Brickability
GROUP PLC

ANNUAL REPORT & ACCOUNTS

2020/21

Brickability GROUP PLC

Annual Report & Accounts

for the year ended 31 March 2021

Telephone
0870 143 3332

Email
investors@brickabilitygroupplc.com

Website
www.brickabilitygroupplc.com

Contents

Brickability at a Glance...

£181.1m (2020: £187.1m)
Revenue

£17.5m (2020: £19.5m)
Adjusted EBITDA*

£38.0m (2020: £37.7m)
Gross Profit
Gross Profit % 21.0% (2020: 20.1%)

£7.3m
(2020: £2.3m net cash)
Net Debt**

* Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, share option expenses, acquisition costs and exceptional items.

** Net debt is defined as cash less bank debt.

*** Adjusted EPS is calculated by dividing the adjusted profit for the year by the weighted average number of ordinary shares in issue.

£11.2m (2020: £12.2m)
Profit Before Tax

4.19p (2020: 4.79p)
EPS

5.56p (2020: 7.27p)
Adjusted EPS***

The Group distributes, and in many cases installs, superior quality and strategically important building materials from major UK and European manufacturing partners, providing product solutions to both private and commercial specifiers, contractors, developers and builders.

- Robust recovery following COVID-19 restrictions.
- Two strategic acquisitions in the year and a further acquisition post year end.
- Expansion of existing operations, including investment in new warehouse facility.
- Continued focus on delivering stakeholder value in a safe and sustainable manner.
- Acquisition pipeline remains strong.

BRICKABILITY KEY FACTS....

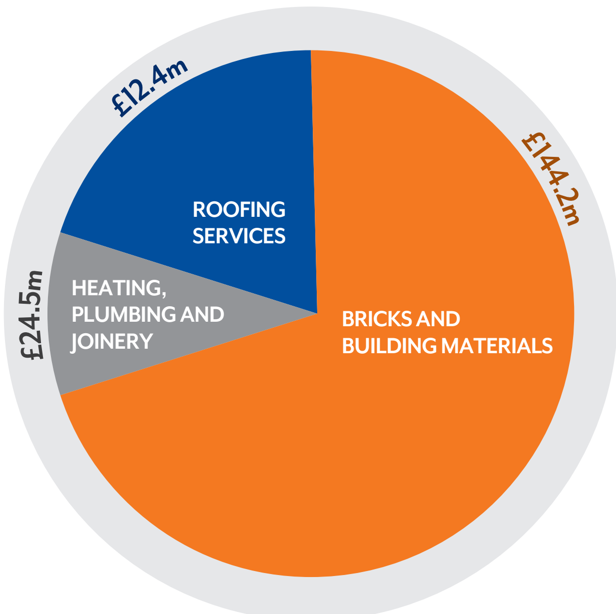
Three Core Divisions

Bricks and Building Materials;
15 businesses operating from 27 sites.

Roofing Services;
3 businesses operating from 2 sites.

Heating, Plumbing and Joinery;
6 businesses operating from 4 sites.

The Group currently employs in excess of 325 skilled and experienced personnel.



Revenue by Division

Brickability GROUP PLC

Chairman's Statement

The response of the Group and everybody working within it since the arrival of the COVID-19 pandemic in March 2020 has been outstanding. I am extremely pleased of what has been achieved and, considering the very significant challenges faced, the financial performance of the Group is one of which we can be very proud.

John Richards
Chairman

"FY2021 has been another strong year for Brickability Group. In a challenging and uncertain year for the economy at-large Brickability showed its ability to adapt quickly and successfully as well as maintain focus – a real testament to the strength and diversity of the business, and the management team we have. This is underscored by the two strategic acquisitions we made during the year.

Post year end the acquisition of Taylor Maxwell further underpinned our strategic diversification, adding to the Group's product offering and its ability to provide timely customer service.

Against this backdrop we believe that the Group is well-positioned to take full advantage of a robust and improving construction market and the order book is strong. The pipeline going forward looks encouraging."

COVID-19

At the start of the COVID-19 pandemic, we immediately took actions to comply with government legislation and guidelines to protect the health and safety of our employees and customers. Strict new protocols were introduced and the vast majority of our employees worked from home. This in itself presented several technical challenges and I am pleased to note that those challenges were quickly overcome. April 2020 saw significant reductions in homebuilding and construction activity before rebounding in May 2020. In June, sales returned to 83% of June 2019 volumes and in the subsequent months of the year, performance was broadly at the levels of the previous year.

As government guidelines changed and our markets opened up, we adapted our COVID-19 protocols accordingly. As we stand today, we still have employees working from home on rota along with robust social distancing and hand sanitising procedures in place amongst other health and safety policies.

The Group has a flexible cost base which enabled us to cut overheads quickly as restrictions took hold and, as activity has become stronger, we have continued to focus robustly on our costs.

I am, therefore, pleased to confirm for the year to 31 March 2021 revenue of £181.1 million and an adjusted EBITDA of £17.5 million. Considering the nature of market conditions during the early months of this financial year, we are very satisfied with the Group's performance.

Stuart Overend

November proved to be a challenging month in a very unexpected way. The Group's Chief Financial Officer, Stuart Overend, passed away very suddenly at the age of 50. Stuart had made an extremely important contribution to the Group and working with him during our IPO and subsequent roadshows proved to be an absolute pleasure for Alan Simpson, our Chief Executive, and I. Stuart was a tremendous colleague and friend and we are all grateful to have had the opportunity to have known him and worked with him. Our thoughts continue to be with his wife, Jennifer, and his three children.

Following an extensive executive search, Mike Gant was appointed Chief Financial Officer in January 2021, initially on an interim basis, with his permanent appointment following in April 2021. Mike has made a very positive contribution to the Group since joining and we look forward to working with him in the years ahead.

Acquisitions

The Group's strategy of bolt-on acquisitions funded by cash generation has continued during the year. Details of these acquisitions and indeed our ceramic tile start-up business can be found in the Chief Executive's report, however, I would like to dwell briefly on the acquisition of our haulage business, McCann Logistics. This business specialises in the haulage of construction materials from Continental Europe to the UK. While such an acquisition is outside of our normal focus, we viewed Brexit as a potential problem for haulage and customs delays. The management believed the best way around this was to bring such a business in-house. This has proved to be a strong decision with the haulage delays experienced by some hardly affecting our Group. The business is performing at such a strong pace that additional trailers have had to be ordered.

I must also mention the acquisition of Taylor Maxwell which has taken place since the year end. This transformative deal significantly diversifies the Group's product offering and customer base. We now have a strong position in both timber and cladding distribution and have access to many new customers, particularly in the contractor arena. The brand, reputation and employees of Taylor Maxwell are very welcome and will no doubt add significantly to the performance of the Group. Taylor Maxwell's senior managers will be represented on the Group's Management Board.

The pipeline for further acquisitions continues to be strong.

Market

The construction market in general and the homebuilding market, in particular, were areas that recovered quickly in 2020. This recovery is forecast to continue into 2021 and beyond. The market is strongly supported by government initiatives including Help to Buy Version 2, the Affordable Homes Programme and the Housing Accelerator Fund. Forecasts are also positive for other parts of the construction market with the CPA Winter 2020/21 forecast showing:

- Construction output will rise 14.0% in 2021 and 4.9% in 2022;
- Private housing output will rise by 15.5% in 2021 and 6.0% in 2022;
- Public housing output will rise by 14.8% in 2021 and 10.0% in 2022;
- Private housing (RMI) will rise by 10.1% in 2021 and 3.0% in 2022;
- Public housing (RMI) will rise by 20.6% in 2021 and 2.0% in 2022; and
- Infrastructure output will rise by 32.1% in 2021 and 6.0% in 2022.

Shareholder Returns and Dividends

The Group paid an interim dividend of 0.8678p per share on 25 February 2021. This was possible due to the recovery from a difficult start to the year, the Group's rigorous cost control and our strong cash conversion.

Following the continued V-shaped recovery in our markets, the successful integration of acquisitions and the success of our Brexit preparations, our performance enables the Board to recommend the payment of a final dividend for the year ended 31 March 2021 of 1.0850p per share. Subject to shareholder approval at the Annual General Meeting, the final dividend will be payable on 23 September 2021, with a record date of 27 August 2021 and an ex-dividend date of 26 August 2021.

Board and Corporate Governance

The Board remains committed to the highest standards of Corporate Governance, not only at Board level but throughout out Group. The Group continues to comply in full with the Quoted Companies Alliance's Ten Principles of Corporate Governance. Further details of the activities of our Board and its Committees during the year can be found in later sections of the report.

2020 was unusual in all sorts of ways and the Group's Board and Committees had to quickly adapt to meeting online. This proved successful and, during the most demanding periods of lockdown and market changes, meetings were held on a fortnightly basis.

Sustainability

We take our obligations to protect the environment seriously and are pleased to include our Sustainability Report within this Annual Report.

We are in the process of finalising our ESG roadmap. This activity will increasingly be core to all that we do, not least in identifying those manufacturers with strong ESG credentials and indeed those potential acquisitions who would benefit from having them.

A group has been convened to drive our efforts in this area which will be chaired by me.

Our People

I have already referenced the remarkable performance, dedication and flexibility displayed by the Group's employees. They have embraced the robust and regularly changing health and safety protocols, while helping to drive the business to a speedy performance recovery. They and their Group are well placed to take advantage of the robust house building and construction market and its encouraging outlook.

Our staff have driven the setting up of the Brickability Group Foundation which will raise funds to support charities close to the Group's areas of operation. It will have 3 Trustees; Paul Hamilton and Andrew Wilson, 2 of our Divisional Managing Directors, and myself.

John Richards
Chairman

4 August 2021

Alan Simpson
Chief Executive Officer

Chief Executive's Review

The COVID-19 pandemic and the consequent lockdowns and restrictions provided the Group with great challenges during the year ended 31 March 2021. Despite those challenges, we were still able to deliver revenues of £181.1 million and EBITDA of £17.5 million. Bearing in mind the virtual loss of 1.5 months of trading, we are delighted with this result. We were also able to deliver against our strategy of bolt-on acquisitions with two businesses joining the Group, on which I will elaborate later in my review. Our strategy of supporting start-up businesses also continued with Forum Tiles joining Alfiam and Architectural Facades. These acquisitions and start-ups became possible due to our strong balance sheet and cash conversion, and we expect more to come.

Acquisition Strategy

Two further strategic acquisitions were made during the year. Bathroom Barn, a West Midlands based supplier of radiator valves, elements and traditional valves was acquired on 30 November 2020 and immediately began its integration into the Towelrads business. McCann Limited (now McCann Logistics) was acquired in early December 2020 as the Group sought to protect the significant levels of imported bricks and roof tiles from any potential delays following Brexit. Established in 1972, McCann specialises in transporting building materials from factories in Europe to the UK, with its acquisition giving the Group control in this critical area. McCann's ability to provide timely continuity of deliveries has been impressive to date.

As outlined in the Chairman's Statement, the Group has completed the significant acquisition of Taylor Maxwell since the year end. The Group has also subsequently acquired Leadcraft Limited, which will expand the Group's Roofing Services division. Leadcraft was founded in 1997 and provides a full range of roofing services including tiling, slate, zinc, copper, felt and lead works.

Our acquisition pipeline continues to be strong and we are currently processing or evaluating several opportunities. Our demanding criteria, as outlined in last year's Annual Report and Accounts, remains our guide and we have the financial headroom and cash conversion levels to press ahead with those that pass our stringent assessments.

Organic Development

Our cladding business, Architectural Facades, continues to make progress with the addition of a new showroom in the North West, additional sales staff and some very exciting and profitable contracts confirmed. Similarly, we are equally excited by the launch of our ceramic tile business, Forum Tiles. We have recruited an expert sales team, with significant experience in their industry, and have established working relationships with many high-quality suppliers from Italy, Spain, India and other geographics which look to be extremely beneficial.

Divisional Performance

Bricks and Building Materials

With a turnover of £144.2 million, the Brick division managed to exceed the full-year turnover of the year ended 31 March 2020 (£144.0 million). Considering the lost turnover in April, and the much-reduced turnover in May, this was a remarkable achievement. Our flexible cost base was demonstrated by a c.£2 million reduction in cost of sales, giving an EBITDA of £11.7 million versus £11.5 million in the previous year.

Heating, Plumbing and Joinery

Turnover was reduced in the year and stood at £24.5 million against the previous £26.1 million. EBITDA fell to £5.8 million from the previous £6.2 million, despite reductions in cost of sales. It was a relatively slow start to the year for Towelrads which then gathered more sales strength as the year progressed and indeed continues to do so. Towelrads operated from several warehouse facilities and, during the year, the Group purchased a 63,000 square foot warehouse in Southam, Warwickshire, which is ideally located for the business and provides the scale for future growth. We also added Bathroom Barn to the business in December to virtually double our scale of valves.

A number of window suppliers experienced production/financial issues during the year restricting our performance in that market. New suppliers have been identified and the right agreements to supply have been put in place.

Our Spanish door supplier gradually improved their delivery performance during the year, while our agreement to sell Deanta Doors fills our need to have a mid-range, high volume door supplier. This is already proving successful with the supplier holding excellent levels of inventory.

