English Architectural Glazing Limited

Report and Financial Statements

31 December 2022

Officers and professional advisers

Directors
A J Ducker
J G Rawlings
N S Tappin

Auditors
Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Bankers
Bank of Scotland
3 Queen Street
Norwich
Norfolk
NR2 4SG

Solicitors
Mills and Reeve LLP
Botanic House
100 Hills Road
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Registered Office
Chiswick Avenue
Mildenhall
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Registered Number
03978094

Registered No. 03978094

Strategic report

The Directors present their Strategic Report and the financial statements for the year ended 31 December 2022.

Principal activities and business review

The principal activity of the company during the year was that of major commercial glazing contractors.

The company uses a range of performance measures to monitor and manage the business effectively, the most significant of which are the key performance indicators (KPI's). The KPI's for the company are turnover, gross profit margins and profit before taxation. These KPI's indicate the volume of work the company has undertaken as well as the efficiency and profitability with which this work has been delivered.

The KPI's for the year to 31 December 2022 is as follows:

	2022	*2021*
	£	*£*
Turnover	15,167,650	6,578,654
Profit/(loss) before taxation	(578,224)	(1,259,806)

	2022	*2021*
	%	*%*
Gross profit percentage	14	16

The company's financial position at the year end shows net current assets of £588,416 (2021: net current assets of £1,030,775) and shareholders' funds of £1,111,812 (2021: shareholders' funds of £1,135,645).

The results for 2022 show a significant increase in turnover compared to 2021, when the company was experiencing reduced activity due to the ongoing impact of the global Covid-19 pandemic. 2022 was very much a re-set year for the company and the underlying performance excluding Group charges is close to breakeven.

The company has a substantial order book for 2023 and 2024, plus a substantial pipeline of opportunities to consider and the Directors are confident of a return to profitability in 2023.

Principal risks and uncertainties

The key risk present in the construction industry is current rate of inflation and the general economic outlook. The Company secures supply chain in conjunction with new contract wins in order to hedge against potential future price increases. Having successfully managed through Covid restrictions, we are well placed to handle any disruption that does occur going forward.

Other risks are exposure to liquidity, credit and interest, which arise in the normal course of the Company's business. These risks are limited by the Company's financial management policies and practices described below:

Whilst the coronavirus pandemic had an impact on trading for 2021, the priority for the business is the wellbeing of its staff and the long-term strength of the company.

The company's strategy is to follow an approved risk policy, which effectively manages exposures related to the achievement of business objectives. The key risks which management face are detailed as follows:

Strategic report

Financial instrument risks

The company has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital funding exists and monitor the management of risk at a business unit level.

The company's principal financial instruments comprise cash, trade debtors and creditors and certain other debtors and creditors. The main risks associated with these financial assets and liabilities are set out below.

Liquidity risk

The company manages its liquidity to ensure that sufficient finds are available for ongoing operations and future developments whilst seeking to minimise interest expense.

Credit risk

The company's principal financial assets are cash balances and trade debtors. Credit risk on cash balances is limited as the Board only deposits funds with regulated institutions which have high credit ratings. Trade debtor balances are monitored on an ongoing basis and provision is made for doubtful debts as necessary.

Interest rate risk

The company is exposed to interest rate risk on its cash balances. The Board monitors interest rates available for the company's funds taking into account the company's liquidity and credit risk requirements. The company does not use any derivative instruments to reduce its economic exposure to changes in interest rates.

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

Andy Ducker
Director
Date: 21st December, 2023

Registered No. 03978094

Directors' report

The directors present their report and financial statements of the company for the year ended 31 December 2022.

Results and dividends

The loss for the year after taxation amounted to £491,994 (2021 – loss of £992,350). The directors do not propose a dividend for the year ended 31 December 2022 (2021 – £nil).

Directors

The directors who served the company during the year were as follows:

A J Ducker
J G Rawlings
N S Tappin

Events after the end of the reporting period

There have been no events between the reporting date and the date on which the accounts were approved by the directors of the Company, which would require adjustment to the accounts, or any additional disclosures except as described hereunder.

