

Company Registration No. 10695726 (England and Wales)

**ARNOLD LAVER HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# ARNOLD LAVER HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	R T Barclay N A McGill R G Myatt J M Chilton
<b>Company number</b>	10695726
<b>Registered office</b>	Bramall Lane Sheffield South Yorkshire S2 4RJ
<b>Auditor</b>	BHP LLP 2 Rutland Park Sheffield S10 2PD

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# ARNOLD LAVER HOLDINGS LIMITED

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# ARNOLD LAVER HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present the strategic report for the year ended 31 December 2021.

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

The company did not trade during the year. It is the immediate parent company of Arnold Laver & Company Limited, whose principal activities are timber importing and the merchanting and manufacture of timber and related products. The following is the fair review of the business for Arnold Laver & Company Limited.

The principal activities of Arnold Laver & Company Limited are the merchanting and manufacture of timber and related products. These activities originate from Arnold Laver's founding of the business in Sheffield in 1920.

The Company's growth strategy continues to be based on both organic growth, through the existing depot network and new site openings, and selective acquisitions. An established depot was added in 2021 following the acquisition and subsequent hive-up of Hymor Timber Limited in Stoke-on-Trent. The integration of the Hymor Timber business has been very successful and the depot's performance has exceeded pre-acquisition expectations. We continue to invest in our digital platforms to support both existing business and to increase our trading account base. In addition, there has been further development of the ALCO brand to grow sales of our specialist timber products into second-line merchants and other key resellers.

There has been a continued focus on growing the recently created brands, Intelligent Door Solutions, for our manufactured Door & Joinery business, and National Timber Systems, covering the engineered timber products business (roof trusses, floor joists & roof cassettes). Both businesses were slower to recover from the effects of COVID-19 due to economic conditions within the commercial sector, however both also started to perform strongly late in 2021 and continue to do so early in 2022.

The business will continue to remain a timber specialist that is customer-focused, delivering service and product innovation to support its growth plans across its target market segments. Its broad range of products, market sectors and customers should ensure that it is not over-reliant on any one market. It is well placed to service the growth opportunities that exist in most of the major cities, particularly in the areas of commercial development, house-building and major infrastructure investment. We also continue to target specialist end-users with a range of innovative decorative products. Finally, the Company continues to invest in value-add production capacity to support its growth plans and to deliver product solutions for our customers.

### **Development and performance**

In 2021, full year revenues were £185.2m, representing a 49% increase on the same period last year. Revenue growth was driven by the recovery in the market post COVID 19, albeit the business remained impacted by lockdown measures in Q1. Throughout the pandemic the Group continued to invest in growth initiatives which have continued to gain traction during 2021, with revenue up 26.3% versus 2019 pre-pandemic levels.

Progress was made on delivering gross margin growth with an increase of 90bps to 28.6% being achieved. The business continued to develop its strong pricing disciplines and also benefitted from its established procurement strategy and sales mix, with demand particularly strong in the higher margin RMI market.

Operating costs % of revenue reduced to 23.3% in the year, with the business benefitting from the operational gearing impact of higher volumes and the actions taken during the pandemic to accelerate planned cost efficiency measures.

Operating profit was £8.7m, up from a loss of £1.3m for 2020, before amortisation of goodwill and after charging £3.2m of additional costs associated with central group support.

The current financial year started strongly, however we anticipate challenges relating to prevailing economic conditions and the geopolitical situation. Despite these challenges, the present expectation is that revenue and operating profit will exceed 2021 levels.

# **ARNOLD LAVER HOLDINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **S.172 Statement**

Arnold Laver Holdings Limited is a the parent company to Arnold Laver & Company Limited and does not trade. It is large for reporting purposes by virtue of the size of its subsidiary Arnold Laver & Company Limited. The Companies Act 2006 requires large businesses to comply with s172 and accordingly the directors have included the following statement relevant to its trading subsidiary.

In accordance with section 172 of the Companies Act 2006, each of our directors acts in the way he considers, in good faith would promote the success of the company for the benefit of its members as a whole. The directors have taken into consideration, amongst other matters:

- the likely consequences of any decisions in the long-term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations of the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the company.

The Board acknowledge that every decision it makes will not necessarily result in a positive outcome for all of the Group's stakeholders. By considering the Company's purpose, vision and values, together with its strategic priorities and having a process in place for decision making the Board does however, aim to make sure that its decisions are consistent.

### **Stakeholder engagement**

The Board believe that considering our stakeholders in key business decisions is not only the right thing to do, but is fundamental to our ability to drive value creation. The Board seeks to understand the respective interest of such stakeholder groups through various methods, including direct engagement by Board members; receiving of reports and updates from members of management who engage with such groups; and coverage in our Board papers of relevant stakeholder interests with regards to proposed courses of action. The directors consider the following to be the Company's key stakeholders:

#### **Employees**

The strength of our business is built on the hard work and dedication of our employees. The Board recognises that the implementation of an effective people strategy and strong culture underpin the effective delivery of the company strategy.