Roofing Services

With the roofing industry appearing to have been particularly hard hit by COVID-19 driven workplace regulations, roofing turnover fell from £17.1 million to £12.4 million. Despite lower cost of sales which reduced by c.£3.3 million, EBITDA was still reduced to £2.6 million, down from £3.7 million in the previous year. Notwithstanding subsequent improvements in the market, when the market finally began to improve, it was further impacted by supply problems from manufacturers who had lengthy shutdowns. This shortage of supply continues into the current year, however, the Group does have the advantage of its plentiful supply of European-made roof tiles.

Health and Safety

The health and safety of our staff, suppliers, contractors, customers and visitors is core to the values of our Group. Having worked with our external partner, Safety Forward, in the year to 31 March 2020 to re-evaluate all of our health and safety processes and procedures, along with the training required to embed them into the business, the arrival of COVID-19 meant a rapid re-evaluation and implementation of our health and safety operations and standards.

New office/yard/warehouse/showroom procedures were agreed as were risk assessments in line with government guidance at every location. As restrictions began to be lifted, we reacted accordingly, however, we maintain a high standard of health and safety discipline.

Our new warehouse in Southam, Warwickshire, is now fully operational. As it moves towards optimum operational capacity, a facility of that scale has demanded a thorough health and safety review and risk assessments. It is fully up to speed in its health and safety protocols and we intend it to be a standard-setter inside and outside of the Group.

Outlook

The outlook for construction including house building is very positive. Construction output is forecast to rise 14.0% in 2021 and 4.9% in 2022, while the RIBA Future Trends workload index for May put confidence at the highest level since 2009.

The fundamentals for house building remain strong in both the private and public arenas with both benefitting from government support.

Current demand is such that many building materials are on extended availabilities and while this presents the Group with challenges, the strength of our supplier relationships and supply chains enables us to continue to provide reliable product supply.

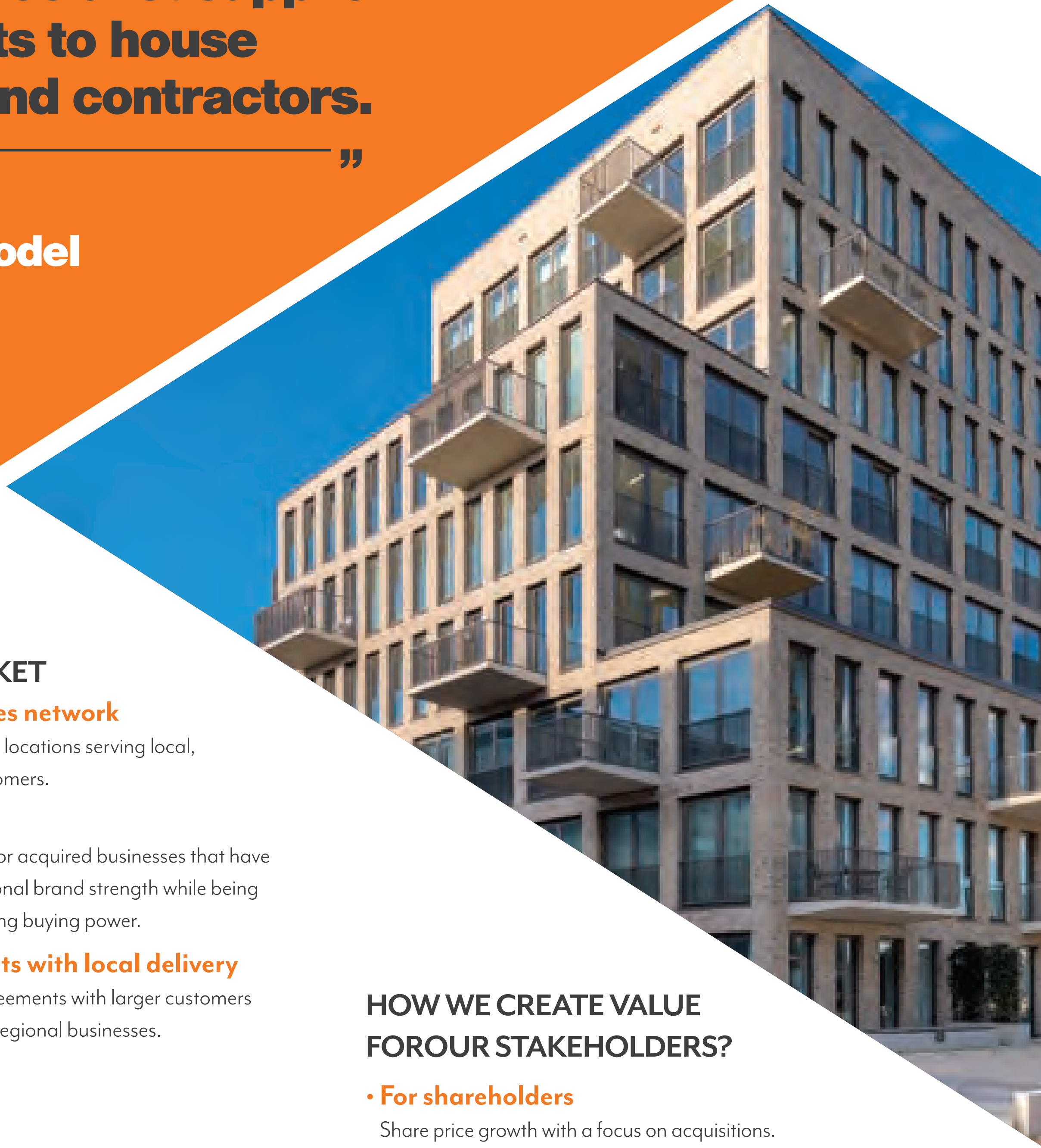
The Group's trading in the first quarter of the 2022 financial year was encouraging and we continue to review and progress a number of acquisition opportunities.

Alan Simpson
Chief Executive Officer

4 August 2021

> **Our vision is to be the leading specialist supplier of products to house builders and contractors.**

Business Model



ROUTES TO MARKET

- **Strong regional sales network**
  The Group has over 30 GB locations serving local, regional and national customers.
- **Established Brands**
  The Group has developed or acquired businesses that have built local, regional or national brand strength while being part of a business with strong buying power.
- **National agreements with local delivery**
  The Group has central agreements with larger customers which are delivered by the regional businesses.

OUR STRENGTHS

- Regional sales network
- National coverage
- Specialist knowledge
- Technical Expertise
- Access to high quality products and supplies in UK and abroad
- Scale / buying power
- Strong track record
- Integrating acquisitions
- Highly experienced management team
- Unrivalled customer relationships
- Exceptional customer service
- Cross selling

HOW WE CREATE VALUE FOROUR STAKEHOLDERS?

- **For shareholders**
  Share price growth with a focus on acquisitions.
  A progressive dividend policy.
- **For customers**
  Sourcing and supplying products that meet customer needs, are priced competitively and are delivered on time.
- **For suppliers**
  Suppliers are paid on time and we meet our commitments to the distribution of products, prices and volumes.
- **For employees and local communities**
  The Group has over 325 employees in GB. We provide growing employment opportunities in our communities along with long-term career development. The Brickability Group Foundation supports charities local to our business locations.

Our Brands

BRICKS AND BUILDING MATERIALS

Brickability
Apex BrickCutters
Brick Matching
THE BESPOKE BRICK CO.
Bricklink
BrickMongers Wessex
Brick Services
Alfiam Building Supplies
UP Building Products
LBT Brick & Facades
Plansure
cpg Building Supplies
Crest
architectural FACADES
McCANN LOGISTICS
McCann ROOFING PRODUCTS

ROOFING SERVICES

Crest Roofing
Crown ROOFING
Excel ROOFING

HEATING, PLUMBING AND JOINERY

Towelrads
Frazer Simpson
DSH Flooring
FSN Doors
RADIATORS ONLINE.com
RadiatorValves UK
Forum Tiles

The Complete Solution

The Group has been formed to pool the combined success of individual businesses into one cohesive structure that will maximise revenue and growth.

Together we are stronger and will take advantage of our individual specialisms to provide a supply hub of extraordinary efficiency and service.

ROOFING

Crest Roofing
Crown Roofing
Excel Roofing
McCann Roofing Products

CLADDING

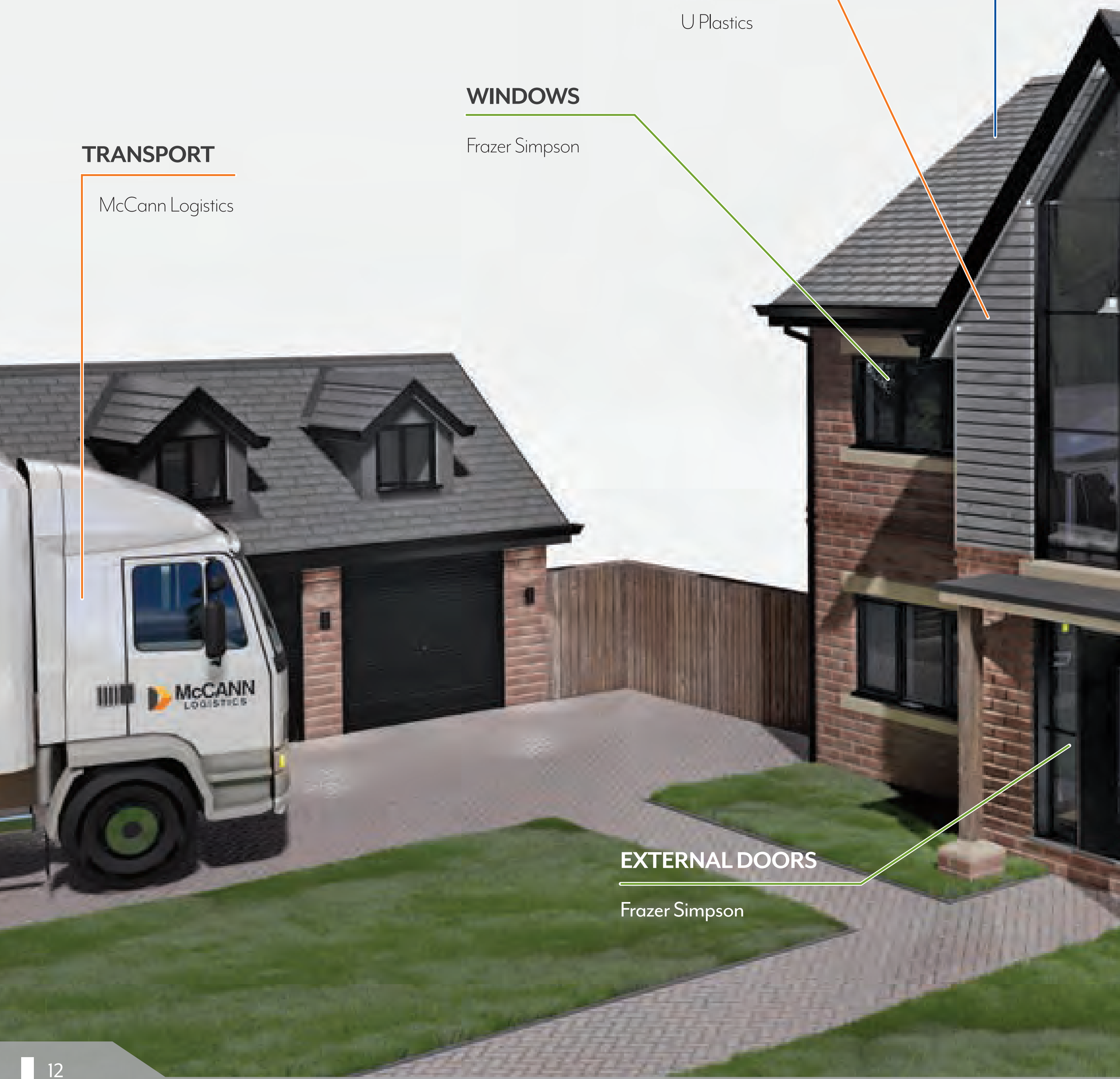
U Plastics

WINDOWS

Frazer Simpson

TRANSPORT

McCann Logistics



EXTERNAL DOORS

Frazer Simpson

BRICK SUPPLY & SERVICES

Brickability
Apex Brick Cutters
Matching Brick
The Bespoke Brick Co.
Bricklink
Brick Mongers Wessex
Brick Services
CPG Building Supplies
Crest Brick Slate & Tile
LBT Brick & Facades
Plansure
Alfiam Building Supplies

