

Company Registration No. 06775188 (England and Wales)

DEANE ROOFING AND CLADDING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019

DEANE ROOFING AND CLADDING LIMITED

COMPANY INFORMATION

Directors	Mr P Deane Mr R Deane Mr N P Deane
Secretary	Mr P Deane
Company number	06775188
Registered office	Suites 3 and 4 63-67 Athenaeum Place Muswell Hill London N10 3HL
Auditor	Beatty & Co Suites 3 and 4 63-67 Athenaeum Place Muswell Hill London N10 3HL
Business address	Waterside House Waterside Way Northampton United Kingdom NN4 7XD
Bankers	Barclays Bank Plc Portman Square Leicester LE87 2BB

DEANE ROOFING AND CLADDING LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 30

DEANE ROOFING AND CLADDING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2019

The directors present the strategic report for the year ended 28 February 2019.

Fair review of the business

During the year turnover increased to 26,215,314 returning good profitability before tax of £1,398,476. Turnover was up on the previous year which was mainly due to the company starting a major contract during the 2019 financial year. Turnover is expected to be similar in the 2020 financial year as the company has since started on another major contract. Major contracts have been secured which are expected to have a positive impact both on turnover and profitability in the next couple of years.

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.

DEANE ROOFING AND CLADDING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

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 2019 are shown below together with that for 2018 for comparative purposes.

2019	2018	
Turnover Growth	60%	-46%
Return on capital	24%	19%
Liquidity	1.49	1.70

By order of the board

Mr P Deane
Secretary
28 November 2019

DEANE ROOFING AND CLADDING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2019

The directors present their annual report and financial statements for the year ended 28 February 2019.

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 P Deane

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £333,333. 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

28 November 2019

DEANE ROOFING AND CLADDING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2019

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

Opinion

We have audited the financial statements of Deane Roofing and Cladding Limited (the 'company') for the year ended 28 February 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, 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, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

DEANE ROOFING AND CLADDING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DEANE ROOFING AND CLADDING LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

DEANE ROOFING AND CLADDING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DEANE ROOFING AND CLADDING LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.

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

29 November 2019

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 2019

	Notes	2019 £	2018 £
Turnover	3	26,215,314	16,387,565
Cost of sales		(22,122,325)	(13,129,046)
Gross profit		<u>4,092,989</u>	<u>3,258,519</u>
Administrative expenses		(2,690,148)	(2,369,773)
Operating profit	4	<u>1,402,841</u>	<u>888,746</u>
Interest receivable and similar income	7	5,359	862
Interest payable and similar expenses	8	(9,724)	(12,466)
Profit before taxation		<u>1,398,476</u>	<u>877,142</u>
Tax on profit	9	(269,759)	(172,820)
Profit for the financial year		<u><u>1,128,717</u></u>	<u><u>704,322</u></u>

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 2019

	2019	2018
	£	£
Profit for the year	1,128,717	704,322
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,128,717</u>	<u>704,322</u>

DEANE ROOFING AND CLADDING LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11		604,099		554,665
Current assets					
Debtors	13	7,913,060		4,597,491	
Cash at bank and in hand		4,778,442		3,819,663	
		<u>12,691,502</u>		<u>8,417,154</u>	
Creditors: amounts falling due within one year	14	<u>(8,505,078)</u>		<u>(4,948,403)</u>	
Net current assets			<u>4,186,424</u>		<u>3,468,751</u>
Total assets less current liabilities			<u>4,790,523</u>		<u>4,023,416</u>
Creditors: amounts falling due after more than one year	15		(193,353)		(209,583)
Provisions for liabilities	18		(20,327)		(32,374)
Net assets			<u>4,576,843</u>		<u>3,781,459</u>
Capital and reserves					
Called up share capital	21		10		10
Profit and loss reserves			<u>4,576,833</u>		<u>3,781,449</u>
Total equity			<u>4,576,843</u>		<u>3,781,459</u>