Employees are kept informed of performance and strategy through regular presentations and updates from members of the Board. These updates are further supported by newsletters and management briefings. The directors attend key business meetings throughout the year, including weekly trading meetings. An anonymous employee whistleblowing line is also in place, allowing employees to raise any concerns in confidence.

Key focus of the Board includes employee health and well-being, personal development, pay and benefits.

#### **Customers**

The profitability of the business is underpinned by providing effective partnerships with customers to understand their needs and requirements. In recognition of this a core principle of the business is to be customer centric, building relationships and engaging at a local and national level, providing a high level of service through the expert knowledge of our employees and ensuring a quality product.

The Board receives regular updates on customer opinion, behaviour and feedback, including analysis of the Net Promoter Score. The insight received is used to inform decision making, understand customer needs and views in order to improve our offer and service for them.

# **ARNOLD LAVER HOLDINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Suppliers**

The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis. The Board seeks to balance the benefit of maintaining these strong relationships along with the need to obtain value for money for our investors and desired quality and service levels for our customers. Engagement with suppliers is primarily through our Group procurement function. Key areas of focus include innovation, product development, health and safety and sustainability.

### **Communities**

The Board supports the initiatives with regards to reducing the adverse impacts on the environment and engages with the communities in which we operate. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We partner with local charities at a site level to raise awareness and funds. The key issues and themes across local communities are reported back to the Board.

### **Government and regulations**

We engage with the government and regulators through a range of industry consultations, forums, and meetings to communicate our views to policy makers relevant to our business. Key areas of focus are compliance with laws and regulations, health and safety and product safety. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

### **Investors**

The Group relies on our shareholders and providers of debt funding as essential sources of capital to further our business objectives. Investor involvement in the decision making process includes representation on the company Board. The company has open dialogue with all investors through regular meetings which cover a wide range of topics including financial performance, strategy, outlook and governance.

### **Principal risks and uncertainties**

The Company's operations expose it to a variety of financial risks as discussed below. The Company has a risk management programme that seeks to limit the adverse effect of such risks on financial performance.

The principal risks and uncertainties affecting the Company include the following:

#### **Price risk**

The Company is exposed to commodity price risk as a result of its operations. Commodity prices are continually monitored and proactively managed at both an operational management level and through the Group procurement function to ensure that selling prices are quickly adjusted to mitigate the risk to earnings.

#### **Credit risk**

The Company has implemented a policy that requires credit checks on potential customers before sales are made, in line with the terms of its credit insurance. The amount of exposure to any individual counterparty is subject to a limit, which is assessed regularly by the board.

#### **Liquidity risk**

The Company maintains short-term debt finance that is designed to ensure the Company has sufficient funds for its operations.

On behalf of the board

R G Myatt  
**Director**  
30 September 2022

# ARNOLD LAVER HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the company is that of a holding company.

#### Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £1,463,275. The directors do not recommend payment of a further dividend.

#### Directors

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

R T Barclay  
N A McGill  
R G Myatt  
J M Chilton

#### Auditor

BHP LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Energy and carbon report

The company is not required to separately produce its Energy and carbon report because it is included in the group accounts for National Timber Group Topco Limited.

#### Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

## **ARNOLD LAVER HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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#### **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.

On behalf of the board

R G Myatt  
**Director**

30 September 2022



# ARNOLD LAVER HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ARNOLD LAVER HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Arnold Laver Holdings Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

# **ARNOLD LAVER HOLDINGS LIMITED**

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

### **TO THE MEMBERS OF ARNOLD LAVER HOLDINGS LIMITED**

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#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **ARNOLD LAVER HOLDINGS LIMITED**

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

#### **TO THE MEMBERS OF ARNOLD LAVER HOLDINGS LIMITED**

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##### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the timber processing and retail trade;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations considered above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- using audit data analytical software, identified higher risk transactions (including journals);
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators (which was deemed to be the Health and Safety Executive) and the Group's legal advisors;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

## **ARNOLD LAVER HOLDINGS LIMITED**

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

#### **TO THE MEMBERS OF ARNOLD LAVER HOLDINGS LIMITED**

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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.