FASCIAS, SOFFITS & GUTTERING

U Plastics

TOWEL RAILS & RADIATORS

Towelrads
Radiators Online
Radiator Valves UK

FLOORING SERVICES

DSH Flooring
Forum Tiles

INTERNAL DOORS

FSN Doors

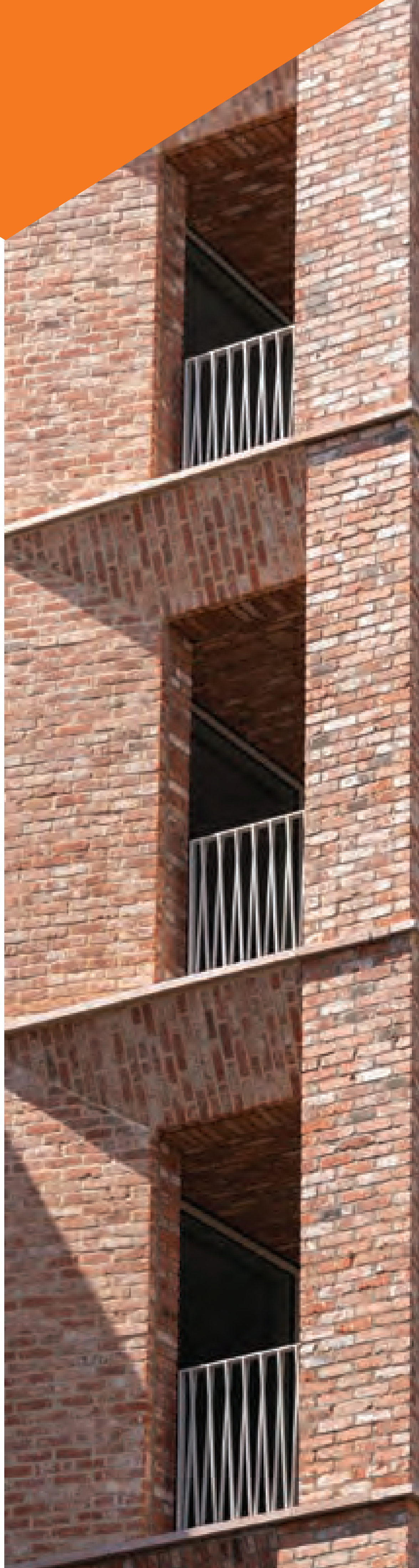
UNDERFLOOR HEATING

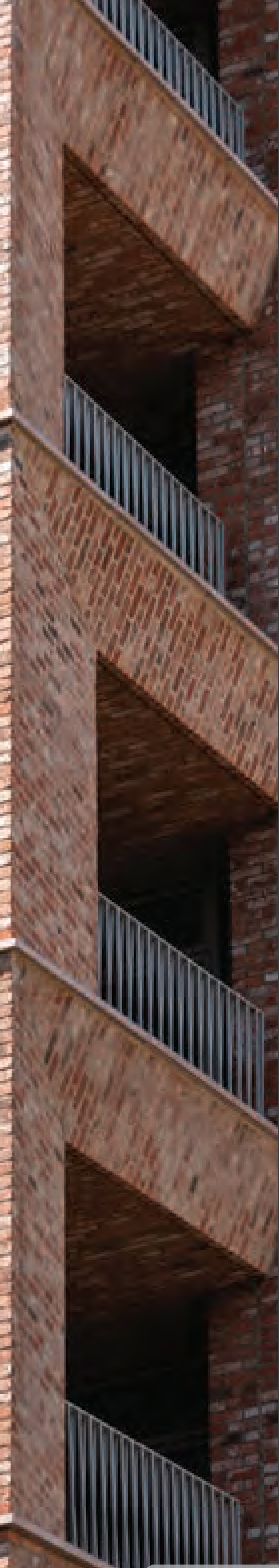
Towelrads

Group Strategy and Delivery

The Group continues to follow its strategy for growth, which is based around four key areas: Organic Growth, Geographic Expansion, Acquisitions and Product Expansion.

	Achievements	Outlook	KPI's	Risks	Governance
Organic Growth	Fast recovery from COVID-19 market restrictions. Recruitment of additional sales team members in all divisions.	- Continued cross selling - Growth with additional customers - Access to new customers	- Revenue - Cost of sales - Gross profit - EBITDA	- Economic environment - Extreme Weather - Major event	The Divisional Managing Directors monitor performance and take any necessary action. Divisional performance is reported to the Board.
Geographical Expansion	New locations have joined the Group via acquisitions. U Plastics have opened a new depot in Maidenhead.	Further geographic expansion is planned with existing product range.	- Revenue - Gross Profit - EBITDA at new locations	- Economic environment - Limited acquisitions	The Board reviews acquisition / expansion plans.
Acquisitions	2 acquisitions during the year.	Further acquisitions in pipeline to expand product offering and customer base.	- Revenue - Gross Profit - EBITDA - Past acquisition audit	- Failure to integrate acquisition. - Retention of talent	The Board reviews acquisition strategy and plans.
Product Expansion	Acquisitions have expanded the product portfolio as has the Forum Ceramics tile start-up.	Further acquisitions and start ups are planned.	- Revenue - Gross Profit - EBITDA - 5 year start up plans	- Loss of a major supplier - Loss of key management	The Board reviews and approves start-ups.



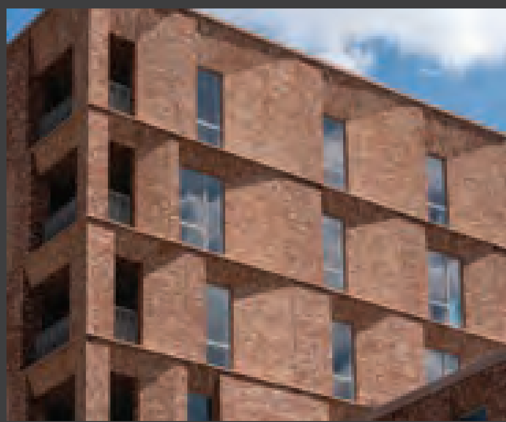


Case Study

Belle Vue / Bartrams

The Bespoke Brick Co., one of the Group's specialist brick importers and distributors, were asked to work with Morris & Co Architects on a beautiful scheme for Pegasus Life which consisted of 60 luxury apartments with landscaped courts and gardens for over 60s in Hampstead, London. The concept featured a very complex façade design, including steel framing systems which backed onto hand-laid brick work in feature bonds. An intricate mechanically fixed brick slip rain screen was created with pre cast panelling, pre cast sills and banding, loggia balconies, composite punch windows and stick curtain walling.

The brief was to suggest a brick which could be produced in two different tones to create subtle colour differences which highlighted some of the interesting features within the façade.



We opted to work with Floren, one of our production partners in Belgium, who adopt a customised approach to brick making. The architect favoured a more rustic appearance in the brick to contrast some of the very modular and sharp design within the façades. We took a tumbled red brick with some black engobe to create a historic weathered effect. We then added 60% calcium slurry to one type and 90% slurry to another. This gave us two products with very subtle differences. The lighter brick which displayed 90% slurry was used on the interesting, angled window recesses as well as the shark fin detail which explored textures in some areas of the scheme.

Galostar were the appointed contractor and IG lintels were the chosen pre cast manufacturer.

This was a challenging but rewarding scheme which has received much acclaim. It was shortlisted for the RIBA regional award 2020 for North London.

Key Performance Indicators

REVENUE

£181.1m

Revenue growth is a key driver of profit growth.

GROSS PROFIT

£38.0m

Gross Profit percentage acts as a cross check against Revenue growth to ensure new sales maintain margin.

ADJUSTED EBITDA

£17.5m

Earnings before Interest, Tax, Depreciation and Amortisation, share option expenses, acquisition costs and exceptional items.

CASH GENERATED FROM OPERATIONS

£13.1m

NET DEBT

£7.3m

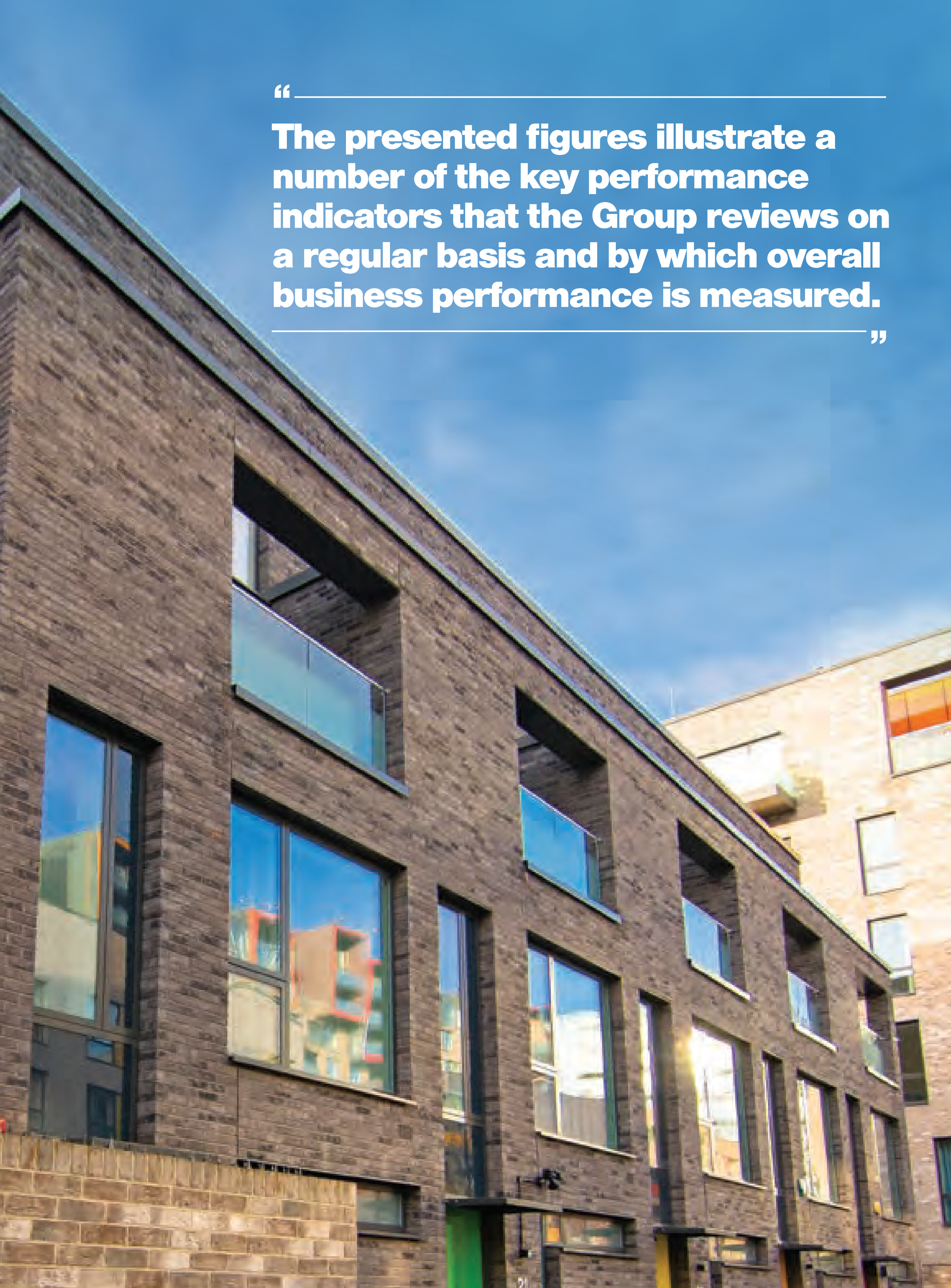
The net cash position after deducting the cash held from the amount of bank debt.

DIVIDEND

1.95p

Annual dividend per share

“The presented figures illustrate a number of the key performance indicators that the Group reviews on a regular basis and by which overall business performance is measured.”



Risk management

MANAGING RISK IN ORDER TO DELIVER OUR STRATEGY

The Group is exposed to a number of risks in the markets it serves. The Board considers the risks to the business and the adequacy of internal controls with regard to the risks identified at every scheduled Board meeting. It formally reviews and updates the risk register of the business at least annually.

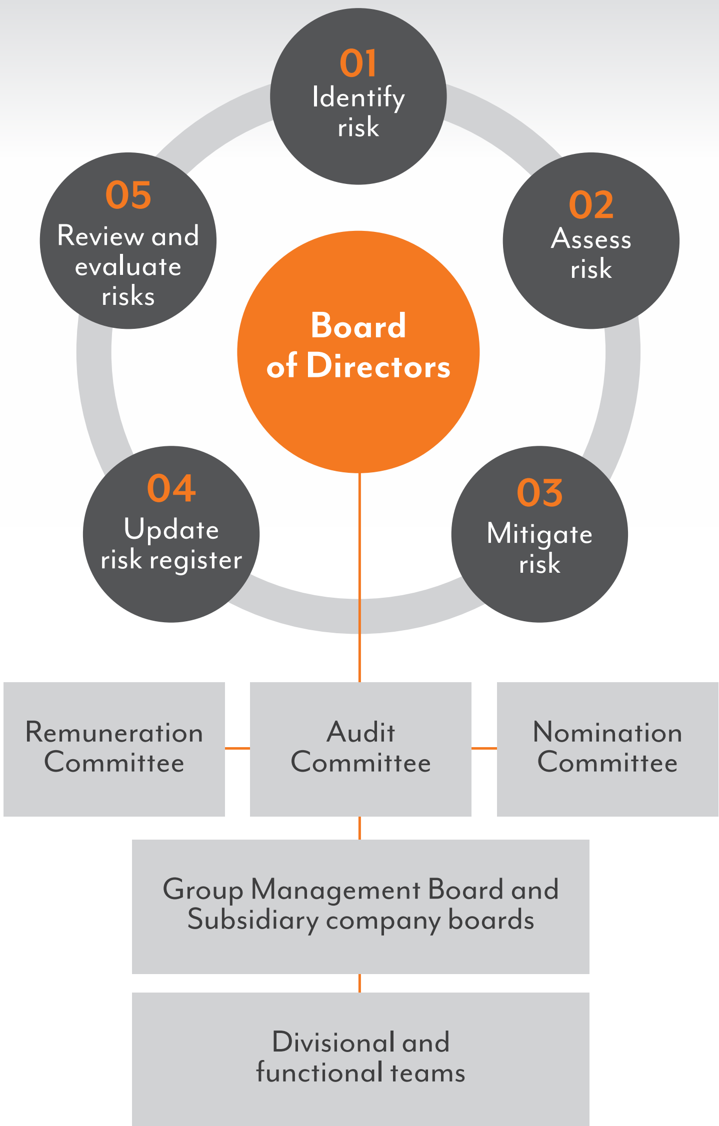
RISK MANAGEMENT STRUCTURE

01 IDENTIFY RISK

The Board has overall responsibility for monitoring the Group's systems of internal control, for identification of risks and for taking appropriate action to prevent, mitigate or manage those risks. The Board will continually assess and review the business and operating environment to identify any new risks to be managed.

