

Company registration number 01235332 (England and Wales)

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

COMPANY INFORMATION

Directors	Mr W A Godfrey	
	Mr M C Jones	
	Mrs T L Pike	
	Mr M Binmore	(Appointed 1 October 2020)
	Mr B R Pike	(Appointed 1 October 2020)
	Ms M Pike	(Appointed 1 October 2020)
	Mr D Pattison	(Appointed 1 October 2020)

Secretary	Mrs T L Pike
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Company number	01235332
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Registered office	Park Road Abergavenny Monmouthshire United Kingdom NP7 5PF
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Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW
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Bankers	Lloyds TSB 54 Cross Street Abergavenny Monmouthshire NP7 5HB
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ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

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ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Fair review of the business

The company is a family owned business operating a number of branches of Builders Merchants in the South Wales area.

The company offers a range of products from building and plumbing materials, timber and joinery, flooring, roofing, decorating products to kitchens and bathrooms and an impressive range of garden features, including natural stone paving, decking, water features and fencing and timber structures.

Principal risks and uncertainties

The company's activities expose it to a number of financial risks including economic risk, price risk, credit risk and liquidity risk. The use of financial instruments is monitored by the board of directors. The company's principal financial instruments comprise bank balances, current asset investments and trade debtors.

Economic risk - The economic risk is based upon the continued risk of a shortage of material supplies, together with inflationary pressures in the construction industry leading to a downturn in demand. These risks are managed by ongoing evaluation of future demands and the supply chain necessary to meet such demands, to enable the directors to take action for mitigation and re-evaluate strategy accordingly. The directors are confident that remaining vigilant to potential risk factors, carrying out constant evaluation and being actively involved in the company, affords the company a high level of risk management.

Financial Risk - The financial risks faced by the business are focused around credit and liquidity

Credit risk - The credit risk is attributable to trade debtors. The amounts shown in the financial statements are after bad and doubtful debt provisions. These are based on policies implemented to manage the credit risk and require credit checks on customers and prospects. The amount of exposure to any single customer is subject to credit limits which are regularly reviewed. The company also uses credit insurance to mitigate the risk.

Liquidity risk - The company has limited exposure to liquidity risk as a consequence of having limited long-term external borrowings. The company manages liquidity risk by monitoring working capital and ensuring there are sufficient funds to meet future payments.

Loans relating to assets held under hire purchase contracts are secured upon the assets to which they relate.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Key performance indicators

The key performance indicators that the Board monitor with regard to financial performance are as follows:

	2020/21	2019/20
	£'000	£'000
Turnover	51,022	39,812
Gross Profit	15,879	12,270
Gross profit margin	31.1%	30.8%

Turnover has increased by 28.2% as trading was largely unaffected by COVID during the current financial year whereas the prior year was heavily impacted by the pandemic with the company forced to close all of its branches for several weeks in March/April 2020.

The directors will aim to continue to improve the company performance by making use of these KPIs, in addition to monitoring crucial non-financial matters including health and safety, employee retention, stock availability and customer satisfaction.

At the year end the balance sheet remains in a strong position, with significant cash balances being held and shareholders' funds standing at £20.5million (2020: £16.0 million).

The prospects for the company's business in the short to medium term are generally positive with demand and margins remaining in line with expectations.

Business environment and strategy

As a regional independent business, the company continues to operate in South Wales and is focussed on the Repairs, Maintenance and Improvements (RMI) marketplace and the regional customers who operate within this sector. The market in which the company operates is expected to remain robust given continued demand for residential RMI, both within the private and social housing market.

The strategy for the company continues to be to maintain its position as the independent merchant of choice in South East Wales. To achieve this, the company will focus on its ability to meet customers' expectations by investing in stock range and availability, staff and equipment.

Promoting the success of the company

The directors of the company act in good faith to promote the success of the company, in a fair manner with high standards of business conduct.

The directors recognise their responsibilities under the Act and are satisfied they have met their duties regarding these matters.

The directors fulfil their duties through a governance framework that delegates some of the day-to-day decision making to employees of the company, particularly branch managers.

