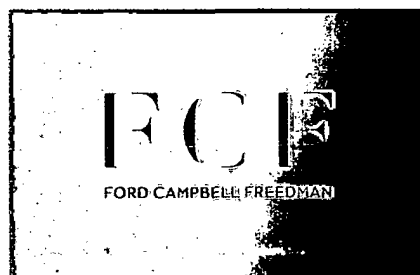


COMPANY REGISTRATION NUMBER: 05322333

Clayton Glass Limited
Financial Statements
For the year ended
31 December 2022



Clayton Glass Limited

Financial Statements

Year ended 31 December 2022

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditor's report to the members	6
Statement of income and retained earnings	11
Statement of financial position	12
Statement of cash flows	13
Notes to the financial statements	14

Clayton Glass Limited

Officers and Professional Advisers

The board of directors

R P Green
V C Green
J McCabe
M Robinson
M Hibbert
P A Williams

Company secretary

R P Green

Registered office

Unit 8
Harelaw Industrial Estate
North Road
Stanley
County Durham
DH9 8UX

Auditor

Ford Campbell Freedman Limited
Chartered accountants & statutory auditor
2nd Floor
33 Park Place
Leeds
LS1 2RY

Bankers

Santander UK PLC
Bridle Road
Bootle
Merseyside
L30 4GB

Clayton Glass Limited

Strategic Report

Year ended 31 December 2022

Principal Activities

The manufacture and supply of insulating glass units, including products supplied to the residential window, door and conservatory market in the UK.

Business Review

Company sales grew by a further 35% in 2022, through organic growth and the acquisition of the Glass Solutions businesses previously owned by Saint Gobain in June 2022.

Profitability in 2022 was impaired, due to higher energy related costs, one off acquisition costs and a large engineering breakdown at our North East plant in January 2022

Key Performance Indicators

	2022	2021
	£	£
On Time in Full %	99	99
Right First Time %	98	98
Debtor Days *	75	67
Sales Growth %	35	38
Operating Profit	651,441	1,722,219
EBITDA	1,826,906	2,825,374

Risks and Uncertainties

Risks are continually monitored and assessed by the Directors. Where ever commercially viable the Directors aim to eliminate these risks. Duplicate plant and machinery, multiple production sites, trade credit insurance, fixed raw material prices, fixed term selling prices & volume are key tactics used to reduce the risk in the business.

The Directors have a policy of avoiding over reliance on any one stakeholder (customers, suppliers, employee). The company order book is around 7 days, so managing costs in a flexible manner is a key part of the cost strategy of the business.

Future Developments

The Directors anticipate the business will continue to grow in the coming years, and the strategic plan supports this. 2023 is anticipated to see growth of around 25% reflecting the full year impact of the acquisition in 2022 and organic growth in market share, despite an anticipated market contraction. Acquisition opportunities continue to play a part in the growth strategy.

This report was approved by the board of directors on Aug 3, 2023 and signed on behalf of the board by:



Ryan Green (Aug 3, 2023 10:17 GMT+1)

R P Green
Director

Clayton Glass Limited

Directors' Report

Year ended 31 December 2022

The directors present their report and the financial statements of the company for the year ended 31 December 2022.

Directors

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

R P Green	
V C Green	
J McCabe	
M Robinson	(Appointed 29 March 2022)
M Hibbert	(Appointed 3 May 2022)
P A Williams	(Appointed 18 July 2022)

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Future developments

The company has chosen to include this information as part of the company's strategic report.

Greenhouse gas emissions and energy consumption

Principal measures taken to increase energy efficiency

For the year ended 31 December 2022, the company consumed 15,650,449 kWh of electricity and 1,405,188 kWh of gas. The quantity of CO₂ emissions resulting from the consumption of gas and electricity was 3,145 tonnes. Annual CO₂ emissions as a proportion of turnover was 53 tonnes per £1m of turnover. The calculation of CO₂ emissions has been made using consumption from utility bills, converted to tonnes of CO₂ per unit.

