

**Springfarm Architectural  
Mouldings Limited**

**Financial Statements**

**28 February 2022**

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COMPANIES HOUSE

# **Springfarm Architectural Mouldings Limited**

## **Financial Statements**

**Year ended 28 February 2022**

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# **Springfarm Architectural Mouldings Limited**

## **Officers and Professional Advisers**

### **The board of directors**

Paul Lavery  
Julienne McCrea  
Samuel McCrea  
Mark Kirkpatrick  
Tim Patton  
Gerard Wilson  
Sarah Shaw  
Catherine McCrea

### **Company secretary**

Julienne McCrea

### **Registered office**

Newpark Industrial Estate  
Greystone Road  
Antrim  
BT41 2RU

### **Auditor**

Muir & Addy  
Chartered Accountants & statutory auditor  
Muir Building  
427 Holywood Road  
Belfast  
BT4 2LT

# **Springfarm Architectural Mouldings Limited**

## **Strategic Report**

**Year ended 28 February 2022**

The directors present their strategic report for the year ended 28 February 2022.

### **PRINCIPAL ACTIVITIES**

The SAM group primarily consists of Springfarm Architectural Mouldings Limited and Select Timber Products Limited. The group is a leading manufacturer of high quality architectural mouldings, distributing throughout the UK and the rest of Europe. The group is privately owned and prides itself on family values.

### **REVIEW OF BUSINESS**

The group profit after taxation for the financial year ended 28 February 2022 amounted to £12,555,867 (2021 - £3,916,999). The directors have paid dividends in the current year of £1,922,000 (2021 - £Nil).

The company Statement of Financial Position indicates a profit after taxation of £11,446,330 (2021 - £3,976,029).

The strategic goals set by the directors were to increase product range, the emergence into new markets, and enhance customer base, thereby aiming to achieve long term future growth and profitability. The directors were successful with their objectives.

The group continues to focus on developing its skilled workforce, creating new product lines and investing in new equipment, and the directors feel that the group is in a good position to achieve their aspirations.

### **COMPANY PERFORMANCE**

The group key performance indicators are turnover and operating profit to measure growth and profitability.

The group has seen an overall increase in turnover of 71.2% for the year.

Group net assets have increased.

The group is dedicated to minimising its carbon footprint and impact on the local environment and closely monitors its self-generation of energy and levels of wastage.

### **RISKS & UNCERTAINTIES**

The directors deem the group risks to be competition, both foreign and domestic, dependence on a limited product line, and an overdependence on major contracts.

Through the diversification of our product range, entering new markets and increasing customer base, the group aims to mitigate these external risks and uncertainties.

Continued micro-management of our supply chain enables us to respond to global changes.

The ongoing effects of Brexit pose an uncertainty for the group, but we believe that we have both the systems and personnel in place to mitigate this uncertainty.

This report was approved by the board of directors on 20 December 2022 and signed on behalf of the board by:



Samuel McCrea  
Director

Registered office:  
Newpark Industrial Estate  
Greystone Road  
Antrim  
BT41 2RU

# **Springfarm Architectural Mouldings Limited**

## **Directors' Report**

**Year ended 28 February 2022**

The directors present their report and the financial statements of the group for the year ended 28 February 2022.

### **Directors**

The directors who served the company during the year were as follows:

Paul Lavery  
Julienne McCrea  
Samuel McCrea  
Mark Kirkpatrick  
Tim Patton  
Gerard Wilson  
Sarah Shaw  
Catherine McCrea  
William Doran

(Retired 31 March 2021)

### **Dividends**

Particulars of recommended dividends are detailed in note 15 to the financial statements.

### **Research and development**

Expenditure on research and development activities undertaken by the group is detailed in note 8 to the financial statements.

### **Disclosure of information in the strategic report**

A review of the development and performance of the group's business during the financial year, its position at the year end, and principal risks and uncertainties facing the group are provided in the Strategic Report.

