Company Registration No. 10429072 (England and Wales)

ROOFBASE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

Richard Anthony
Chartered Accountants and Registered Auditors

ROOFBASE LIMITED

COMPANY INFORMATION

Directors	Mr R Speroni	(Appointed 1 January 2020)
	Mr N Dickinson	
	Mr S Lloyd	
Company number	10429072	
Registered office	Holland House, Valley Way Rockingham Road Market Harborough Leicestershire LE16 7PS	
Auditor	Richard Anthony 2nd Floor, Gadd House Arcadia Avenue England London N3 2JU	

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business
The results for the period and the financial position at the year end were considered satisfactory by the directors.

Sales and gross profit
The turnover and gross profit for the year under review have been deemed satisfactory and in line with the directors' expectations in respect of the business plan for the company in the prevailing market conditions.

Principal risks and uncertainties
The business remains at a relatively early stage of the business plan and therefore bears all the risks associated with a business at this stage of its life-cycle. The business plan is based upon reaching target levels of turnover at target margins and opening a specified number of branches within three years. The ability to open new branches is subject to cash-flow and funding considerations and identifying the appropriate and suitable locations.

Customer acquisition and retention is key. There is also the risk of identifying, securing and retaining key personnel that will be required for the company to achieve its business targets.

Development and performance
The initial development plans are to attain target turnover levels and numbers of customers within a specified period from opening a branch. The branches are expected to reach break-even position 18 months after opening and thereafter making a net contribution to the "bottom line". The directors are currently satisfied with the performance to date.

Key performance indicators
The director and senior management monitor turnover, sales margins, customer numbers and debtor collection, having regard to the fact that the company's operations are expanding and new branches by the nature of the model, whilst increasing turnover, will have a negative impact on the bottom line within the first two years of opening.

Other information and explanations
Since the year-end, the company, despite the general economic difficulties caused by the Covid-19 pandemic, is now generating a net contribution towards recovering the accumulated deficit on the Balance Sheet.

The directors therefore look forward to achieving positive results in the foreseeable future.

On behalf of the board

Mr S Lloyd
Director
18 November 2020

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities
The principal activity of the company continued to be that of wholesale of building products.

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

Mr R Speroni	(Appointed 1 January 2020)
Mr N Dickinson	
Mr S Lloyd	

Auditor
Richard Anthony were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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

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

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

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

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr S Lloyd
Director

18 November 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROOFBASE LIMITED

Opinion

We have audited the financial statements of Roofbase Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2019 and of its loss 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://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.

Michael Barnett BA FCA (Senior Statutory Auditor)
for and on behalf of Richard Anthony

20 November 2020

Chartered Accountants
Statutory Auditor

2nd Floor, Gadd House
Arcadia Avenue
England
London
N3 2JU

ROOFBASE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
		£	£
Turnover		13,794,335	9,210,928
Cost of sales		(10,537,509)	(7,290,832)
Gross profit		3,256,826	1,920,096
Administrative expenses		(3,280,535)	(2,395,678)
Operating loss		(23,709)	(475,582)
Interest payable and similar expenses	**3**	(236,775)	(227,903)
Loss before taxation		(260,484)	(703,485)
Tax on loss		140,600	-
Loss for the financial year		(119,884)	(703,485)

ROOFBASE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Loss for the year	(119,884)	(703,485)
Other comprehensive income	-	-
Total comprehensive income for the year	(119,884)	(703,485)

ROOFBASE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	**4**		1,117,173		931,111
Current assets					
Stocks		1,989,637		1,452,714	
Debtors	**5**	2,535,615		1,626,714	
Cash at bank and in hand		121,198		22,246	
		4,646,450		3,101,674	
Creditors: amounts falling due within one year	**6**	(5,995,417)		(4,244,488)	
Net current liabilities			(1,348,967)		(1,142,814)
Total assets less current liabilities			(231,794)		(211,703)
Creditors: amounts falling due after more than one year	**7**		(783,682)		(683,889)
Net liabilities			(1,015,476)		(895,592)
Capital and reserves					
Called up share capital	**9**		1		1
Profit and loss reserves			(1,015,477)		(895,593)
Total equity			(1,015,476)		(895,592)

The financial statements were approved by the board of directors and authorised for issue on 18 November 2020 and are signed on its behalf by:

Mr R Speroni
Director

Mr S Lloyd
Director

Company Registration No. 10429072

ROOFBASE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2018	1	(192,108)	(192,107)
Period ended 31 December 2018:			
Loss and total comprehensive income for the period	-	(703,485)	(703,485)
Balance at 31 December 2018	1	(895,593)	(895,592)
Year ended 31 December 2019:			
Loss and total comprehensive income for the year	-	(119,884)	(119,884)
Balance at 31 December 2019	1	(1,015,477)	(1,015,476)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations			54,581		(1,028,142)
Interest paid			(236,775)		(227,903)
Net cash outflow from operating activities			(182,194)		(1,256,045)
Investing activities					
Purchase of tangible fixed assets		(379,491)		(786,042)	
Net cash used in investing activities			(379,491)		(786,042)
Financing activities					
Repayment of borrowings		516,584		1,451,740	
Payment of finance leases obligations		144,053		575,418	
Net cash generated from financing activities			660,637		2,027,158
Net increase/(decrease) in cash and cash equivalents			98,952		(14,929)
Cash and cash equivalents at beginning of year			22,246		37,175
Cash and cash equivalents at end of year			121,198		22,246

