

**Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 31 December 2021**

for

**M & J Group (Construction & Roofing)
Limited**

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for the Year Ended 31 December 2021**

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**M & J Group (Construction & Roofing)
Limited**

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

P Henrickson
D Henrickson
J W Henrickson

SECRETARY:

Mrs C Henrickson

REGISTERED OFFICE:

Hammond Road
Elms Farm Industrial Estate
Bedford
Bedfordshire
MK41 0UD

REGISTERED NUMBER:

01371473 (England and Wales)

AUDITORS:

Godfrey Laws & Co Limited
1 Doolittle Yard
Froghall Road
Amphill
Bedfordshire
MK45 2NW

**Group Strategic Report
for the Year Ended 31 December 2021**

The directors present their strategic report of the company and the group for the year ended 31 December 2021.

REVIEW OF BUSINESS

We have consolidated our position within the roofing sector both with flat roofing and pitched roofing. We feel that we will continue to grow in both sectors.

KEY PERFORMANCE INDICATORS

The key performance indicators for us are turnover and gross margin. Our turnover has increased by 26% compared to the previous year whilst our gross margin has slightly decreased to 39% from 43% in the previous year. We feel that this is still a healthy gross margin and means our direct costs to turnover have remained constant. The company remains in a strong financial position. The results for the year and the financial position of the group are as shown in the annexed financial statements.

In order to assist our clients in combating global warming and reducing carbon footprint we have been involved in the installation of green roof systems for a number of years in the UK. Our key personnel in every office are in charge of training in both the concept and application of these systems.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties would be the overall state of the economy and the impact of the COVID-19 pandemic. The impact on the companies operations has been limited to date. The business does a large amount of work with the public sector whether any squeeze on public sector finances in the future would affect the level of business of business available from that source and the need to concentrate more work in the private sector.

Due to the nature of the work health and safety is a constant concern. The group provides regular and continual training to mitigate the risk.

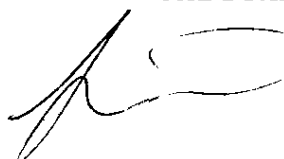
Failure to fulfil contractual obligations from clients could subject the company to action and claims made. A strong emphasis on appropriate business conduct by all employees and contractor's provides mitigation to this risk as well as its insurance cover.

FUTURE DEVELOPMENTS

We anticipate continued growth in both sectors of the roofing industry.

We continue to actively promote the advancements in waterproofing technology to assist in tackling the surge of CO2 emissions through a variety of methods entering the market. We are looking into new systems to reduce carbon footprint at the same costs as a traditional roofing system such as 'carbon neutralising flat roofing systems', a roof that allows a continual process of the conversion of CO2 into a harmless substance reducing alternative roofing system.

ON BEHALF OF THE BOARD:



J W Henrickson - Director

13 May 2022

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Report of the Directors
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the supply and installation of flat and pitched roofing materials in the construction industry.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2021 will be £7,000,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

P Henrickson
D Henrickson
J W Henrickson

POLITICAL DONATIONS AND EXPENDITURE

During the year the company made charitable donations totalling £181,348.

WORKING CAPITAL AND OPERATIONAL CASHFLOW REQUIREMENTS

We believe that our liquid asset resources are adequate to meet our operational cashflow requirements and to support our ambition of the new carbon neutralising flat roofing systems.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

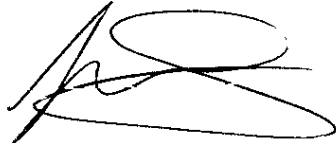
**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Report of the Directors
for the Year Ended 31 December 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'J W Henrickson', written over a horizontal line.

J W Henrickson - Director

13 May 2022

**Report of the Independent Auditors to the Members of
M & J Group (Construction & Roofing)
Limited**

Opinion

We have audited the financial statements of M & J Group (Construction & Roofing) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent company affairs as at 31 December 2021 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
M & J Group (Construction & Roofing)
Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our approach was as follows:-

Based on our understanding of the Group, the industry and discussions with management we identified Financial Reporting Standard 102 and Companies Act 2006 and UK taxation legislation.

