

**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**  
**FOR**  
**LAMBSON BUILDING PRODUCTS LIMITED**

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**FOR THE YEAR ENDED 31ST DECEMBER 2022**

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**LAMBSON BUILDING PRODUCTS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**DIRECTORS:** M A Lundy  
G Monkman

**SECRETARY:** D C Carlisle

**REGISTERED OFFICE:** Hunt Street  
Whitwood Mere  
Castleford  
West Yorkshire  
WF10 1NS

**REGISTERED NUMBER:** 00878297

**AUDITORS:** Allens Accountants Limited  
Statutory Auditor and  
Chartered Accountants  
123 Wellington Road South  
Stockport  
Cheshire  
SK1 3TH

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

The directors present their strategic report for the year ended 31st December 2022.

**REVIEW OF BUSINESS**

The financial results were in line with expectations of the Board. Turnover increased from that of last year by just over sixteen million pounds as demand for our products has increased following the pandemic.

Like many businesses our supply chain management is crucial. We have positive relationships with our suppliers. These have been built up over many years and this has stood the business in good stead. The price of raw materials and overheads continued to increase during 2022 and as a result we have had to increase the prices charged for our products.

The outlook for 2023 is positive. The company has expanded its range of products and markets and is undertaking new business. We continue to improve productivity and efficiency in both manufacturing and administration.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company's strategic position is to be a supplier of high quality laminated boards, differentiating itself from other suppliers in the maintenance of high quality product from high quality supplier partnerships.

The company is confident that continued working in partnership with customers and suppliers will mean it will be able to sustain and improve the existing business going forward. The benefits of working with our supply chain partners are key to ensuring consistent supply to the market.

Due to the significant purchases of raw materials in USD it is noted that constant review of this currency fluctuation is necessary. As a result, continual monitoring is undertaken to minimise the risk to gross profit margins.

**KEY PERFORMANCE INDICATORS**

The company uses a number of KPI's to monitor its performance, many of which have been gleaned from the "Industry Forum", an initiative involving a number of key suppliers involved with one of the industry's major customers. Thus many KPI's are used in working towards a Lean Manufacturing operating environment -

Delivery Schedule Achievement (DSA), Overall Equipment efficiency (OEE) and Machine Not Right First Time (NRFT) performances being 3 of the key monitors of operational efficiency.

Other Financial KPI's such as gross profit margin, debtor / creditor and stock days as well as absolute sales value per month and wages as a percentage of sales value are also reported within the Monthly Management Information packs prepared for Directors and Senior Management.

**SUSTAINABILITY AND THE ENVIRONMENT**

We continue to work with our customers & supply chain in reducing energy usage. We have our own in-house initiatives to reduce energy consumption including labour efficiencies reducing the need to work full 24 hour shifts and thus reducing overnight energy requirements. We also have our own waste reduction projects which are having the beneficial impact of reducing landfill costs as well as reducing environmental impacts through reduced emissions. Significant investment has been made in 2017 on a new biomass system to eliminate costs from disposal of waste product and generate income from RHI

The company is FSC certificated ensuring chain of custody traceability is available for all of our Far Eastern materials.

**ON BEHALF OF THE BOARD:**

D C Carlisle - Secretary

25th September 2023

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

The directors present their report with the financial statements of the company for the year ended 31st December 2022.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2022.

**RESEARCH AND DEVELOPMENT**

The company invests in bringing new and innovative products to the market.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2022 to the date of this report.

M A Lundy  
G Monkman

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Allens Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

D C Carlisle - Secretary

25th September 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**LAMBSON BUILDING PRODUCTS LIMITED**

**Opinion**

We have audited the financial statements of Lambson Building Products Limited (the 'company') for the year ended 31st December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2022 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**LAMBSON BUILDING PRODUCTS LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF** **LAMBSON BUILDING PRODUCTS LIMITED**

### **Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

### **Identifying and assessing potential risks related to irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for the directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the board of directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

### **Audit response to risks identified**

Our procedure to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and the board of directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**LAMBSON BUILDING PRODUCTS LIMITED**

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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 Horrocks (Senior Statutory Auditor)  
for and on behalf of Allens Accountants Limited  
Statutory Auditor and  
Chartered Accountants  
123 Wellington Road South  
Stockport  
Cheshire  
SK1 3TH