### **Directors' responsibilities statement**

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

# **Springfarm Architectural Mouldings Limited**

## **Directors' Report** *(continued)*

**Year ended 28 February 2022**

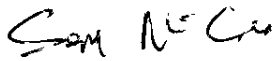
### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 20 December 2022 and signed on behalf of the board by:



Samuel McCrea  
Director

Registered office:  
Newpark Industrial Estate  
Greystone Road  
Antrim  
BT41 2RU

# **Springfarm Architectural Mouldings Limited**

## **Independent Auditor's Report to the Members of Springfarm Architectural Mouldings Limited**

**Year ended 28 February 2022**



### **Opinion**

We have audited the financial statements of Springfarm Architectural Mouldings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2022 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 28 February 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

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

# **Springfarm Architectural Mouldings Limited**

## **Independent Auditor's Report to the Members of Springfarm Architectural Mouldings Limited (continued)**

**Year ended 28 February 2022**



### **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. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



# Springfarm Architectural Mouldings Limited

## Independent Auditor's Report to the Members of Springfarm Architectural Mouldings Limited *(continued)*

Year ended 28 February 2022



### 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We discussed laws and regulations and fraud risks with the directors during our audit planning procedures. The group and the parent company must comply with the Companies Act 2006 and prepare financial statements which give a true and fair view in accordance with the Act and supplementary regulations. The directors consider that fraud is most likely to involve fraudulent payments, which might include the creation of fictitious suppliers or employees and the changing of bank details.

Our engagement team collectively had appropriate experience of applicable laws and regulations and competence to recognise non-compliance. We used checklists in evaluating the presentation, structure and content of the financial statements. We consider that our audit has a reasonable chance of detecting material non-compliance with laws and regulations. We remain mindful that fraud, by its very nature, may be difficult to detect. We have planned and performed audit procedures to test controls in place for authorisation and payment of supplier invoices and wages. We also undertook analytical procedures to identify trends that might indicate fraudulent payments and we reviewed general ledger payments processed differently from regular supplier payment procedures. We consider that our audit has a reasonable chance of detecting a material fraud in this area.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

# Springfarm Architectural Mouldings Limited

## Independent Auditor's Report to the Members of Springfarm Architectural Mouldings Limited *(continued)*

Year ended 28 February 2022



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 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.

A handwritten signature in black ink, appearing to read 'Paul Leatham'.

Mr. Paul Leatham FCA (Senior Statutory Auditor)

For and on behalf of  
Muir & Addy  
Chartered Accountants & statutory auditor  
Muir Building  
427 Holywood Road  
Belfast  
BT4 2LT

20 December 2022

# Springfarm Architectural Mouldings Limited

## Consolidated Statement of Comprehensive Income

Year ended 28 February 2022

	Note	2022 £	2021 £
<b>Turnover</b>	<b>5</b>	<b>58,585,409</b>	34,218,699
Cost of sales		<b>(33,379,120)</b>	(21,634,144)
<b>Gross profit</b>		<b>25,206,289</b>	12,584,555
Distribution costs		<b>(2,358,224)</b>	(1,556,531)
Administrative expenses		<b>(8,004,000)</b>	(7,056,916)
Other operating income	<b>6</b>	<b>516,439</b>	1,206,971
<b>Operating profit</b>	<b>7</b>	<b>15,360,504</b>	5,178,079
Other interest receivable and similar income	<b>12</b>	<b>3,318</b>	–
Interest payable and similar expenses	<b>13</b>	<b>(99,698)</b>	(101,409)
<b>Profit before taxation</b>		<b>15,264,124</b>	5,076,670
Tax on profit	<b>14</b>	<b>(2,708,257)</b>	(1,159,671)
<b>Profit for the financial year and total comprehensive income</b>		<b>12,555,867</b>	3,916,999

All the activities of the group are from continuing operations.

The notes on pages 15 to 32 form part of these financial statements.

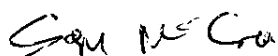
# Springfarm Architectural Mouldings Limited

## Consolidated Statement of Financial Position

28 February 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	16	1,171,099	1,269,084
Tangible assets	17	6,875,275	5,424,676
		<u>8,046,374</u>	<u>6,693,760</u>
<b>Current assets</b>			
Stocks	19	6,214,506	2,937,878
Debtors	20	20,577,506	14,959,871
Cash at bank and in hand		7,121,444	2,613,377
		<u>33,913,456</u>	<u>20,511,126</u>
<b>Creditors: amounts falling due within one year</b>	22	<u>(18,763,320)</u>	<u>(12,217,691)</u>
<b>Net current assets</b>		<u>15,150,136</u>	<u>8,293,435</u>
<b>Total assets less current liabilities</b>		<u>23,196,510</u>	<u>14,987,195</u>
<b>Creditors: amounts falling due after more than one year</b>	23	(401,229)	(2,849,953)
<b>Provisions</b>			
Taxation including deferred tax	25	(765,950)	(741,778)
<b>Net assets</b>		<u>22,029,331</u>	<u>11,395,464</u>
<b>Capital and reserves</b>			
Called up share capital	29	102,200	102,200
Revaluation reserve	30	1,021,227	1,243,342
Capital redemption reserve	30	338,800	338,800
Profit and loss account	30	20,567,104	9,711,122
<b>Shareholders funds</b>		<u>22,029,331</u>	<u>11,395,464</u>

