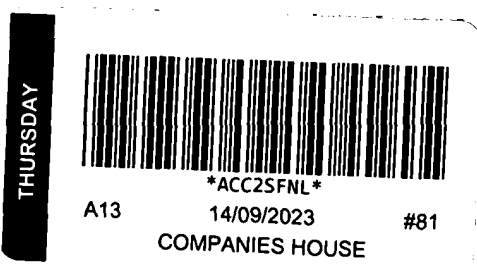


**Builders Supply (North West) Limited**

**Annual Report and Financial Statements**

**for the Year Ended 31 December 2022**

Registered number: 01222280 (England and Wales)



## **Builders Supply (North West) Limited**

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# **Builders Supply (North West) Limited**

## **Strategic Report For the year ended 31 December 2022**

The directors present the strategic report for the year ended 31 December 2022.

### **Review of the business**

During the year, the Company experienced the continued Covid-19 restrictions and the effect of the war in Ukraine which increased fuel, energy, raw material and operational costs. The construction and landscaping sector remained strong in the earlier part of the year but the increased costs reduced demand in the latter part of the year. Despite these increased costs the directors are pleased with the results of the Company for the financial year and wish to thank all the staff for their hard work. The Company continues to reinvest in the infrastructure and product ranges of Border Aggregates and Cawley Bros., the trading names of Builders Supply (North West) Limited.

### **Key performance indicators**

The directors consider the gross profit percentage and turnover are the key indicators to the financial result of the Company. In the year to 31 December 2022 gross margin decreased to 16.45% from 16.74% and turnover decreased to £23,540,083 from £24,449,625, a decrease of 3.72%.

### **Principal risks and uncertainties**

The continued war in Ukraine has increased operational costs which have impacted trade but the Group is confident that continued investments and the controlling of those costs will in the long- term lead to greater operational efficiency and mitigate future risk.

### **Future developments**

The directors expect the general level of activity to remain consistent with 2022 in the forthcoming year. The impact of the coronavirus pandemic is receding and the level of uncertainty over the impact of Brexit is also reducing.

Approved by the Board and signed on its behalf by:



Mr A Hetherington

**Director**

Date: **3 April 2023**

c/o Border Aggregates  
Scotland Road  
Carnforth  
Lancashire  
United Kingdom  
LA5 9JZ

## **Builders Supply (North West) Limited**

### **Directors' Report**

#### **For the year ended 31 December 2022**

The directors present their annual report on the affairs of Builders Supply (North West) Limited ('the Company'), together with the financial statements and auditor's report, for the year ended 31 December 2022.

#### **Principle activities**

The principal activity of the Company continued to be that of wholesale suppliers of specialist sand, aggregates and landscaping materials.

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £600,000. 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 T Billington  
Mr A Hetherington  
Mr S Pelter  
Mr S Scott

#### **Financial instruments**

The company holds or issues financial instruments in order to achieve three main objectives, being:

- (a) to finance its operations;
- (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance;
- and
- (c) for trading purposes.

In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from the company's operations.

Transactions in financial instruments result in the company assuming or transferring to another party one or more of the financial risks described below.

#### ***Liquidity risk***

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

#### ***Currency risk***

The company's principal foreign currency exposures arise from trading with overseas companies. The company seeks to invoice and be invoiced in its principal trading currency wherever possible so as to minimise its exposure to foreign currency movements.

#### ***Credit risk***

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts whenever considered necessary.

## **Builders Supply (North West) Limited**

### **Directors' Report (continued) For the year ended 31 December 2022**

#### **Auditor**

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosures to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board and signed on its behalf by:



Mr A Hetherington

**Director**

Date: 3 April 2023

## **Builders Supply (North West) Limited**

### **Directors' Responsibilities Statement For the year ended 31 December 2022**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

# **BUILDERS SUPPLY (NORTH WEST) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BUILDERS SUPPLY (NORTH WEST) LIMITED**

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#### **Opinion**

We have audited the financial statements of Builders Supply (North West) Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 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. 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.

# **BUILDERS SUPPLY (NORTH WEST) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BUILDERS SUPPLY (NORTH WEST) LIMITED**

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities 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.



# **BUILDERS SUPPLY (NORTH WEST) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BUILDERS SUPPLY (NORTH WEST) LIMITED**

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **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.