Employment of disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Clayton Glass Limited

Directors' Report *(continued)*

Year ended 31 December 2022

Employee involvement

Every effort is made to ensure career development of existing staff. The health and safety at work of all employees is constantly reviewed by the directors to ensure that high standards are maintained. It is also their policy to ensure that:

- Full and fair consideration is given to all applicants for employment, irrespective of colour or creed
- Disabled persons are given equal consideration for employment, training, career development and promotional opportunities. In cases where existing employees become disabled (whether from illness or accident) every effort will be made to continue their employment, in the same or some other job more suited to their disability.
- Employees are kept regularly informed on matters affecting them as employees, and consulted on matters affecting the company and the employees interests, primarily via regular departmental meetings and the company notice boards.

Financial instruments

The company's principal financial instruments comprise bank balances, bank overdrafts, invoice finance, trade creditors, trade debtors, loans and hire purchase agreements. The main purpose of these instruments is to raise funds and to finance the company's operations.

The company operations expose it to a variety of financial risks that include the effects of changes in credit risk. The company has in place risk management processes that seek to limit the adverse effects on the financial performance of the company.

Price risk

The company is exposed to glass manufactures price changes. The directors monitor prices and source from a variety of suppliers to minimise raw material price movements.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made and monitoring of credit levels.

Disclosure of information in the strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

Directors' responsibilities statement

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

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

Clayton Glass Limited

Directors' Report *(continued)*

Year ended 31 December 2022

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Auditor

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

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

This report was approved by the board of directors on Aug 3, 2023 and signed on behalf of the board by:



Ryan Green (Aug 3, 2023 10:17 GMT+1)

R P Green
Director

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited

Year ended 31 December 2022

Opinion

We have audited the financial statements of Clayton Glass Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited *(continued)*

Year ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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.

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited *(continued)*

Year ended 31 December 2022

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

While planning our audit, we have made enquiries of management and those charged with governance around any actual or potential litigation and claims against the company for non-compliance with specific laws and regulations. The same has been done in respect of any instances of fraud or irregularities. The responses received have been communicated with the engagement team at the planning stage.

We have not been informed of any specific laws or regulatory related issues that could materially impact the financial statements in addition to this, there has been no suspected fraud or irregularities reported to the us.

While planning our audit the engagement partner selected appropriately trained staff to be engaged in the audit and the team are allocated based on their competence and capabilities.

The audit work undertaken is a substantive work based audit approach, reviewing to source documentation where appropriate and includes a review and walkthrough of the systems which management have put in place. These tests are directional. Therefore, they are designed in a way to maximise audit effectiveness and the possible identification of any material fraud, irregularities, or instances of systems and procedure breaches. Our testing did not identify any issues that requires any additional reporting.

These tests and other areas of our audit work are designed to enhance our ability to detect cases of material fraud and certain irregularities. It should be noted that our audit is carried out using a material based approach and therefore does not test every transaction, as such, it would not detect all instances of irregularities and specifically fraud which is inherently more difficult to detect.

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited *(continued)*

Year ended 31 December 2022

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Clayton Glass Limited

Independent Auditor's Report to the Members of Clayton Glass Limited *(continued)*

Year ended 31 December 2022

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

Use of our report

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



Lisa Calvert BA (HONS) FCA (Senior Statutory Auditor)

For and on behalf of
Ford Campbell Freedman Limited
Chartered accountants & statutory auditor
2nd Floor
33 Park Place
Leeds
LS1 2RY

Aug 3, 2023
.....

