

Company registration number 4109502 (England and Wales)

PERMAROOF (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

PERMAROOF (UK) LIMITED

COMPANY INFORMATION

Directors	A S Buttress Mr James Wooster	(Appointed 2 April 2022)
Company number	4109502	
Registered office	Unit 1 Westway Cotes Park Industrial Estate Alfreton Derbyshire England DE55 4QJ	
Auditor	Seagrave French LLP 1 Poplars Court Lenton Lane Nottingham NG7 2RR	

PERMAROOF (UK) LIMITED

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PERMAROOF (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

2021 was yet again a very unusual year. Stock shortages due to raw materials, port congestion, shortage of HGV drivers and the start of price increases, were part of what we had to deal with.

Restrictions and people generally being cautious were also challenges we had to overcome, and finally some commercial projects we were due to supply were postponed until 2022.

Overall a very challenging year, but an educating one. We thought about our growth strategy in great depth, and totally reorganised our people strategy allowing us to upgrade our processes and systems as a business. We focused on the bigger picture which will now allow us to come out of Covid, a much stronger business.

That said, despite the many challenges in 2021 we had to overcome, we still managed to keep the business on track to give us our 3rd consecutive growth year, and hitting our revenue and profit targets.

I am confident that the company will go from strength to strength in 2022, now that stock supply is improving and how growth strategy is rolled out allowing for another strong year.

On behalf of the board

A S Buttress

Director

14 September 2022

PERMAROOF (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of wholesale of roofing materials.

Results and dividends

The results for the year are set out on page 4.

Ordinary dividends were paid amounting to £114,782. The directors do not recommend payment of a final dividend.

Directors

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

A S Buttress

C L Buttress

Mr James Wooster

(Resigned 2 April 2022)

(Appointed 2 April 2022)

Auditor

Seagrave French LLP 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

A S Buttress

Director

13 September 2022

PERMAROOF (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

PERMAROOF (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	23,064,976	17,483,083
Cost of sales		(15,876,280)	(13,046,733)
Gross profit		7,188,696	4,436,350
Administrative expenses		(3,151,682)	(2,900,777)
Other operating income		-	113,642
Operating profit	4	4,037,014	1,649,215
Interest receivable and similar income	6	680	142
Interest payable and similar expenses	7	(14,476)	(1,125)
Profit before taxation		4,023,218	1,648,232
Tax on profit	9	(742,254)	(316,269)
Profit for the financial year		3,280,964	1,331,963

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

PERMAROOF (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Profit for the year	3,280,964	1,331,963
Other comprehensive income	-	-
Total comprehensive income for the year	<u>3,280,964</u>	<u>1,331,963</u>

PERMAROOF (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERMAROOF (UK) LIMITED

Opinion

We have audited the financial statements of Permaroof (UK) Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

PERMAROOF (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PERMAROOF (UK) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

Auditor's responsibilities for the audit of the financial statements

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

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

PERMAROOF (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PERMAROOF (UK) LIMITED

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of systems and ensuring these systems operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sectors in which the company operates.

Laws and regulations of direct significance in the context of the group including the Companies Act 2006 and UK Tax legislation.

Other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to their ability to operate or to avoid a material penalty include anti-bribery legislation, health and safety legislation and employment law.

We identified revenue recognition to be the area most susceptible to the risk of material misstatement due to a fraud and non-compliance.

Audit response to risks identified.

We consider the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statements items including a review of financial statement disclosures.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We assessed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Jason Seagrave ACCA (Senior Statutory Auditor)
For and on behalf of Seagrave French LLP