These financial statements were approved by the board of directors and authorised for issue on 20 December 2022, and are signed on behalf of the board by:



Samuel McCrea  
Director

Company registration number: NI024953

The notes on pages 15 to 32 form part of these financial statements.

# Springfarm Architectural Mouldings Limited

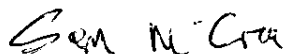
## Company Statement of Financial Position

28 February 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	16	827,988	853,738
Tangible assets	17	6,449,701	4,946,041
Investments	18	–	1,193,209
		<u>7,277,689</u>	<u>6,992,988</u>
<b>Current assets</b>			
Stocks	19	6,214,506	2,937,878
Debtors	20	20,555,334	14,937,699
Cash at bank and in hand		7,043,214	2,530,809
		<u>33,813,054</u>	<u>20,406,386</u>
<b>Creditors: amounts falling due within one year</b>	22	<u>(18,943,085)</u>	<u>(12,380,975)</u>
<b>Net current assets</b>		<u>14,869,969</u>	<u>8,025,411</u>
<b>Total assets less current liabilities</b>		<u>22,147,658</u>	<u>15,018,399</u>
<b>Creditors: amounts falling due after more than one year</b>	23	(401,229)	(2,817,285)
<b>Provisions</b>			
Taxation including deferred tax	25	(748,494)	(727,509)
<b>Net assets</b>		<u>20,997,935</u>	<u>11,473,605</u>
<b>Capital and reserves</b>			
Called up share capital	29	102,200	102,200
Revaluation reserve	30	923,829	1,145,944
Capital redemption reserve	30	338,800	338,800
Profit and loss account	30	19,633,106	9,886,661
<b>Shareholders funds</b>		<u>20,997,935</u>	<u>11,473,605</u>

The profit for the financial year of the parent company was £11,446,330 (2021: £3,976,029).

These financial statements were approved by the board of directors and authorised for issue on 20 December 2022, and are signed on behalf of the board by:



Samuel McCrea  
Director

Company registration number: NI024953

The notes on pages 15 to 32 form part of these financial statements.

# Springfarm Architectural Mouldings Limited

## Consolidated Statement of Changes in Equity

Year ended 28 February 2022

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
<b>At 1 March 2020</b>	102,200	1,463,641	338,800	5,573,824	7,478,465
Profit for the year				3,916,999	3,916,999
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	(220,299)	–	220,299	–
<b>Total comprehensive income for the year</b>	–	(220,299)	–	4,137,298	3,916,999
<b>At 28 February 2021</b>	102,200	1,243,342	338,800	9,711,122	11,395,464
Profit for the year				12,555,867	12,555,867
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	(222,115)	–	222,115	–
<b>Total comprehensive income for the year</b>	–	(222,115)	–	12,777,982	12,555,867
Dividends paid and payable				(1,922,000)	(1,922,000)
<b>Total investments by and distributions to owners</b>				(1,922,000)	(1,922,000)
<b>At 28 February 2022</b>	102,200	1,021,227	338,800	20,567,104	22,029,331

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The notes on pages 15 to 32 form part of these financial statements.

# Springfarm Architectural Mouldings Limited

## Company Statement of Changes in Equity

Year ended 28 February 2022

	Called up share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total £
<b>At 1 March 2020</b>	102,200	1,362,278	338,800	5,694,298	7,497,576
Profit for the year				3,976,029	3,976,029
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	(216,334)	–	216,334	–
<b>Total comprehensive income for the year</b>	–	(216,334)	–	4,192,363	3,976,029
<b>At 28 February 2021</b>	102,200	1,145,944	338,800	9,886,661	11,473,605
Profit for the year				11,446,330	11,446,330
Other comprehensive income for the year:					
Reclassification from revaluation reserve to profit and loss account	–	(222,115)	–	222,115	–
<b>Total comprehensive income for the year</b>	–	(222,115)	–	11,668,445	11,446,330
Dividends paid and payable				(1,922,000)	(1,922,000)
<b>Total investments by and distributions to owners</b>	15	–	–	(1,922,000)	(1,922,000)
<b>At 28 February 2022</b>	102,200	923,829	338,800	19,633,106	20,997,935

The notes on pages 15 to 32 form part of these financial statements.