*Azets Audit Services*

**Susanna Cassey (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

Date: *6 April '23*

**Chartered Accountants**  
**Statutory Auditor**

Fleet House  
New Road  
Lancaster  
United Kingdom  
LA1 1EZ

## Builders Supply (North West) Limited

### Statement of Comprehensive Income

For the year ended 31 December 2022

	Note	2022 £	2021 £
<b>Turnover</b>	3	23,540,083	24,449,625
Cost of sales		(19,666,950)	(20,356,025)
<b>Gross profit</b>		<u>3,873,133</u>	<u>4,093,600</u>
Administrative expenses		(2,584,375)	(2,470,370)
Other operating income		<u>329,910</u>	<u>311,685</u>
<b>Operating profit</b>	4	<u>1,618,668</u>	<u>1,934,915</u>
Interest receivable and similar income	7	100,206	23,119
Interest payable and similar expenses	8	<u>(125,927)</u>	<u>(66,466)</u>
<b>Profit before taxation</b>		<u>1,592,947</u>	<u>1,891,568</u>
Tax on profit	9	<u>(279,408)</u>	<u>(371,482)</u>
<b>Profit for the financial year</b>		<u><u>1,313,539</u></u>	<u><u>1,520,086</u></u>

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

## Builders Supply (North West) Limited

### Statement of Financial Position

As at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	3,174,347	2,039,956
Investments	12	20,101	20,101
		<u>3,194,448</u>	<u>2,060,057</u>
<b>Current assets</b>			
Stocks	13	1,216,408	1,504,672
Debtors	14	10,399,479	9,114,279
Cash at bank and in hand		793,977	1,080,669
<b>Total current assets</b>		<u>12,409,864</u>	<u>11,699,620</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(8,471,367)</u>	<u>(7,587,768)</u>
<b>Net current assets</b>		<u>3,938,497</u>	<u>4,111,852</u>
<b>Total assets less current liabilities</b>		<u>7,132,945</u>	<u>6,171,909</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(517,616)	(516,598)
<b>Provisions for liabilities</b>			
Deferred tax liability	18	(376,510)	(130,031)
<b>Net assets</b>		<u>6,238,819</u>	<u>5,525,280</u>
<b>Capital and reserves</b>			
Called up share capital	20	30,000	30,000
Profit and loss account	21	6,208,819	5,495,280
<b>Total equity</b>		<u>6,238,819</u>	<u>5,525,280</u>

The financial statements of Builders Supply (North West) Limited (registered number 01222280) were approved by the board of directors and authorised for issue on 3 April 2023

They were signed on its behalf by:

*Billington*

Mr T Billington  
Director

*A. Hetherington*

Mr A Hetherington  
Director

## Builders Supply (North West) Limited

### Statement of Changes in Equity For the year ended 31 December 2022

	Note	Share capital £	Profit and loss reserves £	Total £
<b>At 1 January 2021</b>		30,000	9,475,194	9,505,194
<b>Year ended 31 December 2021:</b>				
Profit and total comprehensive income for the year		-	1,520,086	1,520,086
Dividends	10	-	(5,500,000)	(5,500,000)
<b>Balance at 31 December 2021</b>		30,000	5,495,280	5,525,280
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year		-	1,313,539	1,313,539
Dividends	10	-	(600,000)	(600,000)
<b>Balance at 31 December 2022</b>		30,000	6,208,819	6,238,819

# Builders Supply (North West) Limited

## Notes to the Financial Statements For the year ended 31 December 2022

### 1. Accounting policies

#### Company Information

Builders Supply (North West) Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o Border Aggregates, Scotland Road, Carnforth, Lancashire, United Kingdom, LA5 9JZ.

#### a. General information and basis of accounting

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, not the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### b. Going Concern

The directors confirm that, having reviewed the Company's budget and forecasts in addition to consideration of the facilities available, they consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### c. Tangible fixed assets

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:

Fixtures, plant and equipment	10-33% straight line / reducing balance
Motor vehicles	20-25% straight line / reducing balance
Bays and buildings	10-33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit or loss.

