

Company registration number 12374548 (England and Wales)

CAMBRIAN LONDON LIMITED

Annual report and financial statements

For the year ended 31 May 2023

CAMBRIAN LONDON LIMITED

COMPANY INFORMATION

Directors	Mr A Morris Mr M Applebee
Secretary	WSM Services Limited
Company number	12374548
Registered office	Connect House 133-137 Alexandra Road London SW19 7JY
Auditor	WSM Advisors Limited Connect House 133-137 Alexandra Road London SW19 7JY

CAMBRIAN LONDON LIMITED

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CAMBRIAN LONDON LIMITED

STRATEGIC REPORT

For the year ended 31 May 2023

The directors present their strategic report for the year ended 31 May 2023.

Review of the business

The directors are pleased to report that the group consolidated turnover is consistent with that achieved in the prior year.

The underlying gross profit margin is 29.0% (2022: 28.7%) driven by greater efficiency within the business.

During the next year the directors aim to consolidate their sales position by adding and developing new lines to the product mix and by continuing their investment in the business. They also continue to aim to increase the geographical area of distribution of the company.

Principal risks and uncertainties

The principal risks and uncertainties for the group are aligned with those of the underlying trading company.

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

Mr M Applebee

Director

14 September 2023

CAMBRIAN LONDON LIMITED

DIRECTORS' REPORT

For the year ended 31 May 2023

The directors present their annual report and financial statements for the year ended 31 May 2023.

Principal activities

The principal activity of the company is as a holding company for Raven Roofing and Building Supplies Limited which buys and selling roofing materials to both trade customers and the general public.

Results and dividends

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

Ordinary dividends were paid amounting to £1,205,000. The directors do not recommend payment of a further dividend.

Directors

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

Mr A Morris

Mr M Applebee

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 auditor of the company 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 auditor of the company is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr M Applebee

Director

14 September 2023

CAMBRIAN LONDON LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 May 2023

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 group and company, and of the profit or loss of the group 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CAMBRIAN LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAMBRIAN LONDON LIMITED

Opinion

We have audited the financial statements of Cambrian London Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2023 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2023 and of the group's 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CAMBRIAN LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAMBRIAN LONDON LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 parent 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 parent 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.

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

Our tests included agreeing the financial statement disclosures to underlying supporting documentation where relevant, enquiries with management as to the risks of non-compliance and any instances thereof, challenging assumptions and judgments made by management, and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations. Our audit procedures also focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CAMBRIAN LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAMBRIAN LONDON 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.

Wendy Patterson (Senior Statutory Auditor)
For and on behalf of WSM Advisors Limited

14 September 2023

Chartered Accountants
Statutory Auditor

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

CAMBRIAN LONDON LIMITED

GROUP PROFIT AND LOSS ACCOUNT

For the year ended 31 May 2023

	Notes	2023 £	2022 £
Turnover	3	18,765,732	19,572,498
Cost of sales		(13,330,700)	(13,956,874)
Gross profit		<u>5,435,032</u>	<u>5,615,624</u>
Selling and distribution costs		(659,920)	(626,018)
Administrative expenses		(3,137,430)	(3,012,726)
Operating profit	4	<u>1,637,682</u>	<u>1,976,880</u>
Interest receivable and similar income	8	5,397	77
Interest payable and similar expenses	9	(18,000)	(19,184)
Profit before taxation		<u>1,625,079</u>	<u>1,957,773</u>
Tax on profit	10	(324,848)	(374,363)
Profit for the financial year		<u><u>1,300,231</u></u>	<u><u>1,583,410</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

CAMBRIAN LONDON LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 May 2023

	2023	2022
	£	£
Profit for the year	1,300,231	1,583,410
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,300,231</u>	<u>1,583,410</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

