

Nicholls & Clarke Glass Limited

Registered number: 00339277

Annual Report

For the year ended 31 December 2022



NICHOLLS & CLARKE GLASS LIMITED

COMPANY INFORMATION

Directors	D I Forbes M L Smith (previously M L Holmes)
Company secretary	D J Lanchester
Registered number	00339277
Registered office	41-51 Freshwater Road Chadwell Heath Romford Essex RM8 1SP
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 30 Old Bailey London EC4M 7AU

NICHOLLS & CLARKE GLASS LIMITED

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NICHOLLS & CLARKE GLASS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors are pleased to present their Strategic Report for the year ended 31 December 2022.

Business review

The Company is a wholly owned subsidiary of Nicholls & Clarke Limited, which is the ultimate parent company.

The principal activity of the Company is the manufacture, distribution and retailing of glass and glass related products primarily within the United Kingdom. There have not been any significant changes to the Company's activities in the year under review. The directors expect the Company to continue to trade in a similar manner in the foreseeable future.

Turnover increased by 16.3% to £18.7 million (2021: £16.1 million). Profit after tax was £1.1 million (2021: profit of £0.8 million). The Statement of Financial Position on page 11 shows that net assets have increased to £4.0 million (2021: £3.0 million). Details of the amounts owed by and to other group undertakings are shown in notes 12 and 14.

The directors do not anticipate any significant changes to the underlying business. The Nicholls & Clarke Group manages its operations on a business unit basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Company, including future developments, is discussed further in the Group's annual report which does not form part of this report.

Principal risks and uncertainties

The principal risks and uncertainties affecting the business include the following:

- Stock availability and prices: There have been numerous price increases and stock shortages within the industry over the last 18 months. The Company works closely with regular suppliers in order to manage allocations and continues to monitor stock sources on an international basis where possible.
- Environmental risks: the Company places considerable emphasis upon environmental compliance in each of its businesses and not only seeks to ensure ongoing compliance with relevant legislation but also strives to ensure that environmental best practise is incorporated into its key processes.
- Debtors: the Company maintains strong relationships with each of its key customers and has established credit control parameters. Appropriate credit terms are agreed with all customers and these are closely managed.
- Major disruption/disaster: business continuity planning is reviewed regularly.
- The effect of legislation or other regulatory activities: the group monitors forthcoming and current legislation regularly.
- All appropriate measures are taken to protect the Company's intellectual property rights and to minimise the risk of infringement of third party rights.
- Competitive risk: the Company operates in highly competitive markets. The diversity of operations reduces the possible effect of action by any single competitor.

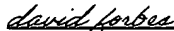
NICHOLLS & CLARKE GLASS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Research and development

The Company pursues a policy of continuous development and improvement of its products. Expenditure is written off in the year in which it is incurred.

This report was approved by the board and signed on its behalf by:


david forbes (May 31, 2023 13:34 GMT+1)

D I Forbes
Director

Date: May 31, 2023

NICHOLLS & CLARKE GLASS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year, after taxation, amounted to £1,081,392 (2021: profit of £820,139).

The directors do not recommend the payment of a dividend (2021: £nil).

Directors

The directors who served during the year and to the date of this report were:

D I Forbes
M L Smith (previously M L Holmes)

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. No claim or notice of claim in respect of these indemnities has been received in the year.

NICHOLLS & CLARKE GLASS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

The directors have assessed the Company's ability to continue as a going concern and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In doing this, they have considered the results for the period, expectations of future trading and the availability of continued funding. On the basis of this information the directors are satisfied that the Company will continue as a going concern and so the financial statements have been prepared on this basis.

Economic impact of global events

UK businesses are currently facing many uncertainties such as the consequences of Brexit, Covid-19, environmental sustainability and geopolitical events such as the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, extreme energy price increases, labour shortages and disrupted supply chains.

The directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that the greatest impact on the business is expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

The Company continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Future developments

As discussed within the Business Review of the Strategic Report, there have been no changes to the core activities of the Company during the year. The actions taken during the pandemic are considered to be sufficient to place the Company in a good position for the future (evidenced by further profit in 2022) but this will continue to be reviewed as and when the environment changes. The current risks faced by the Company have been discussed within the 'Principal risks and uncertainties' section of the Strategic Report.