We obtained an understanding of how the Group complies with these requirement by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur and whether there had been known instances of non compliance or suspected non compliance with laws and regulations.

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

Identify and assess the risks of the financial statements of the financial statements, whether due to fraud and error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, misrepresentations, or intentional omissions.

Enquiries of management regarding compliance of Laws & Regulations and any known instances of non compliance,;

Examining supporting documentation for all material balances, transactions and disclosures;

Evaluation of the selection and application of accounting policies;

Reviewing the appropriateness of journal entries made in the general ledger and other adjustments made in the preparation of financial statements;

Review of accounting estimates for bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
M & J Group (Construction & Roofing)
Limited**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Howard Ashmore FCA (Senior Statutory Auditor)
for and on behalf of Godfrey Laws & Co Limited
1 Doolittle Yard
Froghall Road
Amphill
Bedfordshire
MK45 2NW

13 May 2022

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Consolidated Income Statement
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
TURNOVER		40,562,938	32,181,075
Cost of sales		<u>24,413,877</u>	<u>18,184,427</u>
GROSS PROFIT		16,149,061	13,996,648
Administrative expenses		<u>7,250,206</u>	<u>7,019,476</u>
		8,898,855	6,977,172
Other operating income		<u>-</u>	<u>88,721</u>
OPERATING PROFIT	4	8,898,855	7,065,893
Interest receivable and similar income		<u>483</u>	<u>9,093</u>
		8,899,338	7,074,986
Interest payable and similar expenses	5	<u>723</u>	<u>-</u>
PROFIT BEFORE TAXATION		8,898,615	7,074,986
Tax on profit	6	<u>1,448,681</u>	<u>1,414,899</u>
PROFIT FOR THE FINANCIAL YEAR		7,449,934	5,660,087
Profit attributable to: Owners of the parent		<u>7,449,934</u>	<u>5,660,087</u>

The notes form part of these financial statements

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Consolidated Other Comprehensive Income
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
PROFIT FOR THE YEAR		7,449,934	5,660,087
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>7,449,934</u>	<u>5,660,087</u>
Total comprehensive income attributable to: Owners of the parent		<u>7,449,934</u>	<u>5,660,087</u>

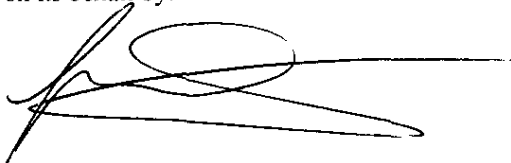
The notes form part of these financial statements

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Consolidated Balance Sheet
31 December 2021**

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Intangible assets	9	-	34,416
Tangible assets	10	1,106,856	1,140,082
Investments	11	-	-
		<u>1,106,856</u>	<u>1,174,498</u>
CURRENT ASSETS			
Stocks	12	227,211	128,786
Debtors	13	7,514,823	5,809,013
Cash at bank and in hand		3,406,388	5,577,956
		<u>11,148,422</u>	<u>11,515,755</u>
CREDITORS			
Amounts falling due within one year	14	5,031,914	5,913,724
NET CURRENT ASSETS		<u>6,116,508</u>	<u>5,602,031</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,223,364</u>	<u>6,776,529</u>
PROVISIONS FOR LIABILITIES	16	<u>73,097</u>	<u>76,197</u>
NET ASSETS		<u>7,150,267</u>	<u>6,700,332</u>
CAPITAL AND RESERVES			
Called up share capital	17	120	120
Retained earnings	18	7,150,147	6,700,212
SHAREHOLDERS' FUNDS		<u>7,150,267</u>	<u>6,700,332</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13 May 2022 and were signed on its behalf by:



J W Henrickson - Director

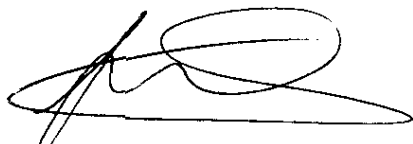
The notes form part of these financial statements

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Company Balance Sheet
31 December 2021**