CAMBRIAN LONDON LIMITED

GROUP BALANCE SHEET

As at 31 May 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		53,299		79,726
Investments	13		1,300		1,300
			<u>54,599</u>		<u>81,026</u>
Current assets					
Stocks	15	1,855,014		1,673,311	
Debtors	16	2,518,884		3,014,638	
Cash at bank and in hand		2,420,430		2,290,087	
		<u>6,794,328</u>		<u>6,978,036</u>	
Creditors: amounts falling due within one year					
	17	(4,410,662)		(4,712,739)	
Net current assets			<u>2,383,666</u>		<u>2,265,297</u>
Total assets less current liabilities			<u>2,438,265</u>		<u>2,346,323</u>
Provisions for liabilities					
Deferred tax liability	18	504		3,793	
		<u>(504)</u>		<u>(3,793)</u>	
Net assets			<u><u>2,437,761</u></u>		<u><u>2,342,530</u></u>
Capital and reserves					
Called up share capital	20		2,000		2,000
Profit and loss reserves			<u>2,435,761</u>		<u>2,340,530</u>
Total equity			<u><u>2,437,761</u></u>		<u><u>2,342,530</u></u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 14 September 2023 and are signed on its behalf by:

Mr A Morris
Director

Company registration number 12374548 (England and Wales)

CAMBRIAN LONDON LIMITED

COMPANY BALANCE SHEET

As at 31 May 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Investments	13		1,000		1,000
Current assets					
Debtors	16	494,131		376,292	
Cash at bank and in hand		190,159		386,804	
		<u>684,290</u>		<u>763,096</u>	
Creditors: amounts falling due within one year	17	<u>(653,057)</u>		<u>(457,806)</u>	
Net current assets			31,233		305,290
Net assets			<u>32,233</u>		<u>306,290</u>
Capital and reserves					
Called up share capital	20		2,000		2,000
Profit and loss reserves			30,233		304,290
Total equity			<u>32,233</u>		<u>306,290</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £930,943.

The financial statements were approved by the board of directors and authorised for issue on 14 September 2023 and are signed on its behalf by:

Mr A Morris
Director

Company Registration No. 12374548

CAMBRIAN LONDON LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 May 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 June 2021		2,000	1,347,120	1,349,120
Year ended 31 May 2022:				
Profit and total comprehensive income for the year		-	1,583,410	1,583,410
Dividends	11	-	(590,000)	(590,000)
Balance at 31 May 2022		2,000	2,340,530	2,342,530
Year ended 31 May 2023:				
Profit and total comprehensive income for the year		-	1,300,231	1,300,231
Dividends	11	-	(1,205,000)	(1,205,000)
Balance at 31 May 2023		2,000	2,435,761	2,437,761

CAMBRIAN LONDON LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 May 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at date of incorporation		2,000	28,907	30,907
Year ended 31 May 2022:				
Profit and total comprehensive income for the year		-	865,383	865,383
Dividends	11	-	(590,000)	(590,000)
Balance at 31 May 2022		2,000	304,290	306,290
Year ended 31 May 2023:				
Profit and total comprehensive income for the year		-	930,943	930,943
Dividends	11	-	(1,205,000)	(1,205,000)
Balance at 31 May 2023		2,000	30,233	32,233

CAMBRIAN LONDON LIMITED

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 May 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	23	1,873,390	2,426,398
Interest paid		(18,000)	(19,184)
Income taxes paid		(521,597)	(206,573)
Net cash inflow from operating activities		<u>1,333,793</u>	<u>2,200,641</u>
Investing activities			
Purchase of tangible fixed assets		(3,847)	(38,234)
Interest received		5,397	77
Net cash generated from/(used in) investing activities		<u>1,550</u>	<u>(38,157)</u>
Financing activities			
Dividends paid to equity shareholders		(1,205,000)	(590,000)
Net cash used in financing activities		<u>(1,205,000)</u>	<u>(590,000)</u>
Net increase in cash and cash equivalents		<u>130,343</u>	<u>1,572,484</u>
Cash and cash equivalents at beginning of year		2,290,087	717,603
Cash and cash equivalents at end of year		<u><u>2,420,430</u></u>	<u><u>2,290,087</u></u>

CAMBRIAN LONDON LIMITED

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 May 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	24	1,361,346	875,574
Interest paid		-	(63)
Income taxes paid		(352,991)	(91,460)
Net cash inflow from operating activities		<u>1,008,355</u>	<u>784,051</u>
Financing activities			
Dividends paid to equity shareholders		<u>(1,205,000)</u>	<u>(590,000)</u>
Net cash used in financing activities		<u>(1,205,000)</u>	<u>(590,000)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(196,645)</u>	<u>194,051</u>
Cash and cash equivalents at beginning of year		<u>386,804</u>	<u>192,753</u>
Cash and cash equivalents at end of year		<u><u>190,159</u></u>	<u><u>386,804</u></u>

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 31 May 2023

1 Accounting policies

Company information

Cambrian London Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Connect House, 133-137 Alexandra Road, London, SW19 7JY.