**Paul Winwood (Senior Statutory Auditor)**  
**For and on behalf of BHP LLP**

30 September 2022

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

2 Rutland Park  
Sheffield  
S10 2PD

## ARNOLD LAVER HOLDINGS LIMITED

### PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 DECEMBER 2021*

	Notes	2021 £	2020 £
Interest receivable and similar income	4	1,463,275	-
<b>Profit before taxation</b>		<u>1,463,275</u>	<u>-</u>
Tax on profit	5	-	-
<b>Profit for the financial year</b>		<u><u>1,463,275</u></u>	<u><u>-</u></u>

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

# ARNOLD LAVER HOLDINGS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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	2021	2020
	£	£
Profit for the year	1,463,275	-
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,463,275</u>	<u>-</u>

# ARNOLD LAVER HOLDINGS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	7	36,302,153		36,302,153	
<b>Current assets</b>					
Debtors	9	1,464,275		1,000	
<b>Creditors: amounts falling due within one year</b>	10	(1,463,275)		-	
<b>Net current assets</b>			1,000		1,000
<b>Net assets</b>			36,303,153		36,303,153
<b>Capital and reserves</b>					
Called up share capital	11	1,001		1,001	
Profit and loss reserves		36,302,152		36,302,152	
<b>Total equity</b>			36,303,153		36,303,153

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

R G Myatt  
Director

Company Registration No. 10695726

# ARNOLD LAVER HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 January 2020</b>	1,001	36,302,152	36,303,153
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	-	-
<b>Balance at 31 December 2020</b>	1,001	36,302,152	36,303,153
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	1,463,275	1,463,275
Dividends	6	(1,463,275)	(1,463,275)
<b>Balance at 31 December 2021</b>	1,001	36,302,152	36,303,153



# ARNOLD LAVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Arnold Laver Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bramall Lane, Sheffield, South Yorkshire, S2 4RJ.

#### **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.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Arnold Laver Holdings Limited is a wholly owned subsidiary of National Timber Group Topco Limited and the results of Arnold Laver Holdings Limited are included in the consolidated financial statements of National Timber Group Topco Limited which are available from Companies House.

#### **1.2 Going concern**

As the company does not trade the directors' going concern assessment has been based on that of its trading subsidiary Arnold Laver & Company Limited. As part of this, the Directors have considered the impact of the Covid-19 pandemic on the subsidiary's trade, workforce and the wider markets. Detailed modelling has been undertaken to assess the effects on financial performance, liquidity and covenant compliance under a range of scenarios with stress testing performed to assess the resilience of the business. During the pandemic, the Directors have been in regular discussion with the company's bankers in relation business performance and ongoing facilities. Trading volumes rebounded sharply following lockdown restrictions being lifted with the business returning to profitability as it exited June. Taking into account the scenario modelling, current trading performance and discussions with investors, including bankers, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

#### **1.3 Fixed asset investments**

Interests in subsidiaries 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.

#### **1.4 Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

# ARNOLD LAVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.5 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.

##### **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.

# ARNOLD LAVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future 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.

#### **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.

### 1.6 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.

### 1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# ARNOLD LAVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.

#### Impairment of fixed asset investments

The Company tests fixed investments assets and investments annually for impairment, or more frequently if there are indications that an impairment may be required.

In determining whether fixed asset investments are impaired, the value of use of the cash generating unit is reviewed. The key estimates made in the value in use calculation are those regarding discount rates, sales growth rates and direct costs to reflect the operational gearing of the business. Reviews are performed by forecasting cashflows based upon the budget and latest forecasts, which anticipates sales growth based on industry growth expectation and management experience.

### 3 Employees

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

	2021 Number	2020 Number
Total	-	-

### 4 Interest receivable and similar income

	2021 £	2020 £
<b>Other income from investments</b>		
Dividends received	1,463,275	-

# ARNOLD LAVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Taxation

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

	2021 £	2020 £
Profit before taxation	1,463,275	-
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	278,022	-
Group income	(278,022)	-
Taxation charge for the year	-	-

### 6 Dividends

	2021 £	2020 £
Final paid	1,463,275	-

### 7 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	8	36,302,153	36,302,153

### 8 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Arnold Laver & Company Limited	England and Wales	Ordinary	100.00
Fire Door Inspect Limited	England and Wales	Ordinary	100.00

# ARNOLD LAVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	1,463,275	-
Other debtors	1,000	1,000
	<u>1,464,275</u>	<u>1,000</u>

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

	2021	2020
	£	£
Amounts owed to group undertakings	1,463,275	-
	<u>1,463,275</u>	<u>-</u>

### 11 Share capital

	2021	2020
	£	£
Ordinary share capital Issued and fully paid 100,100 Ordinary of 1p each	1,001	1,001
	<u>1,001</u>	<u>1,001</u>

### 12 Ultimate controlling party

The company's immediate parent company is National Timber Group Midco Limited.

The ultimate controlling party is Cairngorm Capital Partners II LP, a fund managed by Cairngorm Capital Partners LLP, a partnership registered in England and Wales.

The group headed by National Timber Group Topco Limited is the smallest and largest group in which the results of the company are consolidated.

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.