Clayton Glass Limited

Statement of Income and Retained Earnings

Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	59,338,081	43,965,776
Cost of sales		<u>40,596,329</u>	<u>30,180,749</u>
Gross profit		18,741,752	13,785,027
Distribution costs		6,188,467	4,427,347
Administrative expenses		11,901,844	7,655,036
Other operating income	5	–	19,575
Operating profit	6	651,441	1,722,219
Income from other fixed asset investments	10	162,134	25,497
Other interest receivable and similar income	11	754	971
Interest payable and similar expenses	12	<u>308,384</u>	<u>376,933</u>
Profit before taxation		505,945	1,371,754
Tax on profit	13	<u>378,202</u>	<u>385,163</u>
Profit for the financial year and total comprehensive income		<u>127,743</u>	<u>986,591</u>
Dividends paid and payable	14	(260,000)	(240,000)
Retained earnings at the start of the year		1,480,047	733,456
Retained earnings at the end of the year		<u>1,347,790</u>	<u>1,480,047</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

Clayton Glass Limited

Statement of Financial Position

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	15	(436,193)	441,571
Tangible assets	16	6,479,438	6,268,010
Investments	17	–	100,000
		<u>6,043,245</u>	<u>6,809,581</u>
Current assets			
Stocks	18	2,868,038	1,899,094
Debtors	19	14,677,004	9,567,607
Cash at bank and in hand		–	208,430
		<u>17,545,042</u>	<u>11,675,131</u>
Creditors: amounts falling due within one year	21	<u>18,705,482</u>	<u>13,268,505</u>
Net current liabilities		<u>1,160,440</u>	<u>1,593,374</u>
Total assets less current liabilities		<u>4,882,805</u>	<u>5,216,207</u>
Creditors: amounts falling due after more than one year	22	2,601,136	3,180,483
Provisions			
Taxation including deferred tax	24	<u>908,879</u>	<u>530,677</u>
Net assets		<u>1,372,790</u>	<u>1,505,047</u>
Capital and reserves			
Called up share capital	28	25,000	25,000
Profit and loss account	29	<u>1,347,790</u>	<u>1,480,047</u>
Shareholders funds		<u>1,372,790</u>	<u>1,505,047</u>

These financial statements were approved by the board of directors and authorised for issue on

Aug 3, 2023

....., and are signed on behalf of the board by:



Ryan Green (Aug 3, 2023 10:17 GMT+1)

R P Green
Director

Company registration number: 05322333

The notes on pages 14 to 26 form part of these financial statements.

Clayton Glass Limited

Statement of Cash Flows

Year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the financial year		127,743	986,591
<i>Adjustments for:</i>			
Depreciation of tangible assets		1,165,564	1,022,313
Amortisation of intangible assets		2,764	75,971
Government grant income		–	(19,575)
Income from other fixed asset investments		(162,134)	(25,497)
Other interest receivable and similar income		(754)	(971)
Interest payable and similar expenses		308,384	376,933
Loss on disposal of tangible assets		9,901	4,871
Tax on profit		378,202	385,163
Accrued expenses		254,418	825,479
<i>Changes in:</i>			
Stocks		(968,944)	(166,547)
Trade and other debtors		(5,109,397)	(2,114,993)
Trade and other creditors		563,982	(160,578)
Cash generated from operations		(3,430,271)	1,189,160
Interest paid		(308,384)	(376,933)
Interest received		754	971
Tax received		64,582	–
Net cash (used in)/from operating activities		(3,673,319)	813,198
Cash flows from investing activities			
Purchase of tangible assets		(517,893)	(796,764)
Proceeds from sale of tangible assets		6,000	6,624
Proceeds from sale of other investments		256,250	–
Dividends received		5,884	25,497
Net cash used in investing activities		(249,759)	(764,643)
Cash flows from financing activities			
Proceeds from borrowings		3,133,834	3,399,236
Government grant income		–	19,575
Payments of finance lease liabilities		450,701	(204,671)
Dividends paid		(260,000)	(240,000)
Net cash from financing activities		3,324,535	2,974,140
Net (decrease)/increase in cash and cash equivalents		(598,543)	3,022,695
Cash and cash equivalents at beginning of year		208,430	(2,814,265)
Cash and cash equivalents at end of year	20	(390,113)	208,430

The notes on pages 14 to 26 form part of these financial statements.

