

Pinnacle Roofing (Scotland) Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2020

Deans Accountants And Business Advisors Ltd
Chartered Accountants and Business Advisors
27 North Bridge Street
Hawick
Borders
TD9 9BD

Pinnacle Roofing (Scotland) Limited

Contents

Company Information	<u>1</u>
Accountants' Report	<u>2</u>
Balance Sheet	<u>3</u>
Notes to the Unaudited Financial Statements	<u>4 to 10</u>

Pinnacle Roofing (Scotland) Limited

Company Information

Directors	SF Paliczka E Paliczka
Registered office	Office Block 3 Dalhousie Business Park Carrington Road Bonnyrigg EH19 3HY
Accountants	Deans Accountants And Business Advisors Ltd Chartered Accountants and Business Advisors 27 North Bridge Street Hawick Borders TD9 9BD

DEANS

Chartered Accountants

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of Pinnacle Roofing (Scotland) Limited for the Year Ended 31 July 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Pinnacle Roofing (Scotland) Limited for the year ended 31 July 2020 as set out on pages 3 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants of Scotland (ICAS), we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/ethics/icas-code-of-ethics>.

This report is made solely to the Board of Directors of Pinnacle Roofing (Scotland) Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Pinnacle Roofing (Scotland) Limited and state those matters that we have agreed to state to the Board of Directors of Pinnacle Roofing (Scotland) Limited, as a body, in this report in accordance with ICAS guidance (www.icas.com/accountsprep/guidance). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Pinnacle Roofing (Scotland) Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Pinnacle Roofing (Scotland) Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Pinnacle Roofing (Scotland) Limited. You consider that Pinnacle Roofing (Scotland) Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Pinnacle Roofing (Scotland) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Deans Accountants And Business Advisors Ltd
Chartered Accountants and Business Advisors
27 North Bridge Street
Hawick
Borders
TD9 9BD

27 April 2021

Pinnacle Roofing (Scotland) Limited

(Registration number: SC370688)

Balance Sheet as at 31 July 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>4</u>	2,000	3,000
Tangible assets	<u>5</u>	72,770	45,517
		<u>74,770</u>	<u>48,517</u>
Current assets			
Stocks	<u>6</u>	1,000	1,000
Debtors	<u>7</u>	201,566	73,637
Cash at bank and in hand		218,113	165,028
		<u>420,679</u>	<u>239,665</u>
Creditors: Amounts falling due within one year	<u>8</u>	(152,654)	(183,829)
Net current assets		<u>268,025</u>	<u>55,836</u>
Total assets less current liabilities		342,795	104,353
Creditors: Amounts falling due after more than one year	<u>8</u>	(102,889)	(7,222)
Provisions for liabilities		<u>(13,826)</u>	<u>(7,738)</u>
Net assets		<u>226,080</u>	<u>89,393</u>
Capital and reserves			
Called up share capital	<u>9</u>	100	100
Profit and loss account		<u>225,980</u>	<u>89,293</u>
Shareholders' funds		<u>226,080</u>	<u>89,393</u>

For the financial year ending 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 27 April 2021 and signed on its behalf by:

.....

SF Paliczka
Director

The notes on pages 4 to 10 form an integral part of these financial statements.
Page 3

Pinnacle Roofing (Scotland) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

1 General information

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

The address of its registered office is:

Office Block 3
Dalhousie Business Park
Carrington Road
Bonnyrigg
EH19 3HY

These financial statements were authorised for issue by the Board on 27 April 2021.

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 Section 1A - '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 £0.

Judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made included:

Useful economic lives of tangible assets – the annual depreciation charge for tangible assets is sensitive to change in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation, and the physical condition of the assets.

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.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

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.

Pinnacle Roofing (Scotland) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

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.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	20% reducing balance
Motor vehicles	25% reducing balance
Plant and machinery	15% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	over 10 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. 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.

Pinnacle Roofing (Scotland) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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

Rentals are payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

Assets held under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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.

Pinnacle Roofing (Scotland) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as an interest expense in the profit and loss account.

Impairment

At the end of each reporting period financial instruments measured at fair value are assessed for objective evidence of impairment. The impairment loss is recognised in the profit and loss account.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 14 (2019 - 12).

Pinnacle Roofing (Scotland) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 August 2019	10,000	10,000
At 31 July 2020	10,000	10,000
Amortisation		
At 1 August 2019	7,000	7,000
Amortisation charge	1,000	1,000
At 31 July 2020	8,000	8,000
Carrying amount		
At 31 July 2020	2,000	2,000
At 31 July 2019	3,000	3,000

5 Tangible assets

	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation				
At 1 August 2019	3,333	67,866	7,019	78,218
Additions	-	51,585	-	51,585
Disposals	-	(34,994)	-	(34,994)
At 31 July 2020	3,333	84,457	7,019	94,809
Depreciation				
At 1 August 2019	2,479	26,370	3,852	32,701
Charge for the year	171	11,109	475	11,755
Eliminated on disposal	-	(22,417)	-	(22,417)
At 31 July 2020	2,650	15,062	4,327	22,039
Carrying amount				
At 31 July 2020	683	69,395	2,692	72,770
At 31 July 2019	854	41,496	3,167	45,517

Pinnacle Roofing (Scotland) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

6 Stocks

	2020	2019
	£	£
Other inventories	1,000	1,000

7 Debtors

	2020	2019
	£	£
Trade debtors	36,195	20,044
Other debtors	165,371	53,593
	<u>201,566</u>	<u>73,637</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2020	2019
		£	£
Due within one year			
Loans and borrowings	<u>10</u>	4,333	9,369
Trade creditors		52,908	96,242
Taxation and social security		44,993	25,933
Accruals and deferred income		10,283	4,243
Other creditors		40,137	48,042
		<u>152,654</u>	<u>183,829</u>

Creditors: amounts falling due after more than one year

	Note	2020	2019
		£	£
Due after one year			
Loans and borrowings	<u>10</u>	<u>102,889</u>	<u>7,222</u>

9 Share capital

Allotted, called up and fully paid shares

	2020		2019
	No.	£	No.
			£
Ordinary shares of £1 each	100	100	100

Pinnacle Roofing (Scotland) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2020

10 Loans and borrowings

	2020	2019
	£	£
Non-current loans and borrowings		
Bank borrowings	100,000	-
Hire purchase contracts	2,889	7,222
	<u>102,889</u>	<u>7,222</u>

	2020	2019
	£	£
Current loans and borrowings		
Hire purchase contracts	4,333	9,369
	<u>4,333</u>	<u>9,369</u>

11 Related party transactions

Summary of transactions with other related parties

During the year the directors advanced monies to the company. At the year end the balance outstanding was £39,939 (2019 - £45,345).

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.