# Builders Supply (North West) Limited

## Notes to the Financial Statements For the year ended 31 December 2022

### 1. Accounting policies (continued)

#### d. Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### e. Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### f. Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

##### (i) 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.

## **Builders Supply (North West) Limited**

### **Notes to the Financial Statements** **For the year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### **f. Financial instruments (continued)**

###### *(ii) Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

###### *(iii) Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

###### *(iv) Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

###### *(v) Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

###### *(vi) 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.

## **Builders Supply (North West) Limited**

### **Notes to the Financial Statements** **For the year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### ***f. Financial instruments (continued)***

###### ***(vii) Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

###### ***(vii) Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

##### ***g. Stocks***

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.

Cost is calculated on a first in, first out basis.

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.

##### ***h. 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.

##### ***i. Equity instruments***

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### ***j. 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.

##### ***k. Retirement benefits***

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



# **Builders Supply (North West) Limited**

## **Notes to the Financial Statements** **For the year ended 31 December 2022**

### **1. Accounting policies (continued)**

#### ***l. Taxation***

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

##### ***(ii) 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***(ii) 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 when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### ***m. Leases***

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### ***n. Government grants***

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

## **Builders Supply (North West) Limited**

### **Notes to the Financial Statements** **For the year ended 31 December 2022**

#### **1. Accounting policies (continued)**

##### ***o. Turnover***

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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

##### ***p. 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.

#### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company'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.

##### ***Key source of estimation uncertainty***

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### **Useful economic lives of tangible fixed assets**

The useful life and depreciation rate of tangible fixed assets is reviewed annually and amended when necessary.

##### **Valuation of Stock**

The Company is involved in the supply of specialist sand, aggregates and landscaping materials. As such it is necessary to consider the recoverability of the cost associated with the stock holdings and if a provision is required. When considering if a provision is required the age and specific circumstances are used to assess the level of provision required. Any provision is charged to the profit and loss account in the year in which it is made.

## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

#### 3. Turnover and other revenue

An analysis of the Company's turnover by class of business is set out below.

	2022 £	2021 £
<b>Turnover:</b>		
Sale of goods	23,540,083	24,449,625
	<u>23,540,083</u>	<u>24,449,625</u>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	100,206	23,119
Grants received	-	10,235
Management charges receivable	329,178	300,450
Rent receivable	732	1,000
	<u>329,916</u>	<u>334,804</u>

All turnover arose within the United Kingdom

#### 4. Operating profit

Operating profit for the year is stated after charging/(crediting):

	2022 £	2021 £
Exchange (gains)/losses	-	4,873
Government grants	-	(10,235)
Fees payable to the company's auditor for the audit of the financial statements	12,340	11,350
Depreciation of owned tangible fixed assets	309,770	215,093
Depreciation of tangible fixed assets under finance leases	414,405	410,075
Profit on disposal of tangible fixed assets	(54,501)	(17,747)
Operating lease charges	281,441	211,401
	<u>963,055</u>	<u>816,747</u>

## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

#### 5. Directors' remuneration

	2022 £	2021 £
Remuneration of qualifying services	612,606	636,200
Company pension contributions to defined contribution schemes	74,959	74,996
	<u>687,565</u>	<u>711,196</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amount to 2 (2021 – 2).

	2022 £	2021 £
<b>Remuneration of the highest paid director:</b>		
Remuneration of qualifying services	250,976	262,740
Company pension contributions to defined contribution schemes	<u>37,496</u>	<u>37,496</u>

#### 6. Staff numbers and costs

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

	2022 Number	2021 Number
Production and selling	62	60
Administration and management	<u>22</u>	<u>22</u>
	<u>84</u>	<u>82</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	3,930,148	3,659,448
Social security costs	431,415	388,601
Pension costs	<u>143,655</u>	<u>169,489</u>
	<u>4,505,218</u>	<u>4,217,538</u>

## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

#### 7. Interest receivable and similar income

	2022 £	2021 £
Interest receivable from group companies	97,263	18,981
Other interest income	2,943	4,138
	<u>100,206</u>	<u>23,119</u>

#### 8. Interest payable and similar expenses

	2022 £	2021 £
Interest on invoice finance arrangement	31,790	31,013
Interest payable to group undertakings	62,438	8,184
Interest on finance leases and hire purchase contracts	31,699	27,269
	<u>125,927</u>	<u>66,466</u>

#### 9. Tax on profit

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax	32,929	361,693
Adjustments in respect of prior periods	-	1,363
<b>Total current tax</b>	<u>32,929</u>	<u>363,056</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	246,479	8,426
<b>Total tax charge</b>	<u>279,408</u>	<u>371,482</u>

