

Company Registration No. 06775188 (England and Wales)

**DEANE ROOFING AND CLADDING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2017**

# DEANE ROOFING AND CLADDING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr P Deane Mr R Deane Mr N P Deane
<b>Secretary</b>	Mr P Deane
<b>Company number</b>	06775188
<b>Registered office</b>	Suites 3 and 4 63-67 Athenaeum Place Muswell Hill London N10 3HL
<b>Auditor</b>	Beatty & Co Suites 3 and 4 63-67 Athenaeum Place Muswell Hill London N10 3HL
<b>Business address</b>	22 Queensbridge Old Bedford Road Northampton United Kingdom NN4 7BF
<b>Bankers</b>	Barclays Bank Plc Portman Square Leicester LE87 2BB

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# DEANE ROOFING AND CLADDING LIMITED

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# DEANE ROOFING AND CLADDING LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 28 FEBRUARY 2017**

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The directors present the strategic report for the year ended 28 February 2017.

### **Fair review of the business**

During the year turnover has increased to £30,716,353 and good profitability before tax of £2,333,003 was achieved. This was mainly due to the company winning a major contract which was completed in the 2018 financial year. Major contracts have been secured for the future which are expected to have a positive impact both on turnover and profitability.

### **Principal risks and uncertainties**

As with any business, the company is not immune to risks and uncertainties; and whilst few risks can be eliminated in their entirety, the directors meet regularly to maintain and review a full set of management procedures aimed at minimising the probability and the severity of specific risks which could impact upon our operations.

#### **Foreign exchange risk**

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. The hedging activity involves the use of foreign exchange forward contracts.

#### **Financial instruments risk**

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company financial instruments are interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

#### **Interest rate risk**

The company finances its operations through a mixture of retained profits, bank and other borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of fixed and floating facilities.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company policy throughout the year has been to ensure continuity of funding and most of its borrowings mature in over 5 years. Short term flexibility is achieved by overdraft facilities.

# DEANE ROOFING AND CLADDING LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 28 FEBRUARY 2017**

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### Key performance indicators

Measurement of performance against strategy and the achievement of business objectives is by means of key performance indicators. Actual performance against the key performance indicators for the twelve months to February 2017 are shown below together with that for 2016 for comparative purposes.

2017	2016
Turnover Growth 121%	2.86%
Return on capital employed	24.49% 47.08%
Interest cover	187 64

All of the above indicators are very positive and indicate the company continues to be in good financial health.

By order of the board

Mr P Deane  
**Secretary**  
27 November 2017

# DEANE ROOFING AND CLADDING LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 28 FEBRUARY 2017**

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The directors present their annual report and financial statements for the year ended 28 February 2017.

### Principal activities

The principal activity of the company continued to be that of roofing and cladding of buildings.

### Directors

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

Mr P Deane

Mr R Deane

Mr N Deane Snr

(Resigned 27 January 2017)

Mr N P Deane

### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £704,167. The directors do not recommend payment of a final dividend.

### Auditor

In accordance with the company's articles, a resolution proposing that Beatty & Co be reappointed as auditor of the company will be put at a General Meeting.

### 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.

By order of the board

Mr P Deane

**Secretary**

27 November 2017

## **DEANE ROOFING AND CLADDING LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 28 FEBRUARY 2017***

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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.

# DEANE ROOFING AND CLADDING LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DEANE ROOFING AND CLADDING LIMITED

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We have audited the financial statements of Deane Roofing and Cladding Limited for the year ended 28 February 2017 set out on pages 7 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- • give a true and fair view of the state of the company's affairs as at 28 February 2017 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.

#### **Opinion 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.

## **DEANE ROOFING AND CLADDING LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF DEANE ROOFING AND CLADDING LIMITED**

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##### **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 directors' remuneration specified by law are not made; or
- • we have not received all the information and explanations we require for our audit.

