

Company Registration No. 01176915 (England and Wales)

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

Annual report and financial statements

For the year ended 31 May 2020



RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

COMPANY INFORMATION

Directors	A N Morris M W Applebee Ms M Humm Mr K S Williams	(Appointed 2 January 2020)
Secretary	Mr M Applebee	
Company number	01176915	
Registered office	Applemor House Head Office Campbell Road Twickenham Middlesex TW2 5BY	
Auditor	WSM Advisors Limited Connect House 133-137 Alexandra Road Wimbledon London SW19 7JY	
Business address	Applemor House Head Office Campbell Road Twickenham Middlesex TW2 5BY	

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

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RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

STRATEGIC REPORT

For the year ended 31 May 2020

The directors present the strategic report for the year ended 31 May 2020.

Fair review of the business

The Directors report that the sales turnover has decreased by £5,807,615 (22.7%) during the year to 31 May 2020.

Due to the unprecedented circumstances caused by the coronavirus pandemic and following government guidelines Raven Roofing and Building Supplies was obliged to temporarily close all depots on the 25th March 2020.

A gradual return to normal trading commenced with the staggered opening of branches during May 2020. The first full trading month was June 2020.

The Company has a strategic business plan in place, to enable full recovery from the reduction of sales revenue and profit as stated in these accounts.

Future aims of the directors are to consolidate the sales position and to review all operating sites to ensure adequate margins are maintained throughout the business. This will ensure a full recovery and return to profit in the coming year.


Principal risks and uncertainties

Cash flow risk - The company's activities expose it primarily to the risk of customer bad debt. The company has customer credit record check procedures in place to minimise its exposure to potential bad debts and regular checks are carried out on balances to ensure action is taken at the earliest opportunity.

Liquidity risk - To maintain liquidity the Company uses a mixture of long and short term debt finance. The company has benefited from low interest rates, which have allowed it to decrease long term debt reducing exposure to future changes to interest rates.

Price risk - The company is exposed to a very competitive marketplace and maintaining gross profit margins has been challenging. The company is continuing to identify new products to add to the product mix and is committed to increasing margins.

On behalf of the board



M W Applebee

Director

30 September 2020

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

DIRECTORS' REPORT

For the year ended 31 May 2020

The directors present their annual report and financial statements for the year ended 31 May 2020.

Principal activities

The principal activity of the company continued to be that of buying and selling roofing materials to both trade customers and the general public.

Directors

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

A N Morris

M W Applebee

A J Tansley

(Resigned 31 August 2020)

Ms M Humm

Mr K S Williams

(Appointed 2 January 2020)

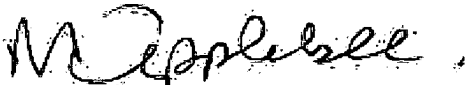
Auditor

The auditor, WSM Advisors Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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



M W Applebee

Director

30 September 2020

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 May 2020

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

Opinion

We have audited the financial statements of Raven Roofing and Building Supplies Limited (the 'company') for the year ended 31 May 2020 which comprise the statement of income and retained earnings, the statement of financial position, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2020 and of its loss 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 is amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

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

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

In our evaluation of the members' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

Use of our report

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

for and on behalf of WSM Advisors Limited

30 September 2020

Chartered Accountants

WSM Advisors Ltd

Statutory Auditor

Connect House
133-137 Alexandra Road
Wimbledon
London
SW19 7JY

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 31 May 2020

	Notes	2020 £	2019 £
Revenue	2	19,796,262	25,603,877
Cost of sales		(15,433,629)	(20,527,563)
Gross profit		4,362,633	5,076,314
Selling and distribution costs		(705,027)	(915,770)
Administrative expenses		(4,063,044)	(4,202,406)
Other operating income		241,120	-
Operating loss	3	(164,318)	(41,862)
Investment income	6	518	844
Finance costs	7	(43,133)	(47,924)
Loss before taxation		(206,933)	(88,942)
Taxation	8	30,641	13,173
Loss for the financial year		(176,292)	(75,769)
Total comprehensive loss for the year		(176,292)	(75,769)
Retained earnings at 1 June 2019		935,767	1,011,536
Retained earnings at 31 May 2020		759,475	935,767

The income statement has been prepared on the basis that all operations are continuing operations.

