

# Grant Westfield Limited

Registered number: SC043553

## Annual Report

For the year ended 31 December 2020



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**GRANT WESTFIELD LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J Paragreen S E Law G Westland D Gordon J Mortimer
<b>Company secretary</b>	R I MacDonald
<b>Registered number</b>	SC043553
<b>Registered office</b>	2 Coates Crescent Edinburgh EH3 7AL
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD

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**GRANT WESTFIELD LIMITED**

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## **GRANT WESTFIELD LIMITED**

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

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#### **Introduction**

The directors present their Strategic report for the year ended 31 December 2020.

#### **Business review**

The principal activity of the company during the year was the manufacture, marketing and distribution of decorative waterproof panels under the brand "Multipanel".

Maintaining a focus on world class customer service, a continuous improvement culture and continued investment in people, systems and processes has, despite the Covid-19 Pandemic, delivered another year of robust results.

Due to the Covid 19 Pandemic and in line with government guidelines, manufacturing operations were temporarily halted on 23 March 2020. With operations suspended throughout most of April efforts were focused on the establishment and implementation of stringent Health & Safety measures and new standard operating procedures to create a Covid-secure operating environment.

Whilst the impact of Covid held back growth at the end of the first quarter and through the second quarter of the year, collective effort across the business to support customer requirements resulted in exceptional performance in the second half of the year. H2 results for UK operations were in line with pre-covid targets and delivered strong sales growth of 13% against H2 2019. A notable shift in demand for design led decors resulted in a higher average panel price and 8% growth in proportion of sales of premium range Linda Barker, Heritage and Neutral Collection panels (customer and product mix). In addition, continued investment in manufacturing and distribution operations resulted in incremental efficiency gains and in turn improvements in margin.

The established operation based in Germany and operating across Europe continues to go from strength to strength and achieved 26% growth in sales and exceeding full year targets despite the impact and disruption of Covid 19. Year on year growth is achieved through increased market penetration across local and regional plumbing and heating merchant and installer networks servicing the consumer sector, combined with a strong flow of commercial projects across Austria, France, Belgium and Germany to deliver the strongest year to date.

Strong cash reserves and zero debt continue to provide vital resilience, supporting planning and enabling implementation of risk mitigation strategies to ensure business continuity during prolonged and unprecedented geopolitical volatility.

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**GRANT WESTFIELD LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Principal risks and uncertainties**

Uncertainty in the global economy and the strength of currency relating to the procurement of commodities present an ongoing risk.

**Covid-19**

After strong trading for the period to 23 March 2020, the Covid-19 pandemic and Government invoked closure resulted in an immediate and significant impact on revenue. Swift and effective deployment of risk mitigation strategies facilitated a safe return to demand-aligned manufacturing and distribution operations by 27 April 2020. Business resilience combines with highly effective management decisions and implementation of agile strategies to navigate the continuing challenging environment. More information of the impact of the pandemic provided in the Business review on page 1.

**Impact of Brexit**

The United Kingdom withdrew on 31 December 2020. The impact has not been material and is largely related to documentation and transportation of products into and from Europe. Updates to business systems and processes continue as UK Government issues guidance and changes are implemented. The Directors continue to monitor the situation.

**Financial key performance indicators**

Turnover for the year was £30.5m compared to £31.6m in 2019. The gross profit percentage was 42.1% compared with the prior year at 38.4%. EBITDA increased 20% to £6.14m (£5.25m in 2019) and profit before tax increased to £5.85m from £4.95m in 2019.

This report was approved by the board on Jun 2, 2021 and signed on its behalf.

R I MacDonald

R I MacDonald (Jun 2, 2021 15:19 GMT+1)

R I MacDonald  
Secretary

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## GRANT WESTFIELD LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their report and the financial statements for the year ended 31 December 2020.

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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 to 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £4,767,273 (2019 - £4,030,023).

Particulars of dividends paid are detailed in note 12 to the financial statements.

#### Directors

The directors who served during the year were:

J Paragreen  
S E Law  
G Westland  
D Gordon  
J Mortimer (appointed 25 February 2020)

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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**GRANT WESTFIELD LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Post balance sheet events**

There have been no significant events affecting the company since the year end.

**Matters covered in the Strategic report**

Principal activities, a review of the business, principal risks and uncertainties and financial key performance indicators is given in the Strategic report on page 1 and 2.

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Jun 2, 2021 and signed on its behalf.

