

Registration number: 04631406

Blue Bay Building Products Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2017

LHP
Statutory Auditors
Gwynne House
6 Quay Street
Carmarthen
SA31 3JX



Blue Bay Building Products Limited

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Blue Bay Building Products Limited

Company Information

Directors	Mr Nigel Howell Mr Paul Thomas Mr Michael Cleverley
Registered office	Unit 51 Portmanmoor Road Industrial Estate Ocean Park Cardiff CF24 5HB
Solicitors	Mctaggart Solicitors St Andrew's House 24 St Andrew's Crescent Cardiff CF10 3DD
Auditors	LHP Auditors Ltd Statutory Auditors Gwynne House 6 Quay Street Carmarthen SA31 3JX

Blue Bay Building Products Limited

Strategic Report for the Year Ended 31 March 2017

The directors present their strategic report for the year ended 31 March 2017.

Principal activity

The principal activity of the company is that of a specialist distributor to the construction industry

Fair review of the business

A consistent year for the company with trading in line with both budgetary and forecasted expectations and comparable with the prior financial years results.

Principal risks and uncertainties

Growth is expected in the 2016/17 financial year with the development of the new North West facility. Trading for the first quarter is in line with budgetary expectations with further progress anticipated as the year unfolds.

Approved by the Board on 15 September 2017 and signed on its behalf by:



Mr Nigel Howell
Director

Blue Bay Building Products Limited

Directors' Report for the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors of the company

The directors who held office during the year were as follows:

Mr Nigel Howell

Mr Paul Thomas

Mr Michael Cleverley

Financial instruments

Objectives and policies

The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

Price risk, credit risk, liquidity risk and cash flow risk

In respect of the bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business makes use of the money market facilities where funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debts.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

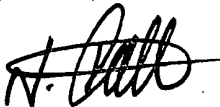
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of LHP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 15 September 2017 and signed on its behalf by:



.....
Mr Nigel Howell
Director

Blue Bay Building Products Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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; and
- 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.

Blue Bay Building Products Limited

Independent Auditor's Report to the Members of Blue Bay Building Products Limited

We have audited the financial statements of Blue Bay Building Products Limited for the year ended 31 March 2017, set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

Blue Bay Building Products Limited

Independent Auditor's Report to the Members of Blue Bay Building Products Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of our 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.

Matters on which we are required to report by exception

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.



Mr M Williams (Senior Statutory Auditor)
For and on behalf of LHP Auditors Ltd, Statutory Auditor

Gwynne House
6 Quay Street
Carmarthen
SA31 3JX

22 September 2017

Blue Bay Building Products Limited

Profit and Loss Account for the Year Ended 31 March 2017

	Note	Total 31 March 2017 £	Total 31 March 2016 £
Turnover	3	14,677,077	13,715,305
Cost of sales		<u>(11,051,733)</u>	<u>(10,391,300)</u>
Gross profit		3,625,344	3,324,005
Distribution costs		(1,196,159)	(1,204,941)
Administrative expenses		<u>(1,616,007)</u>	<u>(1,414,073)</u>
Operating profit	5	<u>813,178</u>	<u>704,991</u>
Interest payable and similar expenses	6	<u>(45,456)</u>	<u>(36,099)</u>
		<u>(45,456)</u>	<u>(36,099)</u>
Profit before tax		767,722	668,892
Taxation	9	<u>(160,715)</u>	<u>(124,050)</u>
Profit for the financial year		<u><u>607,007</u></u>	<u><u>544,842</u></u>

The above results were derived from continuing operations.

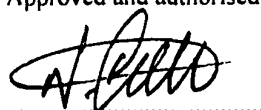
The company has no recognised gains or losses for the year other than the results above.

Blue Bay Building Products Limited

(Registration number: 04631406)
Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	383,782	437,533
Current assets			
Stocks	11	1,088,061	995,567
Debtors	12	3,707,520	3,460,649
Cash at bank and in hand		7,762	10,752
		<u>4,803,343</u>	<u>4,466,968</u>
Creditors: Amounts falling due within one year	14	<u>(3,810,003)</u>	<u>(3,707,086)</u>
Net current assets		<u>993,340</u>	<u>759,882</u>
Total assets less current liabilities		1,377,122	1,197,415
Creditors: Amounts falling due after more than one year	14	(21,299)	(79,023)
Provisions for liabilities	15	<u>6,632</u>	<u>(2,945)</u>
Net assets		<u>1,362,455</u>	<u>1,115,447</u>
Capital and reserves			
Called up share capital	17	100,000	100,000
Profit and loss account		<u>1,262,455</u>	<u>1,015,447</u>
Total equity		<u>1,362,455</u>	<u>1,115,447</u>

