

Company registration number 06775188 (England and Wales)

DEANE ROOFING AND CLADDING LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

DEANE ROOFING AND CLADDING LTD

COMPANY INFORMATION

Directors	Mr P Deane Mr R Deane Mr N Deane
Secretary	Mr P Deane
Company number	06775188
Registered office	2nd Floor Waterside House Waterside Way Northampton UK NN4 7XD
Auditor	AEL Markhams Ltd 201 Haverstock Hill Belsize Park London United Kingdom NW3 4QG
Bankers	Barclays Bank Plc Portman Square Leicester LE87 2BB

DEANE ROOFING AND CLADDING LTD

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DEANE ROOFING AND CLADDING LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present the strategic report for the year ended 28 February 2023.

Fair review of the business

During the year turnover decreased to £33.1m and increasing profitability before tax to £3.7m. Turnover was up on the previous year mainly due to a few large contracts being completed in the year. Also, contracts that had been on hold because of issues following the Covid-19 pandemic commenced. Turnover is expected to be similar in the 2024 financial year.

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. COVID-19 has affected the UK economy and the impact of this on the Company has been discussed below.

COVID-19

The outbreak of the Covid-19 virus was declared a global pandemic by the World Health Organisation in March 2020. Because of its impact it has constrained the supply of products and materials, affected supply chain capacity, and required a complete overhaul of our processes and procedures on site to ensure building work could continue.

Labour Supply

There is currently a skills shortage at the moment with fewer young people wanting to get into construction. The resultant shortage then impacts on the cost of labour as labourers are able to charge a premium for their skills. This in turn can impact on the profitability of projects.

Inflation

Inflation is another issue that is impacting the company with rising materials, labour and energy costs. These can have an impact both on the profitability of live projects and the company's ability to deliver within agreed timescales. Also, the company's ability to win new contracts to ensure profitability.

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. Any hedging activity would involve 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.

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 currently the company doesn't have any funding requirements.

DEANE ROOFING AND CLADDING LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

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 2023 are shown below together with that for 2022 for comparative purposes.

2023	2022
Turnover Growth +58%	-34%
Return on capital	22% 23%
Liquidity	2.41 2.37

By order of the board

Mr P Deane
Secretary

30 November 2023

DEANE ROOFING AND CLADDING LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present their annual report and financial statements for the year ended 28 February 2023.

Principal activities

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

Results and dividends

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

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

Directors

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

Mr P Deane

Mr R Deane

Mr N Deane

Auditor

In accordance with the company's articles, a resolution proposing that AEL Markhams Ltd 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.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

By order of the board

Mr P Deane

Secretary

30 November 2023

DEANE ROOFING AND CLADDING LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2023

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 LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DEANE ROOFING AND CLADDING LTD

Opinion

We have audited the financial statements of Deane Roofing and Cladding Ltd (the 'company') for the year ended 28 February 2023 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

DEANE ROOFING AND CLADDING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DEANE ROOFING AND CLADDING LTD

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our experience through discussions with the directors and management as required by auditing standards.

We had regard to laws and regulations in areas that directly affected the financial statements including financial reporting, related company and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance, and as required by auditing standards, our work included agreeing the financial statement disclosures to underlying supporting documentation, review of board minutes, enquiries with management, enquiries of external advisers, and review of correspondence with external legal advisors.