The group consists of Cambrian London Limited and its subsidiary Raven Roofing and Building Supplies Limited.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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 is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

Tangible fixed assets 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:

Freehold land and buildings	10% on cost
Plant and equipment	15% on cost
Fixtures and fittings	15% on cost
Computers	15% on cost
Motor vehicles	20% on cost

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

1 Accounting policies

(Continued)

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 recognised in the profit and loss account.

1.5 Inventories

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement 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 stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 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 group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

1 Accounting policies (Continued)

1.8 Equity instruments

Equity instruments issued by the group 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 group.

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 profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is 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 fixed 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

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

1.12 Leases

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 leased asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Roofing materials	18,765,732	19,572,498
	<u>18,765,732</u>	<u>19,572,498</u>
	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	18,765,732	19,572,498
	<u>18,765,732</u>	<u>19,572,498</u>
	2023	2022
	£	£
Other revenue		
Interest income	5,397	77
	<u>5,397</u>	<u>77</u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	30,274	39,545
Operating lease charges	633,993	624,580
	<u>664,267</u>	<u>664,125</u>

5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,555	1,375
Audit of the financial statements of the company's subsidiaries	16,500	14,745
	<u>18,055</u>	<u>16,120</u>

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

6 Employees

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

Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
47	48	4	4

Their aggregate remuneration comprised:

	Group 2023 £	2022 £	Company 2023 £	2022 £
Wages and salaries	1,697,757	1,748,143	180,000	182,265
Social security costs	180,127	183,061	25,892	23,465
Pension costs	250,932	144,790	166,667	86,666
	<u>2,128,816</u>	<u>2,075,994</u>	<u>372,559</u>	<u>292,396</u>

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	-	2,265
Company pension contributions to defined contribution schemes	80,000	6,667
	<u>80,000</u>	<u>8,932</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	5,397	77
	<u>5,397</u>	<u>77</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	5,397	77
	<u>5,397</u>	<u>77</u>

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

9 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	18,000	19,121
Other finance costs:		
Other interest	-	63
Total finance costs	18,000	19,184

10 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	331,161	371,598
Adjustments in respect of prior periods	(3,024)	-
Total current tax	328,137	371,598
Deferred tax		
Origination and reversal of timing differences	(3,289)	2,765
Total tax charge	324,848	374,363

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

	2023	2022
	£	£
Profit before taxation	1,625,079	1,957,773
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	406,270	371,978
Tax effect of expenses that are not deductible in determining taxable profit	2,864	2,403
Tax effect of utilisation of tax losses not previously recognised	(1,080)	(15)
Effect of change in corporation tax rate	(81,210)	-
Adjustments in respect of financial assets	4,317	(2,768)
Under/(over) provided in prior years	(3,024)	-
Movement in deferred tax	(3,289)	2,765
Taxation charge	324,848	374,363

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

11 Dividends

	2023	2022
	£	£
Recognised as distributions to equity holders:		
Final paid	1,205,000	590,000

12 Tangible fixed assets

Group	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 June 2022	200,919	111,432	185,694	169,207	126,725	793,977
Additions	-	874	276	2,697	-	3,847
At 31 May 2023	200,919	112,306	185,970	171,904	126,725	797,824
Depreciation and impairment						
At 1 June 2022	200,919	82,802	159,977	143,828	126,725	714,251
Depreciation charged in the year	-	6,393	12,014	11,867	-	30,274
At 31 May 2023	200,919	89,195	171,991	155,695	126,725	744,525
Carrying amount						
At 31 May 2023	-	23,111	13,979	16,209	-	53,299
At 31 May 2022	-	28,630	25,717	25,379	-	79,726

The company had no tangible fixed assets at 31 May 2023 or 31 May 2022.