02 ASSESS RISK

A detailed schedule of risks is considered at each scheduled Board meeting under the following categories: Competitors, Economic environment, Financial Risk, People and Suppliers. These risks are graded against the criteria of likelihood and potential impact in order to identify the key risks impacting the Group (see page 19).



03
MITIGATE RISK

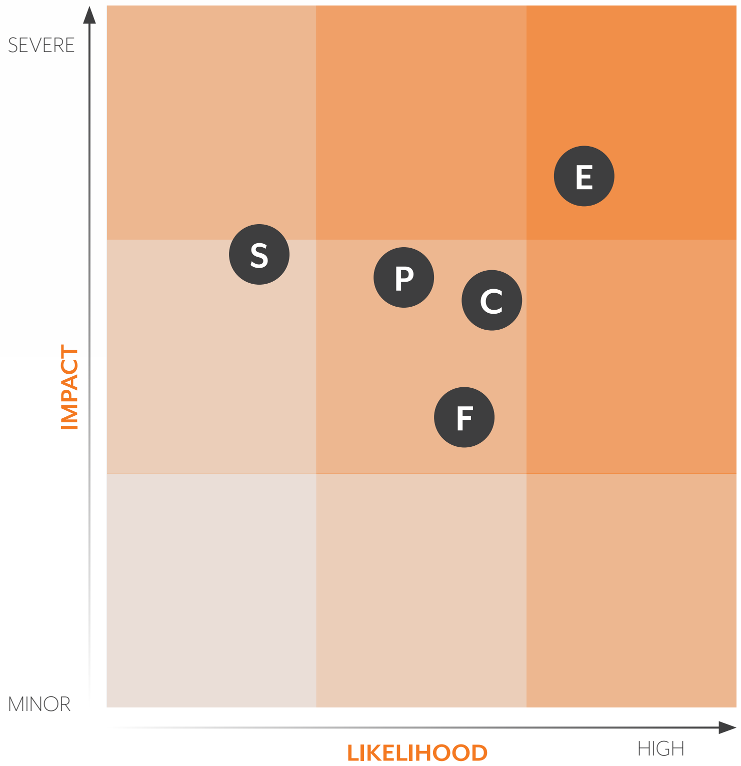
The Board seeks to ensure that the Group's activities do not expose it to significant risk. The Group's aim is to diversify sufficiently to ensure it is not exposed to risk of concentration in product, market or channel.

04
UPDATE RISK REGISTER

The risk register is updated as appropriate at scheduled Board meetings and in-between as necessary.

05
REVIEW & EVALUATE RISKS

The Board and Group Management Board are all responsible for reviewing and evaluating risk. The Group Management Board meet at least monthly to review ongoing trading performance, discuss budgets and forecasts and consider new risks associated with ongoing trading. Feedback from these meetings regarding changes to existing risks or the emergence of new risks is then provided to the Board.



RISK HEAT MAP

The risk heat map summarises the potential impact of a range of risks and uncertainties identified by the management team. They are logged on the 'Risk Matrix' and reported on and reviewed regularly.

C Competitors
This includes:
- Margin management
- Environmental and social responsibility

E Economic environment
This includes:
- Ongoing COVID-19 impact
- Extreme weather events
- Product supply shortages

F Financial risk
This includes:
- Margin management
- Change in employment status of Group subcontractors
- Failure to integrate key acquisitions
- Cyber security

P People
This includes:
- Retention of talent
- Failure to integrate key acquisitions

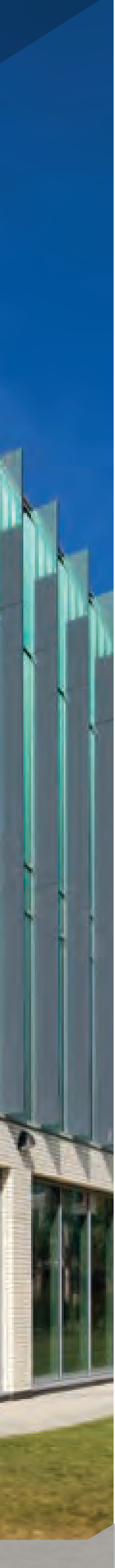
S Suppliers
This includes:
- Loss of key trading partner
- Modern methods of construction

Principal Risks and Uncertainties

The Board has overall responsibility for monitoring internal and external risks to which the Group and its businesses may be subject. The Group has established internal controls and systems to identify and assess such risks. The Board reviews these risks and our ability to effectively monitor them at each scheduled Board meeting. Where appropriate specific updates and reports are circulated to Board members in between such meetings.

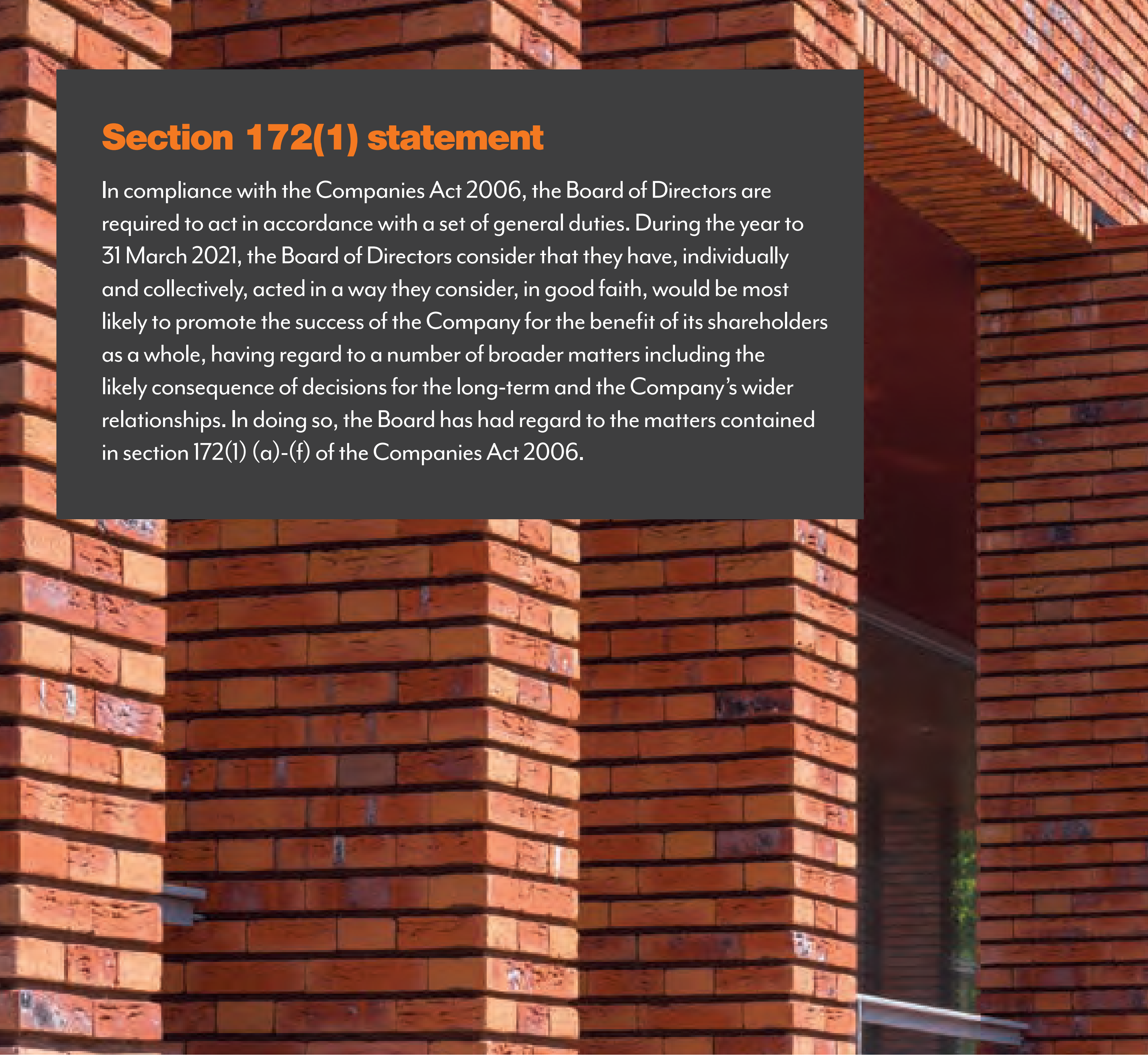
A report, the 'risk matrix' is maintained on a rolling basis by our Chief Financial Officer and is the subject of regular review by the Group's Management Board team, with each senior manager responsible for underlying operating group companies reporting into the operating board's review. The Group's Management Board meets monthly, is attended by each executive director and is chaired by John Richards, chairman of the Board. As part of these meetings the Management Board meet to review on-going trading, budgets and forecasts and consider new and on-going risks and uncertainties to the Group's operating businesses. Where appropriate additional, separate analyses or follow-up is undertaken of particular risks and issues identified.

Throughout the year, the COVID-19 pandemic has given rise to significant additional risks and uncertainties. These have been the subject of specific contingency planning and risk mitigation. As our customers' and suppliers' businesses have resumed trading so have we and we have recovered well from the initial lockdown in March and April 2020. Our priority throughout the year has been the health and wellbeing of all of our stakeholders, including colleagues, clients, our contractors and the communities within which we work, as well as the commercial and financial health of our businesses and the preservation of shareholder value. Board meetings have increased in frequency as we continue to monitor the ongoing situation.



Principal risks and uncertainties facing the Group are set out below.