**Peter Edwards (Senior Statutory Auditor)**  
for and on behalf of Beatty & Co

28 November 2017

**Chartered Certified Accountants**  
**Statutory Auditor**

Suites 3 and 4  
63-67 Athenaeum Place  
Muswell Hill  
London  
N10 3HL

## DEANE ROOFING AND CLADDING LIMITED

### PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 28 FEBRUARY 2017*

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>3</b>	30,716,353	13,891,468
Cost of sales		(25,857,961)	(11,901,284)
<b>Gross profit</b>		4,858,392	1,990,184
Administrative expenses		(2,513,044)	(1,394,548)
<b>Operating profit</b>	<b>4</b>	2,345,348	595,636
Interest receivable and similar income	<b>7</b>	100	123
Interest payable and similar expenses	<b>8</b>	(12,446)	(9,247)
<b>Profit before taxation</b>		2,333,002	586,512
Tax on profit	<b>9</b>	(459,779)	(133,535)
<b>Profit for the financial year</b>		1,873,223	452,977

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

## DEANE ROOFING AND CLADDING LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 28 FEBRUARY 2017*

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	2017	2016
	£	£
Profit for the year	1,873,223	452,977
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,873,223</u>	<u>452,977</u>

# DEANE ROOFING AND CLADDING LIMITED

## BALANCE SHEET

AS AT 28 FEBRUARY 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	11		592,290		599,068
<b>Current assets</b>					
Debtors	13	5,216,037		4,379,222	
Cash at bank and in hand		4,220,996		374,429	
		<u>9,437,033</u>		<u>4,753,651</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(6,056,517)</u>		<u>(2,582,936)</u>	
<b>Net current assets</b>			3,380,516		2,170,715
<b>Total assets less current liabilities</b>			<u>3,972,806</u>		<u>2,769,783</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(854,172)		(805,602)
<b>Provisions for liabilities</b>	18		(41,497)		(56,100)
<b>Net assets</b>			<u>3,077,137</u>		<u>1,908,081</u>
<b>Capital and reserves</b>					
Called up share capital	21		10		10
Profit and loss reserves			<u>3,077,127</u>		<u>1,908,071</u>
<b>Total equity</b>			<u>3,077,137</u>		<u>1,908,081</u>

The financial statements were approved by the board of directors and authorised for issue on 27 November 2017 and are signed on its behalf by:

Mr P Deane  
Director

Mr R Deane  
Director

Company Registration No. 06775188

# DEANE ROOFING AND CLADDING LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 28 FEBRUARY 2017**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 March 2015</b>		10	1,491,533	1,491,543
<b>Year ended 29 February 2016:</b>				
Profit and total comprehensive income for the year		-	452,977	452,977
Dividends	10	-	(36,439)	(36,439)
<b>Balance at 29 February 2016</b>		10	1,908,071	1,908,081
<b>Year ended 28 February 2017:</b>				
Profit and total comprehensive income for the year		-	1,873,223	1,873,223
Dividends	10	-	(704,167)	(704,167)
<b>Balance at 28 February 2017</b>		10	3,077,127	3,077,137

# DEANE ROOFING AND CLADDING LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	26		4,656,890		(224,085)
Interest paid			(12,446)		(9,247)
Income taxes paid			(111,715)		(147,630)
<b>Net cash inflow/(outflow) from operating activities</b>			4,532,729		(380,962)
<b>Investing activities</b>					
Purchase of tangible fixed assets		44,641		(203,344)	
Proceeds on disposal of tangible fixed assets		5,000		-	
Interest received		100		123	
<b>Net cash generated from/(used in) investing activities</b>			49,741		(203,221)
<b>Financing activities</b>					
Proceeds from borrowings		-		581,395	
Repayment of borrowings		11,963		-	
Repayment of bank loans		(9,898)		(9,334)	
Payment of finance leases obligations		(33,801)		-	
Dividends paid		(704,167)		(36,439)	
<b>Net cash (used in)/generated from financing activities</b>			(735,903)		535,622
<b>Net increase/(decrease) in cash and cash equivalents</b>			3,846,567		(48,561)
Cash and cash equivalents at beginning of year			374,429		427,911
Effect of foreign exchange rates			-		(4,921)
<b>Cash and cash equivalents at end of year</b>			4,220,996		374,429

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2017

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### 1 Accounting policies

#### Company information

Deane Roofing and Cladding Limited is a company limited by shares incorporated in England and Wales. The registered office is Suites 3 and 4, 63-67 Athenaeum Place, Muswell Hill, London, N10 3HL.