Approved and authorised by the Board on 18 September 2017 and signed on its behalf by:



Mr Nigel Howell
Director

Blue Bay Building Products Limited

Statement of Cash Flows for the Year Ended 31 March 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		607,007	544,842
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	138,256	119,437
Profit on disposal of tangible assets	4	-	(8,319)
Finance costs	6	35,510	34,812
Income tax expense	9	160,715	124,050
		<u>941,488</u>	<u>814,822</u>
Working capital adjustments			
Increase in stocks	11	(92,494)	(86,736)
Increase in trade debtors	12	(246,871)	(355,351)
Increase in trade creditors	14	293,838	102,387
		<u>895,961</u>	<u>475,122</u>
Cash generated from operations		895,961	475,122
Income taxes paid	9	(141,436)	(170,431)
Net cash flow from operating activities		<u>754,525</u>	<u>304,691</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(84,504)	(173,529)
Proceeds from sale of tangible assets		-	48,975
Net cash flows from investing activities		<u>(84,504)</u>	<u>(124,554)</u>
Cash flows from financing activities			
Interest paid	6	(35,510)	(34,812)
Payments to finance lease creditors		(43,457)	(76,828)
Dividends paid	20	(360,000)	(300,000)
Net cash flows from financing activities		<u>(438,967)</u>	<u>(411,640)</u>
Net increase/(decrease) in cash and cash equivalents		231,054	(231,503)
Cash and cash equivalents at 1 April		<u>(1,170,340)</u>	<u>(938,837)</u>
Cash and cash equivalents at 31 March		<u><u>(939,286)</u></u>	<u><u>(1,170,340)</u></u>

The notes on pages 10 to 20 form an integral part of these financial statements.

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

1 General information

The company is a private company limited by share capital incorporated in Wales.

The address of its registered office is:

Unit 51

Portmanmoor Road Industrial Estate

Ocean Park

Cardiff

CF24 5HB

These financial statements were authorised for issue by the Board on 18 September 2017.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Property	Over the terms of the lease
Plant & Machinery	20% Straight Line Basis
Fixtures & Fittings	20% Straight Line Basis
Motor Vehicles	20% Straight Line Basis
Office Equipment	20% Straight Line Basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Sale of goods	<u>14,677,077</u>	<u>13,715,305</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2017	2016
	£	£
Gain (loss) on disposal of property, plant and equipment	<u>-</u>	<u>8,319</u>

5 Operating profit

Arrived at after charging/(crediting)

	2017	2016
	£	£
Depreciation expense	138,256	119,437
Profit on disposal of property, plant and equipment	<u>-</u>	<u>(8,319)</u>

6 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and borrowings	25,897	26,115
Interest on obligations under finance leases and hire purchase contracts	9,613	8,697
Foreign exchange (gains) / losses	<u>9,946</u>	<u>1,287</u>
	<u>45,456</u>	<u>36,099</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

	2017 £	2016 £
Wages and salaries	1,396,688	1,303,568
Pension costs, defined contribution scheme	7,590	1,949
	<u>1,404,278</u>	<u>1,305,517</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Administration and support	20	8
Sales	7	17
Distribution	15	21
Other departments	4	4
	<u>46</u>	<u>50</u>

8 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>6,040</u>	<u>5,750</u>
Other fees to auditors		
Taxation compliance services	1,100	500
All other assurance services	1,100	500
	<u>2,200</u>	<u>1,000</u>

9 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	170,292	141,436
Deferred taxation		
Arising from origination and reversal of timing differences	(9,577)	(16,418)
Arising from changes in tax rates and laws	-	(968)
Total deferred taxation	<u>(9,577)</u>	<u>(17,386)</u>
Tax expense in the income statement	<u>160,715</u>	<u>124,050</u>