13 September 2022

Statutory Auditor

1 Poplars Court
Lenton Lane
Nottingham
NG7 2RR

PERMAROOF (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	11		547,801		475,071
Current assets					
Stocks	13	2,933,528		2,761,126	
Debtors	14	3,770,542		3,242,614	
Cash at bank and in hand		4,964,740		1,812,573	
		<u>11,668,810</u>		<u>7,816,313</u>	
Creditors: amounts falling due within one year	15	<u>(4,619,570)</u>		<u>(3,359,136)</u>	
Net current assets			<u>7,049,240</u>		<u>4,457,177</u>
Total assets less current liabilities			<u>7,597,041</u>		<u>4,932,248</u>
Creditors: amounts falling due after more than one year	16		(448,611)		(950,000)
Provisions for liabilities					
Deferred tax liability	19	<u>70,000</u>	<u>(70,000)</u>	<u>70,000</u>	<u>(70,000)</u>
Net assets			<u><u>7,078,430</u></u>		<u><u>3,912,248</u></u>
Capital and reserves					
Called up share capital	21		100		100
Profit and loss reserves			<u>7,078,330</u>		<u>3,912,148</u>
Total equity			<u><u>7,078,430</u></u>		<u><u>3,912,248</u></u>

The financial statements were approved by the board of directors and authorised for issue on 13 September 2022 and are signed on its behalf by:

A S Buttress
Director

Company Registration No. 4109502

PERMAROOF (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2020		100	2,693,518	2,693,618
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	1,331,963	1,331,963
Dividends	10	-	(113,333)	(113,333)
Balance at 31 December 2020		100	3,912,148	3,912,248
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	3,280,964	3,280,964
Dividends	10	-	(114,782)	(114,782)
Balance at 31 December 2021		100	7,078,330	7,078,430

PERMAROOF (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	26	4,291,548		1,198,102	
Interest paid		(14,476)		(1,125)	
Income taxes paid		(667,269)		(138,054)	
Net cash inflow from operating activities		<u>3,609,803</u>		<u>1,058,923</u>	
Investing activities					
Purchase of tangible fixed assets		(196,082)		(167,104)	
Proceeds on disposal of tangible fixed assets		2,000		-	
Receipts arising from loans made		-		100,000	
Interest received		680		142	
Net cash used in investing activities		<u>(193,402)</u>		<u>(66,962)</u>	
Financing activities					
Repayment of bank loans		(184,722)		950,000	
Payment of finance leases obligations		35,270		(4,300)	
Dividends paid		(114,782)		(113,333)	
Net cash (used in)/generated from financing activities		<u>(264,234)</u>		<u>832,367</u>	
Net increase in cash and cash equivalents		<u>3,152,167</u>		<u>1,824,328</u>	
Cash and cash equivalents at beginning of year		1,812,573		(11,755)	
Cash and cash equivalents at end of year		<u><u>4,964,740</u></u>		<u><u>1,812,573</u></u>	

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Permaroof (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1, Westway, Cotes Park Industrial Estate, Alfreton, Derbyshire, England, DE55 4QJ.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

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

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.

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

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

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 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:

Leasehold improvements	15% on reducing balance
Plant and equipment	15% on reducing balance
Motor vehicles	25% on reducing balance

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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

1.5 Impairment of fixed assets

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

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

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

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

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stock which is in transit is included in the balance sheet.

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.

1.7 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.

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 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.

1.10 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.

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

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

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

1.14 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.

1.15 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.

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

	2021	2020
	£	£
Other revenue		
Interest income	680	142
Grants received	-	113,642
	<u> </u>	<u> </u>

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(113,642)
Fees payable to the company's auditor for the audit of the company's financial statements	7,497	7,497
Depreciation of owned tangible fixed assets	118,541	101,787
Loss on disposal of tangible fixed assets	2,811	-
	<u> </u>	<u> </u>

5 Employees

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

	2021	2020
	Number	Number
Directors	2	2
Staff	44	36
	<u> </u>	<u> </u>
Total	46	38
	<u> </u>	<u> </u>

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

5 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,509,522	1,242,481
Social security costs	148,097	120,117
Pension costs	25,543	61,672
	<u>1,683,162</u>	<u>1,424,270</u>

6 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	680	142
	<u>680</u>	<u>142</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	680	142
	<u>680</u>	<u>142</u>

7 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	13,757	-
Other finance costs:		
Interest on finance leases and hire purchase contracts	719	1,125
	<u>14,476</u>	<u>1,125</u>

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	24,996	24,996
Company pension contributions to defined contribution schemes	-	40,000
	<u>24,996</u>	<u>64,996</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2020 - 1).