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	1,019,128	1,040,657
Investments	11	100	100
		<u>1,019,228</u>	<u>1,040,757</u>
CURRENT ASSETS			
Stocks	12	154,515	107,395
Debtors	13	7,459,519	5,809,914
Cash at bank and in hand		3,111,614	5,387,657
		<u>10,725,648</u>	<u>11,304,966</u>
CREDITORS			
Amounts falling due within one year	14	5,002,451	6,475,915
NET CURRENT ASSETS		<u>5,723,197</u>	<u>4,829,051</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,742,425</u>	<u>5,869,808</u>
PROVISIONS FOR LIABILITIES	16	56,631	57,509
NET ASSETS		<u>6,685,794</u>	<u>5,812,299</u>
CAPITAL AND RESERVES			
Called up share capital	17	120	120
Retained earnings	18	6,685,674	5,812,179
SHAREHOLDERS' FUNDS		<u>6,685,794</u>	<u>5,812,299</u>
Company's profit for the financial year		<u>7,873,495</u>	<u>5,235,935</u>

The financial statements were approved by the Board of Directors and authorised for issue on 13 May 2022 and were signed on its behalf by:



J W Henrickson - Director

The notes form part of these financial statements

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	120	7,260,125	7,260,245
Changes in equity			
Dividends	-	(6,220,000)	(6,220,000)
Total comprehensive income	-	5,660,087	5,660,087
Balance at 31 December 2020	120	6,700,212	6,700,332
Changes in equity			
Dividends	-	(7,000,000)	(7,000,000)
Total comprehensive income	-	7,449,934	7,449,934
Balance at 31 December 2021	120	7,150,146	7,150,266

The notes form part of these financial statements

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Company Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	120	6,796,244	6,796,364
Changes in equity			
Dividends	-	(6,220,000)	(6,220,000)
Total comprehensive income	-	5,235,935	5,235,935
Balance at 31 December 2020	120	5,812,179	5,812,299
Changes in equity			
Dividends	-	(7,000,000)	(7,000,000)
Total comprehensive income	-	7,873,495	7,873,495
Balance at 31 December 2021	120	6,685,674	6,685,794

The notes form part of these financial statements

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	7,192,733	7,718,098
Interest paid		(723)	-
Tax paid		(2,187,668)	(590,248)
Net cash from operating activities		<u>5,004,342</u>	<u>7,127,850</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(184,944)	(275,324)
Sale of tangible fixed assets		8,807	11,074
Interest received		483	9,093
Net cash from investing activities		<u>(175,654)</u>	<u>(255,157)</u>
Cash flows from financing activities			
Amount withdrawn by directors		(256)	(3,120)
Equity dividends paid		(7,000,000)	(6,220,000)
Net cash from financing activities		<u>(7,000,256)</u>	<u>(6,223,120)</u>
(Decrease)/increase in cash and cash equivalents		<u>(2,171,568)</u>	<u>649,573</u>
Cash and cash equivalents at beginning of year	2	<u>5,577,956</u>	<u>4,928,383</u>
Cash and cash equivalents at end of year	2	<u><u>3,406,388</u></u>	<u><u>5,577,956</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.21	31.12.20
	£	£
Profit before taxation	8,898,615	7,074,986
Depreciation charges	234,099	233,790
Loss on disposal of fixed assets	9,681	11,700
Finance costs	723	-
Finance income	(483)	(9,093)
	<u>9,142,635</u>	<u>7,311,383</u>
(Increase)/decrease in stocks	(98,425)	54,083
Increase in trade and other debtors	(1,705,810)	(556,884)
(Decrease)/increase in trade and other creditors	(145,667)	909,516
	<u>7,192,733</u>	<u>7,718,098</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>3,406,388</u>	<u>5,577,956</u>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>5,577,956</u>	<u>4,928,383</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>5,577,956</u>	<u>(2,171,568)</u>	<u>3,406,388</u>
	<u>5,577,956</u>	<u>(2,171,568)</u>	<u>3,406,388</u>
Total	<u>5,577,956</u>	<u>(2,171,568)</u>	<u>3,406,388</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

M & J Group (Construction & Roofing) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2017, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

Government grants

Grants are accounted for under the accruals model.