Matters covered in the Strategic Report

The Company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the Company's Strategic Report information required by Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. Certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

NICHOLLS & CLARKE GLASS LIMITED

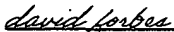
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Auditor

During the year, Mazars LLP was appointed as auditor.

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:


david forbes (May 31, 2023 13:34 GMT+1)

D I Forbes
Director

Date: May 31, 2023

NICHOLLS & CLARKE GLASS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NICHOLLS & CLARKE GLASS LIMITED

Opinion

We have audited the financial statements of Nicholls & Clarke Glass Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

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

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

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

Other information

The 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.

NICHOLLS & CLARKE GLASS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NICHOLLS & CLARKE GLASS LIMITED

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 the audit:

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

Matters on which we are required to report by exception

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NICHOLLS & CLARKE GLASS LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 intend either 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

NICHOLLS & CLARKE GLASS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NICHOLLS & CLARKE GLASS LIMITED

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the occurrence assertion on a risk basis), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

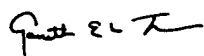
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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. This description forms part of our auditor's report.

Use of the audit 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.



Gareth Jones (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Date: May 31, 2023

NICHOLLS & CLARKE GLASS LIMITED

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

	Note	2022 £	2021 £
Turnover	4	18,674,406	16,055,877
Cost of sales		(11,088,163)	(8,996,502)
Gross profit		<u>7,586,243</u>	<u>7,059,375</u>
Distribution costs		(1,368,212)	(1,260,203)
Administrative expenses		(5,136,639)	(4,999,437)
Other operating income	5	-	20,404
Operating profit	6	<u>1,081,392</u>	<u>820,139</u>
Tax on profit	8	-	-
Profit for the financial year		<u>1,081,392</u>	<u>820,139</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>1,081,392</u>	<u>820,139</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.


The notes on pages 13 to 26 form part of these financial statements.

NICHOLLS & CLARKE GLASS LIMITED
REGISTERED NUMBER: 00339277

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	4,014,172	4,474,037
Investments	10	4,750	4,750
		<u>4,018,922</u>	<u>4,478,787</u>
Current assets			
Stocks	11	1,626,158	1,628,355
Debtors: amounts falling due within one year	12	4,217,758	3,817,321
Cash and cash equivalents	13	315,174	255,945
		<u>6,159,090</u>	<u>5,701,621</u>
Creditors: amounts falling due within one year	14	(6,146,335)	(7,230,123)
Net current assets/(liabilities)		<u>12,755</u>	<u>(1,528,502)</u>
Total assets less current liabilities		<u>4,031,677</u>	<u>2,950,285</u>
Net assets		<u>4,031,677</u>	<u>2,950,285</u>
Capital and reserves			
Called up share capital	16	3,001,500	3,001,500
Profit and loss account	17	1,030,177	(51,215)
Total equity		<u>4,031,677</u>	<u>2,950,285</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


David Forbes (May 31, 2023 13:34 GMT+1)

D I Forbes
Director

Date: May 31, 2023

The notes on pages 13 to 26 form part of these financial statements.

NICHOLLS & CLARKE GLASS LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	3,001,500	(871,354)	2,130,146
Comprehensive income for the year			
Profit for the year	-	820,139	820,139
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	820,139	820,139
	<hr/>	<hr/>	<hr/>
At 1 January 2022	3,001,500	(51,215)	2,950,285
Comprehensive income for the year			
Profit for the year	-	1,081,392	1,081,392
	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	1,081,392	1,081,392
	<hr/>	<hr/>	<hr/>
At 31 December 2022	<u>3,001,500</u>	<u>1,030,177</u>	<u>4,031,677</u>

The notes on pages 13 to 26 form part of these financial statements.

NICHOLLS & CLARKE GLASS LIMITED

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

1. General information

Nicholls & Clarke Glass Limited is a private company limited by shares and incorporated and registered in England and Wales. The registered number of the Company is 00339277. The address of its registered office is 41-51 Freshwater Road, Chadwell Heath, Romford, Essex, RM8 1SP.