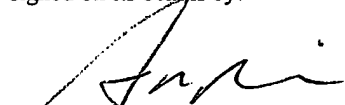
RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 May 2020

	Notes	2020 £	£	2019 £	£
Non-current assets					
Property, plant and equipment	9		131,608		186,499
Investments	10		1,300		1,300
			<u>132,908</u>		<u>187,799</u>
Current assets					
Inventories	11	1,401,631		1,386,159	
Trade and other receivables	12	2,532,536		5,312,096	
Cash and cash equivalents		136,942		599,415	
		<u>4,071,109</u>		<u>7,297,670</u>	
Current liabilities	13	(3,436,863)		(6,537,505)	
Net current assets			<u>634,246</u>		<u>760,165</u>
Total assets less current liabilities			<u>767,154</u>		<u>947,964</u>
Provisions for liabilities	15		(6,679)		(11,197)
Net assets			<u><u>760,475</u></u>		<u><u>936,767</u></u>
Equity					
Called up share capital	18		1,000		1,000
Retained earnings			759,475		935,767
Total equity			<u><u>760,475</u></u>		<u><u>936,767</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020 and are signed on its behalf by:



A N Morris
Director

Company Registration No. 01176915

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 May 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	22		81,572		(133,501)
Interest paid			(43,133)		(47,924)
Income taxes paid			-		(42,162)
Net cash inflow/(outflow) from operating activities			<u>38,439</u>		<u>(223,587)</u>
Investing activities					
Purchase of property, plant and equipment		(15,489)		(12,349)	
Receipts arising from loans made		(4,460)		-	
Interest received		518		844	
Net cash used in investing activities			<u>(19,431)</u>		<u>(11,505)</u>
Financing activities					
Payment of finance leases obligations		(2,820)		(24,368)	
Net cash used in financing activities			<u>(2,820)</u>		<u>(24,368)</u>
Net increase/(decrease) in cash and cash equivalents			<u>16,188</u>		<u>(259,460)</u>
Cash and cash equivalents at beginning of year			(593,947)		(334,487)
Cash and cash equivalents at end of year			<u><u>(577,759)</u></u>		<u><u>(593,947)</u></u>
Relating to:					
Cash at bank and in hand			136,942		599,415
Bank overdrafts included in creditors payable within one year			<u><u>(714,701)</u></u>		<u><u>(1,193,362)</u></u>

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2020

1 Accounting policies

Company information

Raven Roofing and Building Supplies Limited is a private company limited by shares incorporated in England and Wales. The registered office is Applemor House Head Office, Campbell Road, Twickenham, Middlesex, TW2 5BY.

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 £.

1.2 Going concern

At the time of approving the financial statements, the directors have undertaken an assessment of the adequacy of the resources available to the company including an assessment of the impact of Covid-19. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Turnover represents the sale of roofing products during the period.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% on cost
Plant and machinery	10-15% on cost
Fixtures, fittings & equipment	15% on cost
Computer equipment	15% on cost
Motor vehicles	20% 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.

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

1 Accounting policies

(Continued)

1.5 Inventories

Inventories 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 inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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 statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Basic financial liabilities

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

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

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

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

1 Accounting policies

(Continued)

1.8 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 income statement, 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.

1.10 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 non-current assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

1 Accounting policies

(Continued)

1.12 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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.13 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.

2 Revenue

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

	2020 £	2019 £
Revenue analysed by class of business		
Roofing materials	19,796,263	25,603,877
	<u> </u>	<u> </u>
	2020 £	2019 £
Other significant revenue		
Interest income	518	844
Government grants received	241,120	-
	2020	2019
Revenue analysed by geographical market		
United Kingdom	19,796,263	25,603,877
	<u> </u>	<u> </u>

3 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	(241,120)	-
Fees payable to the company's auditor for the audit of the company's financial statements	19,600	19,000
Depreciation of owned property, plant and equipment	70,380	73,468
Operating lease charges	816,300	787,990
	<u> </u>	<u> </u>

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

4 Employees

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

	2020 Number	2019 Number
Office and depot staff	60	61

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,435,309	2,546,381
Social security costs	274,366	282,751
Pension costs	157,960	184,023
	<u>2,867,635</u>	<u>3,013,155</u>

5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	857,452	859,298
Company pension contributions to defined contribution schemes	40,122	50,671
	<u>897,574</u>	<u>909,969</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2019 - 4).

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

	2020 £	2019 £
Remuneration for qualifying services	368,723	379,605

6 Investment income

	2020 £	2019 £
Interest income		
Interest on bank deposits	518	844

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

7 Finance costs

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	43,109	46,920
Other finance costs:		
Interest on finance leases and hire purchase contracts	24	1,004
	<u>43,133</u>	<u>47,924</u>

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	-	(2,963)
	<u>-</u>	<u>(2,963)</u>
Deferred tax		
Origination and reversal of timing differences	(4,518)	(10,210)
Tax losses carried forward	(26,123)	-
	<u>(30,641)</u>	<u>(10,210)</u>
Total deferred tax	(30,641)	(10,210)
	<u>(30,641)</u>	<u>(10,210)</u>
Total tax credit	(30,641)	(13,173)
	<u>(30,641)</u>	<u>(13,173)</u>