*RI MacDonald*  
RI MacDonald (Jun 2, 2021 15:19 GMT+1)

R I MacDonald  
Secretary

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**GRANT WESTFIELD LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRANT WESTFIELD LIMITED**

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**Opinion**

We have audited the financial statements of Grant Westfield Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

**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.



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**GRANT WESTFIELD LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRANT WESTFIELD LIMITED**

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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 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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## **GRANT WESTFIELD LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRANT WESTFIELD LIMITED**

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#### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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 either the directors 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.

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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

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## GRANT WESTFIELD LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRANT WESTFIELD LIMITED

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Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Fiona Martin  
Fiona Martin (Jun 3, 2021 15:52 GMT+1)

Fiona Martin (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

Date: Jun 3, 2021

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**GRANT WESTFIELD LIMITED**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £	2019 £
Turnover	4	30,527,305	31,602,009
Cost of sales		(17,674,947)	(19,473,427)
<b>Gross profit</b>		<b>12,852,358</b>	<b>12,128,582</b>
Administrative expenses		(7,757,230)	(7,400,002)
Other operating income	5	381,811	15,000
<b>Operating profit</b>	6	<b>5,476,939</b>	<b>4,743,580</b>
Income from shares in group undertakings		352,085	150,000
Interest receivable and similar income	10	18,999	57,482
<b>Profit before tax</b>		<b>5,848,023</b>	<b>4,951,062</b>
Tax on profit	11	(1,080,750)	(921,039)
<b>Profit after tax</b>		<b>4,767,273</b>	<b>4,030,023</b>
Retained earnings at the beginning of the year		10,505,644	12,475,621
Profit for the year		4,767,273	4,030,023
Dividends declared and paid		(6,000,000)	(6,000,000)
<b>Retained earnings at the end of the year</b>		<b>9,272,917</b>	<b>10,505,644</b>

The notes on pages 11 to 26 form part of these financial statements.

**GRANT WESTFIELD LIMITED**  
**REGISTERED NUMBER: SC043553**

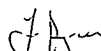
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible fixed assets		2,608	48,783
Tangible fixed assets		641,676	639,151
Fixed asset investments		-	1
		<u>644,284</u>	<u>687,935</u>
<b>Current assets</b>			
Stocks	16	2,732,727	2,358,013
Debtors: amounts falling due within one year	17	8,663,449	8,175,375
Cash and cash equivalents	18	5,622,945	4,760,203
		<u>17,019,121</u>	<u>15,293,591</u>
Creditors: amounts falling due within one year	19	(8,208,706)	(5,309,184)
<b>Net current assets</b>		<u>8,810,415</u>	<u>9,984,407</u>
<b>Total assets less current liabilities</b>		<u>9,454,699</u>	<u>10,672,342</u>
<b>Provisions for liabilities</b>			
Deferred tax	21	(81,782)	(66,698)
		<u>(81,782)</u>	<u>(66,698)</u>
<b>Net assets</b>		<u><u>9,372,917</u></u>	<u><u>10,605,644</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	100,000	100,000
Profit and loss account	23	9,272,917	10,505,644
		<u><u>9,372,917</u></u>	<u><u>10,605,644</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on May 19, 2021



S E Law  
Director



J Paragreen  
Director

The notes on pages 11 to 27 form part of these financial statements.

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## GRANT WESTFIELD LIMITED

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

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#### 1. General information

Grant Westfield Limited is a private company limited by shares registered in Scotland. The registered office is 2 Coates Crescent, Edinburgh, EH3 7AL. The company's principal place of business is Westfield Avenue, Edinburgh, EH11 2QH.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

Amounts in the financial statements are rounded to the nearest £.

The company is itself a subsidiary undertaking and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Granfit Holdings Limited as at 31 December 2020 and these financial statements may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

##### 2.3 Going concern

On 30 January 2020, the World Health Organisation (WHO), declared COVID-19 as a 'Public Health Emergency of International Concern'. The directors have considered the impact of the outbreak on current and future trading, and have no identified any concerns, given their strong cash position. The directors have considered the company's cash requirements for the next 12 months and are of the opinion that the company has sufficient resources to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. In addition, they have continued to trade throughout the pandemic, only closing for one month. Based on the above, the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges,

**2.5 Revenue**

Revenue recognised in the year is in relation to the company's principal activity which is that of manufacture, marketing and distribution of decorative waterproof panels under the brand "Multipanel".

