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Registration number: 04631406

# Blue Bay Building Products Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2019



# **Blue Bay Building Products Limited**

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# **Blue Bay Building Products Limited**

## **Company Information**

<b>Directors</b>	Mr M Cleverley Mr P Thomas Mr N Howell
<b>Registered office</b>	Unit 51 Portmanmoor Road Industrial Estate Ocean Park Cardiff CF24 5HB
<b>Solicitors</b>	Mctaggart Solicitors St Andrew's House 24 St Andrew's Crescent Cardiff CF10 3DD
<b>Auditors</b>	LHP Auditors Ltd Statutory Auditors Llys Deri Parc Pensarn Carmarthen SA31 2NF

## **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;
- 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**

#### **Opinion**

We have audited the financial statements of Blue Bay Building Products Limited (the 'company') for the year ended 31 March 2019, which comprise the Balance Sheet, 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 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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.

#### **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.

## **Blue Bay Building Products Limited**

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

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.

#### **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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has been prepared in accordance with applicable legal requirements.

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

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 .

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 2], 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.

## **Blue Bay Building Products Limited**

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

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 auditor's report.



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

Llys Deri  
Parc Pensarn  
Carmarthen  
SA31 2NF

Date: 1/9/19 .....

# Blue Bay Building Products Limited

(Registration number: 04631406)  
Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	6	494,448	296,092
<b>Current assets</b>			
Stocks	7	1,165,496	1,148,923
Debtors	8	3,055,788	2,892,364
Cash at bank and in hand		37,122	4,652
		<u>4,258,406</u>	<u>4,045,939</u>
<b>Creditors: Amounts falling due within one year</b>	9	<u>(3,186,795)</u>	<u>(2,945,019)</u>
<b>Net current assets</b>		<u>1,071,611</u>	<u>1,100,920</u>
<b>Total assets less current liabilities</b>		1,566,059	1,397,012
<b>Creditors: Amounts falling due after more than one year</b>	9	(124,183)	(12,038)
<b>Provisions for liabilities</b>		<u>(25,638)</u>	<u>7,939</u>
<b>Net assets</b>		<u>1,416,238</u>	<u>1,392,913</u>
<b>Capital and reserves</b>			
Called up share capital		100,000	100,000
Profit and loss account		<u>1,316,238</u>	<u>1,292,913</u>
<b>Total equity</b>		<u>1,416,238</u>	<u>1,392,913</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 21 August 2019 and signed on its behalf by:



Mr N Howell  
Director

## **Blue Bay Building Products Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **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 21 August 2019.

#### **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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **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 2019**

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
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 2019**

#### **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.

#### **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.

## **Blue Bay Building Products Limited**

### **Notes to the Financial Statements for the Year Ended 31 March 2019**

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 46 (2018 - 46).

#### **4 Auditors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>6,550</u>	<u>6,275</u>
<b>Other fees to auditors</b>		
Taxation compliance services	475	450
All other assurance services	<u>1,250</u>	<u>1,750</u>
	<u>1,725</u>	<u>2,200</u>

#### **5 Profit before tax**

Arrived at after charging/(crediting)

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Depreciation expense	<u>147,046</u>	<u>109,604</u>

# Blue Bay Building Products Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019

### 6 Tangible assets

	Land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £
<b>Cost or valuation</b>				
At 1 April 2018	202,134	9,440	91,907	131,238
Additions	90,974	-	-	-
Disposals	-	-	-	-
At 31 March 2019	293,108	9,440	91,907	131,238
<b>Depreciation</b>				
At 1 April 2018	140,914	8,520	77,316	124,195
Charge for the year	40,735	480	4,821	6,867
Eliminated on disposal	-	-	-	-
At 31 March 2019	181,649	9,000	82,137	131,062
<b>Carrying amount</b>				
At 31 March 2019	111,459	440	9,770	176
At 31 March 2018	61,220	920	14,590	19,155
			<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 April 2018			897,214	1,331,933
Additions			274,870	365,844
Disposals			(53,675)	(53,675)
At 31 March 2019			1,118,409	1,644,102
<b>Depreciation</b>				
At 1 April 2018			697,007	1,047,952
Charge for the year			94,146	147,049
Eliminated on disposal			(45,347)	(45,347)
At 31 March 2019			745,806	1,149,654
<b>Carrying amount</b>				
At 31 March 2019			372,603	494,448
At 31 March 2018			200,207	296,092

Included within the net book value of land and buildings above is £111,459 (2018 - £61,220) in respect of freehold land and buildings.

## Blue Bay Building Products Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

#### 7 Stocks

	2019 £	2018 £
Other inventories	1,165,496	1,148,923
The cost of stocks recognised as an expense in the year amounted to £9,909,556 (2018 - £10,527,798).		

#### 8 Debtors

	Note	2019 £	2018 £
Trade debtors		2,418,886	2,131,967
Amounts owed by group undertakings and undertakings in which the company has a participating interest	11	540,000	600,000
Prepayments		40,177	51,549
Other debtors		56,725	108,848
		<u>3,055,788</u>	<u>2,892,364</u>

#### 9 Creditors

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

	Note	2019 £	2018 £
<b>Due within one year</b>			
Bank loans and overdrafts	10	279,604	894,758
Trade creditors		2,665,111	1,798,638
Taxation and social security		149,309	128,790
Other creditors		92,771	122,833
		<u>3,186,795</u>	<u>2,945,019</u>
<b>Due after one year</b>			
Loans and borrowings	10	<u>124,183</u>	<u>12,038</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £279,604 (2018 - £894,758).

# Blue Bay Building Products Limited

## Notes to the Financial Statements for the Year Ended 31 March 2019

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

	Note	2019 £	2018 £
<b>Due after one year</b>			
Loans and borrowings	10	<u>124,183</u>	<u>12,038</u>

Creditors include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £124,183 (2018 - £12,038).

### 10 Loans and borrowings

	2019 £	2018 £
<b>Non-current loans and borrowings</b>		
Finance lease liabilities	<u>124,183</u>	<u>12,038</u>

	2019 £	2018 £
<b>Current loans and borrowings</b>		
Bank overdrafts	228,232	868,189
Finance lease liabilities	<u>51,372</u>	<u>26,569</u>
	<u>279,604</u>	<u>894,758</u>

### 11 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

2019	Associates £
Leases	<u>150,000</u>

2018	Associates £
Leases	<u>150,000</u>

#### Loans to related parties

## Blue Bay Building Products Limited

### Notes to the Financial Statements for the Year Ended 31 March 2019

<b>2019</b>	<b>Associates</b>
	<b>£</b>
At start of period	600,000
Repaid	<u>(60,000)</u>
At end of period	<u>540,000</u>
<b>2018</b>	<b>Associates</b>
	<b>£</b>
At start of period	<u>600,000</u>

#### 12 Parent and ultimate parent undertaking

The ultimate controlling party is 100% directors.