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	742,254	302,269
Deferred tax		
Origination and reversal of timing differences	-	14,000
Total tax charge	742,254	316,269

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

	2021 £	2020 £
Profit before taxation	4,023,218	1,648,232
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	764,411	313,164
Tax effect of expenses that are not deductible in determining taxable profit	-	3,105
Permanent capital allowances in excess of depreciation	(6,589)	-
Other non-reversing timing differences	(15,568)	-
Taxation charge for the year	742,254	316,269

10 Dividends

	2021 £	2020 £
Interim paid	114,782	113,333

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2021	61,742	556,660	274,247	892,649
Additions	-	115,323	80,759	196,082
Disposals	-	(1,477)	(41,299)	(42,776)
At 31 December 2021	61,742	670,506	313,707	1,045,955
Depreciation and impairment				
At 1 January 2021	25,088	252,697	139,793	417,578
Depreciation charged in the year	8,219	66,341	43,981	118,541
Eliminated in respect of disposals	-	(1,477)	(36,488)	(37,965)
At 31 December 2021	33,307	317,561	147,286	498,154
Carrying amount				
At 31 December 2021	28,435	352,945	166,421	547,801
At 31 December 2020	36,654	303,963	134,454	475,071

12 Financial instruments

	2021	2020
	£	£

13 Stocks

	2021	2020
	£	£
Raw materials and consumables	2,933,528	2,761,126

14 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,971,020	1,732,477
Amounts owed by group undertakings	1,523,594	1,263,583
Other debtors	20,845	20,845
Prepayments and accrued income	255,083	225,709
	3,770,542	3,242,614

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	17	316,667	-
Obligations under finance leases	18	47,187	11,917
Trade creditors		3,407,722	2,904,811
Corporation tax		377,254	302,269
Other taxation and social security		444,558	109,823
Other creditors		-	12,143
Accruals and deferred income		26,182	18,173
		<u>4,619,570</u>	<u>3,359,136</u>

16 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	17	<u>448,611</u>	<u>950,000</u>

17 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>765,278</u>	<u>950,000</u>
Payable within one year	316,667	-
Payable after one year	<u>448,611</u>	<u>950,000</u>

18 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	19,608	11,917
In two to five years	<u>27,579</u>	<u>-</u>
	<u>47,187</u>	<u>11,917</u>

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

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

19 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	70,000	70,000

There were no deferred tax movements in the year.

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	25,543	61,672

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.

21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

22 Operating lease commitments

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

	2021 £	2020 £
Between two and five years	186,559	373,118

23 Related party transactions

Transactions with related parties

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

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

23 Related party transactions

(Continued)

	Services purchased in the	
	year:	
	2021	2020
	£	£
Entities with control, joint control or significant influence over the company	-	80,000

The above does not include transactions between the parent company and its wholly owned subsidiary, as permitted by FRS 102.

24 Directors' transactions

Dividends totalling £114,782 (2020 - £113,333) were paid in the year in respect of shares held by the company's directors.

25 Ultimate controlling party

The ultimate parent company is Perma Holdings Limited. The registered office of the parent company is Unit 1 West Way Cotes Park Ind Estate, Somercoles, Alfreton, Derbyshire, United Kingdom, DE55 4QJ.

26 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	3,280,964	1,331,963
Adjustments for:		
Taxation charged	742,254	316,269
Finance costs	14,476	1,125
Investment income	(680)	(142)
Loss on disposal of tangible fixed assets	2,811	-
Depreciation and impairment of tangible fixed assets	118,541	101,787
Movements in working capital:		
(Increase)/decrease in stocks	(172,402)	1,403
Increase in debtors	(527,928)	(663,891)
Increase in creditors	833,512	109,588
Cash generated from operations	4,291,548	1,198,102

PERMAROOF (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Analysis of changes in net funds

	1 January 2021	Cash flows	31 December 2021
	£	£	£
Cash at bank and in hand	1,812,573	3,152,167	4,964,740
Borrowings excluding overdrafts	(950,000)	184,722	(765,278)
Obligations under finance leases	(11,917)	(35,270)	(47,187)
	<u>850,656</u>	<u>3,301,619</u>	<u>4,152,275</u>

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