

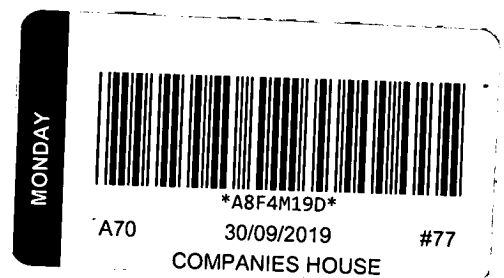
C.R. Laurence of Europe, Ltd

Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 01208342



C.R. Laurence of Europe, Ltd

Company Information

Directors	S Boocock L W Talbert A Feles G McIntosh N B Creech
Company secretary	G Hickman
Registered number	01208342
Registered office	Charles Babbage Avenue Kingsway Business Park Rochdale Lancashire OL16 4NW
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

C.R. Laurence of Europe, Ltd

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C.R. Laurence of Europe, Ltd

Strategic Report For the Year Ended 31 December 2018

The directors present their strategic report and the financial statements of the company for the year ended 31 December 2018.

Principal activities and business review

The principal activity of the company is that of distributor of glazing, construction, architectural, engineered stone workings and industrial supplies in the UK and Europe.

The company reported a profit before tax of £6,680, an increase on the previous period's loss before tax of £218,763. The company continues to invest in the promotion of all of its lines of business and results are expected to continue to improve, during the next 12 months. Margin has remained largely consistent which is expected as the core price base remains similar.

As the company continues to develop the new 'CRL Stone' brand, the directors anticipate an increase in turnover and profitability following the temporary transitional period of 2017, which has surpassed all expectations for growth over the last 12 months. Margins are expected to remain consistent due to the availability of multiple vendors.

Additionally, the directors are confident that the sales trend in its core business will continue to improve in the next period as a result of the investment in the warehouse facility, expanded product offering and addition of new customers through continued marketing initiatives.

Key performance indicators

	2018	2017
	£	£
Gross margin % (GPM)	44.00%	43.57%
Profit/(Loss) before tax %	0.00%	(1.55%)
Debtor days	<u>51</u>	<u>52</u>

As discussed within the business review significant costs have continued to be incurred this period with a view to growing the business in the future. Underlying margins and cash recovery remain adequate and the ultimate parent company remains supportive of the business.

C.R. Laurence of Europe, Ltd

Strategic Report (continued) For the Year Ended 31 December 2018

Principal risks and uncertainties

Price risk

The company operates in competitive markets but most of the company's accessory products have relatively low price elasticity. Customer loyalty is high for all products. CRL Stone products are high selling "accessory" items and are priced competitively, particularly for a desirable, lifestyle product.

Foreign exchange

As the company purchases stock in dollars, euros, and sterling and sells predominantly in sterling, the results are subject to foreign exchange fluctuations. The movements in foreign exchange can be mitigated by securing forward contracts using the online group purchasing solution. The management team monitor customer selling prices carefully to ensure that severe fluctuations are updated regularly.

Credit risk

Debtors are monitored and controlled carefully using an efficient credit department.

Cash flow risk

The company offers discounts to customers to improve cash flow and mitigate the risk from delays in debt collection.

Results and dividends

The loss for the year, after taxation amounted to £4,112 (2017 - £191,042). The directors have not recommended a dividend (2017 - £Nil).

This report was approved by the board on **27th September 2019** and signed on its behalf.



G McIntosh
Director

C.R. Laurence of Europe, Ltd

Directors' Report For the Year Ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Review of the business

The performance and position of the business is detailed in the strategic report on pages 1 and 2 of these financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £4,112 (2017 - £191,042).

The directors have not recommended a dividend (2017 - £Nil).

Directors

The directors who served during the year were:

S Boocock
S J Boocock (resigned 7 April 2019)
D Friese (resigned 18 September 2018)
L W Talbert
A Feles
G McIntosh
E Hathaway (resigned 1 March 2018)
N B Creech (appointed 1 October 2018)

Future developments

The directors intend to continue the ongoing operations of the current business model to ensure continued growth through all our market potential.

Disclosure of information to auditor

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

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

Post statement of financial position events

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

C.R. Laurence of Europe, Ltd

Directors' Report For the Year Ended 31 December 2018

Auditor

The auditor, BDO LLP was appointed in November 2017, and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27th September 2019 and signed on its behalf.



G McIntosh
Director

C.R. Laurence of Europe, Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2018

The directors are responsible for preparing the strategic report, the directors' report and the financial statements of the company 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.

