

Company Registration No. 03159762 (England and Wales)

**RADMAT BUILDING PRODUCTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**Richard Anthony**  
**Chartered Accountants and Registered Auditors**

# **RADMAT BUILDING PRODUCTS LIMITED**

## **COMPANY INFORMATION**

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<b>Director</b>	R L Speroni
<b>Company number</b>	03159762
<b>Registered office</b>	2nd Floor Gadd House Arcadia Avenue England London N3 2JU
<b>Auditor</b>	Richard Anthony 2nd Floor Gadd House Arcadia Avenue England London N3 2JU
<b>Business address</b>	Holland House, Valley Way Rockingham Road Market Harborough Leicestershire LE16 7PS

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# **RADMAT BUILDING PRODUCTS LIMITED**

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# **RADMAT BUILDING PRODUCTS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The director presents the strategic report and financial statements for the year ended 31 December 2020.

#### **Fair review of the business**

The results for the period and the financial position at the year-end were considered satisfactory by the director. A significant part of the year was affected by the Covid-19 pandemic and the business performed resiliently in difficult and unpredictable circumstances.

#### **Principal risks and uncertainties**

The company has reacted and adapted to the changes caused by Covid-19 as well as Brexit. As it stands, some uncertainties remain, but going concern risks remain low for the foreseeable future.

The recoverability and cash flow risks associated with trade debtors are managed by the credit and terms offered to customers as well as regular monitoring and follow up of the amounts outstanding.

The liquidity risk associated with trade creditors is managed by ensuring there is sufficient cash availability to meet all liabilities as they fall due.

#### **Development and performance**

Following the relocation of a warehouse in September 2020, the associated administration costs are anticipated to reduce slightly.

The company received a loan of £3,250,000 under the Coronavirus Business Interruption Loan Scheme from its bank to support unpredictable cash flows. For more details refer to Note 20 "loans and overdrafts".

The company invested £1,000,000 in listed investments in November 2020, and it has continued to invest in research and development with the view to maintaining a strong competitive advantage.

With increased turnover and strong cost control, the company has improved its profitability and maintained a positive cash flow for future periods.

#### **Key performance indicators**

The main KPIs used by the company are summarized as below:

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Turnover	£33.35m	£30.50m	£33.53m
Gross profit %	27.67%	29.60%	23.45%
Operating profit	£4.70m	£2.78m	£2.44m

The company experienced a fall in turnover during the onset of the Covid-19 pandemic before sales volumes recovered and returned to growth. Turnover increased by 9.36% on the previous year.

The sales pipeline remains strong post the balance sheet date, and the 2021 and 2022 sales volumes are forecasted to be in excess of 2020.

The gross profit margin dropped by 1.93% from 29.60% to 27.67%, which was caused by changes to the sales mix.

The director and senior management monitor considerable statistical information on a continuous basis to ensure that they are aware of trends and influences on profitability, without relying on particular Key Performance Indicators but which may include the monitoring of gross margins (by product line), departmental turnover and debtor payment days.

#### **Going concern**

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

# **RADMAT BUILDING PRODUCTS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Other information and explanations**

With all aspects of the business are continually monitored, the director looks forward to achieving continued growth in profitability over the foreseeable future.

On behalf of the board

R L Speroni

**Director**

16 August 2021

# **RADMAT BUILDING PRODUCTS LIMITED**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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The director presents his annual report and financial statements for the year ended 31 December 2020.

#### **Principal activities**

The principal activity of the company continued to be that of sales and marketing of building products.

#### **Results and dividends**

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

Ordinary dividends were paid amounting to £1,900,000. The director does not recommend payment of a final dividend.

#### **Director**

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

R L Speroni

#### **Auditor**

Richard Anthony were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **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

R L Speroni

**Director**

16 August 2021

## **RADMAT BUILDING PRODUCTS LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

#### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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. He is 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.

# **RADMAT BUILDING PRODUCTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF RADMAT BUILDING PRODUCTS LIMITED**

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#### **Opinion**

We have audited the financial statements of Radmat Building Products Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 director's 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 director 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 director is 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.