The principal activity of the Company is the manufacture, distribution and retailing of glass and glass related products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Nicholls & Clarke Limited as at 31 December 2022 and these financial statements may be obtained from 41-51 Freshwater Road, Chadwell Heath, Romford, Essex, RM8 1SP.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

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

2. Accounting policies (continued)

2.4 Going concern

The directors have assessed the Company's ability to continue as a going concern and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In doing this, they have considered the results for the period, expectations of future trading and the availability of continued funding. On the basis of this information the directors are satisfied that the Company will continue as a going concern and so the financial statements have been prepared on this basis.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income.

2.6 Turnover

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

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

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

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

2. Accounting policies (continued)

2.7 Operating leases: the Company as lessee

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

2.8 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays. Of the offered schemes, the Company used the furlough scheme. The income from the furlough scheme has been recognised within 'Other operating income'. The income is recognised when the Company has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

2. Accounting policies (continued)

2.11 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 4 to 15%
Plant and machinery	- 5 to 20%
Motor vehicles	- 15 to 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.14 Debtors

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

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

2. Accounting policies (continued)

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

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

2.17 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Financial assets

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

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

Financial liabilities

Basic financial liabilities, including trade and other payables 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 receipts discontinued at a rate of interest.

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NICHOLLS & CLARKE GLASS LIMITED

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 £	2021 £
Sale of goods	18,674,406	16,055,877

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £	2021 £
Government grants	-	20,404

During the year the Company received no amounts from the government under the Coronavirus Job Retention Scheme (2021: £20,404).

NICHOLLS & CLARKE GLASS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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6. Operating profit

The operating profit is stated after charging/(crediting):

	2022 £	2021 £
Exchange gains	(13,640)	-
Depreciation of tangible assets	697,073	668,639
Bad debt charge/(credit)	20,841	(1,904)
Fees payable to the Company's auditor for the audit of the Company's financial statements	18,900	18,900
Other operating lease rentals	479,349	475,009
Profit on sale of tangible assets	(4,500)	(27,441)
Movement in stock provision	(1,986)	12,887
	<u> </u>	<u> </u>

7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	4,273,209	4,023,566
Social security costs	407,070	356,129
Cost of defined contribution scheme	144,141	140,611
	<u> </u>	<u> </u>
	<u>4,824,420</u>	<u>4,520,306</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Distribution	23	22
Administrative	123	120
	<u> </u>	<u> </u>
	<u>146</u>	<u>142</u>

The directors' remuneration is borne by the ultimate parent company.

NICHOLLS & CLARKE GLASS LIMITED

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

8. Taxation

	2022 £	2021 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	1,081,392	820,139
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	205,464	155,826
Effects of:		
Fixed asset timing differences	(2,872)	5,623
Expenses not deductible for tax purposes	725	4,493
Remeasurement of deferred tax	-	(31,263)
Deferred tax not recognised	(203,317)	(134,679)
Total tax charge for the year	-	-

At 31 December 2022 the unused losses for the Company were £1,235,773 (2021: £2,274,830).

Factors that may affect future tax charges

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

NICHOLLS & CLARKE GLASS LIMITED

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

9. Tangible assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2022	901,836	7,061,875	1,523,196	9,486,907
Additions	7,750	229,458	-	237,208
Disposals	-	(15,650)	-	(15,650)
At 31 December 2022	<u>909,586</u>	<u>7,275,683</u>	<u>1,523,196</u>	<u>9,708,465</u>
Depreciation				
At 1 January 2022	549,577	3,537,646	925,647	5,012,870
Charge for the year	43,788	532,264	121,021	697,073
Disposals	-	(15,650)	-	(15,650)
At 31 December 2022	<u>593,365</u>	<u>4,054,260</u>	<u>1,046,668</u>	<u>5,694,293</u>
Net book value				
At 31 December 2022	<u>316,221</u>	<u>3,221,423</u>	<u>476,528</u>	<u>4,014,172</u>
At 31 December 2021	<u>352,259</u>	<u>3,524,229</u>	<u>597,549</u>	<u>4,474,037</u>