# Springfarm Architectural Mouldings Limited

## Consolidated Statement of Cash Flows

Year ended 28 February 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		12,555,867	3,916,999
<i>Adjustments for:</i>			
Depreciation of tangible assets		735,669	748,106
Amortisation of intangible assets		97,985	97,985
Government grant income		(50,000)	(723,322)
Other interest receivable and similar income		(3,318)	—
Interest payable and similar expenses		99,698	101,409
Gains on disposal of tangible assets		—	(11,363)
Tax on profit		2,708,257	1,159,671
Accrued expenses		2,026,309	512,718
<i>Changes in:</i>			
Stocks		(3,276,628)	245,950
Trade and other debtors		(5,617,635)	(2,651,137)
Trade and other creditors		599,675	1,583,191
Cash generated from operations		9,875,879	4,980,207
Interest paid		(99,698)	(101,409)
Interest received		3,318	—
Tax paid		(569,674)	(200,000)
Net cash from operating activities		<u>9,209,825</u>	<u>4,678,798</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible assets		(2,186,268)	(350,334)
Proceeds from sale of tangible assets		—	100,018
Net cash used in investing activities		<u>(2,186,268)</u>	<u>(250,316)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		(661,997)	2,589,183
Government grant income		50,000	723,322
Finance lease and hire purchase contracts		(54,245)	(81,535)
Dividends paid		(1,834,250)	—
Net cash (used in)/from financing activities		<u>(2,500,492)</u>	<u>3,230,970</u>
<b>Net increase in cash and cash equivalents</b>		<b>4,523,065</b>	<b>7,659,452</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>2,598,379</b>	<b>(5,061,073)</b>
<b>Cash and cash equivalents at end of year</b>	<b>21</b>	<b><u>7,121,444</u></b>	<b><u>2,598,379</u></b>

The notes on pages 15 to 32 form part of these financial statements.



# **Springfarm Architectural Mouldings Limited**

## **Notes to the Financial Statements**

**Year ended 28 February 2022**

### **1. General information**

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is Newpark Industrial Estate, Greystone Road, Antrim, BT41 2RU.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of plant and machinery measured at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

#### **Consolidation**

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

The subsidiary company, Select Timber Products Limited (company registration number: 02423648), is exempt from the requirement relating to an audit of its individual financial statements by virtue of section 479A of the Companies Act 2006.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Significant judgements**

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies which they consider to have a significant effect on the amounts recognised in the financial statements.

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

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

#### **Judgements and key sources of estimation uncertainty *(continued)***

##### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset. Assets include plant and machinery of a specialised or unique nature. There may not be readily available markets upon which to base estimations of residual value, and the estimated useful life of assets may be untested as there are few similar assets upon which to base an assessment of the durability of the assets.

##### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

##### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

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

#### Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

#### Intangible assets

The company sold long leasehold property in a sale and leaseback transaction. The sale price was below fair value, but the company is being compensated by future rentals at below market value. The difference between the future rentals and the market value of those rentals has been capitalised, and will be amortised over the term of the lease.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	10% straight line
Property lease	-	Straight line over 40 year term

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	5%-20% straight line / 25% reducing balance
Fixtures and fittings	-	10%-25% straight line / 25% reducing balance

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

### Year ended 28 February 2022

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

##### **Depreciation *(continued)***

An amount equal to the excess of the annual depreciation charge on revalued assets over the original cost depreciation charge on those assets is transferred annually from the revaluation reserve to retained earnings.

##### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity.

##### **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

##### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

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

#### Government grants *(continued)*

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

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

#### Research and development

Research expenditure is written off in the period in which it is incurred.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

### 4. Subsidiary undertakings

The following subsidiary company is included in these consolidated financial statements.

Select Timber Products Limited, whose registered office address is Mill Lane, Donington, Spalding, Lincolnshire, PE11 4TL. The group holds Ordinary A shares and Ordinary B shares representing 100% of issued share capital.