25th September 2023

**STATEMENT OF COMPREHENSIVE**  
**INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>TURNOVER</b>	4		49,108,019		32,985,821
Cost of sales			<u>38,868,123</u>		<u>24,158,368</u>
<b>GROSS PROFIT</b>			10,239,896		8,827,453
Distribution costs		1,097,614		870,773	
Administrative expenses		<u>2,575,504</u>		<u>2,290,192</u>	
			<u>3,673,118</u>		<u>3,160,965</u>
			6,566,778		5,666,488
Other operating income			-		17,123
<b>OPERATING PROFIT</b>	6		<u>6,566,778</u>		<u>5,683,611</u>
Interest receivable and similar income			-		753
			6,566,778		5,684,364
Interest payable and similar expenses	7		<u>337,469</u>		<u>174,630</u>
<b>PROFIT BEFORE TAXATION</b>			6,229,309		5,509,734
Tax on profit	8		<u>1,270,673</u>		<u>1,042,388</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			4,958,636		4,467,346
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>FOR THE YEAR</b>			<u>4,958,636</u>		<u>4,467,346</u>

The notes form part of these financial statements

**LAMBSON BUILDING PRODUCTS LIMITED (REGISTERED NUMBER: 00878297)**

**BALANCE SHEET**  
**31ST DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		2,429,164		2,149,494
<b>CURRENT ASSETS</b>					
Stocks	10	13,132,003		15,295,888	
Debtors	11	12,160,297		11,509,527	
Cash at bank and in hand		480,261		557,994	
		<u>25,772,561</u>		<u>27,363,409</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>9,777,238</u>		<u>15,703,900</u>	
<b>NET CURRENT ASSETS</b>			<u>15,995,323</u>		<u>11,659,509</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>18,424,487</u>		<u>13,809,003</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		-		(470,779)
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>(363,624)</u>		<u>(235,997)</u>
<b>NET ASSETS</b>			<u>18,060,863</u>		<u>13,102,227</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		9,000		9,000
Retained earnings	19		<u>18,051,863</u>		<u>13,093,227</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>18,060,863</u>		<u>13,102,227</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25th September 2023 and were signed on its behalf by:

G Monkman - Director

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1st January 2021</b>	9,000	8,625,881	8,634,881
<b>Changes in equity</b>			
Total comprehensive income	-	4,467,346	4,467,346
<b>Balance at 31st December 2021</b>	<u>9,000</u>	<u>13,093,227</u>	<u>13,102,227</u>
<b>Changes in equity</b>			
Total comprehensive income	-	4,958,636	4,958,636
<b>Balance at 31st December 2022</b>	<u>9,000</u>	<u>18,051,863</u>	<u>18,060,863</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**1. COMPANY INFORMATION**

Lambson Building Products Limited is a company limited by share capital and is incorporated in England and Wales. The registered office address is Hunt Street, Whitwood Mere, Castleford, West Yorkshire, WF10 1NS.

The nature of the company's operations and its principal activity is the sourcing, manufacture and supply of custom laminated boards, principally for the leisure industry.

**2. STATUTORY INFORMATION**

Lambson Building Products Limited is a private company, limited by shares, registered in Not specified/Other. The company's registered number and registered office address can be found on the Company Information page.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses for the year. However, the nature of estimation means that actual outcomes could differ from those 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 if revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgement has had the most significant effect on amounts recognised in the financial statements.

Stock valuation

A key area involving management judgement and estimate is in determining a stock valuation for old and slow moving stock items.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**3. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

- i) the Company has transferred the significant risks and rewards of ownership to the buyer;
- ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- iii) the amount of turnover can be measured reliably;
- iv) it is probable that the Company will receive the consideration due under the transaction and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold improvements	- over the period of the lease
Plant & machinery	- 10 - 20% p.a
Computer equipment	- 33% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**3. ACCOUNTING POLICIES - continued**

**Stocks**

Stock and work in progress are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for obsolete and slow moving items. Cost comprises materials, direct labour and a share of production overheads appropriate to the relevant stage of production. For work in progress and finished goods manufactured by the company, cost is taken as production cost, including labour and an appropriate proportion of attributable overheads.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits deposits with banks and other short term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

**Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, together with loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable in one year), including loans and other accounts receivable and payable, are initially measured at present value of future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable in one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transactions, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence if impairment is found, an impairment loss is recognised in the Statement of Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Interest bearing borrowings**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**3. ACCOUNTING POLICIES - continued**