Risk	Key controls	Ongoing action
Economic environment The UK is recovering from the COVID-19 pandemic, which has impacted operations and results during the year. While the Group has returned to a strong trading position following significant downturns at the start of the year, ongoing uncertainty around new variants continues to pose a risk. The pandemic's impact on the national economy has also put pressure on the Group's supply chain, resulting in challenges from reduced product availability. The Brexit process was monitored during the year and appropriate measures put in place to accommodate changes following the end of the transition period. There has not been an adverse impact on the Group's ability to trade since leaving the EU and thus Brexit is no longer considered a principal risk.	We monitor our core markets closely and maintain close relationships with our principle customers, suppliers and manufacturers. Our key customers within the housebuilding market are financially robust but we monitor credit risk and debtors continuously. The Group's supply lines have remained resilient but are monitored closely and our risk mitigation plans are regularly reviewed. Working capital is monitored on a daily basis, with robust and active debtor control. Budgets and financial performance against KPIs are regularly reviewed. Health and safety remains a priority, both at our sites and in interacting with clients and contacts. Compliance is tightly managed.	Where opportunity presents itself, we will continue to prudently expand our geographical presence and the diversity of our business in order to better serve our clients and diversify risk. Our ongoing strategy of developing through acquisitions and organic growth maintains a high level of buying power within both the UK and EU markets, ensuring the Group can source sufficient products to meet demand. Health and safety procedures are the subject of regular review and external review by health and safety consultants, Safety First. COVID-19 safe procedures continue to be applied.
Retention of talent The success of the Group depends to a significant degree upon our senior management team. Failure to attract and retain individuals with the right skills, drive and capability may impact our ability to meet performance expectations.	The recruitment and training of talent from within is actively promoted, when appropriate, with a focus on internal succession management. We also endeavour to ensure that talent acquired through acquisitions is retained. We continue to review our remuneration policies to facilitate the recruitment and retention of talent at the highest calibre, in addition to maintaining entrepreneurial drive through the use of responsible incentives.	The Group has employee incentive schemes in place and continues to review the key aspects of its incentive arrangements and rewarding of staff.
Margin management Prices may not remain at levels which are both competitive and achieve adequate margins. There is a risk that not all inflationary price increases can be passed on, resulting in lower margins. Rebate income may also not be adequately monitored and accounted for. Both or either may adversely impact financial performance.	We continuously review and monitor margins and pricing within the market by customer, supplier and product. Where possible we seek to secure fixed pricing over a longer period with key trading partners so as to maintain pricing continuity. We regularly review and audit our rebate debtors and income. Monthly performance is reviewed against rebate reports from suppliers and internal rebate assumptions are closely monitored. Volume arrangements with UK manufacturers are carefully maintained. Arrangements with key trading partners, including rebates and relationships with other key trading partners are an important consideration when reviewing potential acquisitions.	We continue to monitor and improve the accuracy of ordering, scheduling and forecasting. Core relationships are maintained with key trading partners and, where possible, we seek to agree prices on an annual basis. We also seek to diversify the products and services offered by the Group, to mitigate the impact of margin pressures in specific areas.
Loss of a key trading partner The loss of a key customer or supplier could adversely impact business performance.	Relationships with key trading partners are valued and kept under continuous review. We monitor our markets and ensure that all key trading partners remain up to date with our unique selling propositions. The impact of potential acquisitions on our key trading relationships are carefully assessed as part of our due diligence process.	The active development of new trading partners and the maintenance of sustainable long-term relations with our existing partners are key performance metrics for senior managers.
Change in employment status of Group subcontractors HMRC may reconsider their view on labour only 'subcontractors' employment status. This may have a significantadverse impact on overheads, for those members of our Group using such contractors in their business.	Such a change, if made, would in our view be industry-wide. As adversely affected contractual obligations are completed, we would expect new pricing in the market to reflect increased overheads. The Group reviews the employment status of its subcontractors to ensure compliance with the latest legislation.	Group businesses potentially affected will endeavour to maintain robust margins so as to mitigate any impact on overheads.
Modern Methods of Construction (MMC) MMC, or the factory construction of modular units for subsequent on-site assembly, have increased and attracted significant investment from several market participants.	We continue to monitor the scale and use of MMC and the approach of Local Authority planners to their use and how members of the Group might be affected were their products, for example roof coverings, to fall into the factory build stage of such units.	We seek to ensure that the Group has close relationships with builders using MMC.
Extreme weather Extreme weather events, whether in the form of excessive rain and flooding or snow, can have a material impact on clients' construction sites and adversely affect turnover.	The Group's geographical diversity across the UK reduces the impact of extreme regional weather events.	We continue to seek to increase our geographical reach through strategic acquisitions and organic growth.
Failure to integrate key acquisitions Given the Group's acquisitive nature, there is a risk that the Group fails to integrate an acquisition.	The Group completes both financial and legal due diligence, prior to acquisition, to mitigate this risk. The Group Management Board executives also meet with the senior management of the company being acquired to ensure they will fit in with the Group. Following acquisition, the Group ensures compliance with its systems and reporting, while also undertaking regular business and performance reviews.	We continue to monitor existing acquisitions and maintain the due diligence discipline. Group policies and practices also undergo continuous review, to work towards a Group wide approach as quickly as possible.
Cyber security The COVID-19 pandemic led to an increase in remote working. There is also a growing risk of fraudulent attacks on businesses. Such an attack could have the potential to significantly disrupt the Group's operations and result in loss to the business.	The Group has recovery plans in place, and ensures systems are up to date with the latest cyber protection.	We continuously monitor IT systems in place to ensure they are up to date and regularly updated with the latest security protection. Ongoing training is also provided so staff maintain awareness of the risks and appropriate action to take should an issue arise.
Environmental and social responsibility Increasing requirements in respect of environmental and social reporting and practices, increase the risk of an adverse impact on the Group's reputation, should expectations not be met or regulations adhered to.	Ongoing updates to legislation and social expectations are discussed at regular senior management meetings to ensure the Group is aware of any key changes.	We monitor the impact that the Group's operations have on the environment and its stakeholders to ensure compliance with all appropriate regulations. We also carry out checks on suppliers to ensure that they are also maintaining the high standards expected.



Section 172(1) statement

In compliance with the Companies Act 2006, the Board of Directors are required to act in accordance with a set of general duties. During the year to 31 March 2021, the Board of Directors consider that they have, individually and collectively, acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole, having regard to a number of broader matters including the likely consequence of decisions for the long-term and the Company's wider relationships. In doing so, the Board has had regard to the matters contained in section 172(1) (a)-(f) of the Companies Act 2006.

The Directors have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly between members of the Company.

This statement focuses on matters material to shareholders. The Group's key resources and relationships are detailed in the Business Model on page 10. The Board recognises the importance of building and maintaining relationships with its key stakeholders, and considering the external impact of the Group's operations, in order to achieve long-term success. The Board's understanding of the interests of the Group's stakeholders is informed by the Board's programme of stakeholder engagement.

Matters that have impacted key decisions and strategies during the year ended 31 March 2021 are set out in the following paragraphs.

Strategy

The Directors also take into account the views and interests of a wider set of stakeholders when making decisions. During the year, the Board received information to enable them to consider the impact of the Company's decisions on its key stakeholders. This information was distributed in a range of different formats, including through reports and presentations on our financial and operational performance, non financial KPIs and risk. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders and the Board frequently has to make difficult decisions based on competing priorities. By considering the Company's purpose and values, together with its strategic priorities and having a process in place for decision making, we do, however, aim to balance those different perspectives.

Acquisitions

During the year, the Group acquired two companies. The acquisitions provided the Group with additional scale, geographical diversity and additional product ranges. The acquisitions provided enhanced sales opportunities and revenue generation, providing returns to shareholders in the longer term and enhanced employment opportunities as part of a wider Group. Prior to the acquisitions, the Board considered the effects they would have on the Group's gearing and creditors but reached the conclusion that creditors' interests would not be impacted significantly and any impact would be offset by the positive effects of the acquisition on the Group.

Link to strategy: Acquisitions, Geographical Expansion and Product Expansion

Retention of Staff

Promoting the success of our business for the benefit of our shareholders, whether large institutions or small retail investors, is fundamental and has to be aligned with employees. The Board believes that the issue of CSOP shares to all staff that had been with the Group over 2 years at the time of the Company's IPO, and the issue of LTIP awards during the year, ensures alignment of interest between the shareholders and employees. Remuneration packages for all employees are also reviewed regularly.

Link to strategy: Organic Growth

Impact on the Environment and the Community

The Group is committed to reducing the environmental impact of its operations and to making a positive impact in the community. Further information on the steps taken to reduce the environmental impact of the Group's operations, and its charitable activities, are set out on in the Corporate and Social Responsibility statement on pages 28 and 29.

Chief Financial Officer's Review

£181.1m	£38.0m	£17.5m	£11.2m
Revenue decline of 3.2% to £181.1 million, with like-for-like decline of 13.2%	Gross Profit increased by 0.8% to £38.0m.	Adjusted EBITDA decreased by 10.1% to £17.5m	Profit Before Tax decreased by 8.4% from 2020

The financial results for the year ended 31 March 2021 reflect the impact of COVID-19 on the business. This impact was mitigated by careful cost control and the utilisation of around £1.3 million of the Government's Coronavirus Job Retention Scheme (CJRS).

Overall business performance is shown in our key performance indicators on page 16.

Revenue

Revenue totalled £181.1 million for the year ended 31 March 2021. This represented a decrease of 3.2% compared to the previous year (2020: £187.1 million).

Division	2021 £m	2020 £m	% Change
Bricks and Building Materials	144.2	144.0	0.1
Roofing Services	12.4	17.1	(27.5)
Heating, Plumbing and Joinery	24.5	26.1	(6.1)
Total	**181.1**	**187.1**	**(3.2)**

Sales performance was very different in the two halves of the year, following recovery from the initial COVID-19 related lockdown, as shown in the table below, on a like-for-like basis, as a % change from the equivalent period in the prior year.

	Bricks and Building Materials % Change	Roofing Services % Change	Heating, Plumbing and Joinery % Change	Total % Change
H1	(30.4)	(49.3)	(24.3)	(31.3)
H2	8.9	(1.3)	5.2	7.6
Full year	**(12.2)**	**(28.3)**	**(9.6)**	**(13.2)**

Gross Profit

Gross profit for the year increased to £38.0 million from £37.7 million, with a slight improvement in gross margin of 0.8% to 21.0% (2020: 20.1%)

Adjusted Profit and Adjusted EBITDA

Statutory profit before tax of £11.2 million (2020: £12.2 million) includes other items of £3.8 million (2020: £4.8 million) which are not considered to be part of the Group's underlying operations.

These are analysed as follows:

	2021 £'000	2020 £'000
Statutory profit before tax	**11,165**	**12,184**
Acquisition costs	105	-
Share based payment expense	338	56
Amortisation of intangible assets	3,619	3,059
Impairment of goodwill	-	16
Unwinding of discount on contingent consideration	127	227
Interest payable on loan notes	-	977
Interest payable on deferred consideration	-	13
Share of post-tax losses of equity accounted associates	6	32
Fair value (gains)/ losses on contingent consideration	(360)	45
Exceptional income	-	(2,000)
Exceptional expenses	-	2,407
Total other items before tax	**3,835**	**4,832**
Adjusted profit before tax	**15,000**	**17,016**

Further details regarding the above other items are disclosed in note 14 to the financial statements.

Adjusted EBITDA is the adjusted profit before tax prior to the addition of finance income and deduction of depreciation, amortisation and finance expenses.

Adjusted EBITDA decreased by 10.1% to £17.5 million for the year ended 31 March 2021. Detailed segmental analysis is per note 6 of the financial statements. The COVID-19 pandemic has resulted in a decrease across all divisions on a like for like basis. However, as reported, the Bricks and Building Materials division adjusted EBITDA has increased from £11.5 million to £11.7 million, following acquisitions that were made during the current year and part way through the previous year.

Taxation

The charge for taxation was £1.5 million (2020: £2.9 million), an effective rate of taxation (Tax expense divided by Profit Before Tax) of 13.5% (2020: 23.7%). The effective rate for the year falls below the main rate of corporation tax (19%), due to research and development tax credits being claimed during the year in relation to prior years. The 2020 effective tax rate was higher than the main rate of tax following the remeasurement of deferred tax after the announcement of a change in tax rate from 17% to 19%.

Earnings Per Share

Basic EPS for the year was 4.19p (2020: 4.79p). The Group also reports an adjusted underlying EPS which adjusts for the impact of the other items analysed in the table above. Adjusted EPS has fallen from 7.27p to 5.56p per share.

Dividends

In light of the strength of the Group's trading performance since the easing of the initial COVID-19 related lockdown measures for the construction industry and also in recognition of the strength of the balance sheet at the year end, the Board is recommending a final dividend of 1.0850p per share.

Subject to approval by shareholders, the final dividend will be paid on 23 September 2021, with a record date of 27 August 2021 and an ex-dividend date of 26 August 2021.

Cash Flow and Net Debt

Operating cash flows before movements in working capital decreased to £17.4 million from £21.0 million in 2020. Cash generated from operations decreased to £13.1 million from £20.9 million.

Inventories increased primarily as a result of the Group's preparations for Brexit. The initial COVID-19 lockdown hampered sales in the final month of the 2020 financial year whilst in comparison the Group was fully trading in March 2021, resulting in a higher receivables balance as at 31 March 2021. Creditor payments were also normalised following the staggered payments at 31 March 2020 during lockdown. Additional working capital requirements are also included for the new acquisitions, since their addition to the Group.

At 31 March 2021, net debt (borrowings less cash) was £7.3 million which compares to net cash of £2.3 million at the prior year end. This is after additional investment in property, plant and equipment of £5.7 million (2020: £0.9 million), tax paid of £2.4 million (2020: £4.7 million), the initial payments for two new subsidiaries of £2.5 million (2020: £11.4 million) and the payment of deferred consideration, in relation to prior year acquisitions, of £7.9 million (2020: £5.9 million). Dividends of £4.5 million (2020: £2 million) were also paid in the year. We continue to expect that the Brickability Group will remain a business that is cash generative.

Bank Facilities

At the year end, the Group had debt facilities with HSBC, totalling £30 million. This consists of a £25 million revolving credit facility repayable in full in March 2023 (with the option of two one-year extensions) and a £5 million overdraft facility until March 2023.

Since the year end, the Group has re-financed into a £60 million revolving credit facility, on a club basis with HSBC and Barclays, that runs for 3 years (with the option of two one-year extensions). The Group also has access to an additional £25 million accordion.

Subsequent Events

The Group completed the acquisition of Taylor Maxwell (2017) Limited in June 2021, for consideration of up to £63 million. Leadcraft Limited was also acquired in July 2021, for consideration initially expected to be up to £5.5 million. Further investment has also been made in opening a new branch, within the U Plastics business, with a new property purchased for £2.4 million. Full details of events occurring since the year end are disclosed in note 39 to the financial statements.

Going Concern

The directors are confident, having made appropriate enquiries, that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details concerning the assessment of going concern are outlined within the Going Concern and Outlook section on pages 26 and 27.

Mike Gant
Chief Financial Officer

4 August 2021

Going Concern and Outlook

The business activities of the Group, its current operations and factors likely to affect its future development, performance and position are set out in the Chief Executive's Review on pages 8 and 9 and in the Chief Financial Officer's Review on pages 24 and 25. In addition, note 33 of the financial statements includes an analysis of the Group's financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit and liquidity risk.

The Group has a formalised process of monthly reporting and review, and information is provided to the Board of Directors in order to allow sufficient review to be performed to enable the Board to ensure the adequacy of resources available for the Group to achieve its business objectives and in particular the impact of COVID-19.

Budget scenarios have been prepared comparing a number of outcomes, however, the Board focussed on three cases to determine how COVID-19 could continue to impact the Group over the 12 months following approval of the financial statements. The three scenarios assessed a percentage drop in sales compared to the Group's trading forecasts as follows: a) 40%; b) 50% and c) 60%. The three scenarios represent various levels of reducing trading in response to local lockdowns and periods of total lockdown enforced by the Government in response to rising cases of COVID-19. In determining these the Group considered macro-economic and industry wide projections as well as matters specific to the Group.

