

Company Registration No. SC159622 (Scotland)

**THISTLE WINDOWS & CONSERVATORIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## COMPANY INFORMATION

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**Directors** Edward Nicol Robson  
Ian James Bruce

**Company number** SC159622

**Registered office** Thistle House  
Woodside Road  
Bridge of Don  
Aberdeen  
United Kingdom  
AB23 8EF

**Auditor** Azets Audit Services  
37 Albyn Place  
Aberdeen  
United Kingdom  
AB10 1JB

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# THISTLE WINDOWS & CONSERVATORIES LIMITED

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# THISTLE WINDOWS & CONSERVATORIES LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

The directors are satisfied that performance has been in line with expectations and projections.

### **Results and performance**

In the financial period the company's revenues increased by 5.9%. This was a direct result of the COVID-19 pandemic and associated lockdowns. Turnover has recovered during the year as there were less restrictions on the trade imposed by the lockdown measures than in the previous financial year however turnover remains down on pre-March 2020 levels.

### **Principal risks and uncertainties**

The recent economic and political uncertainty is without doubt hindering growth within the home improvements sector. Material price inflation is also considered a risk which is currently difficult to quantify. Despite these risks and an extremely competitive market, the directors are confident that the diverse product range and a customer base who place a high value on quality and service, mitigates much of the risk to future profitability.

### **Key performance indicators**

The directors' consider the following to be the Major Key Performance Indicators:

	2021	2020
Revenue	£9,266,820	£8,751,145
Gross profit %	18.5%	12.5%
Net Assets	£975,657	£1,162,904

The directors are satisfied that in 2020/21 the company performed reasonably against these and other KPIs given the interruption to trade through COVID-19.

### **COVID-19**

At the time of signing this report, the directors believe that the effects of the COVID-19 pandemic are known and do not have severe long term implications on the ability for the company to carry out its trade.

However should further uncertainties arise the directors believe they have adequate reserves and resources to prepare the financial statements on a going concern basis.

On behalf of the board

Ian James Bruce  
**Director**

1 April 2022

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

### Principal activities

The principal activity of the company continued to be that of home improvement specialists.

### Results and dividends

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

Ordinary dividends were paid amounting to £220,500. 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:

Edward Nicol Robson

Ian James Bruce

### Future developments

Despite the uncertainties referred to in the Strategic Report, the directors are confident that the company will continue to grow and trade profitably in the forthcoming years.

### Auditor

Azets Audit Services 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.

### 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

Ian James Bruce

**Director**

1 April 2022

# **THISTLE WINDOWS & CONSERVATORIES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THISTLE WINDOWS & CONSERVATORIES LIMITED

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#### Opinion

We have audited the financial statements of Thistle Windows & Conservatories Limited (the 'company') for the year ended 31 August 2021 which comprise 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 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 August 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.

# **THISTLE WINDOWS & CONSERVATORIES LIMITED**

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

### **TO THE MEMBERS OF THISTLE WINDOWS & CONSERVATORIES 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.

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.



# **THISTLE WINDOWS & CONSERVATORIES LIMITED**

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

### **TO THE MEMBERS OF THISTLE WINDOWS & CONSERVATORIES LIMITED**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

**David Booth (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

1 April 2022

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

37 Albyn Place  
Aberdeen  
United Kingdom  
AB10 1JB

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	9,266,820	8,751,145
Cost of sales		(7,551,222)	(7,658,551)
<b>Gross profit</b>		1,715,598	1,092,594
Administrative expenses		(2,168,142)	(2,111,192)
Other operating income		568,204	959,853
<b>Operating profit/(loss)</b>	<b>4</b>	115,660	(58,745)
Interest receivable and similar income	<b>8</b>	20	-
Interest payable and similar expenses	<b>7</b>	(66,857)	(89,395)
<b>Profit/(loss) before taxation</b>		48,823	(148,140)
Tax on profit/(loss)	<b>9</b>	(46,678)	8,100
<b>Profit/(loss) for the financial year</b>		2,145	(140,040)
<b>Other comprehensive income</b>			
Tax relating to other comprehensive income		31,108	(11,376)
<b>Total comprehensive income for the year</b>		33,253	(151,416)