### 5. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of goods	<u>58,585,409</u>	<u>34,218,699</u>

The turnover is attributable to the one principal activity of the group in its principal geographical market, being the United Kingdom and Europe.

### 6. Other operating income

	2022	2021
	£	£
Government grant income	50,000	723,322
Other operating income	<u>466,439</u>	<u>483,649</u>
	<u>516,439</u>	<u>1,206,971</u>

Other operating income includes recharge of expenses incurred, supplier settlement discounts, insurance receipts and sundry income.

Government revenue grants received amounted to £50,000 (2021 - £723,322) and are detailed in note 28.

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

### 7. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Amortisation of intangible assets	97,985	97,985
Depreciation of tangible assets	735,669	748,106
Gains on disposal of tangible assets	—	(11,363)
Impairment of trade debtors	—	12,228
Foreign exchange differences	11,076	(44,624)

### 8. Research and development

The aggregate amount of research and development expenditure recognised as an expense during the period is £6,388 (2021 - £8,946).

### 9. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	18,000	19,565

### 10. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2022	2021
	No.	No.
Production	140	141
Administration	35	40
	175	181

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	5,890,237	5,016,048
Social security costs	590,412	533,578
Other pension costs	165,812	153,688
	6,646,461	5,703,314

### 11. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	952,999	891,532
Company contributions to defined contribution pension plans	18,219	16,896
	971,218	908,428

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

### 11. Directors' remuneration *(continued)*

The number of directors who accrued benefits under company pension plans was as follows:

	2022 No.	2021 No.
Defined contribution plans	6	6

Remuneration of the highest paid director in respect of qualifying services:

	2022 £	2021 £
Aggregate remuneration	133,166	109,853

### 12. Other interest receivable and similar income

	2022 £	2021 £
Interest receivable	3,318	—

### 13. Interest payable and similar expenses

	2022 £	2021 £
Interest on bank loans and overdrafts	65,783	49,914
Interest on obligations under finance leases and hire purchase contracts	3,280	5,525
Invoice discounting interest	172	14,682
Other interest payable	7,314	25,962
Other interest payable and similar charges	23,149	5,326
	99,698	101,409

### 14. Tax on profit

#### Major components of tax expense

	2022 £	2021 £
<b>Current tax:</b>		
UK current tax expense	2,867,249	895,398
Adjustments in respect of prior periods	(183,164)	(8,171)
Total current tax	2,684,085	887,227
<b>Deferred tax:</b>		
Origination and reversal of timing differences	24,172	272,444
<b>Tax on profit</b>	<b>2,708,257</b>	<b>1,159,671</b>



# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

### Year ended 28 February 2022

#### 14. Tax on profit *(continued)*

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	<b>15,264,124</b>	5,076,670
Profit on ordinary activities by rate of tax	<b>2,900,184</b>	964,567
Effect of revenue exempt from tax	<b>(107)</b>	(38,589)
Gains on disposal of tangible assets	–	(196)
Research and development relief	<b>(1,578)</b>	(2,210)
Expenses not deductible for tax purposes	<b>12,938</b>	14,770
Capital allowances for period in excess of depreciation	<b>(44,188)</b>	26,532
Utilisation of tax losses	–	(3,010)
Group relief	–	(66,466)
Over/under provision in prior year	<b>(183,164)</b>	(8,131)
Deferred tax charge/(credit)	<b>24,172</b>	272,444
Tax on profit	<b>2,708,257</b>	1,159,671

#### 15. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2022 £	2021 £
Dividends on Ordinary shares	<b>1,922,000</b>	–

#### 16. Intangible assets

Group	Goodwill £	Property lease £	Total £
<b>Cost</b>			
<b>At 1 March 2021 and 28 February 2022</b>	<b>722,345</b>	<b>1,030,000</b>	<b>1,752,345</b>
<b>Amortisation</b>			
At 1 March 2021	306,999	176,262	<b>483,261</b>
Charge for the year	72,235	25,750	<b>97,985</b>
<b>At 28 February 2022</b>	<b>379,234</b>	<b>202,012</b>	<b>581,246</b>
<b>Carrying amount</b>			
<b>At 28 February 2022</b>	<b>343,111</b>	<b>827,988</b>	<b>1,171,099</b>
At 28 February 2021	415,346	853,738	1,269,084

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

### 16. Intangible assets *(continued)*

Company	Property lease £
<b>Cost</b>	
At 1 March 2021 and 28 February 2022	<u>1,030,000</u>
<b>Amortisation</b>	
At 1 March 2021	176,262
Charge for the year	25,750
<b>At 28 February 2022</b>	<u>202,012</u>
<b>Carrying amount</b>	
At 28 February 2022	<u>827,988</u>
At 28 February 2021	<u>853,738</u>

The remaining amortisation period of the property lease is 32 years.