# **RADMAT BUILDING PRODUCTS LIMITED**

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

### **TO THE MEMBERS OF RADMAT BUILDING PRODUCTS LIMITED**

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

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

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant:

- The Companies Act 2006
- Financial Reporting Standard 102
- UK tax legislation
- UK employment legislation
- UK health and safety legislation
- General Data Protection Regulations

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with these laws and regulations. The assessment did not identify any issues in this area.

# **RADMAT BUILDING PRODUCTS LIMITED**

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

### **TO THE MEMBERS OF RADMAT BUILDING PRODUCTS LIMITED**

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We assessed the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the measures management has in place to prevent and detect fraud,
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process,
- Challenging assumptions and judgements made by management in its significant estimates, and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential existed within the recording and recognition of revenue and the controls exercised over the maintenance of the stock levels.

Our procedures in these respects were focused on the origination of revenue and directed towards ensuring the accuracy and completeness of the same by undertaking testing on a sample basis of the revenue items to ensure that sales had been recorded correctly and in the appropriate accounting period. The stock was tested, again on a sample basis, to ensure that it existed and it was disclosed at the appropriate value. We consider that the work we undertook in this regard was considered capable of detecting irregularities and fraud within the sales and purchase/stock cycles respectively.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach. The risk is also greater regarding irregularities occurring to fraud other than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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.

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 him 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.

**Michael Barnett BA FCA (Senior Statutory Auditor)**  
**For and on behalf of Richard Anthony**

16 August 2021

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

2nd Floor Gadd House  
Arcadia Avenue  
England  
London  
N3 2JU

# RADMAT BUILDING PRODUCTS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	33,349,861	30,495,549
Cost of sales		(24,121,588)	(21,470,139)
<b>Gross profit</b>		9,228,273	9,025,410
Administrative expenses		(4,833,659)	(6,318,943)
Other operating income		303,690	76,552
<b>Operating profit</b>	<b>4</b>	4,698,304	2,783,019
Interest receivable and similar income	<b>7</b>	275,160	723,548
Interest payable and similar expenses	<b>8</b>	(64,396)	(67,515)
Amounts written off investments	<b>9</b>	44,044	-
<b>Profit before taxation</b>		4,953,112	3,439,052
Tax on profit	<b>10</b>	(634,442)	(547,939)
<b>Profit for the financial year</b>		4,318,670	2,891,113

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

# RADMAT BUILDING PRODUCTS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	12		7,981		17,186
Tangible assets	13		1,357,700		1,330,247
Investments	14		1,627,202		583,158
			<u>2,992,883</u>		<u>1,930,591</u>
<b>Current assets</b>					
Stocks	16	2,456,855		2,171,332	
Debtors	17	13,776,992		12,265,682	
Cash at bank and in hand		3,357,955		402,233	
		<u>19,591,802</u>		<u>14,839,247</u>	
<b>Creditors: amounts falling due within one year</b>	18	(6,501,561)		(6,105,558)	
<b>Net current assets</b>			<u>13,090,241</u>		<u>8,733,689</u>
<b>Total assets less current liabilities</b>			<u>16,083,124</u>		<u>10,664,280</u>
<b>Creditors: amounts falling due after more than one year</b>	19	(2,979,167)			-
<b>Provisions for liabilities</b>					
Deferred tax liability	21	189,750	(189,750)	168,743	(168,743)
<b>Net assets</b>			<u><u>12,914,207</u></u>		<u><u>10,495,537</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		60		60
Profit and loss reserves	24		12,914,147		10,495,477
<b>Total equity</b>			<u><u>12,914,207</u></u>		<u><u>10,495,537</u></u>

The financial statements were approved and signed by the director and authorised for issue on 16 August 2021

R L Speroni  
Director

Company Registration No. 03159762

# **RADMAT BUILDING PRODUCTS LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2019</b>		60	8,654,364	8,654,424
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	2,891,113	2,891,113
Dividends	<b>11</b>	-	(1,050,000)	(1,050,000)
<b>Balance at 31 December 2019</b>		60	10,495,477	10,495,537
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	4,318,670	4,318,670
Dividends	<b>11</b>	-	(1,900,000)	(1,900,000)
<b>Balance at 31 December 2020</b>		60	12,914,147	12,914,207