Going concern

The financial statements have been prepared on the going concern basis. The parent company, Clarison Group Limited, has provided a letter of support for a period to 31 December 2024. The Directors have determined based on recent trading and projected cash flows of The Clarison Group ("the Group"), of which the Company is a part, that the Group is able to meet its liabilities for the period to 31 December 2024. This assessment considered future cashflows and uncertainties arising from the key risks impacting the Group including the current economic conditions.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information in the strategic report

The directors have chosen in accordance with section 414C (11) of the Companies Act 2006 (strategic Report and Director's Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2006.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' report

Auditor

In accordance with Companies Act 2006 s485 a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By behalf of the Board

Andy Ducker
Director
Date: 21st December, 2023

Directors' Responsibilities Statement

The directors are responsible for preparing the Director's 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- in respect of the financial statements, state whether applicable UK Accounting Standards, including the FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Independent auditors' report

to the members of English Architectural Glazing Limited

Opinion

We have audited the financial statements of English Architectural Glazing Limited for the year ended 31 December 2022 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of comprehensive income, and the Statement of changes in equity and the related notes1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards 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 company's affairs as at 31 December 2022 and of its loss 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 to December 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditors' report

to the members of English Architectural Glazing Limited

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 this 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 the 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 the audit:

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

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 or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' 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 set out on page 6, 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.

Independent auditors' report

to the members of English Architectural Glazing Limited

Responsibilities of directors (continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are [insert list based on both qualitative and quantitative considerations. Teams should consider industry specific laws/regulations]
- We understood how the company is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and correspondence with relevant authorities and noted there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by utilising internal and external information to perform a fraud risk assessment. We considered the risk of fraud through management override and, in response, we incorporated testing manual journals and designed procedures to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria. We read the minutes of the Directors' meetings to identify any non-compliance with laws and regulations. We also made enquiries with the Directors and of management of the company regarding compliance with laws and regulations.

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

Independent auditors' report

to the members of English Architectural Glazing 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.

Ernst & Young LLP

Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 21 December 2023

Profit and Loss Account

for the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	3	15,167,650	6,578,654
Cost of sales		(13,075,836)	(5,564,423)
Gross margin		2,091,814	1,014,231
Administrative expenses		(2,594,357)	(2,305,613)
Other operating income	5	-	35,683
Operating (loss)/profit	4	(502,543)	(1,255,699)
Interest payable and similar expenses	9	(75,681)	(4,107)
(Loss)/profit before taxation		(578,224)	(1,259,806)
Tax credit/(charge)	10	86,229	267,456
(Loss)/profit for the financial year		(491,995)	(992,350)

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the year ended 31 December 2022

There is no comprehensive income or loss other than that attributable to the shareholders of the company of a loss of £491,994 in the year ended 31 December 2022 (2021: loss of £992,350).

The notes on pages 14 to 24 form part of these financial statements.

Balance sheet

at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	11	562,503	672,423
Current assets			
Stocks	12	78,179	146,192
Debtors	13	6,951,655	4,454,999
Cash at bank and in hand	14	287,576	160,111
		7,317,410	4,761,302
Creditors: amounts falling due within one year	15	(6,728,994)	(3,730,527)
Net current Assets		588,416	1,030,775
Total assets less current liabilities		1,150,919	1,703,198
Creditors: amounts due after more than one year	16	(39,108)	(479,560)
Provisions			
Taxation including deferred tax	10	-	(87,992)
Net assets/(liabilities)		1,111,811	1,135,646
Capital and reserves			
Called up share capital	18	100,000	100,000
Profit and loss account		(1,011,811)	1,035,646
Shareholders' funds		1,111,811	1,135,646

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

Andy Ducker
Director
Date: 21st December, 2023

Company registration number: 03978094

The notes on pages 14 to 24 form part of these financial statement

Statement of Changes in Equity

year ended 31 December 2022

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2021	100,000	2,496,158	2,596,158
Profit for the financial year	-	(992,350)	(992,350)
Dividends	-	(468,160)	(468,160)
At 31 December 2021	100,000	1,035,646	1,135,645
Loss for the financial year	-	(491,995)	(491,995)
Dividend declared not paid	-	468,160	468,160
At 31 December 2022	100,000	1,011,811	1,111,811

Share capital

The balance classified as called up share capital includes the nominal value of issued company's share capital.

Retained earnings

The company's profit and loss account include the accumulated profits and losses of the company less any dividends declared.

The notes on pages 14 to 24 form part of these financial statements.

Notes to the financial statements

at 31 December 2022

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Chiswick Avenue, Mildenhall, Suffolk, IP28 7AY, United Kingdom.

2. Accounting policies

Basis of preparation

The company's financial statements have been prepared in compliance with United Kingdom Generally Accepted Accounting Practices, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) as it applied to the financial statements of the company for the years ended 31 December 2022 and 31 December 2021.