### 17. Tangible assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost/valuation</b>				
At 1 March 2021	—	13,646,909	1,679,136	<b>15,326,045</b>
Additions	1,594,285	503,052	88,931	<b>2,186,268</b>
<b>At 28 February 2022</b>	<u>1,594,285</u>	<u>14,149,961</u>	<u>1,768,067</u>	<u><b>17,512,313</b></u>
<b>Depreciation</b>				
At 1 March 2021	—	8,978,498	922,871	<b>9,901,369</b>
Charge for the year	—	605,410	130,259	<b>735,669</b>
<b>At 28 February 2022</b>	<u>—</u>	<u>9,583,908</u>	<u>1,053,130</u>	<u><b>10,637,038</b></u>
<b>Carrying amount</b>				
At 28 February 2022	<u>1,594,285</u>	<u>4,566,053</u>	<u>714,937</u>	<u><b>6,875,275</b></u>
At 28 February 2021	<u>—</u>	<u>4,668,411</u>	<u>756,265</u>	<u><b>5,424,676</b></u>

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

### Year ended 28 February 2022

#### 17. Tangible assets *(continued)*

Company	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost/valuation</b>				
At 1 March 2021	–	12,671,089	1,290,939	<b>13,962,028</b>
Additions	1,594,285	503,052	88,931	<b>2,186,268</b>
<b>At 28 February 2022</b>	<b>1,594,285</b>	<b>13,174,141</b>	<b>1,379,870</b>	<b>16,148,296</b>
<b>Depreciation</b>				
At 1 March 2021	–	8,419,746	596,241	<b>9,015,987</b>
Charge for the year	–	567,654	114,954	<b>682,608</b>
<b>At 28 February 2022</b>	<b>–</b>	<b>8,987,400</b>	<b>711,195</b>	<b>9,698,595</b>
<b>Carrying amount</b>				
<b>At 28 February 2022</b>	<b>1,594,285</b>	<b>4,186,741</b>	<b>668,675</b>	<b>6,449,701</b>
At 28 February 2021	–	4,251,343	694,698	4,946,041

The net carrying amount of plant and machinery held under hire purchase agreements is £248,824 (2021: £268,304) (group) and £169,297 (2021: £183,935) (company).

#### Tangible assets held at valuation

All items of plant and machinery were considered for revaluation by an independent valuer as at 1 March 2014 based on their estimated market values. The resulting increase in their carrying amount of £2,025,541 was recognised in a revaluation reserve. A further revaluation was performed as at 29 February 2020 by our own staff, resulting in a further increase in their carrying value of £539,023 (group) and £437,660 (company). The difference between the depreciation calculated on the revalued amounts and that calculated on the historic cost of the assets is being transferred annually from the revaluation reserve to the profit and loss account. The carrying amount of plant and machinery that would be recognised as at 28 February 2022 had the assets been carried under the historic cost basis is £3,546,826 (group) and £3,262,912 (company).

#### 18. Investments

The group has no investments.

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 March 2021 and 28 February 2022	<b>1,193,209</b>
<b>Impairment</b>	
At 1 March 2021	–
Impairment losses	<b>1,193,209</b>
<b>At 28 February 2022</b>	<b>1,193,209</b>

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

**Year ended 28 February 2022**

### 18. Investments *(continued)*

Company	Shares in group undertakings £
Carrying amount	
At 28 February 2022	—
At 28 February 2021	<u>1,193,209</u>

#### Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Select Timber Products Limited	Ordinary A shares	100
	Ordinary B shares	100

### 19. Stocks

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials and consumables	<b>4,774,316</b>	2,150,723	<b>4,774,316</b>	2,150,723
Work in progress	<b>238,542</b>	195,406	<b>238,542</b>	195,406
Finished goods and goods for resale	<b>1,201,648</b>	591,749	<b>1,201,648</b>	591,749
	<u><b>6,214,506</b></u>	<u>2,937,878</u>	<u><b>6,214,506</b></u>	<u>2,937,878</u>