The financial statements were approved by the board of directors and authorised for issue on 28 November 2019 and are signed on its behalf by:

Mr P Deane
Director

Mr N P Deane
Director

Company Registration No. 06775188

DEANE ROOFING AND CLADDING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 March 2017		10	3,077,127	3,077,137
Year ended 28 February 2018:				
Profit and total comprehensive income for the year		-	704,322	704,322
Balance at 28 February 2018		10	3,781,449	3,781,459
Year ended 28 February 2019:				
Profit and total comprehensive income for the year		-	1,128,717	1,128,717
Dividends	10	-	(333,333)	(333,333)
Balance at 28 February 2019		10	4,576,833	4,576,843

DEANE ROOFING AND CLADDING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	26	1,716,132		806,931	
Interest paid		(9,724)		(12,466)	
Income taxes paid		(181,944)		(474,380)	
Net cash inflow from operating activities		1,524,464		320,085	
Investing activities					
Purchase of tangible fixed assets		(203,104)		(92,440)	
Proceeds on disposal of tangible fixed assets		19,307		14,749	
Interest received		5,359		862	
Net cash used in investing activities		(178,438)		(76,829)	
Financing activities					
Repayment of borrowings		-		(593,358)	
Repayment of bank loans		(10,162)		(10,289)	
Payment of finance leases obligations		(43,752)		(40,942)	
Dividends paid		(333,333)		-	
Net cash used in financing activities		(387,247)		(644,589)	
Net increase/(decrease) in cash and cash equivalents		958,779		(401,333)	
Cash and cash equivalents at beginning of year		3,819,663		4,220,996	
Cash and cash equivalents at end of year		4,778,442		3,819,663	

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2019

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 it is probable will be recovered.

1.4 Tangible fixed assets

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

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 2019

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 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.7 Cash and cash equivalents

Cash and cash equivalents 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.

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

1 Accounting policies

(Continued)

1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 Taxation

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

Current tax

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

Deferred tax

Deferred tax 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.

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

1 Accounting policies

(Continued)

1.11 Employee benefits

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

The 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.

1.12 Retirement benefits

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

1.13 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.14 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.

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

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.

3 Turnover and other revenue

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

	2019 £	2018 £
Turnover analysed by class of business		
Sales of goods	26,215,314	16,387,565
	<u> </u>	<u> </u>
	2019 £	2018 £
Other significant revenue		
Interest income	5,359	862
	<u> </u>	<u> </u>

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

3 Turnover and other revenue (Continued)

	2019 £	2018 £
Turnover analysed by geographical market		
UK and Ireland	26,215,314	16,387,565

4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(7,320)	267,215
Fees payable to the company's auditor for the audit of the company's financial statements	30,000	28,000
Depreciation of owned tangible fixed assets	65,236	41,286
Depreciation of tangible fixed assets held under finance leases	47,023	50,555
Loss on disposal of tangible fixed assets	22,104	23,474
Operating lease charges	131,486	60,367

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 £7,320 (2018 - £267,215).

5 Employees

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

	2019 Number	2018 Number
Directors	3	3
Employees	33	34
	36	37

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,914,463	1,878,083
Social security costs	271,207	210,676
Pension costs	19,676	10,173
	2,205,346	2,098,932

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	573,243	576,499
Company pension contributions to defined contribution schemes	2,309	1,164
	<u>575,552</u>	<u>577,663</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

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

Remuneration for qualifying services	313,301	404,920
Company pension contributions to defined contribution schemes	770	388
	<u>314,071</u>	<u>405,308</u>

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	5,359	862
	<u>5,359</u>	<u>862</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	5,359	862
	<u>5,359</u>	<u>862</u>

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	8,151	8,084
Other finance costs:		
Interest on finance leases and hire purchase contracts	1,573	4,382
	<u>9,724</u>	<u>12,466</u>