# RADMAT BUILDING PRODUCTS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	29	5,458,121		1,658,709	
Interest paid		(64,396)		(67,515)	
Income taxes paid		(612,629)		(498,692)	
<b>Net cash inflow from operating activities</b>		<b>4,781,096</b>		<b>1,092,502</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(312,065)		(512,633)	
Proceeds on disposal of investment property		-		21,449	
Proceeds on disposal of subsidiaries		-		(56)	
Purchase of investments		(1,000,000)		-	
Proceeds on disposal of investments		-		1,522,917	
Receipts arising from loans made		(182,724)		(948,130)	
Interest received		175,160		187,750	
Dividends received		100,000		535,798	
<b>Net cash (used in)/generated from investing activities</b>		<b>(1,219,629)</b>		<b>807,095</b>	
<b>Financing activities</b>					
Repayment of bank loans		3,250,000		-	
Dividends paid		(1,900,000)		(1,050,000)	
<b>Net cash generated from/(used in) financing activities</b>		<b>1,350,000</b>		<b>(1,050,000)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>4,911,467</b>		<b>849,597</b>	
Cash and cash equivalents at beginning of year		(1,553,512)		(2,403,109)	
<b>Cash and cash equivalents at end of year</b>		<b>3,357,955</b>		<b>(1,553,512)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		3,357,955		402,233	
Bank overdrafts included in creditors payable within one year		-		(1,955,745)	

# **RADMAT BUILDING PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

##### **Company information**

Radmat Building Products Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2nd Floor Gadd House, Arcadia Avenue, England, London, N3 2JU.

##### **1.1 Accounting convention**

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

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

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

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.

Radmat Building Products Limited is a wholly owned subsidiary of Jetgrip Limited, with Radmat Limited being the ultimate parent undertaking. The results of Radmat Building Products Limited are included in the consolidated financial statements of Radmat Limited which are available from the website of Companies House.

##### **1.2 Going concern**

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

##### **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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

##### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

# **RADMAT BUILDING PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

**(Continued)**

##### **1.5 Intangible fixed assets - goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

##### **1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Trademarks	4% Straight Line
EBT Setup Cost	over 80 Years Straight Line

##### **1.7 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:

Land and buildings Freehold	2% straight line on buildings
Land and buildings Leasehold	Straight line over the term of the lease
Plant and machinery	Straight line over 10 years and 25% reducing balance
Computer equipment	25% straight line
Motor vehicles	25% reducing balance

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.

##### **1.8 Fixed asset investments**

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

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.



# **RADMAT BUILDING PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

**(Continued)**

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

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

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

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

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

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

##### **1.10 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.

##### **1.11 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# **RADMAT BUILDING PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

**(Continued)**

##### **1.12 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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### ***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.

# **RADMAT BUILDING PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **1 Accounting policies**

**(Continued)**

##### ***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.

##### ***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.

##### ***Derecognition of financial liabilities***

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

#### **1.13 Equity instruments**

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

#### **1.14 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.

# **RADMAT BUILDING PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **1 Accounting policies**

**(Continued)**

#### ***Deferred tax***

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.15 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.

#### **1.16 Retirement benefits**

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

#### **1.17 Leases**

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

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

#### **1.18 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.

#### **1.19 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.

# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

#### 3 Turnover and other revenue

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

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Sales	33,349,861	30,495,549
	<u>          </u>	<u>          </u>
	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	175,160	187,750
Dividends received	100,000	535,798
Grants received	157,026	-
	<u>          </u>	<u>          </u>
	2020	2019
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	33,349,861	30,495,549
	<u>          </u>	<u>          </u>

Included in the grants above £105,974 relates to the Coronavirus Job Retention Scheme, and £51,052 being interest saved on the Coronavirus Business Interruption Loan Scheme.

# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	70,438	(154,509)
Government grants	(157,026)	-
Fees payable to the company's auditor for the audit of the company's financial statements	72,000	60,000
Depreciation of owned tangible fixed assets	284,612	300,250
Profit on disposal of investment property	-	(21,449)
Amortisation of intangible assets	413	538
Loss on disposal of intangible assets	8,792	-
Operating lease charges	319,940	327,021
	<u>          </u>	<u>          </u>

### 5 Employees

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

	2020 Number	2019 Number
Total	42	39
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,048,394	2,012,552
Social security costs	265,944	303,923
Pension costs	118,291	87,873
	<u>          </u>	<u>          </u>
	2,432,629	2,404,348
	<u>          </u>	<u>          </u>

### 6 Director's remuneration

	2020 £	2019 £
Remuneration for qualifying services	150,000	150,000
	<u>          </u>	<u>          </u>

# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

<b>7</b>	<b>Interest receivable and similar income</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest receivable from group companies	175,160	187,750
	<b>Other income from investments</b>		
	Dividends received	-	85,798
	Total income excluding fixed asset investments	175,160	273,548
	<b>Income from fixed asset investments</b>		
	Income from shares in group undertakings	100,000	450,000
	Total income	275,160	723,548
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	175,160	187,750
	Dividends from financial assets measured at fair value through profit or loss	-	85,798
<b>8</b>	<b>Interest payable and similar expenses</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest on bank overdrafts and loans	57,587	67,515
	<b>Other finance costs:</b>		
	Other interest	6,809	-
		64,396	67,515
<b>9</b>	<b>Amounts written off investments</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Fair value gains/(losses) on financial instruments</b>		
	Change in value of financial assets held at fair value through profit or loss	44,044	-
<b>10</b>	<b>Taxation</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	843,737	712,676
	Adjustments in respect of prior periods	(230,302)	-
	Total current tax	613,435	712,676

# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 10 Taxation

(Continued)

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	21,007	(164,737)
	<u>          </u>	<u>          </u>
Total tax charge	634,442	547,939
	<u>          </u>	<u>          </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:

	2020 £	2019 £
Profit before taxation	4,953,112	3,439,052
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	941,091	653,420
Tax effect of expenses that are not deductible in determining taxable profit	16,459	14,075
Dividend income	-	(101,802)
Capital allowances in excess of depreciation	(12,169)	(48,825)
Deferred tax movements	21,007	(164,737)
Sale of listed investments	(19,000)	195,808
R & D, and patent box	(261,342)	-
Over provision re prior period	(51,604)	-
	<u>          </u>	<u>          </u>
Taxation charge for the year	634,442	547,939
	<u>          </u>	<u>          </u>

### 11 Dividends

	2020 £	2019 £
Interim paid	1,900,000	1,050,000
	<u>          </u>	<u>          </u>



# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Intangible fixed assets

	Goodwill	Trademarks	EBT Setup Cost	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020	149,712	10,321	10,000	170,033
Disposals	(149,712)	-	(10,000)	(159,712)
At 31 December 2020	-	10,321	-	10,321
<b>Amortisation and impairment</b>				
At 1 January 2020	149,712	1,927	1,208	152,847
Amortisation charged for the year	-	413	-	413
Disposals	(149,712)	-	(1,208)	(150,920)
At 31 December 2020	-	2,340	-	2,340
<b>Carrying amount</b>				
At 31 December 2020	-	7,981	-	7,981
At 31 December 2019	-	8,394	8,792	17,186

### 13 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2020	234,411	240,050	1,322,911	430,683	22,354	2,250,409
Additions	-	24,429	160,662	24,144	102,830	312,065
At 31 December 2020	234,411	264,479	1,483,573	454,827	125,184	2,562,474
<b>Depreciation and impairment</b>						
At 1 January 2020	9,333	117,889	612,144	170,823	9,973	920,162
Depreciation charged in the year	2,000	36,281	139,837	101,257	5,237	284,612
At 31 December 2020	11,333	154,170	751,981	272,080	15,210	1,204,774
<b>Carrying amount</b>						
At 31 December 2020	223,078	110,309	731,592	182,747	109,974	1,357,700
At 31 December 2019	225,078	122,161	710,767	259,860	12,381	1,330,247

# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 14 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	15	583,158	583,158
Listed investments		1,044,044	-
		<u>1,627,202</u>	<u>583,158</u>
<b>Listed investments included above:</b>			
Listed investments carrying amount		<u>1,044,044</u>	<u>-</u>