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	11		2,828,789		3,025,312
<b>Current assets</b>					
Stocks	12	1,929,439		1,972,017	
Debtors	13	639,404		537,957	
Cash at bank and in hand		57,710		176,803	
		<u>2,626,553</u>		<u>2,686,777</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(3,562,290)</u>		<u>(2,597,577)</u>	
<b>Net current (liabilities)/assets</b>			(935,737)		89,200
<b>Total assets less current liabilities</b>			<u>1,893,052</u>		<u>3,114,512</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(720,643)		(1,731,949)
<b>Provisions for liabilities</b>					
Deferred tax liability	19	<u>196,752</u>		<u>219,659</u>	
			(196,752)		(219,659)
<b>Net assets</b>			<u>975,657</u>		<u>1,162,904</u>
<b>Capital and reserves</b>					
Called up share capital	21		10,000		10,000
Revaluation reserve			590,067		558,959
Profit and loss reserves			<u>375,590</u>		<u>593,945</u>
<b>Total equity</b>			<u>975,657</u>		<u>1,162,904</u>

The financial statements were approved by the board of directors and authorised for issue on 1 April 2022 and are signed on its behalf by:

Ian James Bruce  
Director

Company Registration No. SC159622

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2021

		Share capital	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 September 2019</b>		10,000	570,335	907,985	1,488,320
<b>Year ended 31 August 2020:</b>					
Loss for the year		-	-	(140,040)	(140,040)
Other comprehensive income:					
Tax relating to other comprehensive income		-	(11,376)	-	(11,376)
Total comprehensive income for the year		-	(11,376)	(140,040)	(151,416)
Dividends	10	-	-	(174,000)	(174,000)
<b>Balance at 31 August 2020</b>		10,000	558,959	593,945	1,162,904
<b>Year ended 31 August 2021:</b>					
Profit for the year		-	-	2,145	2,145
Other comprehensive income:					
Tax relating to other comprehensive income		-	31,108	-	31,108
Total comprehensive income for the year		-	31,108	2,145	33,253
Dividends	10	-	-	(220,500)	(220,500)
<b>Balance at 31 August 2021</b>		10,000	590,067	375,590	975,657

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	911,614		783,856	
Interest paid		(66,857)		(89,395)	
Income taxes paid		-		(6,317)	
<b>Net cash inflow from operating activities</b>		<b>844,757</b>		<b>688,144</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(163,698)		(292,590)	
Proceeds on disposal of tangible fixed assets		92,834		13,587	
Interest received		20		-	
<b>Net cash used in investing activities</b>		<b>(70,844)</b>		<b>(279,003)</b>	
<b>Financing activities</b>					
Repayment of borrowings		(450,000)		-	
Proceeds of new bank loans		697,968		850,000	
Repayment of bank loans		(769,236)		(62,383)	
Payment of finance leases obligations		(151,238)		(154,258)	
Dividends paid		(220,500)		(174,000)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(893,006)</b>		<b>459,359</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(119,093)</b>		<b>868,500</b>	
Cash and cash equivalents at beginning of year		176,803		(691,697)	
<b>Cash and cash equivalents at end of year</b>		<b>57,710</b>		<b>176,803</b>	

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

#### Company information

Thistle Windows & Conservatories Limited is a private company limited by shares incorporated in Scotland. The registered office is Thistle House, Woodside Road, Bridge of Don, Aberdeen, United Kingdom, AB23 8EF.

#### 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 pound sterling.

The financial statements have been prepared under the historical cost convention, modified to include properties at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

It is the opinion of the directors that the effect of the COVID-19 pandemic are known and do not have severe long term implications on the ability for the company to carry out its trade. Should further uncertainties arise the directors believe they have adequate reserves and resources to prepare the financial statements on a going concern basis.

Therefore the directors are of the opinion that it is correct to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable from the sale and installation of windows, conservatories, kitchens, home improvements and related products. Turnover also includes income from the sale of completed homes at a development site.

Revenue from the supply only of windows, conservatories, kitchens, home improvements and related products is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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 supply and installation of windows, conservatories, kitchens, home improvements and related products is recognised by reference to the stage of completion, when the stage of completion, costs incurred and costs to complete can be measured 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 cost. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.4 Tangible fixed assets

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

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

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:

Leasehold land and buildings	2% on cost
Plant and machinery	25% on reducing balance
Fixtures, fittings & equipment	25% on cost
Motor vehicles	15% on cost

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 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).

#### 1.6 Stocks

Stocks and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial Instruments

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

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### **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, 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.

#### **Derecognition of financial liabilities**

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

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Taxation

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



# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### **Current tax**

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

#### **Deferred tax**

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

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

#### **1.11 Employee benefits**

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

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

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

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

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.

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.15 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.

### 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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Work in progress

In recognising profit on work in progress jobs that span the year end, an estimate is required of the expected margin on individual jobs (where the final outcome can be assessed with reasonable certainty). When making the judgement, the directors evaluate this based on past experience and their best knowledge of the status of the job.