We communicated any identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and unusual account combinations or where posted by senior management. We evaluated whether there was evidence of bias by the directors in accounting estimates that represented a risk of material misstatement due to fraud and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

DEANE ROOFING AND CLADDING LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DEANE ROOFING AND CLADDING LTD

Our audit procedures were designed to respond to risk of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, collusion or misrepresentation, or forgery. There are inherent limitations in the audit procedures performed and the further removed noncompliance with laws and regulations is from transactions and events reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr Marc Bennett
Senior Statutory Auditor
For and on behalf of AEL Markhams Ltd

30 November 2023

Chartered Accountants
Statutory Auditor

201 Haverstock Hill
Belsize Park
London
United Kingdom
NW3 4QG

DEANE ROOFING AND CLADDING LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2023

	Notes	2023 £	2022 £
Turnover	3	33,141,353	21,015,171
Cost of sales		(25,982,761)	(17,430,580)
Gross profit		7,158,592	3,584,591
Administrative expenses		(3,524,183)	(2,605,824)
Other operating income		21,485	24,033
Operating profit	4	3,655,894	1,002,800
Interest receivable and similar income	7	10,881	327
Profit before taxation		3,666,775	1,003,127
Tax on profit	8	(695,346)	791,430
Profit for the financial year		2,971,429	1,794,557

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

DEANE ROOFING AND CLADDING LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2023

	2023 £	2022 £
Profit for the year	2,971,429	1,794,557
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,971,429</u>	<u>1,794,557</u>

DEANE ROOFING AND CLADDING LTD

BALANCE SHEET

AS AT 28 FEBRUARY 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		463,251		419,693
Investments	10		2,350		-
			<u>465,601</u>		<u>419,693</u>
Current assets					
Debtors	12	9,013,046		6,587,576	
Cash at bank and in hand		7,393,133		6,110,088	
		<u>16,406,179</u>		<u>12,697,664</u>	
Creditors: amounts falling due within one year	13	(6,118,081)		(5,354,354)	
Net current assets			<u>10,288,098</u>		<u>7,343,310</u>
Total assets less current liabilities			<u>10,753,699</u>		<u>7,763,003</u>
Provisions for liabilities					
Deferred tax liability	14	76,221		56,954	
		<u>(76,221)</u>		<u>(56,954)</u>	
Net assets			<u>10,677,478</u>		<u>7,706,049</u>
Capital and reserves					
Called up share capital	16		10		10
Profit and loss reserves			<u>10,677,468</u>		<u>7,706,039</u>
Total equity			<u>10,677,478</u>		<u>7,706,049</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 30 November 2023 and are signed on its behalf by:

Mr P Deane
Director

Company registration number 06775188 (England and Wales)

DEANE ROOFING AND CLADDING LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 March 2021	10	5,911,482	5,911,492
Year ended 28 February 2022:			
Profit and total comprehensive income	-	1,794,557	1,794,557
Balance at 28 February 2022	10	7,706,039	7,706,049
Year ended 28 February 2023:			
Profit and total comprehensive income	-	2,971,429	2,971,429
Balance at 28 February 2023	10	10,677,468	10,677,478

DEANE ROOFING AND CLADDING LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	20				
		862,434		(3,919,396)	
Income taxes refunded/(paid)		581,249		(799,381)	
Net cash inflow/(outflow) from operating activities		1,443,683		(4,718,777)	
Investing activities					
Purchase of tangible fixed assets		(196,727)		(186,280)	
Proceeds from disposal of tangible fixed assets		27,558		22,000	
Proceeds from disposal of associates		(2,350)		-	
Interest received		10,881		327	
Net cash used in investing activities		(160,638)		(163,953)	
Net increase/(decrease) in cash and cash equivalents		1,283,045		(4,882,730)	
Cash and cash equivalents at beginning of year		6,110,088		10,992,818	
Cash and cash equivalents at end of year		7,393,133		6,110,088	

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

Company information

Deane Roofing and Cladding Ltd is a company limited by shares incorporated in England and Wales. The registered office is 2nd Floor Waterside House, Waterside Way, Northampton, UK, NN4 7XD.

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. 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.

As at 28 February 2023, the company had substantial cash balances, no debt, access to secured bank facilities and a strong forward secured order book.

The company is currently monitoring the continuing high inflation rate and the impact this is having on energy, materials and labour costs.