Grants of a revenue nature are recognised in 'other income' within profit and loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

3. EMPLOYEES AND DIRECTORS

	31.12.21	31.12.20
	£	£
Wages and salaries	4,112,414	4,177,056
Social security costs	468,547	492,307
Other pension costs	168,591	174,539
	<u>4,749,552</u>	<u>4,843,902</u>

The average number of employees during the year was as follows:

	31.12.21	31.12.20
Directors	3	3
Office and administration	62	58
	<u>65</u>	<u>61</u>

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2020 - NIL).

	31.12.21	31.12.20
	£	£
Directors' remuneration	<u>481,532</u>	<u>683,839</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021**

3. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	31.12.21	31.12.20
	£	£
Emoluments etc	<u>309,632</u>	<u>313,986</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.21	31.12.20
	£	£
Hire of plant and machinery	3,003,295	3,138,826
Depreciation - owned assets	199,683	199,375
Loss on disposal of fixed assets	9,681	11,700
Goodwill amortisation	34,416	34,415
Auditors' remuneration	9,120	8,050
Auditors' remuneration for non audit work	<u>3,700</u>	<u>8,695</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.21	31.12.20
	£	£
Interest on corporation tax	<u>723</u>	<u>-</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.21	31.12.20
	£	£
Current tax:		
UK corporation tax	1,663,121	1,390,077
Over prov Corp tax prev year	<u>(211,339)</u>	<u>-</u>
Total current tax	1,451,782	1,390,077
Deferred tax:		
Accelerated capital allowances	<u>(3,101)</u>	<u>24,822</u>
Tax on profit	<u>1,448,681</u>	<u>1,414,899</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021**

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.21	31.12.20
	£	£
Profit before tax	<u>8,898,615</u>	<u>7,074,986</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	<u>1,690,737</u>	<u>1,344,247</u>
Effects of:		
Expenses not deductible for tax purposes	(23,672)	36,018
Capital allowances in excess of depreciation	(3,944)	-
Depreciation in excess of capital allowances	-	9,812
Adjustments to tax charge in respect of previous periods	(211,339)	-
Deferred taxation	(3,101)	24,822
	<u>1,448,681</u>	<u>1,414,899</u>
Total tax charge	<u>1,448,681</u>	<u>1,414,899</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	31.12.21	31.12.20
	£	£
Interim	<u>7,000,000</u>	<u>6,220,000</u>

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 January 2021 and 31 December 2021	<u>172,078</u>
AMORTISATION	
At 1 January 2021	137,662
Amortisation for year	<u>34,416</u>
At 31 December 2021	<u>172,078</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>34,416</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021**

10. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2021	13,154	1,135,615	751,619	1,900,388
Additions	84,176	5,408	95,360	184,944
Disposals	-	-	(78,401)	(78,401)
At 31 December 2021	97,330	1,141,023	768,578	2,006,931
DEPRECIATION				
At 1 January 2021	7,552	326,386	426,367	760,305
Charge for year	17,956	81,464	100,263	199,683
Eliminated on disposal	-	-	(59,913)	(59,913)
At 31 December 2021	25,508	407,850	466,717	900,075
NET BOOK VALUE				
At 31 December 2021	71,822	733,173	301,861	1,106,856
At 31 December 2020	5,602	809,229	325,252	1,140,083

Company

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2021	13,681	1,135,615	555,341	1,704,637
Additions	84,176	5,408	75,825	165,409
Disposals	-	-	(67,600)	(67,600)
At 31 December 2021	97,857	1,141,023	563,566	1,802,446
DEPRECIATION				
At 1 January 2021	8,077	326,386	329,517	663,980
Charge for year	17,956	81,464	71,377	170,797
Eliminated on disposal	-	-	(51,459)	(51,459)
At 31 December 2021	26,033	407,850	349,435	783,318
NET BOOK VALUE				
At 31 December 2021	71,824	733,173	214,131	1,019,128
At 31 December 2020	5,604	809,229	225,824	1,040,657