The models demonstrated that annual turnover would have to fall by 50% before the Group would breach bank covenants. If turnover reduced evenly over the period, bank covenants would be in breach by 31 December 2021. However, given the Group's experience of trading through various restrictions, strong post year end trading results and the current market expectations, this is considered extremely unlikely. If the situation arose whereby turnover was sustained at this low level, significant cost cutting measures would also be undertaken to accommodate the reduced level of turnover thereby increasing EBITDA. The above assessment was also carried out based on the facilities in place at the year end. As noted later in this report, the position has been re-assessed following an acquisition and increased bank facility secured post year end.

As a result of the COVID-19 Pandemic on the national economy, the Group's supply chain has become challenged in terms of product availability. Through bolt on acquisitions in recent years the Group has maintained very strong buying power with European factories who are able to bridge the supply gap to satisfy the demands of the UK housing market.

Due to the supply chain issues the Group is also experiencing increased costs from suppliers. The board monitors price increases carefully and ensures that steps are taken to preserve the operating margins returned by the Group.

The Group sells throughout the UK and has a spread of customers, with credit insurance covering the main brick business. The Group sources a range of products from third-party suppliers both in UK and Europe. During the year, the Group had average net debt of £5 million and, at the year end, had unutilised bank facilities with available funding of £14 million.

As disclosed in note 39, since the year end the Group acquired the entire share capital of Taylor Maxwell (2017) Limited. The Group raised equity finance of £55 million to fund the acquisition and replaced the existing bank debt facility of £30 million with a new facility of £60 million. The initial cash consideration of £40 million for the acquisition has been settled (aside from an agreed retention) and the Group has significant headroom within the available banking facilities. Budget scenarios, incorporating this acquisition, have been prepared based on expected trading to assess the impact on banking covenants in the period covering 12 months from approval of the financial statements. Due to the available headroom in the facility, no breaches of banking covenants are expected during the period.

After making enquiries and reviewing budgets and forecasts for the Group, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Outlook

The Group has successfully traded through a year of a global pandemic. We look forward to the financial year ended 31 March 2022 with cautious optimism and, at this very early stage of the year, anticipate trading will be in line with expectations.

Our strategy and core values remain unchanged. We are focused on driving profitable sales growth organically and through acquisitions and enhancing our operational capabilities and efficiency.

As such, we remain confident in our ability to create shareholder value in the short, medium and long-term.

Corporate and Social Responsibility

We are committed to fairness, integrity and doing the right thing. We believe in treating our people well and giving back to the communities where our people work.

Safety and Well-being

The safety and well-being of colleagues is the Group's first priority. During the COVID-19 pandemic, we have taken all extra precautions to keep our sites clean and sanitised and have put in procedures to keep our workforce safe. Some sites were initially closed and then gradually reopened under secure and socially distanced conditions. Those employees who could work from home did so.

The Group promotes a positive health and safety culture throughout the business to ensure that all our people consider health, safety and welfare issues while at work. A workforce that is safe and physically & mentally healthy is key to the success of the Group. All new employees receive in-house health and safety training with further training undertaken as the employee role or need requires. All our processes and procedures are reviewed regularly by an external agency.

Diversity and Gender

Building a diverse workforce and maintaining an inclusive workplace is vitally important to the Group. This ensures everyone feels welcome and valued. As a Group we strive to eliminate any gender bias in our pay and employment policies and practices. We have a robust recruitment policy that the Group will recruit, train and reward based on merit and provide opportunities for our employees to fulfil their ambitions regardless of gender.

Our People

Growing our business generates opportunities for our employees and creates value for our shareholders and stakeholders. Our focus is to create a high-performance entrepreneurial culture through effective employee engagement, people development plans and effective resource management. Our people are our key asset. The Group's performance and its success within our marketplace are directly related to the effectiveness of our people, who deliver the high-quality products and provide exceptional services. The Group aims to attract, retain and motivate the highest calibre of employees.

We recognise highly competent and engaged staff is key for customers. Our customers are central to our success and the day to day relationships staff have with customers is key. Many of these relationships have been built over many years so it is important that we maintain a high employee retention rate.

A variety of methods are used to engage with employees. Under normal circumstances, this includes office and team meetings and an annual in-house conference. During the COVID-19 pandemic, we have primarily engaged through online communications and virtual meetings. We use one or more of these channels to brief employees about our business performance and financial and economic factors affecting us.

The Group has policies for dealing with gifts, hospitality, bribery, corruption, modern slavery, whistle-blowing and inside information.

Training and Development

Developing talent and supporting diversity across our Group helps to ensure that we have the best teams motivated to deliver our goals. In an industry that is keen to attract young talent, development schemes allow the Group to retain and nurture new staff. The Group has need-focused on recruiting younger staff to ensure the skills are transferred but also to help with succession planning. A number of the acquisitions recently made have had young management teams who we hope will develop over time to provide the talent the Group needs as growth continues.

Reward and Recognition

Key to the retention of our employees is recognising and rewarding their hard work. Our reward strategy aims to align the interests of the employees and the Company. As a sales organisation, the rewards are based on bonus/commission based on sales achieved for our sales representatives. As part of the IPO, staff that had been with the Group for more than 2 years received options over shares to ensure staff interests are aligned with the Group. LTIP awards were also granted during the year.

Community and Social

The communities where our offices and premises are based are important to us and we try to encourage our employees to make a difference within our local communities by being involved in local charities. Most of our financial contributions to charities come from the efforts and personal involvement of our employees. During the year ended 31 March 2021 the Company made donations of £4,899 to charities (2020: £14,283). In addition, we have set up the Brickability Group Foundation which will raise funds to support charities close to the Group's areas of operation.

Ethics and Relationships

Our vision to be a leading specialist supplier in the house-building sector will only be maintained through a culture of honesty, integrity and openness and by respecting human rights and the interests of our employees, customers and third parties.

Relations with Customers

The Group is committed to putting its customers at the heart of everything it does by providing high quality products and service. All employees are expected to behave respectfully and honestly in all their dealings with customers and the general public.

Relations with Suppliers

The Group expects its suppliers to adhere to business principles consistent with the Group's own. Suppliers are expected to adopt and implement acceptable health and safety, environmental, product quality, labour, human rights, social and legal standards. Conformance to these standards is assessed by on-site supplier visits on a regular basis.

Environmental

The Group is dedicated to being environmentally responsible through our commitment to eliminate waste and wasteful practices. We strive for operational excellence whilst reducing environmental impact. Policies are designed and implemented to reduce damage that might be caused by the Group's activities. Initiatives to reduce the Group's impact on the environment include the recycling of waste, reducing carbon emissions and utilisation of recyclable packaging materials.

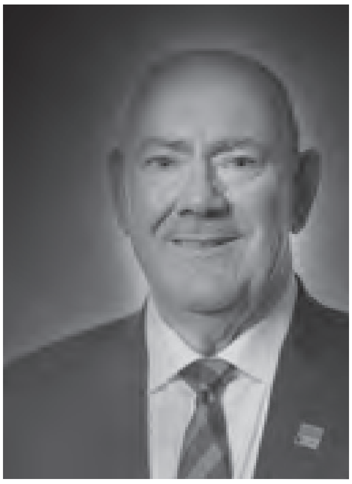
Carbon Dioxide Equivalent (CO2e) Tonnes	2021	2020
Scope 1	94.8	25.8
Scope 2	22.3	29.6
Intensity Tonnes of CO2e from scope 1 and 2 sources per £m of turnover	2.00	0.79

Brick-ability Limited, being the largest subsidiary, has reported on all the emissions' sources required under the Companies Act 2006 (Strategic Report and Directors Reports) Regulation 2013. Other parts of the Group are outside the reporting requirement. Scope 1 and 2 emissions are calculated using the UK Government Conversion Factors for Company Reporting 2021 on an operational control basis. 35% (2020: 86%) of Scope 1 and 2 data is from measured sources, with the remainder extrapolated from distance travelled. The increase in Scope 1 in 2021 follows the addition of two lorries used for distribution from the Alfiam warehouse.

The Strategic Report on pages 4 to 29 was reviewed and approved by the Board on 4 August 2021.

Alan Simpson
Chief Executive Officer

Board of Directors



JOHN RICHARDS
Non-Executive Chairman

John Richards joined the building materials industry after serving a graduate traineeship with the Delta Engineering Group. He served at Ibstock Brick for 31 years as Sales and Marketing Director, Director and General Manager and as Managing Director of several of the group's subsidiaries. He now serves as Chairman of ADF, a leading supplier of trailers and logistics to the TV and film industry, Chairman of JR and M Investments, a supplier of finance to contractors, and is a Director of Birmingham Moseley Rugby Club. John joined the Board in March 2018 as Chairman.

ALAN SIMPSON
Chief Executive Officer

Alan Simpson joined Building Materials Distribution with Taylor Maxwell in 1983 and five years later moved to Brick-ability. He became Sales Director and a shareholder, graduating to the position of Managing Director. He founded Towelrads, Frazer Simpson and FSN Doors, all of which are now part of the Group. Alan became a Director in 1996 before stepping up to Chief Executive Officer of the Group following the successful management buyout of Peter Milton, the founder of the Brickability business, in September 2016.

MIKE GANT
Chief Financial Officer

Mike is a Chartered Management Accountant with an MBA from Nottingham Business School. Prior to joining, he served as Group CFO at Walker Greenbank PLC. Mike is a highly experienced CFO and brings a breadth of financial, strategic and M&A experience to the Group from his previous roles at Bass plc, Marstons plc, Geest plc, Constellation Brands Inc, Britvic plc and Walker Greenbank plc. Mike joined the Board in April 2021.

> **"Our Board of Directors has exceptional experience within the supply and manufacture of building materials for the construction industry. Within the Group businesses there is a large pool of talented people who bring dynamism and growth to our operations."**

CLIVE NORMAN
Non-Executive Director

Clive Norman has over 30 years' experience in the radiator import and service business throughout both Europe and the UK. As the Vice-President of Delonghi Heating and CEO of Ferroli, a commercial producer of boilers, radiators, towelrails and air conditioning, he oversaw sales growth to substantial numbers. Clive joined the Board in March 2018.

DAVID SIMPSON
Non-Executive Director

David Simpson, an Accountant by profession, has significant experience in the housebuilding sector, having worked with luxury home developer, Millgate for over 17 years, including as Managing Director for nine years. He was appointed to the Executive Committee Board of Countryside Properties plc from 2014 to 2018, following its merger with Millgate. David joined the Board in July 2019.

GILES BEALE
Non-Executive Director

Giles Beale, a Solicitor by profession, has over 30 years' experience of working with listed and quoted companies and their corporate governance. As a Corporate Lawyer he also has significant experience of mergers and acquisitions and related matters both domestically and internationally. He is a Director and Trustee of the Kairos Community Trust and a Freeman of the City of London. Giles joined the Board in August 2019.

	Board	Audit Committee	Remuneration Committee	Nomination Committee
Number of Meetings Held	**12**	**4**	**4**	**1**
J Richards (Chairman)	12	4	4	1
A Simpson (CEO)	12	N/A	N/A	N/A
M Gant (CFO)*	N/A	N/A	N/A	N/A
G Beale (Non-Executive)	12	4	4	1
C Norman (Non-Executive)	12	N/A	N/A	1
D Simpson (Non-Executive)**	11	4	4	1

* Mike Gant joined the Board in April 2021 and therefore attended meetings prior to that date as a guest.

** David Simpson was unable to make one meeting due to a diary conflict.

Group Management Board

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SIMON MELLOR
Managing Director within Bricks and Building Materials Division

Simon Mellor has over 30 years' experience in the brick market having joined the industry in 1985. He first gained experience in brick manufacturing at Steetley Brick & Redland Brick as a Regional Sales Manager. He joined Brickability in 1995 as Wales Sales Manager and was appointed Managing Director of The Matching Brick Company in 2007 and of Brickability Limited in 2009. During his career with Brickability, Simon has been responsible for overseeing a number of acquisitions and developing relationships and trading agreements with European suppliers including ongoing product development to satisfy opportunities and product shortages in the UK.

PAUL HAMILTON
Managing Director of Heating, Plumbing and Joinery Division

Paul Hamilton has 17 years' experience in the heating and building supplier market. He joined the Towelrads business in 2004 and became a shareholder and Director in 2008. Paul has overseen the growth of the Towelrads business from sales of less than £1 million to over £18 million a year. He led a management buyout of the Towelrads business in 2016 and was a founder of DSH Flooring. Paul is currently Divisional Managing Director of the Heating Plumbing and Joinery Group which includes Towelrads, DSH Flooring, Frazer Simpson, FSN Doors, Forum Tiles, Radiators Valves UK and Radiators Online.

SIMON PEARSON
Managing Director of Roofing Services Division

Simon Pearson has over 35 years of construction and roofing sector experience, having first joining the industry in 1981 and setting up his first roofing business in 1984. He formed Crest Building Products in 1989 and Crest Roofing in 1993, which became part of the Group in 2018 and has been Managing Director of the Roofing Division since.