1 Accounting policies

Company information

Roofbase Limited is a private company limited by shares incorporated in England and Wales. The registered office is Holland House, Valley Way, Rockingham Road, Market Harborough, Leicestershire, LE16 7PS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Radmat Limited. These consolidated financial statements are available from its registered office,

1.2 Going concern

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

Parent entity Radmat Building Products Limited is committed to support the company in future years.

1.3 Turnover

Turnover represents the sale of goods net of VAT and trade discounts.

1 Accounting policies **(Continued)**

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

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Fixtures and fittings	25% reducing balance
Computers	33.33% straight line
Motor vehicles	Over 7 years

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

1.5 Impairment of fixed assets

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

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

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

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

1.6 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

1 Accounting policies **(Continued)**

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

1 Accounting policies **(Continued)**

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1 Accounting policies **(Continued)**

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

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

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

2 Employees

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

	2019 Number	2018 Number
Total	2	2

3 Interest payable and similar expenses

	2019 £	2018 £
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	180,774	189,631

4 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2019	96,789	24,979	66,805	898,511	1,087,084
Additions	62,984	1,736	17,580	297,191	379,491
At 31 December 2019	159,773	26,715	84,385	1,195,702	1,466,575
Depreciation and impairment					
At 1 January 2019	9,914	10,928	27,642	107,489	155,973
Depreciation charged in the year	18,713	3,946	23,425	147,345	193,429
At 31 December 2019	28,627	14,874	51,067	254,834	349,402
Carrying amount					
At 31 December 2019	131,146	11,841	33,318	940,868	1,117,173
At 31 December 2018	86,875	14,051	39,163	791,022	931,111

5 Debtors

	2019	2018
Amounts falling due within one year:	**£**	**£**
Trade debtors	1,992,198	1,422,598
Amounts owed by group undertakings	10	-
Other debtors	402,807	204,116
	2,395,015	1,626,714

	2019	2018
Amounts falling due after more than one year:	**£**	**£**
Deferred tax asset	140,600	-
Total debtors	2,535,615	1,626,714

The directors believe, based upon the performance in the nine months following the year end, that it is probable that the Corporation tax losses available will be relieved against profits in the foreseeable future. For this financial period, they consider it is prudent to provide a deferred tax asset representing £740,000 of the cumulative tax losses and the Directors will take a view at the end of the next financial period with regard to the remaining losses of £280,136 not provided for as a deferred tax asset.

6 Creditors: amounts falling due within one year

		2019	2018
		£	**£**
Obligations under finance leases	**8**	160,385	116,125
Amounts owed to group companies		1,968,324	1,451,740
Trade creditors		2,413,395	1,697,519
Taxation and social security		240,643	165,162
Other creditors		1,102,644	737,263
Accruals and deferred income		110,026	76,679
		5,995,417	4,244,488

7 Creditors: amounts falling due after more than one year

		2019	2018
	Notes	**£**	**£**
Obligations under finance leases	**8**	783,682	683,889

8 Finance lease obligations

	2019	2018
Future minimum lease payments due under finance leases:	£	£
Within one year	160,385	116,125
In two to five years	569,118	450,271
In over five years	214,564	233,618
	944,067	800,014

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 6 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

9 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1

10 Operating lease commitments

Lessee

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

	2019	2018
	£	£
	3,387,479	2,085,479

11 Related party transactions

As at the balance sheet date, the following amounts were owed to the company by group companies:

Roof Giant Limited £10 (2018 - £Nil)

And the following amounts were owed by the company to group companies:

Radmat Building Products Limited £681,456 (2018 - £185,751)
Roofbase Group Limited £1,280,999 (2018 - £1,265,989)
Instar UK Limited £4,117 (2018 - £Nil)
Quantum Insulation Limited £1,752 (2018 - £Nil)

An amount of £8,050 (2018 - £3,880) was also owed to The Building & Construction Products Group Limited, where Mr N Dickinson was a shareholder and director.

12 Ultimate controlling party

The directors consider that Roofbase Limited is a wholly owned subsidiary of Roofbase Group Limited the immediate parent company. Roofbase Group Limited is incorporated in England and Wales.

The directors consider that Mr R Speroni to be the ultimate controlling party by virtue of his shareholding in Radmat Limited, a company incorporated in England and Wales, the ultimate parent company.