### 3 Turnover and other revenue

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

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Home improvements	8,036,609	7,298,941
Supply only	1,005,211	705,243
Property development	225,000	746,961
	<u>9,266,820</u>	<u>8,751,145</u>

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Turnover and other revenue (Continued)

	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	20	-
Grants received	528,777	926,845
	<u>528,777</u>	<u>926,845</u>

### 4 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(528,777)	(926,845)
Fees payable to the company's auditor for the audit of the company's financial statements	13,750	12,000
Depreciation of owned tangible fixed assets	82,193	154,401
Depreciation of tangible fixed assets held under finance leases	176,742	111,172
Loss/(profit) on disposal of tangible fixed assets	8,452	(10,290)
Operating lease charges	6,280	18,963
	<u>6,280</u>	<u>18,963</u>

### 5 Employees

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

	2021	2020
	Number	Number
Installation	75	93
Sales	8	8
Administration	27	29
	<u>110</u>	<u>130</u>

	2021	2020
	£	£
Wages and salaries	3,491,165	3,675,204
Social security costs	336,600	379,256
Pension costs	107,005	105,881
	<u>3,934,770</u>	<u>4,160,341</u>

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	120,000	115,000
Company pension contributions to defined contribution schemes	18,196	14,258
	<u>138,196</u>	<u>129,258</u>

### 7 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	25,624	38,817
Other interest on financial liabilities	22,529	22,957
	<u>48,153</u>	<u>61,774</u>
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	18,704	27,621
	<u>66,857</u>	<u>89,395</u>

### 8 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	20	-
	<u>20</u>	<u>-</u>

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	38,477	(8,965)
	<u>38,477</u>	<u>(8,965)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	4,884	(10,515)
Changes in tax rates	-	11,380
Adjustment in respect of prior periods	3,317	-
	<u>8,201</u>	<u>865</u>
Total deferred tax	<u>8,201</u>	<u>865</u>
Total tax charge/(credit)	<u>46,678</u>	<u>(8,100)</u>

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 9 Taxation

(Continued)

In the Spring Budget 2020, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (from 19% as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The actual charge/(credit) 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/(loss) before taxation	48,823	(148,140)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	9,276	(28,147)
Tax effect of expenses that are not deductible in determining taxable profit	1,056	4,172
Change in unrecognised deferred tax assets	(94)	-
Adjustments in respect of prior years	3,317	-
Permanent capital allowances in excess of depreciation	4,373	4,495
Remeasurement of deferred tax for changes in tax rates	28,750	11,380
Taxation charge/(credit) for the year	46,678	(8,100)

In addition to the amount charged/(credited) to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021 £	2020 £
Deferred tax arising on:		
Revaluation of property	(31,108)	11,376

### 10 Dividends

	2021 Per share £	2020 Per share £	2021 Total £	2020 Total £
Ordinary shares				
Interim paid	22.05	17.40	220,500	174,000

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 11 Tangible fixed assets

	Leasehold land and buildings	Plant and fixtures, machinery & fittings	Motor vehicles & equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 September 2020	2,173,758	128,164	180,772	4,053,455
Additions	11,354	8,300	4,551	163,698
Disposals	-	-	(222,873)	(222,873)
At 31 August 2021	2,185,112	136,464	185,323	3,994,280
<b>Depreciation and impairment</b>				
At 1 September 2020	42,917	105,590	147,200	1,028,143
Depreciation charged in the year	31,234	6,822	16,968	258,935
Eliminated in respect of disposals	-	-	(121,587)	(121,587)
At 31 August 2021	74,151	112,412	164,168	1,165,491
<b>Carrying amount</b>				
At 31 August 2021	2,110,961	24,052	21,155	2,828,789
At 31 August 2020	2,130,841	22,574	33,572	3,025,312

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

	2021 £	2020 £
Motor vehicles	444,592	273,383

Land and buildings with a carrying amount of £1,900,000 were revalued at 18 October 2020 by Allied Surveyors Scotland Plc, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts would have been approximately £1,443,932 (2020 - £1,463,812), being cost £1,566,702 (2020 - £1,555,348) and depreciation £122,770 (2020 - £91,536).

### 12 Stocks

	2021 £	2020 £
Raw materials and consumables	108,204	97,083
Work in progress	1,821,235	1,874,934
	1,929,439	1,972,017

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

(Continued)

### 12 Stocks

Work in progress includes £Nil (2020 - £1,242,299) which is considered to be long term.