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

9 Taxation

	2019 £	2018 £
Current tax		
Foreign current tax on profits for the current period	281,806	181,944
Deferred tax		
Origination and reversal of timing differences	4,043	(9,124)
Adjustment in respect of prior periods	(16,090)	-
Total deferred tax	(12,047)	(9,124)
Total tax charge	269,759	172,820

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:

	2019 £	2018 £
Profit before taxation	1,398,476	877,142
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	265,710	166,657
Tax effect of expenses that are not deductible in determining taxable profit	660	1,196
Effect of change in corporation tax rate	-	793
Double tax relief	-	3,995
Deferred tax adjustments in respect of prior years	16,090	-
Other timing differences	(12,701)	179
Taxation for the year	269,759	172,820

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

10 Dividends

	2019 £	2018 £
Interim paid	333,333	-

11 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 March 2018	260,000	401,167	59,469	108,222	828,858
Additions	-	125,634	-	77,470	203,104
Disposals	-	(46,639)	-	(33,106)	(79,745)
At 28 February 2019	260,000	480,162	59,469	152,586	952,217
Depreciation and impairment					
At 1 March 2018	-	201,577	49,213	23,403	274,193
Depreciation charged in the year	-	86,880	1,958	23,421	112,259
Eliminated in respect of disposals	-	(26,185)	-	(12,149)	(38,334)
At 28 February 2019	-	262,272	51,171	34,675	348,118
Carrying amount					
At 28 February 2019	260,000	217,890	8,298	117,911	604,099
At 28 February 2018	260,000	199,590	10,256	84,819	554,665

The carrying value of land and buildings comprises:

	2019 £	2018 £
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.

	2019 £	2018 £
Plant and machinery	3,533	50,556

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.

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

11 Tangible fixed assets

(Continued)

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:

	2019 £	2018 £
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

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>5,177,206</u>	<u>1,673,324</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>8,093,774</u>	<u>4,687,837</u>

13 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	2,011,026	642,397
Gross amounts owed by contract customers	2,728,091	2,850,792
Other debtors	3,166,180	1,096,539
Prepayments and accrued income	7,763	7,763
	<u>7,913,060</u>	<u>4,597,491</u>

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

14 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	16	10,202	10,067
Obligations under finance leases	17	7,505	45,324
Trade creditors		2,295,781	1,626,125
Corporation tax		281,806	181,944
Other taxation and social security		322,851	288,205
Other creditors		69,286	230,803
Accruals and deferred income		5,517,647	2,565,935
		<u>8,505,078</u>	<u>4,948,403</u>

15 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	16	193,353	203,650
Obligations under finance leases	17	-	5,933
		<u>193,353</u>	<u>209,583</u>

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

Payable by instalments	(193,353)	(159,793)
------------------------	-----------	-----------

16 Loans and overdrafts

	2019 £	2018 £
Bank loans	<u>203,555</u>	<u>213,717</u>
Payable within one year	10,202	10,067
Payable after one year	<u>193,353</u>	<u>203,650</u>

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

The company has a 20 year loan from Barclays Bank Plc. 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.

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

17 Finance lease obligations

	2019	2018
	£	£
Future minimum lease payments due under finance leases:		
Within one year	7,505	45,324
In two to five years	-	5,933
	<u>7,505</u>	<u>51,257</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	2019	2018
		£	£
Deferred tax liabilities	19	<u>20,327</u>	<u>32,374</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 2019	Liabilities 2018
	£	£
Balances:		
ACAs	32,373	32,374
Revaluations	(12,046)	-
	<u>20,327</u>	<u>32,374</u>
Movements in the year:		2019
		£
Liability at 1 March 2018		32,374
Other		(12,047)
Liability at 28 February 2019		<u>20,327</u>

£7,857 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.

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

20 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	19,676	10,173

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

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
10 Ordinary of £1 each	10	10

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 5 year lease which expires in July 2022 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:

	2019	2018
	£	£
Within one year	127,590	48,500
Between two and five years	123,799	165,708
	251,389	214,208

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	575,552	572,161

Transactions with related parties

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

23 Related party transactions

(Continued)

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

Deane Roofing Systems Limited (IRL)

This is an Irish company controlled by Declan Deane a brother of Deane Roofing and Cladding Ltd's directors.