### 20. Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>18,156,827</b>	12,394,796	<b>18,137,527</b>	12,375,496
Prepayments and accrued income	<b>892,718</b>	812,559	<b>890,215</b>	810,056
Directors loan accounts	<b>114,009</b>	86,204	<b>114,009</b>	86,204
Other debtors	<b>1,413,952</b>	1,666,312	<b>1,413,583</b>	1,665,943
	<u><b>20,577,506</b></u>	<u>14,959,871</u>	<u><b>20,555,334</b></u>	<u>14,937,699</u>

### 21. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>7,121,444</b>	2,613,377
Bank overdrafts	<b>—</b>	(14,998)
	<u><b>7,121,444</b></u>	<u>2,598,379</u>

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	919,072	922,556	919,072	922,556
Trade creditors	4,539,370	4,151,960	4,539,370	4,151,960
Amounts owed to group undertakings	—	—	275,789	290,842
Accruals and deferred income	7,075,721	5,049,412	7,004,231	4,960,473
Corporation tax	2,858,883	744,472	2,867,249	744,472
Social security and other taxes	1,342,455	1,075,813	1,342,223	1,073,745
Obligations under finance leases and hire purchase contracts	41,893	53,378	9,225	16,827
Dividends payable	140,550	52,800	140,550	52,800
Director loan accounts	1,765,407	32,954	1,765,407	32,954
Other creditors	79,969	134,346	79,969	134,346
	<u>18,763,320</u>	<u>12,217,691</u>	<u>18,943,085</u>	<u>12,380,975</u>

As security for bank loans and overdrafts totalling £919,072 (2021 - £922,556), AIB (NI) holds a mortgage debenture incorporating a fixed and floating charge over all company assets present and future including a specific charge over Springier Architectural Mouldings Limited.

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

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts	400,337	2,806,301	400,337	2,806,301
Obligations under finance leases and hire purchase contracts	892	43,652	892	10,984
	<u>401,229</u>	<u>2,849,953</u>	<u>401,229</u>	<u>2,817,285</u>

As security for bank loans and overdrafts totalling £400,337 (2021 - £2,806,301), AIB (NI) holds a mortgage debenture incorporating a fixed and floating charge over all company assets present and future including a specific charge over Springfarm Architectural Mouldings Limited.

### 24. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	41,893	53,378	9,225	16,827
Later than 1 year and not later than 5 years	892	43,652	892	10,984
	<u>42,785</u>	<u>97,030</u>	<u>10,117</u>	<u>27,811</u>

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

Year ended 28 February 2022

### 25. Provisions

Group	Deferred tax (note 26) £
At 1 March 2021	741,778
Accelerated capital allowances	66,373
Revaluation of tangible assets	(42,201)
<b>At 28 February 2022</b>	<b>765,950</b>
<b>Company</b>	<b>Deferred tax (note 26) £</b>
At 1 March 2021	727,509
Accelerated capital allowances	63,186
Revaluation of tangible assets	(42,201)
<b>At 28 February 2022</b>	<b>748,494</b>

### 26. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in provisions (note 25)	<u>765,950</u>	<u>741,778</u>	<u>748,494</u>	<u>727,509</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	564,199	497,826	572,966	509,780
Revaluation of tangible assets	<u>201,751</u>	<u>243,952</u>	<u>175,528</u>	<u>217,729</u>
	<u>765,950</u>	<u>741,778</u>	<u>748,494</u>	<u>727,509</u>

### 27. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £147,593 (2021: £136,792).

Contributions were also paid on behalf of directors amounting to £18,219 (2021 - £16,896).

The total amount recognised as an expense in relation to defined contribution plans was £165,812 (2021 - £153,688).

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

**Year ended 28 February 2022**

### 28. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Recognised in other operating income:				
Government grants released to profit or loss	<u>50,000</u>	<u>723,322</u>	<u>50,000</u>	<u>723,322</u>

Revenue grants received consist of the Large NAV Business Grant Scheme. Grants received in the prior period consisted of Coronavirus Job Retention Scheme grants from the UK government.

The group has also had the benefit of a rates holiday for its Antrim factory which covers the period from 1 April 2020 to 31 March 2022. The estimated cost saving in the current financial year ending 28 February 2022 was £51,019 (2021 - £41,906).

The group negotiated two loans of £1,000,000 each under the Coronavirus Business Interruption Loan Scheme in the prior period. The loans were supported by a government-backed guarantee from the Department for Business, Energy and Industrial Strategy, who also covered the first 12 months of interest payments and any fees levied by the lender. The loans have been repaid in full in the current reporting period.