ARNOLD VAN HUET
Managing Director of Crest Group

Arnold Van Huet has over 35 years' experience in the brick and tile market across Europe, having been heavily involved in import and export markets and the development of many brick and roofing products in Europe. He was the founder of the Crest Group of companies over 30 years ago which became part of the Group in 2018. He has also held senior and board positions in Desimpel Brick plc, Hanson Brick and Enhobel plc.

> "The Management Board is responsible for the day to day operations of the Group. The members are drawn from key managers within individual Brickability Group businesses."

ANDY WILSON
Managing Director of The Bespoke Brick Co.

Andy joined the brick industry in 2004 after graduating with 2:1 BA Hons from Nottingham Trent University. Andy served as Regional Sales Manager for Traditional Brick & Stone Ltd before joining Wienerberger as Southern Specification Manager. In 2014 Andy founded The Bespoke Brick Company Limited, followed by The Brick Slip Business Limited in 2016. He later co- founded William Wilson Properties Ltd in April 2019. Andy joined the Management Board of Brickability Group in May 2019.

Corporate Governance

QCA CODE OF CORPORATE GOVERNANCE AND AIM RULE 26

The Board recognises the importance of good corporate governance and since our flotation on AIM in August 2019 we have chosen to adopt the Quoted Companies Alliance Corporate Governance Code (QCA Code) which we believe is the appropriate recognised corporate governance code for the Company, consistent with the majority of AIM companies, given its size, structure and stage of development.

DELIVER GROWTH

1. Establish a strategy and business model which promote long-term value for shareholders.
2. Seek to understand and meet shareholder needs and expectations.

   We have ensured that presentations have been made to both shareholders and potential investors. Both have been able to make comment to and question the directors. We also regularly get questions from private shareholders by email, all of which are dealt with.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.

MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

5. Maintain the Board as a well-functioning, balanced team led by the Chairman.
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.

   All our Directors have expertise in the relevant areas and we use our professional advisers to ensure that their knowledge and skill sets are kept up to date.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

   We evaluate the Board's performance against the Company's objectives laid out at the time of IPO. This evaluation also extends to performance in areas of compliance, risk management, remuneration and communication amongst others.
8. Promote a corporate culture that is based on ethical values and behaviours.

   The Board's assessment is that the corporate culture is consistent with ethical values and behaviours.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

BUILD TRUST

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Group's corporate governance culture will be measured against the QCA Code fundamentals and regularly reviewed with developments and changes communicated to shareholders. The QCA Code is built on the three fundamentals of delivering growth, maintaining a dynamic management framework and building trust. The Group's Board is committed to each one of the fundamentals, as it believes these will support the Company's medium to long-term success.

COMMITTEE CHAIRMAN
John Richards

OTHER MEMBERS
Giles Beale
Clive Norman
David Simpson

All members of the Committee are non-executive Directors of the Company whose biographies are set out on pages 30 to 31.

Report of the Nomination Committee

As Chairman of the Nomination Committee ("the Committee") and on behalf of the Board I am pleased to present the report of the Committee for the year ended 31 March 2021.

Meetings and Attendance

Member	Meetings Attended
John Richards (Chairman)	1/1
Giles Beale	1/1
Clive Norman	1/1
David Simpson	1/1

The Committee meets as and when required, but at least once a year. The Chief Executive attends as invited.

Duties

The Duties of the Committee are set out in terms of reference which are available for inspection on the Company's website at www.brickabilitygroupplc.com. The terms of reference will be subject to an annual review by the Committee.

As well as considering succession planning for the Board, the Committee also considers succession planning for senior executive positions. The Committee is aware of gender and diversity issues and these are considered, amongst other factors, when reviewing potential candidates for Board and other senior management positions and determining their suitability for such positions.

Committee Activity During the Year

Following the sudden death of Stuart Overend in November 2020, the Committee appointed an external search agency to identify suitable candidates for the Chief Financial Officer's role (CFO). A short list of candidates was prepared for consideration and, following interviews, the Committee recommended to the Board that Mike Gant should be appointed as interim CFO with the possibility of this appointment becoming permanent in due course. The recommendation of the Committee was approved by the Board in December 2020 with the appointment being effective as from January 2021. An appropriate induction programme was prepared by myself as Chairman in consultation with Mike Gant. Following a recommendation made by the Committee, at a meeting in April 2021, Mike Gant was appointed to the role permanently.

By order of the Board

John Richards
Chairman of the Nomination Committee

4 August 2021

Report of the Audit Committee

On behalf of the Board, I am pleased to present my report to you as Chair of the Audit Committee for the financial year to 31 March 2021. This report provides shareholders with an overview of the activities carried out by the Committee during the year.

Current Committee Members

David Simpson and Giles Beale are considered independent by the Board within the meaning of the QCA Code. John Richards, Chairman and the Chairman of the Group Management Board, is regarded by the Board as independent for the purposes of membership of the Committee; his experience and role in liaising with shareholders assists the Committee as his membership is considered both appropriate and beneficial.

Duties

The Duties of the Committee are set out in terms of reference which are available for inspection on the Company's website at www.brickabilitygroupplc.com. The terms of reference will be subject to an annual review by the Committee.

Areas of focus for the year:

- Review of the interim results
- Consideration of key audit matters and how they are addressed
- Reviewing significant accounting and reporting judgements
- Going concern review
- Monitoring and reviewing the effectiveness of the Group's external audit
- Monitoring Auditor independence
- Meeting the external Auditor without management present
- Considering the external audit report
- Reviewing the financial statements and Annual Report
- Developing and implementing policy on non-audit services provided by the external Auditor
- Review of risk management and internal control systems
- Reviewing the Group's procedures for detecting and preventing fraud, bribery and the governance of anti-money laundering systems and controls
- Financial Calendar/Audit timetable
- Review of ESG policies
- Delegated Authority Schedule
- Related Party Transactions Register

Risk Management and Internal Controls

The Board, assisted by the Audit Committee, is responsible for regularly reviewing the operation and effectiveness of the Group's internal controls. The internal control system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The Group's key internal control procedures include a review of the Group's strategy and the performance of subsidiaries. This involves a comprehensive system of reporting based on variances to annual budgets, key performance indicators and regular forecasting.

The Audit Committee in partnership with the Board is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. The Committee is satisfied that the internal control systems in place were operating effectively during the period.

External Auditor

The Audit Committee monitors the relationship with the external Auditor, BDO LLP, to ensure that Auditor independence and objectivity is maintained. As part of its review, the Committee monitors the provision of non-audit services by the external Auditor. The breakdown of fees between audit and non-audit services is provided on page 80 in note 9 to the financial statements. The non-audit fees for the year were £6,500 (2020: £333,649) which was in relation to a review of the Company's interim financial statements.

Management and the Chair of the Audit Committee liaise with the Auditor throughout the year to ensure that if there are areas of significant risk, or other matters of audit relevance, they are regularly communicated. The external Auditor prepares a plan for its audit of the financial statements. The audit plan sets out the scope of the audit, areas to be targeted and the audit timetable. The plan is reviewed and by the Committee. Following the audit, the Auditor presents their findings to Audit Committee for discussion. No major areas of concern were highlighted by the Auditor during the year.

BDO LLP has been the Group Auditor since the Company's IPO on 20 August 2019; the Company is not proposing to tender for external audit services in the near future. Having reviewed the Auditor's independence and performance to date, the Committee has recommended to the Board that BDO LLP be re-appointed as the Group's Auditor and a resolution to this effect will be proposed at the forthcoming Annual General Meeting.

COMMITTEE CHAIRMAN

David Simpson

OTHER MEMBERS

Giles Beale

John Richards

Meetings and Attendance

Member	Meetings Attended
David Simpson (Chairman)	4/4
Giles Beale	4/4
John Richards	4/4

The Committee meets at least twice a year and during the year met four times. The Chief Executive, Chief Financial Officer and external Auditor attend meetings as invited.

Going Concern

The Group is required to assess its ability to trade as a going concern for a period of 12 months from the period of signing the annual financial statements. The Committee reviewed the Board's assessment on pages 26 and 27 and concluded that it remained appropriate to continue to adopt the going concern basis in preparing the financial statements.

Whistleblowing

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may, in confidence raise concerns about possible improprieties in financial reporting or other matters. No concerns were raised during the period.

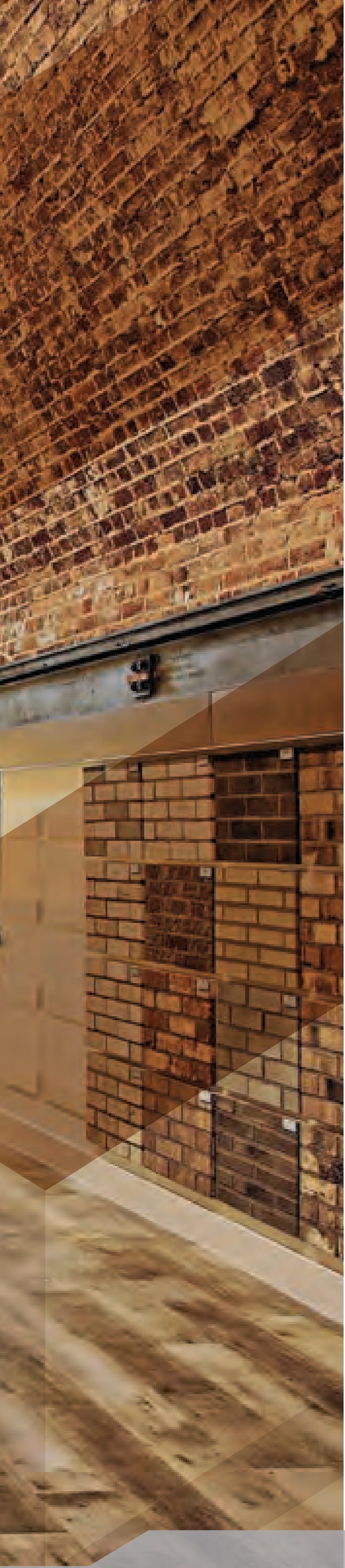
Anti-Bribery

The Group has in place an anti-bribery and corruption policy which sets out a zero-tolerance position and provides information and guidance to those working for the Group on how to recognise and deal with bribery and corruption matters. The Committee relies upon assurances from senior management in satisfying itself that the current policy is operating effectively. The Committee is satisfied that the policy in place has been operating effectively during the period.

By order of the Board

David Simpson
Chair of Audit Committee
4 August 2021

"This image of our wonderful, Bespoke Brick showroom gives some indication of the breadth of brick product range that we are able to offer our customers. Product selection, technical assistance and the start of the service delivery journey all take place here."



Report of the Remuneration Committee

On behalf of the Board, I am pleased to present my report to you as Chair of the Remuneration Committee for the financial year to 31 March 2021. The purpose of this report is to provide shareholders with the information necessary to understand our remuneration policy, its linkage to the Group's performance, strategy and core values as well as providing a clear explanation of how our Directors have been rewarded over the period.

Remuneration for executive and other senior management include, where appropriate, pensions, bonuses, incentive arrangements, share options and other share-based awards. The Remuneration Committee's focus is to reward fairly and responsibly with a remuneration policy that supports and encourages senior managers and Group employees generally with a clear link to individual performance as well as the financial health of the Company and the interests of its shareholders as a whole.

The Group has historically grown by acquisition through which it has inherited several differing remuneration arrangements often embedded by contract. Growth by acquisition remains an important part of the Company's strategy. The Committee considers it important, subject to legal constraints, to establish a consistent remuneration policy throughout the Group.

A member of the Group's senior management team is party to an on-going earn-out arrangement. A number are also significant shareholders of the Company and some are party to a concert party identified by the Panel on Takeovers and Mergers, details of which are set out in the Company's admission document (available at www.brickabilitygroupplc.com).

The Directors believe that the success of the Group depends to a significant degree on the future performance of its senior management team. The Board and the Committee also recognise the importance of ensuring that all Group employees remain well motivated and identify closely with its success. The Committee reviews information regarding the remuneration and reward levels of other Group employees to provide context when considering remuneration policy and the remuneration of the executive directors.

The Board has adopted the Quoted Companies Alliance Corporate Governance Code (QCA Code) and consider that the QCA Code is most appropriate for the size, scale and complexity of the Company. Where the Board believes that a departure from the QCA Code is warranted, an explanation is provided.

We recognise the importance of shareholder views and their feedback on remuneration policy and we welcome feedback from our shareholders on the content of this report.