The company meets the definition of a qualifying entity under FRS 102 since it is a wholly owned subsidiary of The Clarison Group Limited (previously known as Hamsard 3536 Limited) which prepares group financial statements which include the company. Its shareholders have been notified about the use of the disclosure exemptions available under the Standard and they have no objections. The company has taken advantage of the following disclosure exemptions:

- The requirements of section 7 *Statement of Cash Flows* and section 3 *Financial Statement Presentation* paragraph 3.17(d) to prepare a statement of cash flows.
- The requirement of section 33 *Related Party Disclosures* paragraph 33.7 to disclose key management compensation.

The group financial statements of The Clarison Group Limited which include the disclosures above are available from its registered office: Highlands House Basingstoke Road, Spencers Wood, Reading, Berkshire, England, RG7 1NT.

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £.

Going concern

The financial statements have been prepared on the going concern basis. The parent company, Clarison Group Limited, has provided a letter of support for a period to 31 December 2024. The Directors have determined based on recent trading and projected cash flows of The Clarison Group ("the Group"), of which the Company is a part, that the Group is able to meet its liabilities for the period to 31 December 2024. This assessment considered future cashflows and uncertainties arising from the key risks impacting the Group including the current economic conditions.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are detailed in the relevant accounting policies.

Notes to the financial statements

at 31 December 2022

2. Accounting policies (continued)

Judgements and key sources of estimation uncertainty (continued)

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumption and source of estimation uncertainty that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is the measurement of revenue and profitability of long-term construction contracts which are in progress at the accounting reference data, the precise future outcome of which may vary depending on events after the accounting reference date. The carrying amount of amounts recoverable on contracts at the end of the reporting period is detailed in note 15.

Amounts recoverable on contracts

Amounts recoverable on contracts represents the cost of work carried out to date, including uncertified amounts where the directors have satisfied themselves that entitlement has been established, together with any attributable profit, less any foreseeable losses and progress payments received and receivable. Where progress payments received exceed the value of work done the excess is shown as 'payments on account' in creditors.

Work In progress

Work In progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts for on-going services is recognised by reference to the stage of completion.

Income and deferred tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Notes to the financial statements

at 31 December 2022

2. Accounting policies (continued)

Tangible assets (continued)

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extend it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	10-20% on cost
Fixtures and fittings	10% on cost
Motor vehicles	20% on cost
Computer equipment	33% on cost

No depreciation has been charged on the freehold land as this would not be material to the financial statements.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell, on a FIFO basis. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest.

Such assets are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting data. If there is objective evidence of impairment, an impairment loss is recognised in the statement of income immediately.

Notes to the financial statements

at 31 December 2022

2. Accounting policies (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, 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 receipts discounted at a market rate of interest.

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 coursc of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are initially recognised at transaction price and subsequently measured at amortised coat using the effective interest method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the data a contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss in finance costs or finance income as appropriate.

Defined contribution plan

The company operates defined contribution pension schemes for the directors and staff. The assets of the scheme are held separately from those of the company. The contributions payable are charged to the profit and loss account.

3. Turnover

Turnover arises from:

	2022	*2021*
	£	*£*
Construction contracts	15,167,650	6,578,654

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Operating loss/(profit)

Operating profit or loss is stated after charging/(crediting):

	2022	*2021*
	£	*£*
Depreciation of tangible assets	170,426	188,399
Gains on disposal of tangible assets	(9,167)	329
Foreign exchange differences	7	(2,634)
Operating lease payments	0	91,558
	161,266	277,652

Notes to the financial statements

at 31 December 2022

5. Other operating income

	2022	2021
	£	£
Furlough grants		
Grants received	-	35,683
	-	35,683

6. Auditor's remuneration

	2022	2021
	£	£
Fee payable for the audit of the financial statements	44,150	33,165

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2022	2021
	No.	No.
Administrative staff	54	51
Management staff	3	3
	57	54

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	3,029,448	2,872,672
Social security costs	386,929	359,070
Other pension costs	85,899	87,927
	3,502,276	3,319,669

8. Director's renumeration

The director's aggregate renumeration in respect of qualifying services was:

	2022	2021
	£	£
Renumeration	124,912	251,116
Company contributions to defined contribution pension plans	4,440	8,600
	129,352	259,716

Notes to the financial statements

at 31 December 2022

8. Director's renumeration (continued)

The number of directors who accrued benefits under company pension plans was as follows:

	2022	2021
	£	£
Defined contribution plans	1	2

Renumeration of the highest paid director in respect of qualifying services:

	2022	2021
	£	£
Aggregate renumeration	124,912	133,603
Company contributions to defined contribution pension plans	4,440	4,600
	129,352	138,203