13 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	14	-	-	1,000	1,000
Unlisted investments		1,300	1,300	-	-
		1,300	1,300	1,000	1,000

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

13 Fixed asset investments (Continued)

Movements in fixed asset investments Group

Investments £

Cost or valuation

At 1 June 2022 and 31 May 2023

1,300

Carrying amount

At 31 May 2023

1,300

At 31 May 2022

1,300

Movements in fixed asset investments Company

Shares in subsidiaries £

Cost or valuation

At 1 June 2022 and 31 May 2023

1,000

Carrying amount

At 31 May 2023

1,000

At 31 May 2022

1,000

14 Subsidiaries

Details of the company's subsidiaries at 31 May 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Raven Roofing and Building Supplies Limited	Applemor House Head Office, Campbell Road, Twickenham, TW2 5BY	Ordinary	100.00

15 Stocks

	Group 2023 £	2022 £	Company 2023 £	2022 £
Raw materials and consumables	1,855,014	1,673,311	-	-

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

16 Debtors

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,880,888	2,233,107	-	-
Amounts owed by group undertakings	-	-	493,967	375,667
Other debtors	557,024	647,693	-	-
Prepayments and accrued income	80,972	133,838	164	625
	<u>2,518,884</u>	<u>3,014,638</u>	<u>494,131</u>	<u>376,292</u>

17 Creditors: amounts falling due within one year

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Trade creditors	3,173,352	3,475,003	-	-
Corporation tax payable	181,144	374,604	82,831	202,991
Other taxation and social security	318,302	424,723	133,602	88,835
Other creditors	458,295	239,585	425,488	158,285
Accruals and deferred income	279,569	198,824	11,136	7,695
	<u>4,410,662</u>	<u>4,712,739</u>	<u>653,057</u>	<u>457,806</u>

18 Deferred taxation

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

	Liabilities 2023	Liabilities 2022
	£	£
Group		
Accelerated capital allowances	<u>504</u>	<u>3,793</u>

The company has no deferred tax assets or liabilities.

	Group 2023	Company 2023
	£	£
Movements in the year:		
Liability at 1 June 2022	3,793	-
Credit to profit or loss	(3,289)	-
Liability at 31 May 2023	<u>504</u>	<u>-</u>

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

18 Deferred taxation (Continued)

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	250,932	144,790

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

20 Share capital

Group and company	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	2,000	2,000	2,000	2,000

21 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group	2022	Company	2022
	2023	£	2023	£
	£	£	£	£
Within one year	414,791	411,894	-	-
Between two and five years	658,470	913,084	-	-
In over five years	-	24,658	-	-
	1,073,261	1,349,636	-	-

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

22 Related party transactions

a. Entity with common directors

During the year the subsidiary paid rents, excluding VAT, to to an entity with common directors of £70,380 (2022: £70,380).

b. Site rental

During the year £27,600 (2022 £27,600) was paid by the subsidiary to close family members of two of the directors (of both the parent and subsidiary) as rent for use of one of the branch sites which they own.

During the year £27,600 (2022: £27,600) was paid by the subsidiary to two of the directors (of both the parent and subsidiary) as rent for use of one of the branch sites which they own.

c. Related employees

During the year £292,559 (2022: £283,197) was paid to close family members of the directors as salaries for work they completed from the parent company.

d. Director loans

As at year end a balance of £425,488 (2022: £158,285) was owed to two of the directors of the parent company from the parent company. No interest is charged on this balance.

23 Cash generated from group operations

	2023 £	2022 £
Profit for the year after tax	1,300,231	1,583,410
Adjustments for:		
Taxation charged	324,848	374,363
Finance costs	18,000	19,184
Investment income	(5,397)	(77)
Depreciation and impairment of tangible fixed assets	30,274	39,545
Movements in working capital:		
Increase in stocks	(181,703)	(179,098)
Decrease in debtors	495,754	326,567
(Decrease)/increase in creditors	(108,617)	262,504
Cash generated from operations	1,873,390	2,426,398

CAMBRIAN LONDON LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

24 Cash generated from operations - company

	2023 £	2022 £
Profit for the year after tax	930,943	865,383
Adjustments for:		
Taxation charged	232,831	202,992
Finance costs	-	63
Movements in working capital:		
Increase in debtors	(117,839)	(376,292)
Increase in creditors	315,411	183,428
Cash generated from operations	1,361,346	875,574

25 Analysis of changes in net funds - group

	1 June 2022 £	Cash flows £	31 May 2023 £
Cash at bank and in hand	2,290,087	130,343	2,420,430

26 Analysis of changes in net funds - company

	1 June 2022 £	Cash flows £	31 May 2023 £
Cash at bank and in hand	386,804	(196,645)	190,159

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