Interest bearing borrowing are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

**Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Statement of Income because of items of income or expense that are taxable or deductible in other years and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of the reporting period 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 assets and liabilities are measured at tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**3. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Dividends**

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

**4. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	37,969,216	25,798,732
Europe	11,138,803	7,187,089
	<u>49,108,019</u>	<u>32,985,821</u>

**5. EMPLOYEES AND DIRECTORS**

	2022	2021
	£	£
Wages and salaries	1,962,096	1,509,361
Social security costs	198,870	141,855
Other pension costs	69,806	52,784
	<u>2,230,772</u>	<u>1,704,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**5. EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	2022	2021
Production staff	51	44
Administrative staff	<u>14</u>	<u>12</u>
	<u>65</u>	<u>56</u>

	2022	2021
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Hire of plant and machinery	6,777	8,081
Depreciation - owned assets	195,388	232,578
Depreciation - assets on hire purchase contracts	-	21,000
Auditors' remuneration	12,000	12,810
Hire of motor vehicles	54,629	57,676
Rent lease	<u>401,750</u>	<u>276,000</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2022	2021
	£	£
Bank interest	52,196	36,243
Invoice discounting	190,581	78,692
Interest on imports	74,722	30,748
Other loan interest	19,800	19,800
Hire purchase and finance lease charges	<u>170</u>	<u>9,147</u>
	<u>337,469</u>	<u>174,630</u>

**8. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	1,143,046	1,058,428
Deferred tax:		
Capital allowances in excess of depreciation	<u>127,627</u>	<u>(16,040)</u>
Tax on profit	<u>1,270,673</u>	<u>1,042,388</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**8. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before tax	<u>6,229,309</u>	<u>5,509,734</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<u>1,183,569</u>	1,046,849
Effects of:		
Expenses not deductible for tax purposes	15,586	9,879
Change in rate	87,270	-
Research and development enhanced deduction	-	(14,340)
Super deduction allowances	<u>(15,752)</u>	-
Total tax charge	<u>1,270,673</u>	<u>1,042,388</u>

**9. TANGIBLE FIXED ASSETS**

	Short leasehold improvements £	Plant & machinery £	Computer equipment £	Totals £
<b>COST</b>				
At 1st January 2022	2,262,771	3,337,016	101,919	5,701,706
Additions	<u>220,417</u>	<u>244,677</u>	<u>9,964</u>	<u>475,058</u>
At 31st December 2022	<u>2,483,188</u>	<u>3,581,693</u>	<u>111,883</u>	<u>6,176,764</u>
<b>DEPRECIATION</b>				
At 1st January 2022	1,076,912	2,390,159	85,141	3,552,212
Charge for year	<u>92,628</u>	<u>92,733</u>	<u>10,027</u>	<u>195,388</u>
At 31st December 2022	<u>1,169,540</u>	<u>2,482,892</u>	<u>95,168</u>	<u>3,747,600</u>
<b>NET BOOK VALUE</b>				
At 31st December 2022	<u>1,313,648</u>	<u>1,098,801</u>	<u>16,715</u>	<u>2,429,164</u>
At 31st December 2021	<u>1,185,859</u>	<u>946,857</u>	<u>16,778</u>	<u>2,149,494</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**9. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Plant &amp; machinery £</b>
<b>COST</b>	
At 1st January 2022	<b>420,000</b>
Transfer to ownership	<b>(420,000)</b>
At 31st December 2022	<b>-</b>
<b>DEPRECIATION</b>	
At 1st January 2022	<b>64,750</b>
Transfer to ownership	<b>(64,750)</b>
At 31st December 2022	<b>-</b>
<b>NET BOOK VALUE</b>	
At 31st December 2022	<b>-</b>
At 31st December 2021	<b>355,250</b>

**10. STOCKS**

	<b>2022 £</b>	<b>2021 £</b>
Raw materials	<b>12,810,653</b>	14,766,742
Engineering etc stock	<b>11,070</b>	19,366
Finished goods	<b>310,280</b>	509,780
	<b>13,132,003</b>	15,295,888

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	<b>6,778,195</b>	8,222,315
Amounts owed by group undertakings	<b>4,947,812</b>	2,902,239
Other debtors	<b>184,108</b>	134,781
Prepayments and accrued income	<b>250,182</b>	250,192
	<b>12,160,297</b>	11,509,527