#### 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 and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 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 represents amounts receivable for goods and services provided to customers net of VAT and trade discounts. The company's turnover is derived from construction contracts and fabrication sales.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 are recoverable.

#### 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.

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:

Land and buildings Freehold	NIL
Plant and machinery	20-33% reducing balance/straight line
Fixtures, fittings & equipment	15% Straight Line
Motor vehicles	20% Reducing Balance

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.

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

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### 1 Accounting policies

(Continued)

#### 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 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 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.

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **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.

#### **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.

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

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### 1 Accounting policies

(Continued)

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 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 company's holiday year runs from 01 March to 28/29 February the following year and staff are not allowed to carry forward any holidays to the next period.

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.

#### 1.11 Retirement benefits

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

#### 1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

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### 1 Accounting policies

(Continued)

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

#### 1.13 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss 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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Useful economic lives of tangible assets*

The annual depreciations charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and the physical condition of the assets. See note 11 for the carrying amount of the property plant and equipment.

#### *Amounts recoverable on long term contracts*

The company provides roofing and cladding services to the construction sector. These contracts can run anywhere from a month to over a year in some cases. It is therefore necessary to consider the value of these contracts on a regular basis. When calculating the value of work in progress management considers the stage of completion of each contract along with the expected recoverability on each. See note 13 for the net carrying amounts due from contract customers.

#### *Impairment of debtors*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

### 3 Turnover and other revenue

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

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
	30,716,353	13,891,468
	<u>          </u>	<u>          </u>
	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	100	123
	<u>          </u>	<u>          </u>
	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
UK and Ireland	30,716,353	13,891,468
	<u>          </u>	<u>          </u>

### 4 Operating profit

Operating profit for the year is stated after charging/(crediting):

	2017 £	2016 £
Exchange (gains)/losses	(358,660)	4,921
Fees payable to the company's auditor for the audit of the company's financial statements	18,000	13,000
Depreciation of owned tangible fixed assets	41,898	58,882
Depreciation of tangible fixed assets held under finance leases	38,889	-
Loss on disposal of tangible fixed assets	2,351	-
Operating lease charges	18,282	38,743
	<u>          </u>	<u>          </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £358,660 (2016 - £4,921).

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Directors	3	3
Employees	32	24
	<u>          </u>	<u>          </u>
	35	27
	<u>          </u>	<u>          </u>

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	2,419,590	1,156,807
Social security costs	292,800	128,703
Pension costs	1,314	-
	<u>2,713,704</u>	<u>1,285,510</u>

### 6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>1,201,745</u>	<u>257,199</u>

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

Remuneration for qualifying services	<u>404,920</u>	<u>126,724</u>
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### 7 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	100	113
Other interest income	-	10
Total income	<u>100</u>	<u>123</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>100</u>	<u>113</u>
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### 8 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	8,477	9,247
Interest on finance leases and hire purchase contracts	3,969	-
	<u>12,446</u>	<u>9,247</u>

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

### 9 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	365,718	111,714
Other taxes	-	(4,825)
Total UK current tax	365,718	106,889
Foreign current tax on profits for the current period	108,663	-
Total current tax	474,381	106,889
<b>Deferred tax</b>		
Origination and reversal of timing differences	(14,602)	26,646
Total tax charge	459,779	133,535

