

Penlaw Northwest Limited

Annual Report and Financial Statements
for the Period from 1 November 2020 to 31 December 2021

Penlaw Northwest Limited

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Penlaw Northwest Limited

Company Information

Directors	C D Lodge P W A Johns
Registered office	Adsetts House 16 Europa View Sheffield Business Park Sheffield S9 1XH
Bankers	HSBC 91 High Street Brentwood Essex CM14 4RU
Auditors	Ashgates Corporate Services Limited Registered Auditor 5 Prospect Place Millennium Way Pride Park Derby DE24 8HG

Penlaw Northwest Limited

Directors' Report for the Period from 1 November 2020 to 31 December 2021

The directors present their report and the financial statements for the period from 1 November 2020 to 31 December 2021.

Statement of directors responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors of the company

The directors who held office during the period were as follows:

R J Gray (ceased 26 October 2021)

M Ahmed (ceased 26 October 2021)

M Marr (ceased 26 October 2021)

P Glackin (ceased 26 October 2021)

C D Lodge (appointed 26 October 2021)

P W A Johns (appointed 26 October 2021)

Principal activity

The principal activity of the company is that of suppliers to the construction industry.

Penlaw Northwest Limited

Directors' Report for the Period from 1 November 2020 to 31 December 2021

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 29 September 2022 and signed on its behalf by:

C D Lodge
Director

Penlaw Northwest Limited

Independent Auditor's Report to the Members of Penlaw Northwest Limited

Opinion

We have audited the financial statements of Penlaw Northwest Limited (the 'company') for the period from 1 November 2020 to 31 December 2021, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period 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 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.

Other Matter

The financial statements of Penlaw Northwest Limited for the year ended 31 October 2020 have not been audited.

Conclusions relating to going concern

We draw attention to note 2 in the financial statements in respect of going concern, which states that whilst the directors have assessed the future cash forecasts and revenue projections for the underlying business and consider the going concern basis to be appropriate, after the balance sheet date and within 12 months of signing off these financial statements it is fully expected that, the trade and assets of this company will be legally hived up to SIG Trading Limited, meaning that the company will be effectively dormant from that date. Our opinion is not modified in respect of this matter.

Penlaw Northwest Limited

Independent Auditor's Report to the Members of Penlaw Northwest Limited

Other information

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

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities [set out on page 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Penlaw Northwest Limited

Independent Auditor's Report to the Members of Penlaw Northwest Limited

Auditor 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.

Our assessment focussed on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included, but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and walkthrough testing;
- obtaining an understanding of the entity's risk assessment process, including the risk of fraud;
- enquiring of management as to actual and potential fraud, litigation and claims;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- assessing whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- performing analytical procedures to identify any large, unusual or unexpected relationships.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Penlaw Northwest Limited

Independent Auditor's Report to the Members of Penlaw Northwest Limited

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Gavin Robert Booth (Senior Statutory Auditor)

For and on behalf of Ashgates Corporate Services Limited, Statutory Auditor

5 Prospect Place

Millennium Way

Pride Park

Derby

DE24 8HG

29 September 2022

Penlaw Northwest Limited

Profit and Loss Account for the Period from 1 November 2020 to 31 December 2021

	Note	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Turnover	<u>3</u>	13,040,458	9,603,507
Cost of sales		<u>(10,638,162)</u>	<u>(7,885,943)</u>
Gross profit		2,402,296	1,717,564
Distribution costs		(827,705)	(667,958)
Administrative expenses		(1,370,131)	(890,185)
Other operating income	<u>4</u>	<u>12,500</u>	<u>58,425</u>
Operating profit	<u>5</u>	216,960	217,846
Interest payable and similar expenses	<u>7</u>	<u>(154,967)</u>	<u>(85,212)</u>
Profit before tax		61,993	132,634
Tax on profit	<u>11</u>	<u>13,972</u>	<u>(28,140)</u>
Profit for the financial period		<u><u>75,965</u></u>	<u><u>104,494</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

Penlaw Northwest Limited
(Registration number: 05154708)
Balance Sheet as at 31 December 2021