C.R. Laurence of Europe, Ltd

Independent Auditor's Report to the Members of C.R. Laurence of Europe, Ltd

Opinion

We have audited the financial statements of C.R. Laurence of Europe, Ltd ("the company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the 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 101 Reduced Disclosure Framework (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 2018 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.

C.R. Laurence of Europe, Ltd

Independent Auditor's Report to the Members of C.R. Laurence of Europe, Ltd (continued)

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 the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 directors' report.

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

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

C.R. Laurence of Europe, Ltd

Independent Auditor's Report to the Members of C.R. Laurence of Europe, Ltd (continued)

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 at the Financial Reporting Council's website at: <https://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.

BDO LLP

Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

30/9/19

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

C.R. Laurence of Europe, Ltd

Statement of Comprehensive Income For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	17,112,057	14,089,282
Cost of sales		(9,983,341)	(7,951,097)
Gross profit		7,128,716	6,138,185
Administrative expenses		(6,922,528)	(6,211,120)
Operating profit/(loss)	5	206,188	(72,935)
Interest receivable and similar income	8	134,814	155,906
Interest payable and similar charges	9	(334,322)	(301,734)
Profit/(loss) before tax		6,680	(218,763)
Tax on profit/(loss)	10	(10,792)	27,721
Loss for the financial year		(4,112)	(191,042)
Other comprehensive income		-	-
Total comprehensive income for the year		(4,112)	(191,042)

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

C.R. Laurence of Europe, Ltd

Registered number: 01208342

Statement of Financial Position

As at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	11		285,473		388,032
Investments	12		1,943		1,943
			<u>287,416</u>		<u>389,975</u>
Current assets					
Stocks	13	5,971,459		6,184,663	
Debtors: amounts falling due after more than one year	14	4,656,116		4,551,688	
Debtors: amounts falling due within one year	14	4,525,322		4,408,465	
Cash at bank and in hand		926,099		1,136,825	
		<u>16,078,996</u>		<u>16,281,641</u>	
Creditors: amounts falling due within one year	15	(2,680,204)		(3,106,284)	
Net current assets			<u>13,398,792</u>		<u>13,175,357</u>
Total assets less current liabilities			<u>13,686,208</u>		<u>13,565,332</u>
Creditors: amounts falling due after more than one year	16		(11,162,280)		(11,037,292)
Net assets			<u><u>2,523,928</u></u>		<u><u>2,528,040</u></u>
Capital and reserves					
Called up share capital	18		30,000		30,000
Profit and loss account	19		2,493,928		2,498,040
Total equity			<u><u>2,523,928</u></u>		<u><u>2,528,040</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27th September 2019


G McIntosh
 Director

The notes on pages 12 to 26 form part of these financial statements.

C.R. Laurence of Europe, Ltd

Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	30,000	2,498,040	2,528,040
Comprehensive income for the year			
Loss for the year	-	(4,112)	(4,112)
Total comprehensive income for the year	-	(4,112)	(4,112)
At 31 December 2018	30,000	2,493,928	2,523,928

Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	30,000	2,689,082	2,719,082
Comprehensive loss for the year			
Loss for the year	-	(191,042)	(191,042)
Total comprehensive loss for the year	-	(191,042)	(191,042)
At 31 December 2017	30,000	2,498,040	2,528,040

The notes on pages 12 to 26 form part of these financial statements.

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

1. General information

C.R. Laurence of Europe, Ltd is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Exemption from preparing consolidated financial statements

The company was, at the end of the year, a wholly owned subsidiary of another company incorporated in the EEA which prepares consolidated accounts and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The company incorporated in the EEA is the ultimate parent company, CRH Plc.

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.4 Going concern

The directors have reviewed the financial position of the company noting it has net current assets and net assets and is continuing to forecast profits. With the support of the parent company, it is the intention of the directors to continue to repay the intercompany loan as and when resources are available and it is prudent to do so. The financial statements have therefore been prepared on a going concern basis.

2.5 Revenue Recognition

With effect from 1 January 2018, the company has applied IFRS 15, Revenue from contract with customers. IFRS 15 replaces all existing revenue requirements in IFRS and applies to all revenue arising from contracts with customers unless the contracts are within the scope of other standards. The adoption of IFRS 15 has had no effect on transition and is not expected to materially alter revenue recognition patterns going forward.

Revenue represents income derived from contracts for the provision of goods by the company in exchange for consideration in the ordinary course of the company's business.

Revenue from the sale of goods is recognised when control of the goods have been transferred to the buyer.