### Movements in fixed asset investments

	Shares in subsidiaries £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2020	583,158	-	583,158
Additions	-	1,044,044	1,044,044
	<u>583,158</u>	<u>1,044,044</u>	<u>1,627,202</u>
At 31 December 2020	583,158	1,044,044	1,627,202
<b>Carrying amount</b>			
At 31 December 2020	<u>583,158</u>	<u>1,044,044</u>	<u>1,627,202</u>
At 31 December 2019	<u>583,158</u>	<u>-</u>	<u>583,158</u>

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Instar Holdings Limited	England and Wales	Ordinary shares	100.00	-
Instar UK Limited	England and Wales	Ordinary shares	0	100.00
Roof Giant Limited	England and Wales	Ordinary shares	55.00	-
Roofbase (Exeter) Limited	England and Wales	Ordinary shares	0	52.00
Roofbase (Swansea) Limited	England and Wales	Ordinary shares	0	52.00
Roofbase Group Limited	England and Wales	Ordinary shares	52.00	-
Roofbase Limited	England and Wales	Ordinary shares	0	52.00
Tool Giant Limited	England and Wales	Ordinary shares	55.00	-
Quantum Insulation Limited	England and Wales	Ordinary shares	100.00	-

# **RADMAT BUILDING PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2020**

### **16 Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	2,456,855	2,171,332

### **17 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	8,740,989	6,185,798
Corporation tax recoverable	374,754	298,511
Amounts owed by group undertakings	1,871,683	2,874,339
Other debtors	2,312,395	2,685,165
Prepayments and accrued income	477,171	221,869
	13,776,992	12,265,682

### **18 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>20</b>	270,833	1,955,745
Trade creditors		3,890,317	2,165,860
Amounts owed to group undertakings		55	55
Corporation tax		841,329	764,280
Other taxation and social security		716,063	191,525
Other creditors		34,811	39,395
Accruals and deferred income		748,153	988,698
		6,501,561	6,105,558

### **19 Creditors: amounts falling due after more than one year**

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>20</b>	2,979,167	-

# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 20 Loans and overdrafts

	2020 £	2019 £
Bank loans	3,250,000	-
Bank overdrafts	-	1,955,745
	<u>3,250,000</u>	<u>1,955,745</u>
Payable within one year	270,833	1,955,745
Payable after one year	<u>2,979,167</u>	<u>-</u>

The bank loan of £3,250,000 received on 17 June 2020 was under the Coronavirus Business Interruption Loan Scheme. This is secured by a floating charge over all assets of the company and its subsidiaries and by a guarantee by Roofbase Limited. The interest rate is fixed at 2.51% per annum. The loan will be repaid by monthly instalments of £54,166.66 from July 2021 and final repayment of £54,167.06 is due by 17 June 2026 (final repayment date). However, the company may make additional repayments, as is permitted, at any time.

The amount stated under bank overdrafts represents the amounts due to RBS Invoice Finance Limited. The facility is secured by floating and fixed charges over the assets of the company.

### 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 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Accelerated Capital Allowances	181,382	168,743
Revaluations	<u>8,368</u>	<u>-</u>
	<u>189,750</u>	<u>168,743</u>
<b>Movements in the year:</b>		<b>2020 £</b>
Liability at 1 January 2020		168,743
Charge to profit or loss		<u>21,007</u>
Liability at 31 December 2020		<u>189,750</u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature together with tax that will be due in relation to gains made on fixed assets investments.

# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

### 22 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	118,291	87,873

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

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	60	60	60	60

### 24 Profit and loss reserves

	2020 £	2019 £
At the beginning of the year	10,495,477	8,654,364
Profit for the year	4,318,670	2,891,113
Dividends declared and paid in the year	(1,900,000)	(1,050,000)
At the end of the year	12,914,147	10,495,477

### 25 Financial commitments, guarantees and contingent liabilities

The company provides guarantees to various suppliers of Roofbase Limited, a subsidiary of the company. The guarantees are reviewed on annual basis. The guarantees in place as at 31 December 2020 amounted to £3,170,000, and have subsequently increased to £3,560,000 effective from 26 July 2021.