	Note	31 December 2021 £	31 October 2020 £
Fixed assets			
Tangible assets	<u>12</u>	209,248	1,481,712
Other financial assets	<u>13</u>	1,200	1,200
		<u>210,448</u>	<u>1,482,912</u>
Current assets			
Stocks	<u>14</u>	949,530	622,566
Debtors	<u>15</u>	3,338,554	4,444,754
Cash at bank and in hand		<u>128,557</u>	<u>343,420</u>
		4,416,641	5,410,740
Creditors: Amounts falling due within one year	<u>16</u>	<u>(3,453,601)</u>	<u>(5,698,882)</u>
Net current assets/(liabilities)		<u>963,040</u>	<u>(288,142)</u>
Total assets less current liabilities		1,173,488	1,194,770
Creditors: Amounts falling due after more than one year	<u>16</u>	-	(99,970)
Provisions for liabilities	<u>17</u>	<u>(15,226)</u>	<u>(12,503)</u>
Net assets		<u>1,158,262</u>	<u>1,082,297</u>
Capital and reserves			
Called up share capital	<u>19</u>	510	510
Share premium reserve	<u>20</u>	449,340	449,340
Capital redemption reserve	<u>20</u>	490	490
Revaluation reserve	<u>20</u>	-	243,795
Profit and loss account	<u>20</u>	<u>707,922</u>	<u>388,162</u>
Total equity		<u>1,158,262</u>	<u>1,082,297</u>

Approved and authorised by the Board on 29 September 2022 and signed on its behalf by:

C D Lodge
Director

Penlaw Northwest Limited

Statement of Changes in Equity for the Period from 1 November 2020 to 31 December 2021

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
At 1 November 2020	510	449,340	490	243,795	388,162	1,082,297
Profit for the period	-	-	-	-	75,965	75,965
Total comprehensive income	-	-	-	-	75,965	75,965
Transfer of realised profit	-	-	-	(243,795)	243,795	-
At 31 December 2021	510	449,340	490	-	707,922	1,158,262
At 1 November 2019	510	449,340	490	244,111	283,352	977,803
Profit for the year	-	-	-	-	104,494	104,494
Total comprehensive income	-	-	-	-	104,494	104,494
Transfer of realised profit	-	-	-	(316)	316	-
At 31 October 2020	510	449,340	490	243,795	388,162	1,082,297

The notes on pages 11 to 25 form an integral part of these financial statements.
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Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of the registered office is given in the company information on page 1 of the financial statements.

The principal place of business is:

Penlaw House
Unit 2 Eagle Park Drive
Hawley's Lane
Warrington
WA2 8JA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

Disclosure of long or short period

The financial statements cover a 14 month period from 1 November 2020 to 31 December 2021 and as such the prior period information is not entirely comparable. The accounting reference date was changed to bring it in line with the new group to which the company belongs.

Going concern

The directors have assessed the future cash forecasts and revenue projections for the underlying business and consider the going concern basis to be appropriate. However, as part of the wider group plan it is fully anticipated that the trade and assets of the company will be legally hived up to its parent company, SIG Trading Limited within 12 months of the approval of these financial statements. From the date that hive up takes place this company will be effectively dormant.

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

Key sources of estimation uncertainty

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

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

The estimates and assumptions which have risk of causing material adjustment to the carrying amount of assets and liabilities are set out below:

Impairment of stock:

The company's products are subject to changing market demand. It is therefore necessary to consider on a periodic basis the recoverability of the cost of stocks and the associated impairment. Management calculates impairments by considering the nature and condition of the stocks and applies assumptions around anticipated saleability of finished goods.

Impairment of debtors:

On a periodic basis management makes an estimation of the recoverability of debtors. Management make such estimations based on the ageing profile, and historical experience.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Government grants

Government grants are recognised in the profit and loss account as income when such grant does not impose specified future performance-related conditions, in accordance with the performance model.

Tax

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

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 taxable income.

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. On transition to FRS 102, the company has taken the option to value the land and buildings at deemed cost.

Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance basis
Fixtures and fittings	15% reducing balance basis
Motor vehicles	25% reducing balance basis
Office equipment	25% reducing balance basis
Land and buildings	2% straight line (no depreciation is charged on land)
Leasehold property costs	straight line over life of lease

Investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Sale of goods	<u>13,040,458</u>	<u>9,603,507</u>

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Government grants	12,500	58,425

5 Operating profit

Arrived at after charging/(crediting)

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Depreciation expense	67,169	83,002
Rent expense - property	195,168	80,704
Profit on disposal of property, plant and equipment	(373,727)	(2,980)

6 Government grants

Government grants received, included within other operating income, relate to the Coronavirus Job Retention Scheme. The amount of grants recognised in the financial statements was £12,500 (2020 - £58,425).

