair and re-instatement obligations pursuant to property lease agreements and ongoing costs in respect of when properties are empty.

**25. Called up share capital**

	<b>2021 £</b>	<b>2020 £</b>
<b>Allotted, called up and fully paid</b>		
100,000 (2020: 100,000) Ordinary shares of £1 (2020: £1) each	<b>100,000</b>	<b>100,000</b>

The Ordinary shares include the rights to (I) One vote per share; (II) Receive dividends; (III) Participate in a capital distribution (including winding up).

**26. Reserves**

**Profit and loss account**

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

**27. Pension commitments**

The Company operates a defined contribution pension plan. The pension cost charge for the period represents contributions payable by the Company to the plan and amounted to £279,925 (2020: £249,157).

Outstanding contributions at the Balance Sheet date were £52,883 (2020: £49,513).

**NOTES TO THE FINANCIAL STATEMENTS  
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**28. Commitments under operating leases**

At 31 December the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	As restated 2020 £
Not later than 1 year	3,135,649	2,909,887
Later than 1 year and not later than 5 years	8,625,670	8,968,733
Later than 5 years	23,508,929	22,716,037
	<u>35,270,248</u>	<u>34,594,657</u>

**29. Post balance sheet events**

On 31 May 2022, the Company acquired the entire issued share capital of Independent Roofing Supplies Limited.

**30. Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is Independent Builders Merchant Group Limited which is registered in England and Wales. The ultimate parent undertaking is Turbo Acquisitions 10 Topco Limited, a company registered in England and Wales whose ultimate controlling entity is Cairngorm Capital Partners III LP, a fund advised by Cairngorm Capital Partners LLP.

The consolidated financial statements of Turbo Acquisitions 10 Topco Limited, in which this company is included, are available to the public and can be obtained from Companies House. This is the largest group of undertakings for which group financial statements, including the results of the Company, are produced, whereas the smallest is Turbo Acquisitions 10 Subco Limited.