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - lower than the standard rate of corporation tax in the UK) of 20% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>767,722</u>	<u>668,892</u>
Corporation tax at standard rate	153,544	133,778
Effect of expense not deductible in determining taxable profit (tax loss)	1,360	3,409
UK deferred tax credit relating to changes in tax rates or laws	-	(968)
Tax increase from effect of capital allowances and depreciation	15,387	4,249
Tax decrease from other short-term timing differences	<u>(9,576)</u>	<u>(16,418)</u>
Total tax charge	<u>160,715</u>	<u>124,050</u>
Deferred tax		
Deferred tax assets and liabilities		
2017		Asset £
Accelerated capital allowances		<u>6,632</u>
2016		Liability £
Accelerated capital allowances		<u>2,945</u>

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

10 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
At 1 April 2016	195,288	140,679	843,163	86,200	1,265,330
Additions	-	12,111	66,687	5,706	84,504
At 31 March 2017	195,288	152,790	909,850	91,906	1,349,834
Depreciation					
At 1 April 2016	88,715	113,015	557,348	68,720	827,798
Charge for the year	25,928	9,149	99,402	3,775	138,254
At 31 March 2017	114,643	122,164	656,750	72,495	966,052
Carrying amount					
At 31 March 2017	80,645	30,626	253,100	19,411	383,782
At 31 March 2016	106,573	27,665	285,815	17,480	437,533

Included within the net book value of land and buildings above is £80,645 (2016 - £106,574) in respect of freehold land and buildings.

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2017 £	2016 £
Motor Vehicles	<u>193,872</u>	<u>233,794</u>

Restriction on title and pledged as security

Motor vehicles with a carrying amount of £193,872 (2016 - £233,794) has been pledged as security for the hire purchase agreement to which the asset relates.

11 Stocks

	2017 £	2016 £
Other inventories	<u>1,088,061</u>	<u>995,567</u>

The cost of stocks recognised as an expense in the year amounted to £11,144,227 (2016 - £10,478,036).

12 Debtors

	Note	2017 £	2016 £
Trade debtors		2,962,658	2,597,771
Amounts owed by related parties	22	600,000	669,313
Other debtors		91,150	135,670
Prepayments		<u>53,712</u>	<u>57,895</u>
Total current trade and other debtors		<u>3,707,520</u>	<u>3,460,649</u>

13 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	7,762	10,752
Bank overdrafts	<u>(947,048)</u>	<u>(1,181,092)</u>
Cash and cash equivalents in statement of cash flows	<u>(939,286)</u>	<u>(1,170,340)</u>

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

14 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	18	1,032,897	1,252,674
Trade creditors		2,412,552	2,125,119
Social security and other taxes		152,041	178,609
Accrued expenses		42,221	9,248
Income tax liability	9	<u>170,292</u>	<u>141,436</u>
		<u>3,810,003</u>	<u>3,707,086</u>
Due after one year			
Loans and borrowings	18	<u>21,299</u>	<u>79,023</u>

15 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 April 2016	2,945	2,945
Increase (decrease) in existing provisions	<u>(9,577)</u>	<u>(9,577)</u>
At 31 March 2017	<u>(6,632)</u>	<u>(6,632)</u>

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £7,590 (2016 - £1,949).

17 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Rights, preferences and restrictions

Ordinary Shares have the following rights, preferences and restrictions:

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

18 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Finance lease liabilities	<u>21,299</u>	<u>79,023</u>

	2017 £	2016 £
Current loans and borrowings		
Bank overdrafts	947,048	1,181,092
Finance lease liabilities	<u>85,849</u>	<u>71,582</u>
	<u>1,032,897</u>	<u>1,252,674</u>

19 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	85,849	71,582
Later than one year and not later than five years	<u>21,299</u>	<u>79,023</u>
	<u>107,148</u>	<u>150,605</u>

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	348,381	348,381
Later than one year and not later than five years	1,058,380	1,155,585
Later than five years	<u>553,529</u>	<u>804,705</u>
	<u>1,960,290</u>	<u>2,308,671</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £355,566 (2016 - £325,887).

20 Dividends

	2017 £	2016 £
Interim dividend of £3.60 (2016 - £3.00) per ordinary share	360,000	300,000

Blue Bay Building Products Limited

Notes to the Financial Statements for the Year Ended 31 March 2017

The directors are proposing a final dividend of £Nil (2016 - £Nil) per share totalling £Nil (2016 - £Nil). This dividend has not been accrued in the Balance Sheet.

21 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2016 - £Nil).

22 Related party transactions

Summary of transactions with associates

Blue Bay Consolidated Investments Limited owns property from which Blue Bay Building Products Limited operates. Blue Bay Building Products are charged a market-rate rent for the use of these buildings. Loans to associates are unsecured and have no fixed rate of interest. The loans are repayable on demand.