The company is not currently seeking repayment of the amounts owed by group undertakings which are shown as a current asset above.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2022</b>	2021
	£	£
Bank loans and overdrafts (see note 14)	<b>2,052,915</b>	4,352,456
Hire purchase contracts (see note 15)	-	1,479
Trade creditors	<b>2,463,463</b>	2,242,685
Corporation Tax	<b>643,047</b>	698,428
Social security and other taxes	<b>57,656</b>	45,064
VAT	<b>638,157</b>	615,670
Invoice finance creditor	<b>3,480,398</b>	6,430,398
Other creditors	<b>39,980</b>	6,297
Accruals and deferred income	<b>401,622</b>	1,311,423
	<b><u>9,777,238</u></b>	<u>15,703,900</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2022</b>	2021
	£	£
Bank loans (see note 14)	<u>-</u>	<u>470,779</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	<b>2022</b>	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<b>271,749</b>	1,366,714
Bank loans	<b><u>1,781,166</u></b>	<u>2,985,742</u>
	<b><u>2,052,915</u></b>	<u>4,352,456</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>-</u>	<u>470,779</u>

**15. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2022</b>	2021
	£	£
Net obligations repayable:		
Within one year	<u>-</u>	<u>1,479</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

15. **LEASING AGREEMENTS - continued**

	<b>Non-cancellable</b>	<b>operating leases</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	<b>620,004</b>	550,403
Between one and five years	<b>2,157,517</b>	1,723,278
In more than five years	<b>1,579,098</b>	564,282
	<b><u>4,356,619</u></b>	<b><u>2,837,963</u></b>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	<b>271,749</b>	1,366,714
Bank loans	<b>1,781,166</b>	3,456,521
Hire purchase contracts	-	1,479
Invoice finance creditor	<b>3,480,398</b>	6,430,398
	<b><u>5,533,313</u></b>	<b><u>11,255,112</u></b>

The bank overdraft and bank Import loan of £1,781,166 (2021 £2,419,183) included in bank loans is secured by a debenture giving fixed and floating charges on all assets of the company.

The invoice finance creditor is secured upon specific book debts to which it relates.

The CBI loan of £nil (2021 £1,037,338) included in bank loans is secured by personal guarantee from Glenn Monkman and Michael Lundy for £125,000 each.

17. **PROVISIONS FOR LIABILITIES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred tax		
Accelerated capital allowances	<b><u>363,624</u></b>	<b><u>235,997</u></b>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1st January 2022		<b>235,997</b>
Provided during year		<b><u>127,627</u></b>
Balance at 31st December 2022		<b><u>363,624</u></b>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2022**

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
30,000	Ordinary	£0.05	1,500	1,500
7,500	Deferred	£1	7,500	7,500
			<u>9,000</u>	<u>9,000</u>

All classes of share capital rank pari passu in all respects

**19. RESERVES**

	Retained earnings £
At 1st January 2022	13,093,227
Profit for the year	4,958,636
At 31st December 2022	<u>18,051,863</u>

**20. ULTIMATE PARENT COMPANY**

The parent company and ultimate controlling party is Nimbus Building Products Limited, a company registered in England & Wales. This company is controlled by the directors. The consolidated accounts of Nimbus Building Products Limited, in which this company is included, are available to the public and can be obtained from Hunt Street, Whitwood Mere, Castleford, West Yorkshire, WF10 1NS.

**21. CONTINGENT LIABILITIES**

The company is party to an unlimited cross guarantee supported by Mortgage debenture between the company and its parent, Nimbus Building Products Limited, where the Group's bank borrowings are secured by the assets of the Group.

The company is a member of a group registration for Value Added Tax purposes. Under the terms of the registration, each member is jointly and severally liable for the Value Added Tax liability for all members.

The liability at 31st December 2022 was £234,948 (2021 £nil).

**22. RELATED PARTY DISCLOSURES**

Total key management compensation, including social security and pension contributions, was £270,316 (2021: £227,016).

**Entities with control, joint control or significant influence over the entity**

	2022 £	2021 £
Sales	359,884	1,874,523
Purchases and services	680,007	1,116,928
Amount due from related party	-	624,059
Amount due to related party	<u>64,974</u>	<u>118,413</u>

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