7 Interest payable and similar expenses

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Interest on bank overdrafts and borrowings	155,744	79,532
Interest on obligations under finance leases and hire purchase contracts	(970)	1,900
Interest expense on other finance liabilities	193	3,780
	154,967	85,212

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Wages and salaries	867,335	745,133
Social security costs	94,968	91,464
Pension costs, defined contribution scheme	69,845	60,742
Other employee expense	7,637	3,791
	<u>1,039,785</u>	<u>901,130</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	Period ended 31 December 2021 No.	Year ended 31 October 2020 No.
Production	2	2
Administration and support	7	6
Distribution	9	8
Other departments	2	4
	<u>20</u>	<u>20</u>

9 Directors' remuneration

The directors' remuneration for the period was as follows:

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Remuneration	296,453	306,581
Contributions paid to money purchase schemes	1,653	2,158
	<u>298,106</u>	<u>308,739</u>

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

During the period the number of directors who were receiving benefits and share incentives was as follows:

	Period ended 31 December 2021 No.	Year ended 31 October 2020 No.
Accruing benefits under money purchase pension scheme	2	2

10 Auditors' remuneration

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Audit of the financial statements	14,000	-

11 Taxation

Tax charged/(credited) in the income statement

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Current taxation		
UK corporation tax	(18,616)	36,405
UK corporation tax adjustment to prior periods	1,921	11,893
	(16,695)	48,298
Deferred taxation		
Arising from origination and reversal of timing differences	2,723	(8,024)
Arising from changes in tax rates and laws	-	(12,134)
Total deferred taxation	2,723	(20,158)
Tax (receipt)/expense in the income statement	(13,972)	28,140

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	Period ended 31 December 2021 £	Year ended 31 October 2020 £
Profit before tax	61,993	132,634
Corporation tax at standard rate	11,779	25,200
Effect of expense not deductible in determining taxable profit (tax loss)	4,389	3,181
Tax (decrease)/increase from effect of capital allowances and depreciation	(4,429)	8,024
Increase in UK and foreign current tax from adjustment for prior periods	1,920	11,893
Deferred tax expense/(credit) from unrecognised tax loss or credit	2,723	(20,158)
Tax increase arising from group relief	7,592	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	(37,946)	-
Total tax (credit)/charge	(13,972)	28,140

Deferred tax

Deferred tax assets and liabilities

Period ended 31 December 2021	Liability £
Accelerated tax depreciation	15,226
	=====
Year ended 31 October 2020	Liability £
Accelerated tax depreciation	12,503
	=====

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £6,532 (2020 - £9,238).

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Office equipment £	Plant and machinery £	Total £
Cost or valuation						
At 1 November 2020	1,232,414	67,396	596,951	21,664	84,765	2,003,190
Additions	-	-	-	-	46,778	46,778
Disposals	(1,225,000)	(1,145)	(167,450)	(3,818)	-	(1,397,413)
At 31 December 2021	7,414	66,251	429,501	17,846	131,543	652,555
Depreciation						
At 1 November 2020	8,289	43,384	419,252	17,275	33,278	521,478
Charge for the period	148	4,157	42,138	836	19,890	67,169
Eliminated on disposal	(7,931)	(888)	(134,230)	(2,291)	-	(145,340)
At 31 December 2021	506	46,653	327,160	15,820	53,168	443,307
Carrying amount						
At 31 December 2021	6,908	19,598	102,341	2,026	78,375	209,248
At 31 October 2020	1,224,125	24,012	177,699	4,389	51,487	1,481,712

Included within the net book value of land and buildings above is £nil (2020 - £1,217,069) in respect of freehold land and buildings.

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	31 December 2021 £	31 October 2020 £
Motor vehicles	-	53,156
	<u> </u>	<u> </u>

Restriction on title and pledged as security

Tangible fixed assets with a carrying amount of £209,247 (2020 - £1,481,712) have been pledged as security for the company's bankers.

13 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 November 2020	<u>1,200</u>	<u>1,200</u>
At 31 December 2021	1,200	1,200
Impairment		
At 31 December 2021	<u>-</u>	<u>-</u>
Carrying amount		
At 31 December 2021	<u>1,200</u>	<u>1,200</u>

14 Stocks

	31 December 2021 £	31 October 2020 £
Raw materials	<u>949,530</u>	<u>622,566</u>

The carrying amount of stocks pledged as security for liabilities amounted to £949,530 (2020 - £622,566).