The company also provides guarantees regarding the RBS Invoice Finance facility in favour of Roofbase Limited of £2,500,000 and Instar UK Limited of £100,000.

### 26 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:

	2020 £	2019 £
Within one year	388,502	365,192
Between two and five years	1,397,542	1,058,660
In over five years	1,113,217	712,000
	2,899,261	2,135,852

## RADMAT BUILDING PRODUCTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 26 Operating lease commitments

(Continued)

##### Lessor

The operating leases represent sub-leases of Ground Floor and First Floor of Unit N1 The Welland Business Park, Market Harborough LE16 7PS to third parties. The leases are negotiated over terms of four years and rentals are fixed at £52,000 per annum. There are no options in place for either party to extend the lease terms.

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2020 £	2019 £
Within one year	52,000	52,000
Between two and five years	100,011	152,011
	<u>152,011</u>	<u>204,011</u>

#### 27 Related party transactions

As at the balance sheet date, the following amounts were owed by group undertakings:

Radmat Holdings Limited	£4,440 (2019 - £4,320)
Jetgrip Limited	£2,093 (2019 - £2,093)
Roofbase Group Limited	£472,542 (2019 - £1,732,474)
Roofbase Limited	£560,444 (2019 - £681,456)
Roof Giant Limited	£253,430 (2019 - £179,903)
Instar Holdings Limited	£1,800 (2019 - £1,800)
Instar UK Limited	£178,469 (2019 - £119,128)
Quantum Insulation Limited	£398,165 (2019 - £153,065)
Radmat Ireland Limited	£300 (2019 - £100)

The following balance was owed to group undertaking:

Tool Giant Limited	£55 (2019 - £55)
--------------------	------------------

Included in other debtors is an amount of £2,217,583 (2019 - £2,034,859) owed by Mr R L Speroni, director of the company.

Also included in other debtors is an amount of £Nil (2019 - £531,649) owed by Baycove Properties Limited. The company received repayment of all but £76,769 of the outstanding balance due in the accounting period. The remaining balance was considered, by the directors, to be irrecoverable and as such was written off during the period. Baycove Properties Limited is a related party by virtue of being under common control.

On the amount owed by Roofbase Limited, the company charges interest at 5% above base rate, repayable on demand. The interest payable for the year was £175,160 (2019 - £187,750).

The amounts owed by and to the other group undertakings are repayable on demand and interest free.

# RADMAT BUILDING PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 28 Ultimate controlling party

Jetgrip Limited is the immediate parent undertaking with Radmat Limited being the ultimate parent undertaking. The registered office of both parent undertakings is at 2nd Floor, Gadd House, Arcadia Avenue, London N3 2JU.

The consolidated results for the year in respect of Radmat Limited and its subsidiary companies are presented in consolidated financial statements and copies may be obtained from the Companies House website.

Mr R Speroni is the ultimate controlling party by virtue of his directorship and shareholding in Radmat Limited.

#### 29 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	4,318,670	2,891,113
<b>Adjustments for:</b>		
Taxation charged	634,442	547,939
Finance costs	64,396	67,515
Investment income	(275,160)	(723,548)
Gain on disposal of investment property	-	(21,449)
Loss on disposal of intangible assets	8,792	-
Amortisation and impairment of intangible assets	413	538
Depreciation and impairment of tangible fixed assets	284,612	300,250
Other gains and losses	(44,044)	-
<b>Movements in working capital:</b>		
Increase in stocks	(285,523)	(254,690)
(Increase)/decrease in debtors	(1,252,343)	499,197
Increase/(decrease) in creditors	2,003,866	(1,648,156)
<b>Cash generated from operations</b>	<b>5,458,121</b>	<b>1,658,709</b>

#### 30 Analysis of changes in net funds/(debt)

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	402,233	2,955,722	3,357,955
Bank overdrafts	(1,955,745)	1,955,745	-
	(1,553,512)	4,911,467	3,357,955
Borrowings excluding overdrafts	-	(3,250,000)	(3,250,000)
	(1,553,512)	1,661,467	107,955

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