### 13 Debtors

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	525,205	417,337
Corporation tax recoverable	-	9,038
Other debtors	30,500	31,394
Prepayments and accrued income	83,699	80,188
	<u>639,404</u>	<u>537,957</u>

### 14 Financial instruments

	2021	2020
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>555,705</u>	<u>448,731</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>3,857,716</u>	<u>3,964,733</u>

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

	Notes	2021	2020
		£	£
Bank loans	17	940,000	90,000
Obligations under finance leases	18	115,679	176,879
Other borrowings	17	-	450,000
Trade creditors		853,991	608,839
Corporation tax		29,439	-
Other taxation and social security		395,778	364,793
Other creditors		13,535	26,133
Accruals and deferred income		1,213,868	880,933
		<u>3,562,290</u>	<u>2,597,577</u>

Bank loans and overdrafts are secured by a floating charge over the premises of the company.

Obligations under finance leases are secured over the assets to which they relate.

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

	Notes	2021 £	2020 £
Bank loans and overdrafts	17	556,892	1,478,160
Obligations under finance leases	18	163,751	253,789
		<u>720,643</u>	<u>1,731,949</u>

Bank loans and overdrafts are secured by a floating charge over the premises of the company.

Obligations under finance leases are secured over the assets to which they relate.

### 17 Loans and overdrafts

	2021 £	2020 £
Bank loans	1,496,892	1,568,160
Other loans	-	450,000
	<u>1,496,892</u>	<u>2,018,160</u>
Payable within one year	940,000	540,000
Payable after one year	556,892	1,478,160
	<u>940,000</u>	<u>1,478,160</u>

Within bank loans is an amount of £850,000 which relates to a CBILS loan which was taken during May 2020 is subject to 3.5% interest above base rate after the first anniversary of the drawdown and is repayable by May 2022.

Within bank loans is an amount of £646,892 which was drawn down in December 2020, is subject to 2.7% interest above base rate and is repayable by December 2027. This amount has a floating charge against all assets and property of the company.

Other borrowings represent an external loan which is secured over property held for development. This was repaid in full in August 2021 however at date of signing the security had not yet been released.

### 18 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	125,765	192,849
In two to five years	169,444	268,213
	<u>295,209</u>	<u>461,062</u>
Less: future finance charges	(15,779)	(30,394)
	<u>279,430</u>	<u>430,668</u>



# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 18 Finance lease obligations

(Continued)

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

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
<b>Balances:</b>		
Accelerated capital allowances	121,611	114,188
Capital gains	76,962	108,070
Short term timing differences	(1,821)	(2,599)
	<u>196,752</u>	<u>219,659</u>
		<b>2021 £</b>
<b>Movements in the year:</b>		
Liability at 1 September 2020		219,659
Charge to profit or loss		8,201
Credit to other comprehensive income		(31,108)
		<u>196,752</u>

### 20 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>107,005</u>	<u>105,881</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 22 Operating lease commitments

#### Lessee

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:

	2021 £	2020 £
Within one year	52,780	52,000
Between two and five years	211,120	208,000
In over five years	4,580,853	4,632,333
	<u>4,844,753</u>	<u>4,892,333</u>

The company has an annual commitment for a ground lease on its business premises. The total commitments include these lease payments until expiry in 2114.

### 23 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
<b>Amounts due to related parties</b>		
Entities under common control	3,451	-
	<u>3,451</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
<b>Amounts due from related parties</b>		
Entities under common control	47,972	50,201
	<u>47,972</u>	<u>50,201</u>

### 24 Directors' transactions

Dividends totalling £176,400 (2020 - £139,200) were paid in the year in respect of shares held by the company's directors.

# THISTLE WINDOWS & CONSERVATORIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 25 Cash generated from operations

	2021 £	2020 £
Profit/(loss) for the year after tax	2,145	(140,040)
<b>Adjustments for:</b>		
Taxation charged/(credited)	46,678	(8,100)
Finance costs	66,857	89,395
Investment income	(20)	-
Loss/(gain) on disposal of tangible fixed assets	8,452	(10,290)
Depreciation and impairment of tangible fixed assets	258,935	265,573
<b>Movements in working capital:</b>		
Decrease in stocks	42,578	509,973
(Increase)/decrease in debtors	(110,485)	72,003
Increase in creditors	596,474	5,342
<b>Cash generated from operations</b>	<b>911,614</b>	<b>783,856</b>

### 26 Analysis of changes in net debt

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash at bank and in hand	176,803	(119,093)	57,710
Borrowings excluding overdrafts	(2,018,160)	521,268	(1,496,892)
Obligations under finance leases	(430,668)	151,238	(279,430)
	<b>(2,272,025)</b>	<b>553,413</b>	<b>(1,718,612)</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.