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Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

15 Debtors

	Note	31 December 2021 £	31 October 2020 £
Trade debtors		2,115,799	3,330,909
Other debtors		1,161,423	1,073,505
Prepayments		38,907	40,340
Corporation tax asset	<u>11</u>	<u>22,425</u>	<u>-</u>
		<u>3,338,554</u>	<u>4,444,754</u>

The carrying amount of receivables pledged as security for liabilities amounted to £3,338,554 (2020 - £4,444,754).

16 Creditors

	Note	31 December 2021 £	31 October 2020 £
Due within one year			
Loans and borrowings	<u>21</u>	-	2,036,115
Trade creditors		1,405,606	2,776,359
Amounts due to group undertakings	<u>24</u>	<u>1,986,062</u>	<u>-</u>
Social security and other taxes		-	25,796
Outstanding defined contribution pension costs		2,182	2,626
Other creditors		3,421	666,228
Accrued expenses		56,330	107,644
Corporation tax	<u>11</u>	<u>-</u>	<u>84,114</u>
		<u>3,453,601</u>	<u>5,698,882</u>
Due after one year			
Loans and borrowings	<u>21</u>	<u>-</u>	<u>99,970</u>

17 Provisions for liabilities

	Deferred tax £	Total £
At 1 November 2020	12,503	12,503
Increase / (decrease) in existing provisions	<u>2,723</u>	<u>2,723</u>
At 31 December 2021	<u>15,226</u>	<u>15,226</u>

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £69,845 (2020 - £60,742). Contributions totalling £2,182 (2020 - £2,626) were payable to the scheme at the end of the period and are included in creditors.

19 Share capital

Allotted, called up and fully paid shares

	31 December 2021		31 October 2020	
	No.	£	No.	£
Ordinary shares of £1 each	510	510	510	510

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All shares rank equally, each share entitles each holder to 1 vote, entitles the holder to dividend payments or any due distribution, and each share entitles the holder pari passu to participate in a distribution from a winding up of the company.

20 Reserves

Share premium reserve

The share premium reserve represents an additional amount of funds received by the company exceeding the par value of its shares.

Capital redemption reserve

The capital redemption reserve represents the cumulative effect of the purchase of the company's own shares.

Revaluation reserve

The revaluation reserve represents the cumulative effect of land and buildings being valued at deemed cost on transition to FRS102.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

	31 December 2021 £	31 October 2020 £
Non-current loans and borrowings		
Bank borrowings	-	99,970

	31 December 2021 £	31 October 2020 £
Current loans and borrowings		
Bank borrowings	-	63,185
Hire purchase and finance lease liabilities	-	17,925
Invoice discounting liability	-	1,955,005
	-	2,036,115

Liabilities in respect of invoice discounting of £nil (2020 - £1,955,005) are secured on the book debts of the company and by virtue of a fixed and floating charge over all of the company's assets and undertakings.

	31 December 2021 £	31 October 2020 £
Not later than one year	-	16,955
	-	16,955

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

Operating leases

The total of future minimum lease payments is as follows:

	31 December 2021 £	31 October 2020 £
Not later than one year	206,046	94,830
Later than one year and not later than five years	466,378	181,758
	<u>672,424</u>	<u>276,588</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £181,991 (2020 - £79,025).

23 Contingent liabilities

The company has entered into a cross guarantee arrangement with its bankers to secure the liabilities of Penlaw group companies. The contingent liability as at 31 December 2021 is £nil (31 October 2020 - £2,864,144). The future outcome is dependent on the performance of the individual companies concerned. However the directors do not expect any liability to crystallise.

24 Related party transactions

Transactions with directors

	At 1 November 2020 £	Repayments by director £	At 31 December 2021 £
2021			
Interest free loan repayable on demand	(8,452)	8,452	-

Summary of transactions with other related parties

The company has taken advantage of the exemption available under FRS 102 from disclosing transactions with entities that are part of the same group

Penlaw Northwest Limited

Notes to the Financial Statements for the Period from 1 November 2020 to 31 December 2021

25 Parent and ultimate parent undertaking

The company's immediate parent is SIG Trading Limited, incorporated in England and Wales. The company's ultimate parent is SIG plc, incorporated in England and Wales. The only Group in which the financial statements of the Company are consolidated is that headed by SIG plc.

The consolidated financial statements are available to the public and may be obtained from the Company Secretary of SIG plc at Adsetts House, 16 Europa View, Sheffield Business Park, Sheffield, S9 1XH, or via the website www.sigplc.com.

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