The directors regularly review the working capital requirements of the company in the normal course of business and, in doing so, consider a range of hypothetical sensitivities concerning workload and cash generation decline. Those sensitivities include stress testing scenarios including the potential impact of workload and cash flow from operating activities being reduced significantly.

After making enquiries and considering the factors and sensitivities outlined above for a range of scenarios, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual 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.

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

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:

Plant and machinery	20% Reducing Balance
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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 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.

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

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.

1.7 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.

1.8 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.

1.9 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 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

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.

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.10 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.

1.11 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 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

1 Accounting policies

(Continued)

1.12 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.

1.13 Retirement benefits

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

1.14 Leases

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.15 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.

1.16 Research and Development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

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 10 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 11 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 11 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:

	2023 £	2022 £
Turnover analysed by class of business		
Sales of goods	33,141,353	21,015,171
	<u>33,141,353</u>	<u>21,015,171</u>
	2023 £	2022 £
Turnover analysed by geographical market		
UK and Europe	33,141,353	21,015,171
	<u>33,141,353</u>	<u>21,015,171</u>

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

3 Turnover and other revenue (Continued)

	2023	2022
	£	£
Other revenue		
Interest income	10,881	327
	<u>10,881</u>	<u>327</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(591,566)	56,129
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	19,000
Depreciation of owned tangible fixed assets	96,939	75,563
Loss on disposal of tangible fixed assets	28,672	7,021
Operating lease charges	560,671	192,186
	<u>560,671</u>	<u>192,186</u>

5 Employees

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

	2023	2022
	Number	Number
Directors	3	3
Employees	46	44
	<u>49</u>	<u>47</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	2,949,147	2,033,581
Social security costs	370,931	234,225
Pension costs	43,020	45,832
	<u>3,363,098</u>	<u>2,313,638</u>

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	941,505	269,056
Company pension contributions to defined contribution schemes	3,963	3,959
	<u>945,468</u>	<u>273,015</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2022 - 3).

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

	2023 £	2022 £
Remuneration for qualifying services	343,758	85,000
Company pension contributions to defined contribution schemes	1,320	1,320
	<u>345,078</u>	<u>86,320</u>

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	9,357	327
Other interest income	1,524	-
	<u>10,881</u>	<u>327</u>
Total income	<u>10,881</u>	<u>327</u>

	2023 £	2022 £
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	9,357	327
	<u>9,357</u>	<u>327</u>

8 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	655,747	(229,691)
Adjustments in respect of prior periods	(4,450)	(689,015)
	<u>651,297</u>	<u>(918,706)</u>
Total UK current tax	<u>651,297</u>	<u>(918,706)</u>
Foreign current tax on profits for the current period	24,782	107,767
	<u>676,079</u>	<u>(810,939)</u>
Total current tax	<u>676,079</u>	<u>(810,939)</u>

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

8 Taxation		(Continued)	
	2023	2022	
	£	£	
Deferred tax			
Origination and reversal of timing differences	19,267	19,509	
	<u>19,267</u>	<u>19,509</u>	
Total tax charge/(credit)	695,346	(791,430)	
	<u>695,346</u>	<u>(791,430)</u>	
The actual charge/(credit) 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:			
	2023	2022	
	£	£	
Profit before taxation	3,666,775	1,003,127	
	<u>3,666,775</u>	<u>1,003,127</u>	
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	696,687	190,594	
Tax effect of expenses that are not deductible in determining taxable profit	26,476	17,068	
Adjustments in respect of prior years	(4,450)	(689,015)	
Effect of change in corporation tax rate	-	13,669	
Double tax relief	(24,782)	(107,767)	
Research and development tax credit	-	(229,691)	
Other timing differences	1,415	13,712	
	<u>695,346</u>	<u>(791,430)</u>	
Taxation charge/(credit) for the year	695,346	(791,430)	
	<u>695,346</u>	<u>(791,430)</u>	

