

Company Registration No. 03382494 (England and Wales)

ROTHWELL PLUMBING SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

ROTHWELL PLUMBING SERVICES LIMITED

COMPANY INFORMATION

Directors	G W Rothwell B Rothwell
Secretary	D Kirk
Company number	03382494
Registered office	Unit 3, Stephens Way Warrington Road Industrial Estate Goose Green Wigan Lancashire WN3 6PH
Auditor	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR
Bankers	HSBC Bank Plc 1 Wallgate Wigan Lancashire WN1 1LD

ROTHWELL PLUMBING SERVICES LIMITED

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ROTHWELL PLUMBING SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for the year ended 30 June 2021.

Fair review of the business

Rothwell Plumbing Services Limited is one of the Northwest's key plumbing and heating supply companies in the construction and building industry.

There have not been any significant changes to the company's principal activities during the year under review. The Directors are not aware, at the date of this report, of any likely changes to the principal activities in the next year.

The company continued to comply with government-imposed Covid restrictions throughout the year. Despite having a very healthy order book this depressed sales and profits. Staff gradually returned to work during the 1st quarter as sites reopened. Activity returned to normal after this but was then reduced again after Christmas 2020 when various sites were closed as a result of more Covid restrictions. Activity recovered in the fourth quarter. Despite almost 6 months of reduced sales the company was still able to return to profitability for the year as a whole.

The business currently has a healthy order book across all of its divisions and is benefitting from its expertise within the growing renewables sector where there is a significant amount of work available. However, our ability to take full advantage of this is compromised by ongoing supply issues, where there are often delays of many months to secure delivery of air source and ground source heat pumps. We are seeing significant ongoing material price increases. Where possible these increases are passed on to customers.

The company maintains a strong balance sheet as a result of many preceding successful years, with net assets of £1.1m (2020: £925k). The directors are satisfied that this places the company in a positive position for future growth and development.

Principal risks and uncertainties

Liquidity Risk

The company seeks to manage financial risk by ensuring liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by use of an overdraft facility.

Credit Risk

The principal credit risk arises from the company's trade debtors.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provisions are made for doubtful debts where necessary.

Future Developments

The company will continue to provide plumbing and heating services to the construction industry and continue with its progress to gain more profitable long term contracts, to maintain tighter controls over cost management and recoverability of debt, in order to improve profitability.

We will preserve and develop our relationships with incumbent clients, reach out for new clients and strive to improve our market share that will provide new sources of contribution.

We have positioned ourselves in readiness for the uptake of Government led renewable incentives and expect turnover in the domestic Air Source Heat Pump market to substantially increase.

Furthermore, Rothwell Plumbing Services Limited's experience, skillset and focus lies within the construction sector that reduces the countries Co2 emissions, with select representation on the continued "GMCA Retrofit Task Force" chaired by Andy Burnham, Mayor of the Great Manchester Combined Authorities, an increasing strong current order book with a noticeable increase in low carbon technology opportunities. This has already yielded significant amounts of secured work with many further opportunities currently being tendered.

ROTHWELL PLUMBING SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

On behalf of the board

G W Rothwell

Director

29 March 2022

ROTHWELL PLUMBING SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company in the year under review was that of plumbing and heating contractors.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G W Rothwell

B Rothwell

J F J Pearson

(Resigned 5 November 2021)

S A Allen

(Resigned 13 November 2020)

Auditor

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

ROTHWELL PLUMBING SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

On behalf of the board

G W Rothwell
Director

29 March 2022

ROTHWELL PLUMBING SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROTHWELL PLUMBING SERVICES LIMITED

Opinion

We have audited the financial statements of Rothwell Plumbing Services Limited (the 'company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 have been prepared in accordance with applicable legal requirements.

ROTHWELL PLUMBING SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROTHWELL PLUMBING SERVICES LIMITED

Matters on which we are required to report by exception

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 material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

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

ROTHWELL PLUMBING SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROTHWELL PLUMBING SERVICES LIMITED

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, Rothwell Plumbing Services Limited is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, Rothwell Plumbing Services Limited is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's license to operate. We identified the following areas as those most likely to have such an effect: laws related to the provision of plumbing and heating services the nature of the company's activities and the regulated nature of the company's activities. .

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ROTHWELL PLUMBING SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROTHWELL PLUMBING SERVICES LIMITED

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.