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

	2017 £	2016 £
Profit before taxation	2,333,002	586,512
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	466,600	117,302
Tax effect of expenses that are not deductible in determining taxable profit	502	20,786
Effect of change in corporation tax rate	-	472
Tax at marginal rate	-	(200)
Other timing differences	(7,323)	-
S419. Tax Rebate	-	(4,825)
Taxation for the year	459,779	133,535

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

### 10 Dividends

	2017 £	2016 £
Interim paid	704,167	36,439

### 11 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 March 2016	260,000	352,533	53,411	71,930	737,874
Additions	-	29,100	-	52,259	81,359
Disposals	-	-	-	(17,947)	(17,947)
At 28 February 2017	260,000	381,633	53,411	106,242	801,286
<b>Depreciation and impairment</b>					
At 1 March 2016	-	67,951	44,919	25,935	138,805
Depreciation charged in the year	-	60,895	5,092	14,800	80,787
Eliminated in respect of disposals	-	-	-	(10,596)	(10,596)
At 28 February 2017	-	128,846	50,011	30,139	208,996
<b>Carrying amount</b>					
At 28 February 2017	260,000	252,787	3,400	76,103	592,290
At 29 February 2016	260,000	284,582	8,491	45,995	599,068

The carrying value of land and buildings comprises:

	2017 £	2016 £
Freehold	260,000	260,000

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	101,111	-
Depreciation charge for the year in respect of leased assets	38,889	-

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

### 11 Tangible fixed assets

(Continued)

Land and buildings with a carrying amount of £260,000 were revalued at 23 August 2016 by Paramount Surveyors, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	354,645	354,645
Accumulated depreciation	-	-
Carrying value	<u>354,645</u>	<u>354,645</u>

The property was revalued in August 2016. It was purchased on 22/08/2013 and the directors consider that there has been no material change in the value of the property since its revaluation.

### 12 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>56,331</u>	<u>1,147,007</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>5,891,474</u>	<u>3,023,113</u>

### 13 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	37,450	515,556
Gross amounts due from contract customers	4,783,021	3,229,436
Other debtors	392,787	631,451
Prepayments and accrued income	<u>2,779</u>	<u>2,779</u>
	<u>5,216,037</u>	<u>4,379,222</u>

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

### 14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	10,067	9,697
Obligations under finance leases	17	45,324	-
Trade creditors		2,212,767	1,853,570
Corporation tax		474,381	111,714
Other taxation and social security		544,834	253,711
Other creditors		274,076	181,008
Accruals and deferred income		2,495,068	173,236
		<u>6,056,517</u>	<u>2,582,936</u>

### 15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	213,939	224,207
Obligations under finance leases	17	46,875	-
Other borrowings	16	593,358	581,395
		<u>854,172</u>	<u>805,602</u>

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

Payable by instalments	(171,931)	(183,623)
Payable other than by instalments	(593,358)	(581,395)
	<u>(765,289)</u>	<u>(765,018)</u>

### 16 Loans and overdrafts

	2017 £	2016 £
Bank loans	224,006	233,904
Other loans	593,358	581,395
	<u>817,364</u>	<u>815,299</u>
Payable within one year	10,067	9,697
Payable after one year	807,297	805,602
	<u></u>	<u></u>

The long-term loans are secured by fixed and floating charges over the assets of the company.

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

### 16 Loans and overdrafts

(Continued)

The Barclays Facility is a 20 year loan taken out in August 2013. The monthly repayments are £1,531. The margin on the loan is 3.25% per annum with a review of the margin every 3 years until expiration of the loan. The bank has a legal charge over the company's property at 22 Queensbridge, Bedford Road, Northampton.

The loan from Millstone Properties Limited is a 10 year Euro loan with a 5 year break clause. The annual interest is fixed at 10% and is to be paid every two years on the anniversary of the loan. The 5 year break clause requires 6 months written notice and all monies owed at the end of the notice period will become due at that point should the company wish to repay the loan early. Millstone Properties Limited has a fixed and floating charge over the assets of the company. There are also personal guarantees in place from all the shareholders.