Clayton Glass Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 8, Harelaw Industrial Estate, North Road, Stanley, County Durham, DH9 8UX.

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Going concern

The directors believe the business remains a going concern. Cost base has been realigned to ensure the business remains and improves the level of profitability. All existing stakeholders remain supportive. The customer base remains strong, with minimal reliance on any one customer, market or geographical area.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic life and residual value of each asset. Useful economic lives and residual values are re-assessed annually and amended, when necessary, to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors at the end of each reporting period. When assessing whether any impairment should be recognised management considers factors including the current credit rating of the debtor, the ageing profile of balances and historical experience.

Valuation of investments

Investments in subsidiaries are initially measured at cost and subsequently at cost less impairment. In assessing whether an impairment should be recognised the directors consider the performance of the subsidiary as well as its expected future performance and its position at the reporting date.

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Revenue recognition

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

Taxation

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

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

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

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

Customer list	-	12.5% straight line
Negative goodwill	-	10% straight line
Celsius trademark	-	10% straight line
Employee expertise	-	20% straight line

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

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

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

Long leasehold property	-	10% straight line
Plant and machinery	-	10% straight line
Motor vehicles & equipment	-	10%, 20% and 33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

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

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

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

Stocks

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

Finance leases and hire purchase contracts

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

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts *(continued)*

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

Government grants

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

Government grants are recognised using the accrual model and the performance model.

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

The company has benefitted from government support by receiving a 12 month interest free period on the new overdraft taken out in the year. After this period, repayments will be made at the prevailing market rate of interest. The accounts have not been grossed up to account for the benefit of the interest free period and loan arrangement fee.

Provisions

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

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

Defined contribution plans

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

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

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of goods	<u>59,338,081</u>	<u>43,965,776</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2022	2021
	£	£
Government grant income	<u>-</u>	<u>19,575</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2022	2021
	£	£
Amortisation of intangible assets	2,764	75,971
Depreciation of tangible assets	1,165,564	1,022,313
Loss on disposal of tangible assets	9,901	4,871
Impairment of trade debtors	<u>151,191</u>	<u>10,279</u>

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>14,974</u>	<u>24,922</u>

8. Staff costs

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

	2022	2021
	No.	No.
Production staff	442	335
Administrative staff	46	41
Management staff	5	3
	<u>493</u>	<u>379</u>

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

8. Staff costs *(continued)*

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

	2022	2021
	£	£
Wages and salaries	12,957,127	9,355,602
Social security costs	1,203,435	788,486
Other pension costs	382,512	264,882
	<u>14,543,074</u>	<u>10,408,970</u>

9. Directors' remuneration

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

	2022	2021
	£	£
Remuneration	332,911	214,441
Company contributions to defined contribution pension plans	84,073	82,447
	<u>416,984</u>	<u>296,888</u>

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

	2022	2021
	No.	No.
Defined contribution plans	<u>5</u>	<u>4</u>

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

	2022	2021
	£	£
Aggregate remuneration	109,596	104,649
Company contributions to defined contribution pension plans	9,762	9,678
	<u>119,358</u>	<u>114,327</u>

10. Income from other fixed asset investments

	2022	2021
	£	£
Dividends from other fixed asset investments	5,884	25,497
Gain/(loss) on disposal of other fixed asset investments	156,250	-
	<u>162,134</u>	<u>25,497</u>

11. Other interest receivable and similar income

	2022	2021
	£	£
Other interest receivable	<u>754</u>	<u>971</u>

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

12. Interest payable and similar expenses

	2022 £	2021 £
Interest on obligations under finance leases and hire purchase contracts	128,022	93,275
Interest payable on other loans	156,925	173,033
Other interest payable and similar charges	23,437	110,625
	<u>308,384</u>	<u>376,933</u>