Ian Johnson (Senior Statutory Auditor)
For and on behalf of Cowgill Holloway LLP

29 March 2022

Chartered Accountants
Statutory Auditor

Regency House
45-53 Chorley New Road
Bolton
BL1 4QR

ROTHWELL PLUMBING SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	12,228,326	9,103,951
Cost of sales		(9,751,863)	(7,371,591)
Gross profit		2,476,463	1,732,360
Administrative expenses		(2,413,926)	(2,092,877)
Other operating income		40,131	12,500
Operating profit/(loss)	4	102,668	(348,017)
Interest receivable and similar income	7	-	533
Interest payable and similar expenses	8	(18,317)	(6,195)
Profit/(loss) before taxation		84,351	(353,679)
Tax on profit/(loss)	9	84,000	-
Profit/(loss) for the financial year		168,351	(353,679)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ROTHWELL PLUMBING SERVICES LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

		2021		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		49,402		42,616
Current assets					
Stocks	11	32,595		28,360	
Debtors	12	4,269,912		2,249,140	
Cash at bank and in hand		436,848		86,640	
		<u>4,739,355</u>		<u>2,364,140</u>	
Creditors: amounts falling due within one year	13	<u>(3,296,760)</u>		<u>(1,330,887)</u>	
Net current assets			1,442,595		1,033,253
Total assets less current liabilities			<u>1,491,997</u>		<u>1,075,869</u>
Creditors: amounts falling due after more than one year	14		<u>(398,638)</u>		<u>(150,861)</u>
Net assets			<u>1,093,359</u>		<u>925,008</u>
Capital and reserves					
Called up share capital	18		750		750
Capital redemption reserve			250		250
Profit and loss reserves			<u>1,092,359</u>		<u>924,008</u>
Total equity			<u>1,093,359</u>		<u>925,008</u>

The financial statements were approved by the board of directors and authorised for issue on 29 March 2022 and are signed on its behalf by:

G W Rothwell
Director

Company Registration No. 03382494

ROTHWELL PLUMBING SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
As restated for the period ended 30 June 2020:					
Balance at 1 July 2019	750	24,595	250	1,253,092	1,278,687
Year ended 30 June 2020:					
Loss and total comprehensive income for the year	-	-	-	(353,679)	(353,679)
Transfers	-	(24,595)	-	24,595	-
Balance at 30 June 2020	750	-	250	924,008	925,008
Year ended 30 June 2021:					
Profit and total comprehensive income for the year	-	-	-	168,351	168,351
Balance at 30 June 2021	750	-	250	1,092,359	1,093,359

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Rothwell Plumbing Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3, Stephens Way, Warrington Road Industrial Estate, Goose Green, Wigan, Lancashire, WN3 6PH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Rothwell Plumbing Services Group Limited. These consolidated financial statements are available from Unit 3 Stephens Way, Warrington Road Industrial Estate, Wigan, Lancashire, WN3 6PH.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% p.a reducing balance basis
Fixtures, fittings & equipment	15% p.a reducing balance basis
Computer Equipment	33.33% p.a straight line basis
Motor Vehicles	25% p.a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.10 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 profit and loss account 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 is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements which 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.

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

Deferred tax is measured at the average tax rates which are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws which have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non - discounted basis.

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 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.

1.15 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Long term contracts

The amounts recoverable on contracts at the year-end has been estimated by both the directors and key management of the Company, with respect to both the stage of completion and value of work completed, less any provision for contingencies and anticipated losses foreseen.

Provision for non-recovery of debts

Provisions for non-recovery of both trade debtors and amounts recoverable on contracts, has been estimated by both the directors and key management of the Company, based on their knowledge of the end customer and amounts received to date.

Tangible fixed assets

The useful economic life of tangible fixed assets has been estimated by the directors of the Company to ensure an appropriate depreciation charge is recognised in the year.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Plumbing and heating services	12,228,326	9,103,951
	<u>12,228,326</u>	<u>9,103,951</u>
	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	12,228,326	9,103,951
	<u>12,228,326</u>	<u>9,103,951</u>
	2021 £	2020 £
Other significant revenue		
Interest income	-	533
Grants received	13,122	-
	<u>13,122</u>	<u>-</u>

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

4 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(13,122)	-
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	10,850
Depreciation of owned tangible fixed assets	12,133	14,172
Profit on disposal of tangible fixed assets	-	(10,245)
Operating lease charges	233,985	265,293
	<u>233,985</u>	<u>265,293</u>

Government grants received in the year related to claims made for the Coronavirus Job Retention Scheme.

5 Employees

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	209,212	255,286
Pension costs	2,760	4,047
	<u>211,972</u>	<u>259,333</u>

The company has no employees. Wages costs are recharged from a fellow group company.