9. Interest payable and similar expenses

	2022	2021
	£	£
Other interest payable and similar charges	75,681	4,107
	75,681	4,107

Notes to the financial statements

at 31 December 2022

10. Tax

(a) Tax on (loss)/profit

	2022	2021
	£	£
The tax is made up as follows:		
Current tax:		
UK current tax expense	-	(238,234)
Adjustment in respect of previous periods	-	(46,573)
Total current tax	-	(284,807)
Deferred tax:		
Origination and reversal of timing differences	(65,535)	(1,569)
Adjustment in respect of previous periods	-	(1,775)
Effect of changes in tax rates	(20,695)	20,695
Total deferred tax (note 11(c))	(86,230)	17,351
Tax on (loss)/profit	(86,230)	(267,456)

(b) Factors affecting the current tax for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2021 – 19%).

	2022	2021
	£	£
The differences are explained below:		
(Loss)/profit before taxation	(578,224)	(1,259,806)
Tax on (loss)/profit at standard UK tax rate of 19% (2021 – 19%)	(109,863)	(239,363)
Effect of expenses not deductible for tax purpose	499	114
Super deduction allowance	(1,330)	(554)
Adjustment in respect of previous periods	-	(48,348)
Unrecognised deferred tax	45,158	-
Tax rate changes	(20,695)	20,695
Tax on (loss)/profit	(86,230)	(267,456)

(c) Deferred tax liability

The deferred tax liability included in the balance sheet is as follows:

	2022	2021
	£	£
Accelerated capital allowances	54,613	87,992
Short term timing differences	(1,813)	(1,762)
Losses	(52,801)	-
	(1)	86,230

Notes to the financial statements

at 31 December 2022

10. Tax (continued)

	£
At 1 January 2022	86,230
Deferred tax in the profit and loss account	(86,230)
Other – rounding	(1)
At 31 December 2022	(1)

(d) Factors that may affect future tax charges

On 3 March 2021, HM Treasury announced that the rate of corporation tax will increase to 25% for companies with effect from 1 April 2023. This rate change was substantially enacted in May 2021 and therefore the 25% rate has been used in calculating deferred tax at the balance sheet date.

11. Tangible assets

	Freehold land	*Plant and machinery*	*Fixtures and fittings*	*Motor vehicles*	*Computer equipment*	*Total*
	£	£	£	£	£	£
Cost						
At 1 January 2022	295,824	499,407	192,194	18,539	765,145	1,771,109
Additions	-	1,087	36,094	-	23,325	60,506
Disposals	-	-	-	(18,539)	(154,818)	173,357
At 31 December 2022	295,824	500,494	228,288	-	633,652	1,658,258
Depreciation:						
At 1 January 2022	-	331,442	170,654	18,539	578,051	1,098,686
Charge for the year	-	50,574	6,170	-	113,682	170,426
Disposals	-	-	-	(18,539)	(154,818)	154,818
At 31 December 2022	-	382,016	176,824	-	536,915	1,095,755
Carrying amount						
At 31 December 2022	295,824	118,478	51,464	-	96,737	562,503
At 31 December 2021	295,824	167,965	21,540	-	187,094	672,423

11. Tangible assets (continued)

Capital commitments

	2022	*2021*
	£	£
Contracted for but not provided for in the financial statements	-	-

Notes to the financial statements

at 31 December 2022

12. Stocks

	2022	2021
	£	£
Raw materials and consumables	65,906	76,226
Work in progress	12,273	69,966
	78,179	146,192

There is no significant difference between the replacement cost of stock and its carrying amount.

13. Debtors

	2022	2021
	£	£
Trade debtors	5,453	234,244
Amount owed by the group undertaking	2,719,000	2,030,664
Prepayments and accrued income	402,687	262,304
Amounts recoverable on contracts	3,545,400	1,647,549
Other debtors	112,825	112,185
Deferred tax asset	-	1,762
Corporation tax	166,290	166,291
	6,951,655	4,454,999

14. Cash at bank and in hand

Included within the cash at bank and in hand balance is £460 (2021 – £460) which is not available for use by the company until the terms of the related contract have been met.

15. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,804,252	1,513,170
Amounts owed to group undertakings	4,243	472,405
Accruals and deferred income	2,556,025	1,148,543
Social security and other taxes	349,021	205,236
Finance lease	15,453	15,042
Other creditors	-	125,000
Bank loans and overdrafts	1,000,000	251,131
	6,728,994	3,730,527

The hire purchase liability is secured on the assets to which it relates.