Revenue is recognised when:

- All significant performance obligations have been met;
- The company retains neither continuing managerial involvement nor effective control over the goods;
- It is probable that the economic benefits associated with the transaction will flow to the company;
- The amount of revenue can be measured reliably.

Transfer of control varies depending on the individual terms of the contract of sale. For sales in the UK, transfer of control occurs when the goods are dispatched to the customer. However, for some international shipments, transfer of control occurs either upon loading the goods onto the relevant carrier or when the goods have arrived in the overseas port. The point of transfer of control for international shipments is dictated by the terms of each sale.

2.6 Tangible fixed assets

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

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

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Leasehold improvements	- 10% - 25% per annum
Fixtures and fittings	- 10% - 33% per annum
Motor vehicles	- 33% per annum
Plant and equipment	- 10% - 33% per annum

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

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

2.7 Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. A provision for impairment is calculated using an expected credit loss impairment model. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

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

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.11 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.14 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

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

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

2.17 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.18 Current and deferred taxation

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

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

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

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

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

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether there are indicators of impairment of the company's stock. Factors taken into consideration include consideration of net realisable value with reference to latest available selling price information and consideration of changing trends within the market.

Other key sources of uncertainty

- Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

4. Turnover

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	15,500,571	12,649,216
Rest of Europe	1,338,294	1,235,729
Rest of the world	273,192	204,337
	<u>17,112,057</u>	<u>14,089,282</u>

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

5. Operating profit/(loss)

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

	2018 £	2017 £
Depreciation of tangible fixed assets	103,238	107,707
Exchange differences	312,692	(39,944)
Defined contribution pension cost	82,274	275,680
Auditor's remuneration:		
- audit fees	25,250	20,000
- other fees	2,150	3,000
Operating lease payments:		
- land and buildings	509,440	499,451
- other	<u>86,158</u>	<u>124,030</u>

6. Employees

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

	2018 £	2017 £
Wages and salaries	2,653,047	2,418,046
Social security costs	310,776	275,680
Other pension costs	82,274	104,228
	<u>3,046,097</u>	<u>2,797,954</u>

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

	2018 No.	2017 No.
Warehouse	11	11
Administration	48	47
	<u>59</u>	<u>58</u>

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	558,292	530,154
Company contributions to defined contribution pension schemes	32,807	89,869
	<u>591,099</u>	<u>620,023</u>

The highest paid director received remuneration of £277,786 (2017 - £266,278).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £17,099 (2017 - £44,269).

8. Interest receivable and similar income

	2018 £	2017 £
Group interest receivable	<u>134,814</u>	<u>155,906</u>

9. Interest payable and similar charges

	2018 £	2017 £
Interest payable to group undertakings	<u>334,322</u>	<u>301,734</u>

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	17,823	(23,630)
Total current tax	<u>17,823</u>	<u>(23,630)</u>
Deferred tax		
Current year	(7,031)	(4,633)
Effects of changes to tax rates	-	542
Total deferred tax	<u>(7,031)</u>	<u>(4,091)</u>
Taxation on profit/(loss) on ordinary activities	<u><u>10,792</u></u>	<u><u>(27,721)</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	<u>6,680</u>	<u>(218,763)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	1,269	(42,112)
Effects of:		
Expenses not deductible for tax purposes	8,696	13,848
Tax rate changes	827	542
Rounding	-	1
Total tax charge for the year	<u><u>10,792</u></u>	<u><u>(27,721)</u></u>

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20.00% to 17.00% (19.00% effective from 1 April 2017 and 17.00% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax liability at 31 December 2018 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

11. Tangible fixed assets

	Leasehold improve- ments £	Plant and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 January 2018	335,641	302,159	26,080	611,347	1,275,227
Disposals	-	(6,917)	-	-	(6,917)
At 31 December 2018	<u>335,641</u>	<u>295,242</u>	<u>26,080</u>	<u>611,347</u>	<u>1,268,310</u>
Depreciation					
At 1 January 2018	235,026	164,018	26,080	462,071	887,195
Charge for the year	34,102	10,422	-	58,035	102,559
Disposals	-	(6,917)	-	-	(6,917)
At 31 December 2018	<u>269,128</u>	<u>167,523</u>	<u>26,080</u>	<u>520,106</u>	<u>982,837</u>
Net book value					
At 31 December 2018	<u>66,513</u>	<u>127,719</u>	<u>-</u>	<u>91,241</u>	<u>285,473</u>
At 31 December 2017	<u>100,615</u>	<u>138,141</u>	<u>-</u>	<u>149,276</u>	<u>388,032</u>

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

12. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018	1,943
At 31 December 2018	<u>1,943</u>
Net book value	
At 31 December 2018	<u>1,943</u>
At 31 December 2017	<u>1,943</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Ebor Machinery Limited	Ordinary	100%	Dormant

The registered address of Ebor Machinery Limited is the same as C.R. Laurence of Europe, Ltd which is given on the contents page.