6 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	213,260	259,083
Company pension contributions to defined contribution schemes	2,760	4,047
	<u>216,020</u>	<u>263,130</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	<u>117,803</u>	<u>122,300</u>

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	533
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	18,317	6,195
	<u> </u>	<u> </u>
	<u>18,317</u>	<u>6,195</u>

9 Taxation

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	(84,000)	-
	<u> </u>	<u> </u>

The actual (credit)/charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit/(loss) before taxation	84,351	(353,679)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	16,027	(67,199)
Tax effect of expenses that are not deductible in determining taxable profit	361	2,941
Change in unrecognised deferred tax assets	(104,431)	64,716
Group relief	3,218	-
Depreciation on assets not qualifying for tax allowances	825	-
Difference between depreciation and capital allowances	-	(458)
	<u> </u>	<u> </u>
Taxation credit for the year	(84,000)	-
	<u> </u>	<u> </u>

The company has estimated capital losses of £20,777 (2019: £20,777) available for carry forward against future capital gains. The company has estimated trading losses of £1,561,762 (2020: £1,644,813) available for carry forward against future income.

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2020	38,693	68,304	133,188	141,618	381,803
Additions	10,538	5,291	3,090	-	18,919
At 30 June 2021	49,231	73,595	136,278	141,618	400,722
Depreciation and impairment					
At 1 July 2020	25,242	58,440	126,315	129,190	339,187
Depreciation charged in the year	2,865	2,153	4,008	3,107	12,133
At 30 June 2021	28,107	60,593	130,323	132,297	351,320
Carrying amount					
At 30 June 2021	21,124	13,002	5,955	9,321	49,402
At 30 June 2020	13,451	9,864	6,873	12,428	42,616

11 Stocks

	2021 £	2020 £
Finished goods and goods for resale	32,595	28,360

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,264,139	193,835
Gross amounts owed by contract customers	2,011,931	975,932
Corporation tax recoverable	259	259
Amounts owed by group undertakings	430,177	467,728
Amounts owed by undertakings in which the company has a participating interest	343,907	504,477
Prepayments and accrued income	135,499	106,909
Deferred tax asset (note 16)	84,000	-
	4,269,912	2,249,140

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £ as restated
Bank loans	15	102,277	31,293
Trade creditors		1,482,274	306,440
Amounts owed to group undertakings		607,036	591,196
Taxation and social security		86,420	43,788
Other creditors		92,138	84,130
Accruals and deferred income		926,615	274,040
		<u>3,296,760</u>	<u>1,330,887</u>

14 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	15	<u>398,638</u>	<u>150,861</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	<u>15,533</u>
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15 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>500,915</u>	<u>182,154</u>
Payable within one year	102,277	31,293
Payable after one year	<u>398,638</u>	<u>150,861</u>

Bank borrowings are secured by a fixed and floating charge over the assets of Rothwell Plumbing Services Limited.

A bank loan for £307,500 was taken out in October 2015. Repayments of £3,041.46 are payable each month, the interest charged on the loan is 3% above the Bank of England Base Rate. The loan is expected to be repaid in full ten years from the initial drawdown date and is secured on the property.

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2021 £	Assets 2020 £
Balances:		
Tax losses	84,000	-
	<u>84,000</u>	<u>-</u>
Movements in the year:		2021 £
Liability at 1 July 2020		-
Credit to profit or loss		(84,000)
		<u>(84,000)</u>
Asset at 30 June 2021		(84,000)
		<u>(84,000)</u>

17 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,760	4,047
	<u>2,760</u>	<u>4,047</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 1 each	750	750	750	750
	<u>750</u>	<u>750</u>	<u>750</u>	<u>750</u>

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	55,899	52,878
Between two and five years	128,314	152,270
	<u>184,213</u>	<u>205,148</u>

ROTHWELL PLUMBING SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

20 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2021	2020	2021	2020
	£	£	£	£
Related by common control	-	17,141	-	94,659

The following amounts were outstanding at the reporting end date:

The following amounts were outstanding at the reporting end date:

Amounts due in previous period	Provision	Net
	£	£
Related by common control	-	504,477

Other information

The company has taken advantage of the exemption available in accordance with FRS 102 1.12(e), not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

21 Ultimate controlling party

The ultimate parent company is considered to be Rothwell Plumbing Services Group Limited, a company registered in England & Wales. The smallest and largest group of companies for which consolidated group accounts are available is that headed by Rothwell Plumbing Services Group Limited. Copies of the parent's consolidated financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

The ultimate controlling party is considered to be B Rothwell and G W Rothwell, by virtue of their combined majority shareholding in Rothwell Plumbing Services Group Limited.

22 Prior period adjustment

An adjustment has been made to reduce VAT liability and increase amounts due to subsidiary by £82k in relation to the transfer of the property that was a transfer of a going concern. This adjustment has no impact on profit or net assets.

Adjustments to equity

The prior period adjustments do not give rise to any effect upon equity.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.