Notes to the financial statements

at 31 December 2022

16. Creditors: Amounts falling due after one year

	2022	*2021*
	£	*£*
Other creditors	-	425,000
Obligations under finance leases and hire purchase contracts	39,108	54,560
	39,108	479,560

The hire purchase liability is secured on the assets to which it relates.

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £85,899 (2021 – £87,927).

18. Called up share capital

Issued, called up and fully paid

		2022		*2021*
	No	*£*	*No*	*£*
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

19. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	*2021*
	£	*£*
Not later than 1 year	155,650	227,983
Later than 1 year and not later than 5 years	495,000	671,667
Later than 5 years	151,613	151,613
	802,263	1,051,263

20. Contingencies

The company is part of the Architectural Glazing Limited VAT group and as such has a responsibility for the liabilities of Architectural Glazing Limited and fellow subsidiaries Multi Fab Limited and Eagle New Energy Limited. At the balance sheet data, the total creditor balance for other group companies amounted to £296 (2021 – £3,047).

21. Related party transactions

The company has taken advantage of the exemption available under section 33 of FRS102 not to disclose related party transactions concerning wholly owned group companies, on the basis that its results are consolidated in the financial statements of its parent company.

Notes to the financial statements

at 31 December 2022

22. Controlling party

The intermediate parent of the smallest group of undertakings to consolidate these financial statements is The Clarison Group Limited. The group financial statements of The Clarison Group Limited are available from its registered office: Highlands House, Basingstoke Road, Spencers Wood, Reading, Berkshire, RG7 1NT.

The company's ultimate parent undertaking and the parent undertaking of the largest group of undertakings to consolidate these financial statements is Elaghmore GP LLP, a company incorporated and registered in England.

The ultimate controlling party are the shareholders of Elaghmore GP LLP.

Management Information

Year ended 31 December 2022

The following page do not form part of the financial statements.

Detailed profit and loss account

Year ended 31 December 2022

	2022	2021
	£	£
Turnover	15,167,650	6,578,654
Cost of sales		
Glass	(811,099)	(130,498)
Installation labour	(1,233,243)	(1,205,813)
External site management services	-	(38,051)
Other materials and services	(9,055,848)	(2,236,326)
Factory labour	(155,004)	(154,999)
External design services	-	-
Project management and QS labour	(707,028)	(738,568)
Drawing office labour	(758,181)	(624,645)
Site management labour	(355,433)	(435,523)
	(13,075,836)	(5,564,423)
Gross Profit	2,090,814	1,014,231
Overheads		
Other Income	-	35,683
Administrative expenses	(2,594,357)	(2,305,613)
Operating (loss)/profit	(502,543)	(1,255,699)
Other interest receivable and similar income	-	-
Interest payable and similar expenses	(75,681)	(4,107)
(Loss)/profit before taxation	(578,224)	(1,259,806)

Notes to the detailed profit and loss account

Year ended 31 December 2022

	2022	2021
	£	£
Administrative expenses		
Directors salaries	124,912	251,116
Directors national insurance contributions	7,016	45,411
Directors pension contributions	4,440	8,600
Wages and salaries	1,607,305	1,318,533
Staff recharges	(99,876)	(104,980)
	1,643,797	1,518,680
Establishment expenses		
Rent	57,514	84,161
Rates	8,336	20,094
Light, heat and power	20,356	11,084
Insurance	431,935	426,997
Property repairs	24,567	3,255
	542,708	545,591
General expenses		
Motor, travel and subsistence	57,739	34,747
Telephone	18,078	16,610
Computer maintenance	129,433	125,855
Equipment repairs and renewals	-	-
Printing, postage and stationery	17,856	13,086
Staff training	7,980	6,576
Sundry expenses	45,099	49,213
Recruitment	10,646	8,564
Advertising and public relations	886	2,597
Legal and professional fees	19,294	(144,751)
Management recharges	(103,322)	(97,740)
Auditors renumerations	44,150	42,411
Depreciation of plant and machinery	50,574	45,242
Depreciation of fixtures and fittings	6,170	4,365
Depreciation of motor vehicles	-	-
Depreciation of computer equipment	113,682	138,792
(Profit) / Loss on disposal of tangible assets	(9,197)	329
		245,896
Financial costs		
Bank charges	3,423	2,931
Prompt payment discounts/(received)	(5,963)	(4,851)
Foreign currency (gains)/losses	1,294	(2,634)
	(1,246)	(4,554)
	2,594,357	2,305,613