### 29. Called up share capital

#### Authorised share capital

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	500,000	500,000
5% Redeemable preference shares of £1 each	<u>500,000</u>	<u>500,000</u>	500,000	500,000
5.5% Redeemable preference shares of £1 each	<u>500,000</u>	<u>500,000</u>	500,000	500,000
	<u><b>1,500,000</b></u>	<u><b>1,500,000</b></u>	<u><b>1,500,000</b></u>	<u><b>1,500,000</b></u>

#### Issued, called up and fully paid

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>102,200</u>	<u>102,200</u>	<u>102,200</u>	<u>102,200</u>

Ordinary shareholders are entitled to attend and vote at general meetings and, in winding up, to receive repayment of capital paid up on their shares and participate in the distribution of the residual assets of the company in proportion to the amounts paid up on those shares.

# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

**Year ended 28 February 2022**

### 30. Reserves

Called up share capital - The nominal value of shares that have been issued.

Revaluation reserve - This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Capital redemption reserve - This reserve records the nominal value of shares repurchased by the company.

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 31. Analysis of changes in net debt

	At 1 Mar 2021	Cash flows	At 28 Feb 2022
	£	£	£
Cash at bank and in hand	2,613,377	4,508,067	7,121,444
Bank overdrafts	(14,998)	14,998	–
Debt due within one year	(993,890)	(1,732,482)	(2,726,372)
Debt due after one year	(2,849,953)	2,448,724	(401,229)
	<u>(1,245,464)</u>	<u>5,239,307</u>	<u>3,993,843</u>

### 32. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Later than 5 years	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>	<u>270,000</u>

The amount recognised in profit or loss as an expense in relation to operating leases was £270,000 (2021: £270,000).

### 33. Contingencies

#### Guarantee

The directors have provided a statement, in accordance with section 479C of the Companies Act 2006, that the parent company guarantees all outstanding liabilities to which its subsidiary, Select Timber Products Limited (Company number 02423648), is subject at the end of its own financial year, being also 28 February 2022, until those liabilities are satisfied in full. At the end of its financial year, the subsidiary company had total liabilities of £121,846 and net assets of £672,704.



# Springfarm Architectural Mouldings Limited

## Notes to the Financial Statements *(continued)*

### Year ended 28 February 2022

#### 34. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2022			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mark Kirkpatrick	24,086	12,859	(2,400)	<b>34,545</b>
Tim Patton	37,811	10,711	(2,400)	<b>46,122</b>
Gerard Wilson	24,307	11,435	(2,400)	<b>33,342</b>
	<u>86,204</u>	<u>35,005</u>	<u>(7,200)</u>	<u><b>114,009</b></u>

	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mark Kirkpatrick	7,800	18,686	(2,400)	24,086
Tim Patton	32,659	7,552	(2,400)	37,811
Gerard Wilson	7,800	18,907	(2,400)	24,307
	<u>48,259</u>	<u>45,145</u>	<u>(7,200)</u>	<u>86,204</u>

The following directors have made short term loans to the group. The balances owing to the directors at the year end, in relation to these loans, are as follows:

	2022	2021
	£	£
Samuel McCrea	<b>879,365</b>	7,566
Julienne McCrea	<b>885,547</b>	24,931
Catherine McCrea	<b>495</b>	457
	<u><b>1,765,407</b></u>	<u>32,954</u>

Interest is being charged on the loans at the bank rate set by the Bank of England plus 5%, subject to a minimum rate of 10%. Interest of £23,149 was accrued for the year ended 28 February 2022 (2021 - £5,326).

#### 35. Related party transactions

##### Group

During the year the group entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2022	2021	2022	2021
	£	£	£	£
Dividends paid to directors	<u>1,742,000</u>	<u>—</u>	<u>—</u>	<u>—</u>

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the group was £971,218 (2021: £908,428).

# Springfarm Architectural Mouldings Limited

## Notes to the Consolidated Detailed Income Statement *(continued)*

Year ended 28 February 2022

	2022		2021	
	£		£	
Company				
During the year the company entered into the following transactions with related parties:				
	Transaction value		Balance owed by/(owed to)	
	2022	2021	2022	2021
	£	£	£	£
Dividends paid to directors	1,742,000	-	-	-