Business relationships and conduct

The directors acknowledge the importance of the company's customers to the continued success of the company and place great emphasis on customer relationships and product quality in determining key operational decisions.

We are committed to providing the highest levels of service. We have dedicated client service teams who are responsible for managing our customer relationships ensuring their needs are met. We hold regular meetings with our major customers focusing on key areas such as quality and delivery times.

The company supplier relationships are paramount to ensuring high quality product can be obtained on terms that can satisfy customer demand and the directors are ever mindful of the need to maintain and enhance good supplier relations in the strategy they deliver for the company.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Employees and employee participation

The company has always been committed to recruiting, developing and retaining a strong and diverse workforce.

The directors recognise the roles which employees bring to the success of the company, through skill, experience and commitment; their wellbeing is a priority of the directors.

The company's policy is to consult and discuss with employees, matters likely to affect employees' interests.

Community and Environment

The directors are mindful of the impact the company's operations have on the community and the environment.

The company is aware of its corporate social accountability, particularly in its interaction with neighbours and the environment.

On behalf of the board

Mr W A Godfrey

Director

28 June 2022

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activity of the company continued to be that of a builders and plumbers merchants and the management of its investment business and associated assets.

Results and dividends

The results for the year are set out on page 9, a review of business is set out in the strategic report on page 1.

Ordinary dividends were paid amounting to £1,500,000. 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 W A Godfrey	
Mrs H J Ingram	(Resigned 12 July 2021)
Mr M C Jones	
Mrs T L Pike	
Mr M Binmore	(Appointed 1 October 2020)
Mr B R Pike	(Appointed 1 October 2020)
Ms M Pike	(Appointed 1 October 2020)
Mr D Pattison	(Appointed 1 October 2020)

Post reporting date events

In December 2021 the company acquired 100% of the issued share capital of Tudors Building Supplies (Hereford) Limited.

Auditor

UHY Hacker Young have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Energy and carbon report

Details around the company's energy and carbon usage are included in the parent company consolidated accounts.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the 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.

On behalf of the board

Mr W A Godfrey

Director

28 June 2022

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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;
- 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 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.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

Opinion

We have audited the financial statements of Robert Price (Builders Merchants) Limited (the 'company') for the year ended 30 September 2021 which comprise the profit and loss account, 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 30 September 2021 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.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

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 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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and ISO standards;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

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.

Mr John Griffiths (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

28 June 2022

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	51,022,464	39,812,396
Cost of sales		(35,143,676)	(27,542,662)
Gross profit		15,878,788	12,269,734
Administrative expenses		(10,968,096)	(9,833,227)
Other operating income		78,979	533,708
Operating profit	4	4,989,671	2,970,215
Interest receivable and similar income	7	145,996	101,192
Interest payable and similar expenses	8	(3,959)	(4,094)
Other gains and losses	9	394,441	(158,055)
Profit before taxation		5,526,149	2,909,258
Tax on profit	10	(1,048,797)	(546,815)
Profit for the financial year		4,477,352	2,362,443

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021	2020
	£	£
Profit for the year	4,477,352	2,362,443
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,477,352</u>	<u>2,362,443</u>

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12		286,501		272,644
Investments	13		24,654		24,654
			<u>311,155</u>		<u>297,298</u>
Current assets					
Stocks	15	10,817,870		6,921,547	
Debtors	16	7,049,865		5,324,175	
Investments	17	6,404,918		3,399,976	
Cash at bank and in hand		4,651,345		7,635,489	
		<u>28,923,998</u>		<u>23,281,187</u>	
Creditors: amounts falling due within one year	18	(10,095,735)		(7,544,312)	
Net current assets			<u>18,828,263</u>		<u>15,736,875</u>
Total assets less current liabilities			<u>19,139,418</u>		<u>16,034,173</u>
Creditors: amounts falling due after more than one year	19		(63,881)		(1,418)
Provisions for liabilities					
Deferred tax liability	21	65,430		-	
		<u>(65,430)</u>		<u>-</u>	
Net assets			<u><u>19,010,107</u></u>		<u><u>16,032,755</u></u>
Capital and reserves					
Called up share capital	23		103		103
Profit and loss reserves			<u>19,010,004</u>		<u>16,032,652</u>
Total equity			<u><u>19,010,107</u></u>		<u><u>16,032,755</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 June 2022 and are signed on its behalf by:

Mr W A Godfrey
Director

Company Registration No. 01235332

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2019		103	741,738	14,428,471	15,170,312
Year ended 30 September 2020:					
Profit and total comprehensive income for the year		-	-	2,362,443	2,362,443
Dividends	11	-	-	(1,500,000)	(1,500,000)
Transfers		-	(741,738)	741,738	-
Balance at 30 September 2020		103	-	16,032,652	16,032,755
Year ended 30 September 2021:					
Profit and total comprehensive income for the year		-	-	4,477,352	4,477,352
Dividends	11	-	-	(1,500,000)	(1,500,000)
Balance at 30 September 2021		103	-	19,010,004	19,010,107

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

Robert Price (Builders Merchants) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Park Road, Abergavenny, Monmouthshire, United Kingdom, NP7 5PF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. 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 a 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 instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of 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, how 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.

The financial statements of the company are consolidated in the financial statements of Robert Price & Sons Limited. These consolidated financial statements are available from its registered office, Park Road, Abergavenny, Monmouthshire, NP7 5PF.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Robert Price (Builders Merchants) Limited is a wholly owned subsidiary of Robert Price & Sons Limited and the results of Robert Price (Builders Merchants) Limited are included in the consolidated financial statements of Robert Price & Sons Limited which are available from the company's registered office; Park Road, Abergavenny, Monmouthshire, NP7 5PF.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1 Accounting policies

(Continued)

1.3 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.

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.

1.4 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:

Plant and machinery	20% on cost
Motor vehicles	25% on cost

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 profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries 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.

1.6 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.7 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.

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.

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.

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.

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.

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.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1 Accounting policies

(Continued)

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.

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.

Derecognition of financial liabilities

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

1.8 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

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.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1 Accounting policies (Continued)

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

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

1.11 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 leases asset are consumed.

1.12 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.

1.13 Foreign exchange

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

2 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.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****2 Judgements and key sources of estimation uncertainty (Continued)****Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of stocks

Stocks are valued at the lower cost and net realisable value. The carrying value of stock at the year end is £10,817,870 (2020: £6,921,547). Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Sale of goods	51,022,464	39,812,396
	=====	=====
	2021 £	2020 £
Other revenue		
Interest income	61,832	50,501
Dividends received	84,164	50,691
Grants received	78,979	533,708
	=====	=====

Grants relate to money received under the furlough scheme.

All revenue is derived from the company's single geographical market in the United Kingdom.

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	324	-
Government grants	(78,979)	(533,708)
Fees payable to the company's auditor for the audit of the company's financial statements	21,300	20,450
Depreciation of owned tangible fixed assets	108,380	132,587
Depreciation of tangible fixed assets held under finance leases	59,998	45,759
(Profit)/loss on disposal of tangible fixed assets	(15,269)	5,300
Operating lease charges	190,186	174,995
	=====	=====

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****5 Employees**

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

	2021 Number	2020 Number
Selling and distribution staff	215	210
Administrative staff	33	37
Total	248	247

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	6,568,764	6,050,368
Social security costs	610,753	557,830
Pension costs	227,802	238,583
	7,407,319	6,846,781

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	489,675	96,260
Company pension contributions to defined contribution schemes	86,302	-
	575,977	96,260

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020 - 0).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	123,837	-
Company pension contributions to defined contribution schemes	53,580	-

As total directors' remuneration was less than £200,000 in the prior year, no disclosure is provided for the highest paid director for that year.