This loan was repaid in full in July 2017. There was no interest charged.

### 17 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	45,324	-
In two to five years	46,875	-
	<u>92,199</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 18 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	19	<u>41,497</u>	<u>56,100</u>

### 19 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:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
ACAs	<u>41,497</u>	<u>56,100</u>

There were no deferred tax movements in the year.

# DEANE ROOFING AND CLADDING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

### 19 Deferred taxation (Continued)

£21,465 of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 20 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	1,314	-

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.

### 21 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10 Ordinary of £1 each	10	10
	<u>10</u>	<u>10</u>

All shares carry equal voting rights, rights to dividends and rights to a share of the company's assets on a winding up of the business.

### 22 Operating lease commitments

#### Lessee

The operating lease represents a lease of buildings from third parties. The lease is a 3 year lease which expires in July 2017 and rentals are fixed for the entire lease period. There are currently no options in place for either party to extend the lease term. The lease incentive given at the start of the lease has been recognised on a straight line basis since inception and therefore has had no impact on the transition to FRS102.

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:

	2017 £	2016 £
Within one year	21,132	42,265
Between two and five years	-	21,132
	<u>21,132</u>	<u>63,397</u>

## DEANE ROOFING AND CLADDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

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#### 23 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	1,197,899	257,199

##### Transactions with related parties

Deane Roofing and Cladding Ltd is related to Deane Roofing and Cladding Ltd(ROI) by virtue of close family connections.

There was an opening balance due to Deane Roofing and Cladding Ltd from Deane Roofing and Cladding Ltd (ROI) of £6,201. During the year there was no movement on this loan account and the balance owed to Deane Roofing and Cladding Ltd from Deane Roofing Ltd (IRL) at the year end was £6,201. They also purchases goods and services to the value of £1,866,765. At the year end there was a creditor balance owing to Deane Roofing and Cladding Ltd (ROI) of £0.

Deane Roofing and Cladding Ltd is related to Deane Roofing systems Ltd(ROI) by virtue of close family connections.

During the year Deane Roofing and Cladding Ltd sold goods to the value of £44,359.03 to Deane Roofing and Cladding Ltd (ROI) and purchased goods to the value of £5,856,646. At the year end there was a creditor balance owing of £96,295.

No guarantees have been given or received.

## DEANE ROOFING AND CLADDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 28 FEBRUARY 2017*

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#### **24 Directors' transactions**

Dividends totalling £633,750 (2016 - £32,795) were paid in the year in respect of shares held by the company's directors.

The following were the opening balances owed to the directors at the start of the accounting period.

Paul Deane      £7,148

Ronan Deane      £8,029

Noel Patrick Deane      £21,000

During the year there was no activity on the loan accounts.

The balances owed to the directors from Deane Roofing and Cladding Ltd were as follows.

Paul Deane      £7,148

Ronan Deane      £8,029

Noel Patrick Deane      £21,000

The loan from Millstone Property Ltd has personal guarantees from all the directors of the company. See note 16 for further details on this loan.

#### **25 Controlling party**

There is no one ultimate controlling party. The company is controlled by its shareholders by virtue of their shareholdings.

## DEANE ROOFING AND CLADDING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2017

#### 26 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	1,873,223	452,977
<b>Adjustments for:</b>		
Taxation charged	459,779	133,535
Finance costs	12,446	9,247
Investment income	(100)	(123)
Loss on disposal of tangible fixed assets	2,351	-
Depreciation and impairment of tangible fixed assets	80,786	153,528
Foreign exchange gains on cash equivalents	-	4,921
<b>Movements in working capital:</b>		
(Increase) in debtors	(836,815)	(1,265,221)
Increase in creditors	3,065,220	287,051
<b>Cash generated from/(absorbed by) operations</b>	<b>4,656,890</b>	<b>(224,085)</b>

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.