13. Stocks

	2018 £	2017 £
Finished goods	<u>5,971,460</u>	<u>6,184,663</u>

Stocks recognised as an expense in the year were £9,421,748 (2017 - £7,264,233).

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

14. Debtors

	2018 £	2017 £
Due after more than one year		
Amounts owed by group undertakings	<u>4,656,116</u>	<u>4,551,688</u>
Amounts due after more than one year accrue interest at 3.70% per annum. Repayment of the loan is due in 2021.		
	2018 £	2017 £
Trade debtors	2,652,465	1,999,822
Amounts owed by group undertakings	1,644,767	2,045,840
Prepayments and accrued income	215,145	362,696
Corporation tax	5,807	-
Deferred taxation	7,138	107
	<u>4,525,322</u>	<u>4,408,465</u>

Amounts due from group undertakings are due on demand and accrue no interest.

Credit risk

As at 31 December, the ageing analysis of trade receivables is as follows:

	Total £	Neither due nor impaired £	< 30 days £	30 - 60 days £	61 - 90 days £	> 90 days £
Year ended 31 December 2018	2,652,465	-	907,245	1,316,191	235,632	193,397
Year ended 31 December 2017	<u>1,999,822</u>	<u>-</u>	<u>918,182</u>	<u>907,176</u>	<u>137,640</u>	<u>36,824</u>

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

14. Debtors (continued)

As at 31 December 2018, trade receivables with an initial carrying value of £54,920 (2017 - £44,035) were impaired and fully provided for. See below for the movement in the provision for impairment of receivables:

	2018 £	2017 £
At beginning of year	44,000	50,000
Charge for the year	70,000	66,000
Utilised	(59,000)	(72,000)
At end of year	<u>55,000</u>	<u>44,000</u>

The carrying value of financial instruments included within debtors equals their fair value.

15. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,012,186	913,851
Amounts owed to group undertakings	113,957	1,089,824
Other taxation and social security	124,209	191,172
Accruals and deferred income	1,429,853	911,437
	<u>2,680,204</u>	<u>3,106,284</u>

Amounts owed to group undertakings are due on demand, accrue no interest and are unsecured.

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

	2018 £	2017 £
Amounts owed to group undertakings	<u>11,162,280</u>	<u>11,037,292</u>

Amounts owed to group undertakings are due for repayment in 2021 and accrue interest at 3.70% per annum.

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

17. Deferred taxation

	2018 £
At beginning of year	107
Charged to profit or loss	7,031
At end of year	<u>7,138</u>

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>7,138</u>	<u>107</u>

18. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
30,000- ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>

19. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

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

20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £82,274 (2017 - £104,228). Contributions totalling £8,770 (2017 - £9,717) were payable to the fund at the reporting date and are included in creditors.

C.R. Laurence of Europe, Ltd

Notes to the Financial Statements For the Year Ended 31 December 2018

21. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	566,649	577,773
Later than 1 year and not later than 5 years	2,230,545	2,175,035
Later than 5 years	7,453,748	7,643,720
	<u>10,250,942</u>	<u>10,396,528</u>

22. Financial guarantee

The company has a guarantee dated 21 May 2009 in favour of HM Revenue & customs for £400,000.

The company has an unlimited multilateral guarantee dated 24 July 2009 given by CR. Laurence UK Ltd, C.R. Laurence of Europe, Ltd and Ebor Machinery Limited.

Details of security held

Debentures including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts; chattels, goodwill, and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dates 18 June 2009.

23. Related party transactions

The company has taken advantage of the exemption included in FRS 101 and has not disclosed transactions with other wholly owned members of the group headed by CRH Plc.

Key management personnel include all company directors who together have authority and responsibility for planning, directing and controlling the activities of the company.

24. Ultimate parent company and controlling party

The company is a wholly owned subsidiary of C. R. Laurence UK Limited which is registered in England and Wales. The smallest group of undertakings for which group accounts have been drawn up which include the results of the company at 31 December 2018 is that headed by the ultimate parent company, CRH Plc.

At the year end the ultimate parent company and controlling party was CRH Plc, a company incorporated in Ireland. The consolidated financial statements of CRH Plc are publicly available from 42 Fitzwilliam Square, Dublin, 002 R279, Ireland.