NICHOLLS & CLARKE GLASS LIMITED

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

10. Investments

	Investments in subsidiary companies £
Cost	
At 1 January 2022	4,750
At 31 December 2022	<u>4,750</u>
Net book value	
At 31 December 2022	<u>4,750</u>
At 31 December 2021	<u>4,750</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Treseburng s.r.o	Praha 3, Rohacova 188/37, PSC 13000, Czech Republic	Manufacture of building materials	Ordinary	100%

11. Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>1,626,158</u>	<u>1,628,355</u>

NICHOLLS & CLARKE GLASS LIMITED

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

12. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	2,823,721	2,505,322
Amounts owed by group undertakings	1,108,817	1,094,965
Other debtors	7,477	5,968
Prepayments	277,743	211,066
	<u>4,217,758</u>	<u>3,817,321</u>

Trade debtors are stated at net of a provision of £48,225 (2021: £72,328).

Amounts owed by group undertakings are unsecured, interest-free and payable on demand.

13. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>315,174</u>	<u>255,945</u>

14. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	899,390	454,452
Amounts owed to group undertakings	4,238,427	5,778,331
Corporation tax	63	63
Other taxation and social security	354,967	166,506
Other creditors	5,743	82,043
Accruals and deferred income	647,745	748,728
	<u>6,146,335</u>	<u>7,230,123</u>

Amounts owed to group undertakings are unsecured, interest-free and repayable on demand.

NICHOLLS & CLARKE GLASS LIMITED

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

15. Deferred taxation

The deferred tax provision is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	500,769	494,845
Short term timing differences	(57,977)	(56,400)
Losses and other deductions	(442,792)	(438,445)
	<u>-</u>	<u>-</u>

A deferred tax liability of £137,259 (2021: asset of £130,263) relating to tax losses carried forward has not been recognised.

16. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
3,001,500 (2021: 3,001,500) ordinary shares of £1 each	<u>3,001,500</u>	<u>3,001,500</u>

The Company has one class of ordinary shares; each share has attached to it full voting, dividend and capital distribution rights.

17. Reserves**Profit and loss account**

This reserve represents the cumulative profits and losses of the Company.

18. Contingencies

The Company participates in a group registration for VAT purposes and, whilst the parent and each subsidiary takes up its own liability, this company is contingently liable for any additional unpaid VAT of all other group companies, which amounted to £942 as at 31 December 2022 (2021: £255,437).

19. Capital commitments

At 31 December 2022 the Company had capital commitments as follows:

	2022 £	2021 £
Tangible assets	<u>-</u>	<u>45,608</u>

NICHOLLS & CLARKE GLASS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £144,141 (2021: £140,611). There were no amounts payable to the fund at the year end (2021: £nil).

21. Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework, as set out in the Directors' Report. The board is responsible for developing and monitoring the Company's risk management strategy and policies. There have been no changes to the Company's exposure to risk or the methods used to measure and manage these risks during the year. The Company has exposure to the following risks from the use of its financial instruments.

Credit risk management

Trade accounts receivable are from a broad customer base. The Company monitors the financial position of their customers on an ongoing basis. The granting of credit is controlled by application and accounts limits. An allowance is made for specific bad debts and at the reporting date management did not consider there to be any material credit risk exposure.

The directors do not feel the Company is exposed to any other significant financial risk.

22. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	317,513	324,978
Later than 1 year and not later than 5 years	719,816	1,045,515
	<u>1,037,329</u>	<u>1,370,493</u>

23. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A of Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Group.

24. Post balance sheet events

There have been no significant events affecting the Company since the year end.

NICHOLLS & CLARKE GLASS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. Controlling party

The immediate and ultimate parent undertaking is Nicholls & Clarke Limited, which is also registered and incorporated in England and Wales. Nicholls & Clarke Limited, is the parent undertaking of the smallest and largest group which consolidates the financial information of the Company. Copies of the consolidated financial statements may be obtained from 41-51 Freshwater Road, Chadwell Heath, Romford, Essex, RM8 1SP.