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.6 Operating leases: the company as lessee**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.7 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.9 Pensions**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.11 Intangible fixed assets**

Intangible fixed assets are initially recognised at cost. After recognition, under the cost model, intangible fixed assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The estimated useful lives range are as follows:

Trademark	-	3 to 8 years
Computer software	-	3 years

**2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- straight line over 3 to 8 years
Motor vehicles	- straight line over 3 to 8 years
Fixtures & fittings	- straight line over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

**2.13 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.14 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of income and retained earnings.

**2.15 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.16 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.17 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. Accounting policies (continued)

2.19 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgments, estimates and assumptions about the carrying amount of the 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, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key areas of estimate and judgement for the company are in relation to the assessment of the requirement for a provision for slow moving and obsolete stock, and for a provision for doubtful debts. Stock and debtors are regularly reviewed by management and specific provisions are made in the financial statements where required.

**4. Turnover**

The whole of the company's turnover in the current year is attributable to its principal activity which is the manufacture, marketing and distribution of decorative waterproof panels under the brand "Multipanel".

	2020 £	2019 £
United Kingdom	29,872,152	31,081,597
Europe	655,153	520,412
	<u>30,527,305</u>	<u>31,602,009</u>

**5. Other operating income**

	2020 £	2019 £
Government grants receivable	381,811	-
Management fees receivable	-	15,000
	<u>-</u>	<u>15,000</u>

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**GRANT WESTFIELD LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Operating profit**

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	270,120	248,944
Amortisation of intangible fixed assets	46,175	116,129
Foreign exchange differences	(124,746)	98,195
Operating lease rentals	212,770	184,157
	<u>212,770</u>	<u>184,157</u>

**7. Auditor's remuneration**

	2020 £	2019 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	12,100	11,250
	<u>12,100</u>	<u>11,250</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the parent company.

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	5,214,643	4,868,803
Social security costs	461,733	403,602
Cost of defined contribution pension plan	136,166	114,317
	<u>5,812,542</u>	<u>5,386,722</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Office and management	45	39
Manufacturing and installation	78	72
Technical and sales	31	33
	<u>154</u>	<u>144</u>

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**GRANT WESTFIELD LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	687,906	614,960
Company contributions to defined contribution pension schemes	50,497	58,845
	<u>738,403</u>	<u>673,805</u>

During the year retirement benefits were accruing to 5 directors (2019 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £196,866 (2019 - £212,187).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,976 (2019 - £32,067).

**10. Interest receivable**

	2020 £	2019 £
Bank interest receivable	<u>18,999</u>	<u>57,482</u>

**11. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,068,191	893,004
Adjustments in respect of previous periods	(2,525)	13,270
<b>Total current tax</b>	<u>1,065,666</u>	<u>906,274</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	7,237	16,476
Adjustments in respect of previous periods	-	(1,711)
Effect of tax rate change on opening balance	7,847	-
<b>Total deferred tax</b>	<u>15,084</u>	<u>14,765</u>
<b>Taxation on profit on ordinary activities</b>	<u>1,080,750</u>	<u>921,039</u>

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**GRANT WESTFIELD LIMITED**

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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	5,848,023	4,951,062
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,111,124	940,702
<b>Effects of:</b>		
Expenses not deductible for tax purposes	32,994	3,017
Adjustments to tax charge in respect of prior periods	(2,525)	13,270
Remeasurement of deferred tax for changes in tax rates	7,658	-
Other differences leading to a decrease in tax	-	(2,338)
Income not subject to tax	(66,896)	(28,500)
Adjustments to tax charge in respect of prior periods - deferred tax	-	(1,711)
Deferred tax not recognised	(1,605)	(3,401)
<b>Total tax charge for the year</b>	<b>1,080,750</b>	<b>921,039</b>

**Factors that may affect future tax charges**

Subsequent to the balance sheet date, it was announced in the Budget on 3 March 2021 the rate of corporation tax would be increased to 25% with effect from 1 April 2023. The effect of this change would be to increase the deferred tax asset at 31 August 2020 by £25,827. Legislation is intended to be included in the Finance Bill 2021 to effect this change.