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021**

11. FIXED ASSET INVESTMENTS

Company

**Shares in
group
undertakings
£**

COST

At 1 January 2021
and 31 December 2021

100

NET BOOK VALUE

At 31 December 2021

100

At 31 December 2020

100

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Lee Moore & Sons Roofing Services Limited

Registered office: Hammond Road, Elms Farm Industrial Estate, Bedford, Bedfordshire MK41 0UD

Nature of business: Roofing services

	% holding	31.12.21 £	31.12.20 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		463,502	852,647
Profit for the year		2,860,855	3,938,659

12. STOCKS

	Group		Company	
	31.12.21 £	31.12.20 £	31.12.21 £	31.12.20 £
Stocks	227,211	128,786	154,515	107,395

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.21 £	31.12.20 £	31.12.21 £	31.12.20 £
Trade debtors	3,195,556	3,152,363	3,209,225	3,188,392
Other debtors	132,733	-	132,733	-
Retentions	1,020,771	778,186	1,020,771	778,186
Requests for payment	1,531,527	1,582,003	1,531,527	1,582,003
Prepayments and accrued income	1,634,236	296,461	1,565,263	261,333
	7,514,823	5,809,013	7,459,519	5,809,914

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Trade creditors	887,044	994,912	801,439	775,531
Tax	141,851	877,738	-	265,044
Social security and other taxes	165,859	148,691	150,888	136,992
VAT	1,130,427	872,877	1,264,082	279,114
Other creditors	4,520	473,895	4,520	473,895
Directors' current accounts	42,355	42,611	42,355	42,611
Accrued expenses	2,659,858	2,503,000	2,739,167	4,502,728
	<u>5,031,914</u>	<u>5,913,724</u>	<u>5,002,451</u>	<u>6,475,915</u>

15. SECURED DEBTS

A debenture is in place dated 22 December 2020 in favour of National Westminster Bank Plc containing a fixed charge and floating charge covering all assets of the company.

16. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.21	31.12.20	31.12.21	31.12.20
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>73,097</u>	<u>76,197</u>	<u>56,631</u>	<u>57,509</u>

Group

	Deferred tax £
Balance at 1 January 2021	76,197
Accelerated capital allowances	(3,100)
Balance at 31 December 2021	<u>73,097</u>

Company

	Deferred tax £
Balance at 1 January 2021	57,509
Accelerated Capital Allowances	(878)
Balance at 31 December 2021	<u>56,631</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.21	31.12.20
			£	£
12,000	Ordinary 1p	.01p	<u>120</u>	<u>120</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021**

18. RESERVES

Group

	Retained earnings £
At 1 January 2021	6,700,213
Profit for the year	7,449,934
Dividends	<u>(7,000,000)</u>
At 31 December 2021	<u><u>7,150,147</u></u>

Company

	Retained earnings £
At 1 January 2021	5,812,179
Profit for the year	7,873,495
Dividends	<u>(7,000,000)</u>
At 31 December 2021	<u><u>6,685,674</u></u>

19. RELATED PARTY DISCLOSURES

During the year, total dividends of £4,923,333 were paid to the directors.

Roof Asset Management Consultancy Limited a company of which the directors are also directors

	31.12.21 £	31.12.20 £
Sales	486,504	631,157
Purchases	619,143	859,272
Amount due from related party	15,389	14,204
Amount due to related party	<u>26,697</u>	<u>98,304</u>

P Henrickson and D Henrickson directors of the company

	31.12.21 £	31.12.20 £
Rent paid	<u>160,000</u>	<u>160,000</u>

Summit Property Consultants Limited

	31.12.21 £	31.12.20 £
Sales	-	125
Purchases	<u>-</u>	<u>21,000</u>

**M & J Group (Construction & Roofing)
Limited (Registered number: 01371473)**

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2021**

20. SUBSIDIARY

The subsidiary Lee Moore & Sons Roofing Services Limited (registered number 09565026) are exempt from the requirements of the Act relating to the audit of individual accounts by virtue of s479A of the Companies Act 2006 . A guarantee under 479C of the Companies Act 2006 has been provided by the company on behalf of each the subsidiary company.