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

	2020 £	2019 £
Loss before taxation	(206,933)	(88,942)
	<u>(206,933)</u>	<u>(88,942)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(39,317)	(16,899)
Tax effect of expenses that are not deductible in determining taxable profit	4,021	3,726
Adjustments in respect of financial assets	9,173	10,210
Movement in deferred tax	(4,518)	(10,210)
	<u>(30,641)</u>	<u>(13,173)</u>
Taxation credit for the year	(30,641)	(13,173)
	<u>(30,641)</u>	<u>(13,173)</u>

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

9 Property, plant and equipment

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 June 2019	200,919	82,780	172,429	152,982	126,725	735,835
Additions	-	3,159	6,618	5,710	-	15,487
At 31 May 2020	200,919	85,939	179,047	158,692	126,725	751,322
Depreciation and impairment						
At 1 June 2019	156,265	69,344	112,536	97,429	113,760	549,334
Depreciation charged in the year	20,092	5,457	18,081	16,592	10,158	70,380
At 31 May 2020	176,357	74,801	130,617	114,021	123,918	619,714
Carrying amount						
At 31 May 2020	24,562	11,138	48,430	44,671	2,807	131,608
At 31 May 2019	44,654	13,437	59,892	55,552	12,964	186,499

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

10 Fixed asset investments

	2020 £	2019 £
Unlisted investments	1,300	1,300

Movements in non-current investments

		Investments other than loans £
Cost or valuation		
At 1 June 2019 & 31 May 2020		1,300
Carrying amount		
At 31 May 2020		1,300
At 31 May 2019		1,300

11 Inventories

	2020 £	2019 £
Raw materials and consumables	1,401,631	1,386,159

12 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Trade receivables	1,485,610	4,012,309
Corporation tax recoverable	-	2,963
Other receivables	833,869	1,116,868
Prepayments and accrued income	186,934	179,956
	2,506,413	5,312,096
Deferred tax asset (note 16)	26,123	-
	2,532,536	5,312,096

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

13 Current liabilities

	Notes	2020 £	2019 £
Bank loans and overdrafts		714,701	1,193,362
Obligations under finance leases	14	-	2,820
Trade payables		1,712,506	4,710,319
Taxation and social security		672,507	407,543
Other payables		90,172	71,012
Accruals and deferred income		246,977	152,449
		<u>3,436,863</u>	<u>6,537,505</u>

14 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	-	2,820
	<u>-</u>	<u>2,820</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

15 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	16	6,679	11,197
		<u>6,679</u>	<u>11,197</u>

16 Deferred taxation

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Balances:				
Accelerated capital allowances	6,679	11,197	-	-
Tax losses	-	-	26,123	-
	<u>6,679</u>	<u>11,197</u>	<u>26,123</u>	<u>-</u>

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

16 Deferred taxation (Continued)

	2020 £
Movements in the year:	
Liability at 1 June 2019	11,197
Credit to profit or loss	(30,641)
Liability/(Asset) at 31 May 2020	<u>(19,444)</u>

17 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>157,960</u>	<u>184,023</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.

18 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

19 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:

	2020 £	2019 £
Within one year	635,783	617,989
Between two and five years	1,215,279	1,177,866
In over five years	167,416	630,451
	<u>2,018,478</u>	<u>2,426,306</u>

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

20 Related party transactions

a. TAM Projects Limited

The three directors are also directors of this company. Together they collectively own 100% of the Ordinary share capital of this company. During the year the company paid gross rents to TAM Projects Ltd £98,532 (2019: £84,456).

b. Administrative services

During the year £37,031 (2019: £41,947) was paid to a company which is associated with a director. The company provided additional support in administrative and secretarial services.

c. Site rental

During the year £64,400 (2019: £64,400) was paid to close family members of two of the directors as rent for use of one of the branch sites which they own.

d. Related employees

During the year £223,232 (2019: £252,429) was paid to close family members of the directors as salaries for work they completed.

21 Ultimate controlling party

The company was controlled by A N Morris & M W Applebee during the current and previous year.

22 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Loss for the year after tax	(176,292)	(75,769)
Adjustments for:		
Taxation credited	(30,641)	(13,173)
Finance costs	43,133	47,924
Investment income	(518)	(844)
Depreciation and impairment of property, plant and equipment	70,380	73,468
Movements in working capital:		
Increase in inventories	(15,472)	(120,399)
Decrease/(increase) in trade and other receivables	2,807,180	(455,887)
(Decrease)/increase in trade and other payables	(2,616,198)	411,179
Cash generated from/(absorbed by) operations	81,572	(133,501)

RAVEN ROOFING AND BUILDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2020

23 Analysis of changes in net debt

	1 June 2019 £	Cash flows £	31 May 2020 £
Cash at bank and in hand	599,415	(462,473)	136,942
Bank overdrafts	(1,193,362)	478,661	(714,701)
	<u>(593,947)</u>	<u>16,188</u>	<u>(577,759)</u>
Obligations under finance leases	(2,820)	2,820	-
	<u>(596,767)</u>	<u>19,008</u>	<u>(577,759)</u>