Expenditure with and payables to related parties

	Associates £
2017	
Leases	150,000

	Associates £
2016	
Leases	137,500

Loans to related parties

	Associates £
2017	
At start of period	669,313
Repaid	(69,313)
At end of period	600,000

	Associates £
2016	
At start of period	559,021
Advanced	210,292
Repaid	(100,000)
At end of period	669,313

23 Parent and ultimate parent undertaking

The ultimate controlling party is 100% directors.

Blue Bay Building Products Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	2016 £
Turnover (analysed below)	14,677,077	13,715,305
Cost of sales (analysed below)	<u>(11,051,733)</u>	<u>(10,391,300)</u>
Gross profit	<u>3,625,344</u>	<u>3,324,005</u>
Gross profit (%)	24.7%	24.24%
Distribution costs (analysed below)	<u>(1,196,159)</u>	<u>(1,204,941)</u>
Administrative expenses		
Employment costs (analysed below)	(169,169)	(59,487)
Establishment costs (analysed below)	(634,558)	(609,829)
General administrative expenses (analysed below)	(618,838)	(578,261)
Finance charges (analysed below)	(55,186)	(55,378)
Depreciation costs (analysed below)	(138,256)	(119,437)
Other expenses (analysed below)	<u>-</u>	<u>8,319</u>
	<u>(1,616,007)</u>	<u>(1,414,073)</u>
Operating profit	813,178	704,991
Interest payable and similar charges (analysed below)	<u>(45,456)</u>	<u>(36,099)</u>
Profit before tax	<u><u>767,722</u></u>	<u><u>668,892</u></u>

Blue Bay Building Products Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

	2017 £	2016 £
Turnover		
Sale of goods	<u>14,677,077</u>	<u>13,715,305</u>
Cost of sales		
Opening stock	995,567	908,831
Purchases - COS	11,144,227	10,478,036
Closing stock	<u>(1,088,061)</u>	<u>(995,567)</u>
	<u>11,051,733</u>	<u>10,391,300</u>
Distribution costs		
Wages and salaries	1,235,109	1,246,030
Freight and carriage	<u>(38,950)</u>	<u>(41,089)</u>
	<u>1,196,159</u>	<u>1,204,941</u>
Employment costs		
Wages and salaries	(161,579)	(57,538)
Staff pensions (Defined contribution)	<u>(7,590)</u>	<u>(1,949)</u>
	<u>(169,169)</u>	<u>(59,487)</u>
Establishment costs		
Rent	(355,566)	(325,887)
Rates	(153,342)	(142,371)
Light, heat and power	(30,011)	(27,348)
Insurance	(56,896)	(82,726)
Repairs and maintenance	<u>(38,743)</u>	<u>(31,497)</u>
	<u>(634,558)</u>	<u>(609,829)</u>
General administrative expenses		
Telephone and fax	(42,657)	(44,374)
Computer software and maintenance costs	(28,013)	(48,642)
Printing, postage and stationery	(24,681)	(21,887)
Trade subscriptions	(6,754)	(7,825)
Sundry Trade Costs	(14,062)	(7,123)
Cleaning	(26,923)	(18,792)
Motor expenses	(420,001)	(340,001)
Travel and subsistence	(19,448)	(43,880)
Customer entertaining (disallowable for tax)	(6,799)	(15,467)
Auditor's remuneration - The audit of the company's annual accounts	(6,040)	(5,750)
Auditor's remuneration - Tax services	(1,100)	(500)
Auditor's remuneration - Other services	(1,100)	(500)
Legal and professional fees	<u>(21,260)</u>	<u>(23,520)</u>
	<u>(618,838)</u>	<u>(578,261)</u>

This page does not form part of the statutory financial statements.

Blue Bay Building Products Limited

Detailed Profit and Loss Account for the Year Ended 31 March 2017

Finance charges

Bank charges	<u>(55,186)</u>	<u>(55,378)</u>
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Depreciation costs

Depreciation of plant and machinery (owned)	<u>(138,256)</u>	<u>(119,437)</u>
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Interest payable and similar expenses

Bank interest payable	25,897	26,115
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Hire purchase interest	9,613	8,697
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(Profit)/loss on foreign currency	<u>9,946</u>	<u>1,287</u>
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	<u>45,456</u>	<u>36,099</u>
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