Mr W A Godfrey and Mrs T L Pike are remunerated by Robert Price & Sons Limited for their services to the group as a whole, it is not practicable to allocate their remuneration between their services to the company and the services to other group companies.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	94	18,419
Other interest income	61,738	32,082
	<u>61,832</u>	<u>50,501</u>
Total interest revenue		
	61,832	50,501
Other income from investments		
Dividends received	84,164	50,691
	<u>84,164</u>	<u>50,691</u>
Total income	<u>145,996</u>	<u>101,192</u>
Investment income includes the following:		
Dividends from financial assets measured at fair value through profit or loss	84,164	50,691
	<u>84,164</u>	<u>50,691</u>

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on finance leases and hire purchase contracts	3,959	4,094
	<u>3,959</u>	<u>4,094</u>

9 Other gains and losses

	2021	2020
	£	£
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	356,059	(266,747)
Other gains/(losses)		
Gain on disposal of financial assets held at fair value through profit or loss	38,382	108,692
	<u>394,441</u>	<u>(158,055)</u>

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	968,220	600,033
Adjustments in respect of prior periods	(2,836)	-
	<u>965,384</u>	<u>600,033</u>
Total current tax		
	965,384	600,033

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Taxation **(Continued)**

Deferred tax

Origination and reversal of timing differences	86,440	(57,363)
Changes in tax rates	(3,027)	4,145
	<u>83,413</u>	<u>(53,218)</u>
Total deferred tax	<u>83,413</u>	<u>(53,218)</u>
 Total tax charge	 <u>1,048,797</u>	 <u>546,815</u>

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

	2021	2020
	£	£
Profit before taxation	<u>5,526,149</u>	<u>2,909,258</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,049,968	552,759
Tax effect of expenses that are not deductible in determining taxable profit	-	1,780
Tax effect of income not taxable in determining taxable profit	(16,054)	(9,595)
Adjustments in respect of prior years	(2,836)	-
Effect of change in corporation tax rate	(3,027)	4,145
Other permanent differences	-	(2,274)
Effect of rate change on current year deferred tax	20,746	-
	<u>1,048,797</u>	<u>546,815</u>
Taxation charge for the year	<u>1,048,797</u>	<u>546,815</u>

11 Dividends

	2021	2020
	£	£
Final paid	<u>1,500,000</u>	<u>1,500,000</u>

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

12 Tangible fixed assets

	Plant and machinery	Motor vehicles	Total
	£	£	£
Cost or valuation			
At 1 October 2020	1,774,670	646,868	2,421,538
Additions	57,123	135,112	192,235
Disposals	(282,711)	(139,774)	(422,485)
At 30 September 2021	1,549,082	642,206	2,191,288
Depreciation and impairment			
At 1 October 2020	1,579,834	569,060	2,148,894
Depreciation charged in the year	106,900	61,478	168,378
Eliminated in respect of disposals	(282,711)	(129,774)	(412,485)
At 30 September 2021	1,404,023	500,764	1,904,787
Carrying amount			
At 30 September 2021	145,059	141,442	286,501
At 30 September 2020	194,836	77,808	272,644

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

	2021	2020
	£	£
Motor vehicles	105,883	37,850

13 Fixed asset investments

	Notes	2021	2020
		£	£
Investments in subsidiaries	14	24,654	24,654

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****14 Subsidiaries**

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Nature of business	Class of shares held	% Held Direct
Abergavenny Agricultural Supplies Limited	Dormant	Ordinary	100.00
Gower Timber (Holdings) Limited	Dormant	Ordinary	100.00
Monmouthshire Farming Supplies Limited	Dormant	Ordinary	100.00
Robert Price Building Supplies Limited	Dormant	Ordinary	100.00

The registered office for Abergavenny Agricultural Supplies Limited, Monmouthshire Farming Supplies Limited, Robert Price Building Supplies Limited and Gower Timber (Holdings) Limited is Robert Price (Bm) Ltd, Park Road, Abergavenny, Gwent, NP7 5PF.