13. Tax on profit

Major components of tax expense

	2022 £	2021 £
Deferred tax:		
Origination and reversal of timing differences	378,202	385,163
Tax on profit	<u>378,202</u>	<u>385,163</u>

Reconciliation of tax expense

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

	2022 £	2021 £
Profit on ordinary activities before taxation	505,945	1,371,754
Profit on ordinary activities by rate of tax	96,130	260,633
Effect of expenses not deductible for tax purposes	(16,163)	12,648
Effect of capital allowances and depreciation	20,217	(69,003)
Effect of revenue exempt from tax	(1,118)	(4,844)
Utilisation of tax losses	(126,911)	(199,434)
Effects of chargeable gains	27,845	-
Movement in deferred taxation	378,202	385,163
Tax on profit	<u>378,202</u>	<u>385,163</u>

14. Dividends

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

	2022 £	2021 £
Equity dividends on ordinary shares	<u>260,000</u>	<u>240,000</u>

Clayton Glass Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

15. Intangible assets

	Customer list £	Negative goodwill £	Celsius trademark £	Employee expertise £	Total £
Cost					
At 1 January 2022	270,175	–	250,000	86,000	606,175
Additions	–	–	–	–	–
Acquisitions through business combinations	–	(875,000)	–	–	(875,000)
At 31 December 2022	270,175	(875,000)	250,000	86,000	(268,825)
Amortisation					
At 1 January 2022	73,172	–	54,167	37,265	164,604
Charge for the year	33,772	(73,208)	25,000	17,200	2,764
At 31 December 2022	106,944	(73,208)	79,167	54,465	167,368
Carrying amount					
At 31 December 2022	163,231	(801,792)	170,833	31,535	(436,193)
At 31 December 2021	197,003	–	195,833	48,735	441,571

Further details regarding negative goodwill are provided in note 35 to these accounts.

16. Tangible assets

	Long leasehold property £	Plant, machinery and vehicles £	Temporary buildings and equipment £	Total £
Cost or valuation				
At 1 January 2022	811,665	9,851,708	298,719	10,962,092
Additions	26,103	393,743	98,047	517,893
Disposals	–	(36,505)	(38,864)	(75,369)
Revaluations	–	875,000	–	875,000
At 31 December 2022	837,768	11,083,946	357,902	12,279,616
Depreciation				
At 1 January 2022	119,125	4,366,034	208,923	4,694,082
Charge for the year	33,484	1,087,379	44,701	1,165,564
Disposals	–	(21,786)	(37,682)	(59,468)
At 31 December 2022	152,609	5,431,627	215,942	5,800,178
Carrying amount				
At 31 December 2022	685,159	5,652,319	141,960	6,479,438
At 31 December 2021	692,540	5,485,674	89,796	6,268,010

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

17. Investments

	Other investments other than loans £
Cost	
At 1 January 2022	100,000
Disposals	<u>(100,000)</u>
At 31 December 2022	<u>–</u>
Impairment	
At 1 January 2022 and 31 December 2022	<u>–</u>
Carrying amount	
At 31 December 2022	<u>–</u>
At 31 December 2021	<u>100,000</u>

18. Stocks

	2022 £	2021 £
Total stock	<u>2,868,038</u>	<u>1,899,094</u>

19. Debtors

	2022 £	2021 £
Trade debtors	12,692,905	9,012,070
Amounts owed by related parties	68,387	–
Prepayments and accrued income	1,258,665	555,537
Directors loan account	191,354	–
Other debtors	465,693	–
	<u>14,677,004</u>	<u>9,567,607</u>

Included within other debtors are amounts over one year of £152,328.

20. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2022 £	2021 £
Cash at bank and in hand	–	208,430
Bank overdrafts	<u>(390,113)</u>	<u>–</u>
	<u>(390,113)</u>	<u>208,430</u>

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

21. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	10,190,764	6,666,817
Trade creditors	4,187,098	2,978,778
Accruals and deferred income	1,180,665	926,247
Corporation tax	64,582	–
Social security and other taxes	1,251,130	1,272,391
Obligations under finance leases and hire purchase contracts	1,031,000	732,583
Other creditors	800,243	691,689
	<u>18,705,482</u>	<u>13,268,505</u>

The bank loans and overdrafts, other creditors and obligations under finance leases and hire purchase contracts totalling £11,803,229 (2021: £7,868,052) are secured against assets of the company.

22. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Obligations under finance leases and hire purchase contracts	1,172,156	1,019,872
Other creditors	1,428,980	2,160,611
	<u>2,601,136</u>	<u>3,180,483</u>

The other creditors and obligations under finance leases and hire purchase contracts totalling £2,601,136 (2021: £3,144,865) are secured against assets of the company.

23. Finance leases and hire purchase contracts

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

	2022	2021
	£	£
Not later than 1 year	1,031,000	732,583
Later than 1 year and not later than 5 years	1,172,156	1,019,872
	<u>2,203,156</u>	<u>1,752,455</u>

24. Provisions

	Deferred tax (note 25) £
At 1 January 2022	530,677
Additions	378,202
At 31 December 2022	<u>908,879</u>

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

25. Deferred tax

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

	2022	2021
	£	£
Included in provisions (note 24)	<u>908,879</u>	<u>530,677</u>

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

	2022	2021
	£	£
Accelerated capital allowances	<u>908,879</u>	<u>530,677</u>

26. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £298,439 (2021: £182,435).

27. Government grants

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

	2022	2021
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>—</u>	<u>19,575</u>

28. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

29. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

30. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	208,430	(208,430)	-
Bank overdrafts	-	(390,113)	(390,113)
Debt due within one year	(7,399,400)	(3,432,251)	(10,831,651)
Debt due after one year	(1,019,872)	(152,284)	(1,172,156)
	<u>(8,210,842)</u>	<u>(4,183,078)</u>	<u>(12,393,920)</u>

31. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	1,363,850	457,855
Later than 1 year and not later than 5 years	4,613,902	521,615
Later than 5 years	1,924,469	-
	<u>7,902,221</u>	<u>979,470</u>

32. Charges on assets

A legal mortgage, chattel mortgage and an all asset debenture by way of a fixed and floating charge are held over the assets of the company.

33. Directors' advances, credits and guarantees

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

	2022		
	Balance brought forward	Advances/ (credits) to directors	Balance outstanding
	£	£	£
R P Green	<u>-</u>	<u>191,354</u>	<u>191,354</u>
	2021		
	Balance brought forward	Advances/ (credits) to directors	Balance outstanding
	£	£	£
R P Green	<u>-</u>	<u>-</u>	<u>-</u>

Clayton Glass Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

34. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	2022	2021	2022	2021
	£	£	£	£
Commissions with entities with common control	<u>435,000</u>	<u>326,679</u>	<u>68,387</u>	<u>-</u>

The company received services from a company which two of the directors are also directors of.

35. Business combinations

The company acquired part of the business and certain assets of Saint-Gobain Glass (United Kingdom) Limited on 4th May 2022. This transaction generated £875,000 of negative goodwill of which £73,208 has been released during the year and the balance of £801,792 will be released to the profit and loss account in line with the depreciation of the tangible fixed assets acquired.

The fair value of consideration paid in relation to the acquisition of part of the business and assets of Saint-Gobain Glass (United Kingdom) Limited is as follows:

Cash	£ 1,100,000
------	-----------------------

The fair value of amounts recognised at the acquisition date in relation to part of the business and assets of Saint-Gobain Glass (United Kingdom) Limited are as follows:

Tangible assets acquired	1,125,000
Stocks acquired	850,000
	<u>1,975,000</u>
Goodwill on acquisition	<u>(875,000)</u>
	<u>1,100,000</u>

36. Controlling party

In the directors' opinion R Green is the controlling party.