**12. Dividends**

	2020 £	2019 £
Dividends on equity capital	6,000,000	6,000,000

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**13. Intangible fixed assets**

	Computer software £	Trademark £	Total £
<b>Cost</b>			
At 1 January 2020	452,181	17,500	469,681
At 31 December 2020	452,181	17,500	469,681
<b>Amortisation</b>			
At 1 January 2020	403,398	17,500	420,898
Charge for the year on owned assets	46,175	-	46,175
At 31 December 2020	449,573	17,500	467,073
<b>Net book value</b>			
At 31 December 2020	2,608	-	2,608
At 31 December 2019	48,783	-	48,783



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**14. Tangible fixed assets**

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 January 2020	1,839,554	650,442	38,423	2,528,419
Additions	31,852	247,406	27,310	306,568
Disposals	-	(178,152)	-	(178,152)
At 31 December 2020	1,871,406	719,696	65,733	2,656,835
<b>Depreciation</b>				
At 1 January 2020	1,520,093	356,901	12,274	1,889,268
Charge for the year on owned assets	132,882	123,786	13,452	270,120
Disposals	-	(144,229)	-	(144,229)
At 31 December 2020	1,652,975	336,458	25,726	2,015,159
<b>Net book value</b>				
At 31 December 2020	218,431	383,238	40,007	641,676
At 31 December 2019	319,461	293,541	26,149	639,151

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**15. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2020	1
Disposals	(1)
At 31 December 2020	<u>-</u>

At the year end, the company owned 100% of the Ordinary shares of Ocean Interiors BV and Ocean Interiors GmbH. Ocean Interiors BV and Ocean Interiors GmbH are companies incorporated in the Netherlands and Germany respectively and their principal activity is the selling and distribution of the products manufactured by Grant Westfield Limited.

On 31 March 2020, the company sold their shares in their subsidiary undertaking EMF Manufacturing Limited.

**16. Stocks**

	2020 £	2019 £
Raw materials	736,700	924,592
Finished goods and goods for resale	1,996,027	1,433,421
	<u>2,732,727</u>	<u>2,358,013</u>

**17. Debtors**

	2020 £	2019 £
Trade debtors	7,474,417	6,888,135
Amounts owed by group undertakings (note 26)	821,565	876,243
Other debtors	85,305	117,239
Prepayments and accrued income	282,162	293,758
	<u>8,663,449</u>	<u>8,175,375</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**18. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	5,622,945	4,760,203

**19. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	2,366,590	1,761,255
Amounts owed to group undertaking (note 26)	2,000,000	65,424
Corporation tax	-	458,776
Taxation and social security	571,990	758,241
Accruals and other creditors	3,270,126	2,265,488
	<u>8,208,706</u>	<u>5,309,184</u>

**20. Financial instruments**

	2020 £	2019 £
<b>Financial assets</b>		
Financial assets representing cash and cash equivalents	5,622,945	4,760,203
Financial assets representing debtors	8,381,287	7,881,617
	<u>14,004,232</u>	<u>12,641,820</u>
<b>Financial liabilities</b>		
Financial liabilities representing creditors	<u>(7,636,716)</u>	<u>(4,092,167)</u>

Financial assets representing debtors comprises trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities representing creditors comprises trade creditors, amounts owed to group undertaking and accruals and other creditors.

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**21. Deferred taxation**

	2020 £
At beginning of year	(66,698)
Movement in the year	(15,084)
<b>At end of year</b>	<b>(81,782)</b>

The provision for deferred taxation, which is calculated based on a tax rate of 19% (2019 - 17%), is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(81,782)	(66,698)

**22. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
100,000 (2019 - 100,000) Ordinary shares of £1.00 each	100,000	100,000

**23. Reserves****Profit & loss account**

This reserve includes all current and prior periods retained profits and losses net of dividends paid.

**24. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £136,166 (2019 - £114,317). Contributions totalling £31,532 (2019 - £26,450) were payable to the fund at the reporting date.

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**25. Commitments under operating leases**

At 31 December 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
<b>Land and buildings</b>		
Not later than 1 year	149,715	118,416
Later than 1 year and not later than 5 years	439,971	272,715
	<u>589,686</u>	<u>391,131</u>
	2020 £	2019 £
<b>Other operating leases</b>		
Not later than 1 year	99,996	94,354
Later than 1 year and not later than 5 years	111,154	138,789
	<u>211,150</u>	<u>233,143</u>

**26. Related party transactions**

As a wholly owned subsidiary of Granfit Holdings Limited, advantage has been taken of the exemption granted by FRS 102 not to report details of the transactions with entities which are 100% controlled by a common parent undertaking.

**27. Ultimate parent undertaking and controlling party**

The company's parent undertaking is Granfit Holdings Limited, a company registered in Scotland, which is the smallest and largest group of companies for which group financial statements are prepared. Copies of the financial statements of Granfit Holdings Limited are available to the public from Companies House, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

In the directors' opinion, the company's ultimate controlling party is R I MacDonald by virtue of his shareholding in Granfit Holdings Limited.