There was an opening debtor balance of £46,923 owed from Deane Roofing Systems Ltd (IRL). During the year there were sales of £74,058 to Deane Roofing Systems Ltd (IRL). All of these were paid during the year and there was no debtor balance owed to Deane Roofing and Cladding Ltd from Deane Roofing Systems Ltd at the year end.

There was an opening creditor balance owed to Deane Roofing Systems Ltd (IRL) of £17,497. During the year there were purchases of £5,255,087. All of these were paid during the year and there was no creditor balance owed to Deane Roofing Systems Ltd (IRL) from Deane Roofing and Cladding Ltd at the year end.

Deane Roofing and Cladding Limited (IRL)

This is an Irish company controlled by Noel Deane, father of Deane Roofing and Cladding Ltd's directors.

There was an opening debtor balance of £7,720 owed from Deane Roofing and Cladding Ltd (IRL). During the year this balance was paid and there was no other activity between the two companies. There was no debtor balance owed to Deane Roofing and Cladding Ltd from Deane Roofing and Cladding Ltd (IRL) at the year end.

There was also an intercompany loan account owed to Deane Roofing and Cladding Ltd from Deane Roofing and Cladding Ltd (IRL) of £6,201. There was no movement on this loan during the year.

D Facades Ltd

This is a UK company controlled by Olivia Deane the sole director and sister of Deane Roofing and Cladding Ltd's directors.

There was an opening debtor balance owed from D Facades Ltd of £54,000. During the year there were sales of £778,791 to D Facades Ltd. None of these were paid during the year. The debtor balance owed to Deane Roofing and Cladding Ltd from D Facades Ltd was £832,791.

There was an opening creditor balance owed to D Facades Ltd of £175,763. There were purchases of £786,479 during the year. £61,640 of these were paid during the year and the outstanding creditor balance owed by Deane Roofing and Cladding Ltd to D Facades Ltd at the yearend was £900,602.

There was an opening intercompany loan balance of £12,046 owed to Deane Roofing and Cladding Ltd from D Facades Ltd. During the year Deane Roofing and Cladding Ltd loaned D Facades Ltd a further £116,473. None of this was repaid during the year and at the year end the balance owed to Deane Roofing and Cladding Ltd from D Facades Ltd was £128,519.

PRND Ltd

This is a UK company with common ownership and control as Deane Roofing and Cladding Ltd.

There was an opening creditor balance owed to PRND Ltd of £23,727. There were purchases of £75,251 during the year. These were paid during the year and there was no outstanding creditor balance owed by Deane Roofing and Cladding Ltd to D Facades Ltd at the year-end.

There was an opening intercompany loan balance of £1,000,000 owed to Deane Roofing and Cladding Ltd from PRND Ltd. During the year Deane Roofing and Cladding Ltd loaned PRND Ltd a further £2,018,781. None of this had been repaid during the year and at the year end the intercompany loan balance owed to Deane Roofing and Cladding Ltd from PRND Ltd was £3,018,781.

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

23 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2019	2018
Amounts due from related parties	£	£
Entities over which the entity has control, joint control or significant influence	3,147,300	1,012,046
	<u> </u>	<u> </u>

DEANE ROOFING AND CLADDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

24 Directors' transactions

Dividends totalling £300,000 (2018 - £0) 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

25 Ultimate controlling party

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

26 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	1,128,717	704,322
Adjustments for:		
Taxation charged	269,759	172,820
Finance costs	9,724	12,466
Investment income	(5,359)	(862)
Loss on disposal of tangible fixed assets	22,104	23,474
Depreciation and impairment of tangible fixed assets	112,259	91,842
Movements in working capital:		
(Increase)/decrease in debtors	(3,315,569)	618,546
Increase/(decrease) in creditors	3,494,497	(815,677)
Cash generated from operations	1,716,132	806,931

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