15 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	10,817,870	6,921,547

16 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	5,952,505	4,606,867
Amounts owed by group undertakings	635,137	253,401
Other debtors	67,771	51,901
Prepayments and accrued income	394,452	394,023
	7,049,865	5,306,192

	2021	2020
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 21)	-	17,983
	7,049,865	5,324,175

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 Current asset investments

	2021	2020
	£	£
Listed investments	6,404,918	3,399,976
	<u>6,404,918</u>	<u>3,399,976</u>

18 Creditors: amounts falling due within one year

	2021	2020
	£	£
	Notes	
Obligations under finance leases	20	41,951
Trade creditors		3,792,871
Amounts owed to group undertakings		2,298,394
Corporation tax		568,220
Other taxation and social security		678,054
Other creditors		1,592,240
Accruals and deferred income		1,124,005
		<u>10,095,735</u>
		<u>7,544,312</u>

19 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
	Notes	
Obligations under finance leases	20	63,881
		<u>63,881</u>
		<u>1,418</u>

20 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	41,951	34,239
In two to five years	63,881	1,418
	<u>105,832</u>	<u>35,657</u>
	<u>105,832</u>	<u>35,657</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. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities	Assets	Assets
	2021	2020	2021	2020
Balances:	£	£	£	£
Accelerated capital allowances	(32,478)	-	-	24,274
Investments	97,908	-	-	(6,291)
	<u>65,430</u>	<u>-</u>	<u>-</u>	<u>17,983</u>
				2021
Movements in the year:				£
Asset at 1 October 2020				(17,983)
Charge to profit or loss				86,440
Effect of change in tax rate - profit or loss				(3,027)
				<u>65,430</u>
Liability at 30 September 2021				<u>65,430</u>

22 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>227,802</u>	<u>238,583</u>

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

23 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
ordinary shares of £1 each	<u>103</u>	<u>103</u>	<u>103</u>	<u>103</u>

ROBERT PRICE (BUILDERS MERCHANTS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021****24 Operating lease commitments****Lessee**

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:

	2021	2020
	£	£
Within one year	163,482	181,936
Between two and five years	326,135	452,132
In over five years	175,000	243,328
	<u>664,617</u>	<u>877,396</u>

25 Events after the reporting date

In December 2021 the company acquired 100% of the issued share capital of Tudors Building Supplies (Hereford) Limited.

26 Related party transactions

The company has taken advantage of the exemption, under the terms of FRS 102, Section 33.1A, from disclosing related party transactions with wholly owned subsidiaries within the group.

At the year end the company owed £773,205 (2020: £377,801) to Robert Price & Sons Limited, its parent company. This amount is included within creditors due within one year.

At the year end the company was owed £16,221 (2020: £253,401) by Gower Timber Limited and £618,916 (2020: £nil) by Robert Price (Builders' Bitz) Limited, both group companies. These amounts are included within debtors due within one year.

At the year end the company owed £nil (2020: £734,019) to Robert Price (Builders' Bitz) Limited formerly Robert Price (Roofing Supplies) Limited a group company. At the year end the company owed £600 (2020: £600) to Abergavenny Agricultural Supplies Limited and £24,589 (2020: £24,589) to Gower Timber Holdings Limited which are both subsidiary companies. These amounts are all included within creditors due within one year.

During the year the company purchased goods and services in the normal course of business from P. Davies and Sons Limited a company related by common directorships for £2,218,504 (2020: £1,870,676). At the year end the amount due to P Davies and Sons Limited was £1,429,331 (2020: £1,349,991). This amount is included within creditors due within one year.

During the year the company rented properties in the normal course of business from Robert Price and Sons No. 2 Pension Scheme, a scheme with common trustees for £543,200 (2020: £543,200).

27 Ultimate controlling party

The company is ultimately controlled by its parent company, Robert Price and Sons Limited, which in turn is ultimately controlled by Mr W A Godfrey, by virtue of his shareholding. Robert Price & Sons Limited is the parent of the largest and smallest group of which the company is a member and for which consolidated financial statements are prepared.

Copies of the consolidated financial statements of Robert Price & Sons Limited are available from the company's registered office; Park Road, Abergavenny, Monmouthshire, NP7 5PF.

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