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

9 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 March 2022	690,091	9,860	215,591	915,542
Additions	162,127	-	34,600	196,727
Disposals	(41,477)	(9,860)	(75,626)	(126,963)
At 28 February 2023	810,741	-	174,565	985,306
Depreciation and impairment				
At 1 March 2022	408,876	6,695	80,278	495,849
Depreciation charged in the year	73,793	-	23,146	96,939
Eliminated in respect of disposals	(31,501)	(6,695)	(32,537)	(70,733)
At 28 February 2023	451,168	-	70,887	522,055
Carrying amount				
At 28 February 2023	359,573	-	103,678	463,251
At 28 February 2022	281,215	3,165	135,313	419,693

10 Fixed asset investments

	Notes	2023 £	2022 £
Investments in associates	11	2,350	-

Movements in fixed asset investments

	Shares in associates £
Cost or valuation	
At 1 March 2022	-
Additions	2,350
At 28 February 2023	2,350
Carrying amount	
At 28 February 2023	2,350
At 28 February 2022	-

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

11 Associates

The company prepares separate financial statements as they are required to do so by Danish Company Law. Consolidated accounts are not required as there is no controlling interest held.

Details of the company's associates at 28 February 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Deane Roofing and Cladding ApS	Grabrode Plads 3,1. 5000 Odense C, Denmark	Ordinary	50.00

The company has adopted the cost model for valuing subsidiaries. At the balance sheet date the carrying amount of the investment at the year end was £2,350.

The company's share of the Associates retained earnings per the associates last set of accounts to 31 December 2022 was £54,450.

12 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	2,239,407	1,315,318
Gross amounts owed by contract customers	5,831,449	3,751,994
Corporation tax recoverable	237,383	918,707
Other debtors	698,996	592,557
Prepayments and accrued income	5,811	9,000
	<u>9,013,046</u>	<u>6,587,576</u>

13 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	2,660,727	2,860,542
Corporation tax	683,771	107,767
Other taxation and social security	304,637	169,810
Other creditors	919,711	119,413
Accruals and deferred income	1,549,235	2,096,822
	<u>6,118,081</u>	<u>5,354,354</u>

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

14 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 2023 £	Liabilities 2022 £
Balances:		
ACAs	76,221	56,954
Movements in the year:		2023 £
Liability at 1 March 2022		56,954
Charge to profit or loss		19,267
Liability at 28 February 2023		76,221

£20,110 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.

15 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	43,020	45,832

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.

16 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	10	10	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.

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

17 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:

	2023 £	2022 £
Within one year	-	35,345

18 Related party transactions

Transactions with related parties

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

	Sales		Purchases	
	2023 £	2022 £	2023 £	2022 £
Entities over which the entity has control, joint control or significant influence	-	-	2,523,793	2,926,994
Other related parties	192,979	57,273	1,675,640	4,950,121

The spouses of the directors were paid a total of £126,185 between them.

	2023 £	2022 £
Amounts due to related parties		
Entities over which the entity has control, joint control or significant influence	145,054	546,026
Other related parties	-	324,585

The following amounts were outstanding at the reporting end date:

19 Ultimate controlling party

There is no Parent company.

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

DEANE ROOFING AND CLADDING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2023

20 Cash generated from/(absorbed by) operations

	2023 £	2022 £
Profit for the year after tax	2,971,429	1,794,557
Adjustments for:		
Taxation charged/(credited)	695,346	(791,430)
Investment income	(10,881)	(327)
Loss on disposal of tangible fixed assets	28,672	7,021
Depreciation and impairment of tangible fixed assets	96,939	75,563
Movements in working capital:		
Increase in debtors	(3,106,794)	(871,289)
Increase/(decrease) in creditors	187,723	(4,133,491)
Cash generated from/(absorbed by) operations	862,434	(3,919,396)

21 Analysis of changes in net funds

	1 March 2022 £	Cash flows £	28 February 2023 £
Cash at bank and in hand	6,110,088	1,283,045	7,393,133

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.