The Finance Act 2021 was substantively enacted in May 2021 and increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

#### 9. Tax on profit (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2022 £	2021 £
<b>Profit before tax</b>	<b>1,592,947</b>	<b>1,891,568</b>
Tax on profit at standard UK corporation tax rate of 19.0% (2021:19.0%)	302,660	359,398
Effects of:		
- Expenses not deductible for tax purposes	96	180
- Change in corporation tax rate	61,025	38,042
- Group Relief	-	(10,214)
- Permanent capital allowances in excess of depreciation	(5,026)	(13,988)
- Depreciation on assets not qualifying for tax allowances	2,935	27
- Other non-reversing timing differences	-	(314)
- Other permanent differences	-	(3,372)
- Under/(over) provided in prior years	1,793	1,363
- Deferred charge in respect of prior years	(7,793)	-
- Effect of superdeduction	(76,282)	-
<b>Total tax charge for year</b>	<b>279,408</b>	<b>371,482</b>

#### 10. Dividends

	2022 £	2021 £
Final paid	600,000	5,500,000

## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

#### 11. Tangible fixed assets

	Fixtures, plant and equipment £	Motor vehicles £	Bays and buildings £	Total £
<b>Cost</b>				
At 1 January 2022	1,494,622	3,732,640	82,304	5,309,566
Additions	436,614	1,000,730	449,720	1,887,064
Disposals	-	(260,337)	-	(260,337)
At 31 December 2022	<u>1,931,236</u>	<u>4,473,033</u>	<u>532,024</u>	<u>6,936,293</u>
<b>Depreciation</b>				
At 1 January 2022	904,866	2,294,543	70,201	3,269,610
Charge for the year	140,082	539,687	44,406	724,175
Disposals	-	(231,839)	-	(231,839)
At 31 December 2022	<u>1,044,948</u>	<u>2,602,391</u>	<u>114,607</u>	<u>3,761,946</u>
<b>Net book value</b>				
At 31 December 2022	<u>886,288</u>	<u>1,870,642</u>	<u>417,417</u>	<u>3,174,347</u>
At 31 December 2021	<u>589,756</u>	<u>1,438,097</u>	<u>12,103</u>	<u>2,039,956</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Fixtures, plant and equipment	206,922	302,819
Motor vehicles	1,108,268	914,951
	<u>1,315,190</u>	<u>1,217,770</u>

#### 12. Fixed asset investments

	2022 £	2021 £
Subsidiary undertakings	20,001	20,001
Other investments	100	100
	<u>20,101</u>	<u>20,101</u>

## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

#### 12. Fixed asset investments (continued)

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name	Registered office	Principle activity	Class of shares	Holding
Arran Natural Stone Limited	3a Delisle Street, Dunbar, East Lothian, Scotland, EH42 1BY	Non-trading	Ordinary	100%
Border Aggregates Limited	c/o Border Aggregates, Scotland Road, Carnforth, Lancashire, LA5 9JZ	Non-trading	Ordinary	100%
Cawley Brothers Limited	c/o Border Aggregates, Scotland Road, Carnforth, Lancashire, LA5 9JZ	Non-trading	Ordinary	100%

#### 13. Stocks

	2022 £	2021 £
Raw materials and consumables	37,834	54,915
Finished goods and goods for resale	1,178,574	1,449,757
	<u>1,216,408</u>	<u>1,504,672</u>

#### 14. Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	3,168,272	3,037,244
Corporation tax recoverable	379,457	60,274
Amounts owed by group undertakings	6,644,586	5,761,064
Other debtors	3,277	2,367
Prepayments and accrued income	203,887	253,330
	<u>10,399,479</u>	<u>9,114,279</u>



## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

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

	2022 £	2021 £
Obligations under finance leases and hire purchase contracts (see note 17)	481,958	474,059
Trade creditors	1,777,842	2,287,085
Amounts owed to group undertakings	4,629,969	3,394,242
Taxation and social security	249,278	192,700
Other creditors	107,825	105,338
Accruals and deferred income	1,224,495	1,134,344
	<u>8,471,367</u>	<u>7,587,768</u>

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

	2022 £	2021 £
Obligations under finance leases and hire purchase contracts (see note 17)	<u>517,616</u>	<u>516,598</u>

#### 17. Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	506,900	492,656
In two to five years	547,105	552,470
	<u>1,054,005</u>	<u>1,045,126</u>
Less: future finance charges	<u>(54,431)</u>	<u>(54,469)</u>
	<u>999,574</u>	<u>990,657</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Liabilities held under hire purchase leases are secured against the assets to which they relate.

## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

#### 18. Deferred tax liability

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

	2022 £	2021 £
Accelerated capital allowances	395,492	156,389
Short term timing differences	(18,982)	(26,358)
<b>Provision for deferred tax</b>	<b>376,510</b>	<b>130,031</b>

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

There is no expiry date on timing differences, unused tax losses or tax credits.

#### 19. Retirement benefit schemes

	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	143,655	169,489

The company operates defined contribution pension schemes for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 20. Share Capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
30,000 (2021 – 30,000) Ordinary shares of £1.00 each	30,000	30,000

The Company has one class of ordinary shares which carry no right to fixed income.

#### 21. Profit and loss reserves

Profit and loss reserves represents the accumulated comprehensive income for the year and prior periods net of equity dividends paid.

## **Builders Supply (North West) Limited**

### **Notes to the Financial Statements** **For the year ended 31 December 2022**

#### **22. Financial commitments**

A cross guarantee has been provided for £1,391,516 (2021 - £2,273,216) that represents liabilities due in other group companies. These are secured by fixed charges over the tangible assets and floating charges over all assets of Builders Supply (North West) Limited, Hardroad Limited, Hardroad Holdings Limited, Lloyd's Spar Quarries (Mold) Limited and Peakdale Quarry Products Limited.

A cross guarantee has been provided for £125,000 (2021 - £625,000) that represents liabilities due to a director from other group companies. These are secured by fixed charges over all equipment and a floating charge over all the assets of Builders Supply (North West) Limited, Hardroad Limited, Hardroad Holdings Limited, Lloyd's Spar Quarries (Mold) Limited and Peakdale Quarry Products Limited.

A cross guarantee has been provided for £1,500,000 (2021- £1,500,000) that represents amounts owed by other group companies to a fellow group company. These are secured by a floating charge over all assets of Hardroad Limited, Hardroad Holdings Limited, Lloyd's Spar Quarries (Mold) Limited, Peakdale Quarry Products Limited and Builders Supply (North West) Limited.

#### **23. Operating lease commitments**

##### **Leasee**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	263,819	281,441
Between two and five years	553,916	748,041
In over five years	23,125	76,792
	<u>840,860</u>	<u>1,106,274</u>

#### **24. Capital commitments**

Amounts contracted for but not provided in the financial statements:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Acquisition of tangible fixed assets	<u>709,136</u>	<u>725,416</u>

## Builders Supply (North West) Limited

### Notes to the Financial Statements For the year ended 31 December 2022

#### 25. Related party transactions

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
<b>Amounts due to related parties</b>		
Entities over which the entity has control, joint control or significant influence	20,000	20,000
Other related parties	<u>4,609,969</u>	<u>3,374,242</u>
	2022 £	2021 £
<b>Amounts due from related parties</b>		
Entities with control, joint control or significant influence	<u>6,644,586</u>	<u>5,761,062</u>

#### Other information

During the year a Company over which a director of the Company has control made purchases from the company for fair value consideration of £5,765 (2021: £6,630).

The Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions with wholly owned entities which form part of the group.

#### 26. Director' transactions

	2022 £	2021 £
Amounts due from/(owed to) directors	<u>-</u>	<u>901</u>

#### 27. Controlling party

The immediate parent Company is Hardroad Limited. The ultimate parent Company is Orange UK Holdings Limited. All companies are registered in England and Wales.

The smallest group in which the results of the Company are consolidated is that headed by CorpAcq Limited, a company registered in England and Wales with registered office CorpAcq House, 1 Goose Green, Altrincham, Cheshire, England, WA14 1DW. The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The largest group in which the results of the Company are consolidated is that headed by Orange UK Holdings Limited, which is the ultimate parent company. Orange UK Holdings Limited is registered in England and Wales with registered office 1 Goose Green, Altrincham, Cheshire, England, WA14 1DW. The consolidated financial statements of the group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The directors consider, that by virtue of his shareholding in the ultimate parent Company, the ultimate controlling party is Mr S Orange.