Report of the Remuneration Committee

COMMITTEE CHAIRMAN

Giles Beale

OTHER MEMBERS

David Simpson

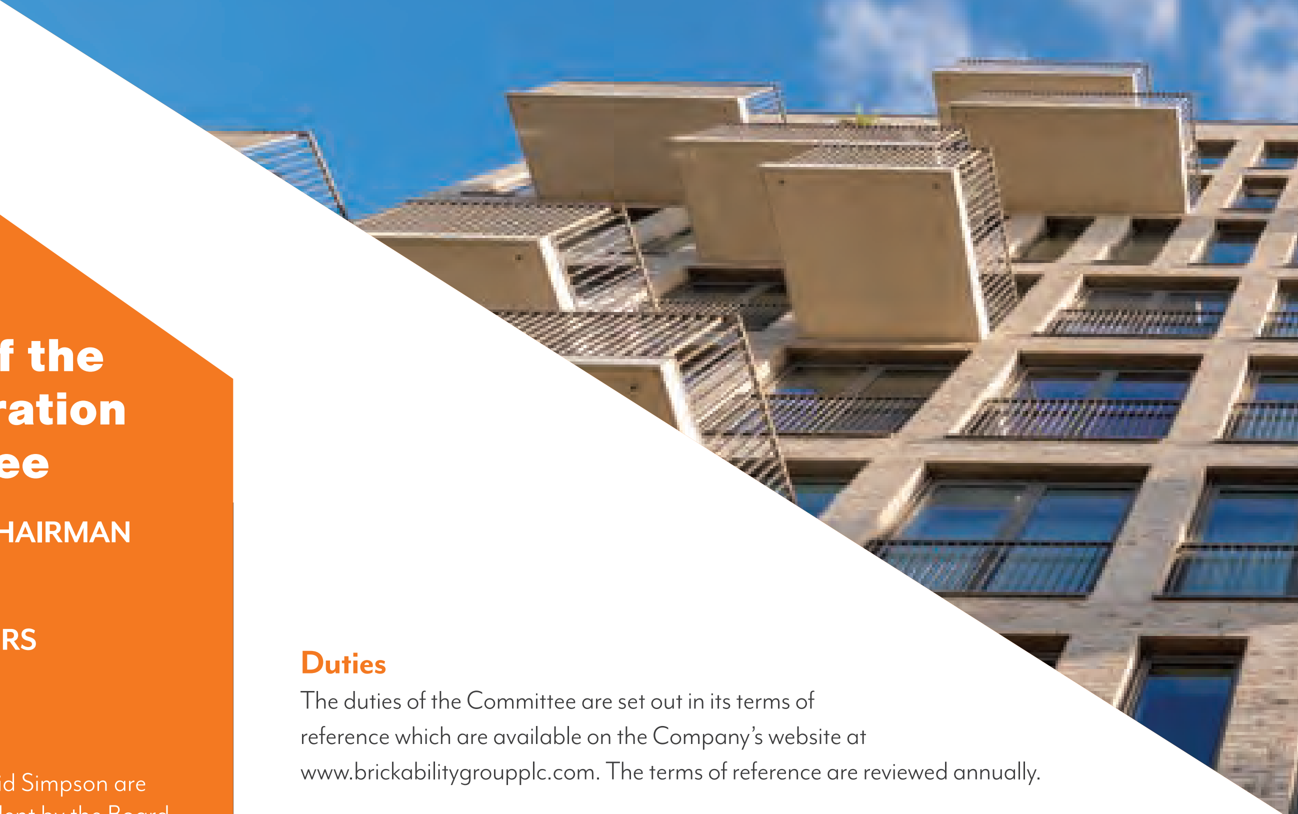
John Richards

Giles Beale and David Simpson are considered independent by the Board within the meaning of the QCA Code. John Richards, Chairman and the Chairman of the Group Management Board, is regarded by the Board as independent for the purposes of membership of the Committee; his experience and role in liaising with shareholders assists the Committee as his membership is considered both appropriate and beneficial. Giles Beale has chaired the Committee since its establishment.

Meetings and Attendance

Member	Meetings Attended
Giles Beale (Chairman)	4/4
David Simpson	4/4
John Richards	4/4

The Committee meets at least twice a year and further as necessary to fulfil its role. Over the reporting period the Committee met four times. Additional decisions were taken by common consent following a due exchange of information and views. Where required, the Chief Executive and Chief Financial Officer attended or contributed to the Committee's deliberations, in each case by invitation.



Duties

The duties of the Committee are set out in its terms of reference which are available on the Company's website at www.brickabilitygroupplc.com. The terms of reference are reviewed annually.

The Committee's principal role is to assist the Board in ensuring that the Group's remuneration policy rewards fairly and responsibly with a clear link to individual and corporate performance.

Key items of business considered by the Committee during the year include:

- determining the remuneration of executive Directors;
- monitoring and recommending, where relevant, the remuneration of the Group's wider senior management team; and
- the oversight and administration of the Group's share plans.

No member of the Committee has a personal interest (save as a shareholder of the Company) in the outcome of its decisions and no Director is party to a decision or recommendation regarding their own remuneration. The Committee gives due regard to the interest of shareholders and the financial and commercial health of the Company. Addleshaw Goddard LLP provided advice during the period.

The determination of executive Directors' annual remuneration, including bonus and related performance criteria, is undertaken by the Committee. The remuneration packages of our senior management team are designed to attract, motivate and retain executives of the highest calibre and to reward them for enhancing shareholder value.

In each case these include some or all of the following elements:

- basic salary and benefits;
- annual bonus and/or commission arrangements;
- share plans including awards under the Group's LTIP; and
- pension arrangements (all of which are defined contribution or cash in lieu).

We consider it important that a significant proportion of the executive and senior management teams' remuneration should be performance related with the objective of enhancing shareholder returns as well as the long-term financial health and stability of the Company. This includes, as appropriate, the exploitation of Group synergies, the development and enhancement of our potential and existing senior management team, specific unit performance and the upholding of our values and culture. Objectives for individuals will vary depending upon their role within the Group but we consider that a consistent, transparent remuneration program based upon common principles is important to ensure that overall Group performance and shareholder value is enhanced.

Share Plans

The Committee is responsible for the administration of the Company's share plans, being the Company's employee share option plan (CSOP) and a long-term incentive plan (LTIP). Where appropriate grants under the CSOP might also be utilised although none have been made since the Committee's establishment and none are currently envisaged. Policy regarding the administration of grants under these plans may develop to accommodate changing needs of the Group.

Bonus

During the period an annual bonus plan was adopted which recognises the emphasis on rewarding key Group employees with competitive performance related remuneration. A maximum of 125% of base salary can be paid as a bonus. The implementation of this plan remains under review and participation is by invitation only, reflecting both the inherited contractual terms of employees where relevant and our emphasis on performance. Its purpose is to enable the senior management team to attract and retain key employees to the Group in a competitive market for talent whilst ensuring that participants are subject to demanding criteria that best reflect the interests of the Group and the Company's shareholders.

Pensions

Members of the Group operate several defined contribution pension schemes. In addition, there is an auto enrolment Group wide defined contribution pension scheme. Under these schemes contributions are based upon base salary with a contribution of 5% per employee and 3% by the employer. In certain cases, the employer's proportion (or cash in lieu where applicable) rise to 7.5% or 10%.

Report of the Remuneration Committee

Annual Remuneration Report

The information on pages 42 and 43 has been audited.

Directors' Total Remuneration

Executive Directors' Remuneration

Each individual executive Directors' total remuneration paid over the period by Group members is summarised below together with a total comparison for the financial year ended 31 March 2020.

Executive Director	Salary or fee £'000	Taxable benefits £'000	Bonus £'000	Pension contributions £'000	Total Year ended 31 March 2021 £'000	Total Year ended 31 March 2020 £'000
Alan Simpson	432	4	200	-	636	463
Stuart Overend*	201	-	-	21	222	341

* Stuart Overend passed away in November 2020.

Non-executive Directors' Remuneration

Each individual non-executive Directors' total remuneration paid over the period by Group members is summarised below together with a total comparison for the financial year ended 31 March 2020. No such change occurred in the period save that Mr John Richards' annual fee was increased during the year to £100,000 from £75,000 in recognition of his significant on-going time contribution to the Group.

Non-executive Director	Salary or fee £'000	Taxable benefits £'000	Bonus £'000	Pension contributions £'000	Total Year ended 31 March 2021 £'000	Total Year ended 31 March 2020 £'000
John Richards	83	-	-	-	83	59
David Simpson	55	-	-	-	55	32
Giles Beale	55	-	-	-	55	32
Clive Norman	50	-	-	-	50	29

Directors' Loans

Prior to the Company's IPO, a Group company provided a loan to Mr Overend of £838,584 and to Mr Richards of £139,764 to purchase shares in the Group as disclosed in the Company's admission document. Each loan is unsecured and interest free and repayable on the sale of the relevant shares in the Company.

Directors' Interest in Shares

The beneficial interests of Directors, and persons connected with them, as at 31 March 2021 in the ordinary shares of the Company (excluding share options) were are follows:

	Held at 31 March 2020	Acquired in the year	Held at 31 March 2021
Alan Simpson	50,453,504	-	50,453,504
John Richards	5,919,733	-	5,919,733
Clive Norman	5,567,871	-	5,567,871
David Simpson	151,500	-	151,500

Since 31 March 2021, the following directors, and persons connected with them, have sold shares in the recent oversubscribed fundraise and share placement. Their holdings as at 4 August 2021 are as follows:

	Held at 31 March 2021	Sold	Held at 4 August 2021
Alan Simpson	50,453,504	17,007,146	33,446,358
John Richards	5,919,733	1,872,048	4,047,685
Clive Norman	5,567,871	1,760,775	3,807,096

Share Plans - LTIP

	Date of Award	Number of Shares	Face value at grant (£000)	% of salary	End of three-year performance period
Stuart Overend	16/11/20	747,283	560	125	01/10/23

Face value of awards at the date of grant is calculated based on the closing share price of 75p per ordinary share.

The options are exercisable at the nominal price of £0.01 and have vesting conditions tied to adjusted EBITDA and total shareholder return, with each award split equally between the two performance conditions. Vesting will occur on a straight-line basis on achieving 18% (equivalent to 6% annually) to 30% (equivalent to 10% annually) of the relevant performance condition over the performance period. There is no vesting if the relevant target is not met but a 50% vesting if the initial 18% hurdle is met with a proportionate additional vesting up to 100% at the 30% threshold being met.

Following Mr Overend's death in November 2020, the Committee agreed that up to a third of his shares would vest, should the performance conditions be met over a 12 month performance period to 1 October 2021.

Grants under the LTIP are the subject of discretionary good/bad leaver provisions and malus and clawback arrangements.

Share Plans - CSOP

	Date of Award	Number of Shares	Forfeited during the year	Exercised	Balance at 31 March 2021
Stuart Overend*	02/08/19	72,443	(41,283)	-	31,160

*Stuart Overend passed away in November 2020 and his awards were pro-rated accordingly during the year.

The CSOP was adopted on 2 August 2019. Options are exercisable at an exercise price of 41p between the third and tenth anniversary of the grant subject to the participant remaining an employee but are not subject to performance conditions. Under the terms of the scheme, Mr Overend's pro-rated options are exercisable for a period of up to 12 months following his death.

Remuneration Policy

The Remuneration Policy was created and approved at the Company's IPO in August 2019 and has been carried through to this financial year. The tables below summarise the key elements of the policy.

Purpose and link to strategy	Operation	Maximum potential value	Performance conditions
Base salary The provision of a competitive, fixed salary that attracts and retains key individuals reflecting their experience and role.	To be reviewed on an annual basis having regard to our competitors, industry and needs as well as pay levels elsewhere within the Group, its size and complexity.	Total salaries paid during the period are set out on page 42. Changes in the scope of responsibilities or role may require an adjustment to salary levels.	Assessment of personal and corporate performance.
Benefits To provide market benefits on a cost-effective basis.	A car allowance, private medical insurance, death in service insurance and reimbursement for reasonable business expenses. Other benefits may be offered in line with market practice if it is considered appropriate to do so.	The maximum potential value is the cost to the Company in providing these benefits.	Not applicable.
Pension To assist executive Directors in providing for retirement where this is considered an aid in attracting and retaining the individual.	Our policy is to provide a contribution (or cash allowance in lieu) to a personal pension plan as a capped proportion of basic salary if it is considered appropriate to do so.	The Chief Executive Officer does not receive a pension contribution or allowance. The Chief Financial Officer receives a cash allowance in lieu equal to 7.5% of his basic salary.	Not applicable.
Annual bonus To recognise an executive's achievement of annual objectives that support the Group's strategy and financial well-being.	The current performance targets were adopted during the period but the current financial year will be the first year of the current plan's implementation.	Each executive Director is entitled to receive a cash bonus of up to 125% of basic salary on the attainment of performance objectives.	The Remuneration Committee reviews performance measures annually.
Share plans To encourage value creation by way of share price growth through the delivery of shares. The purpose of the LTIP is to provide meaningful awards based upon demanding performance criteria that provide a significant incentive to grantees that is aligned with our shareholders' interests.	Grants may not normally exceed 200% of the grantee's base salary. Grants are the subject of discretionary good leaver/bad leaver provisions and, in the case of the LTIP, malus and clawback provisions. Further details of the share plans and their operation are set out on page 43 and in note 36 of the financial statements.	Subject to exercise or vesting, the market value of the shares that are the subject of the grant less any cost payable by the grantee on exercise or vesting. Under the LTIP, a grantee maybe entitled to a dividend equivalent to the value of dividends paid on a vested share had it been in issue from the date of the grant.	Options granted under the Company share plans may be subject to performance conditions. Options granted under the LTIP during the period are all subject to performance conditions detailed below. No options under the CSOP were granted during the period. Our policy for grants under the LTIP is that they are the subject of performance conditions which will be measured over a three-year period. Performance conditions are divided equally between two metrics; compound annual growth in adjusted EBITDA and compound annual growth in total shareholder return.

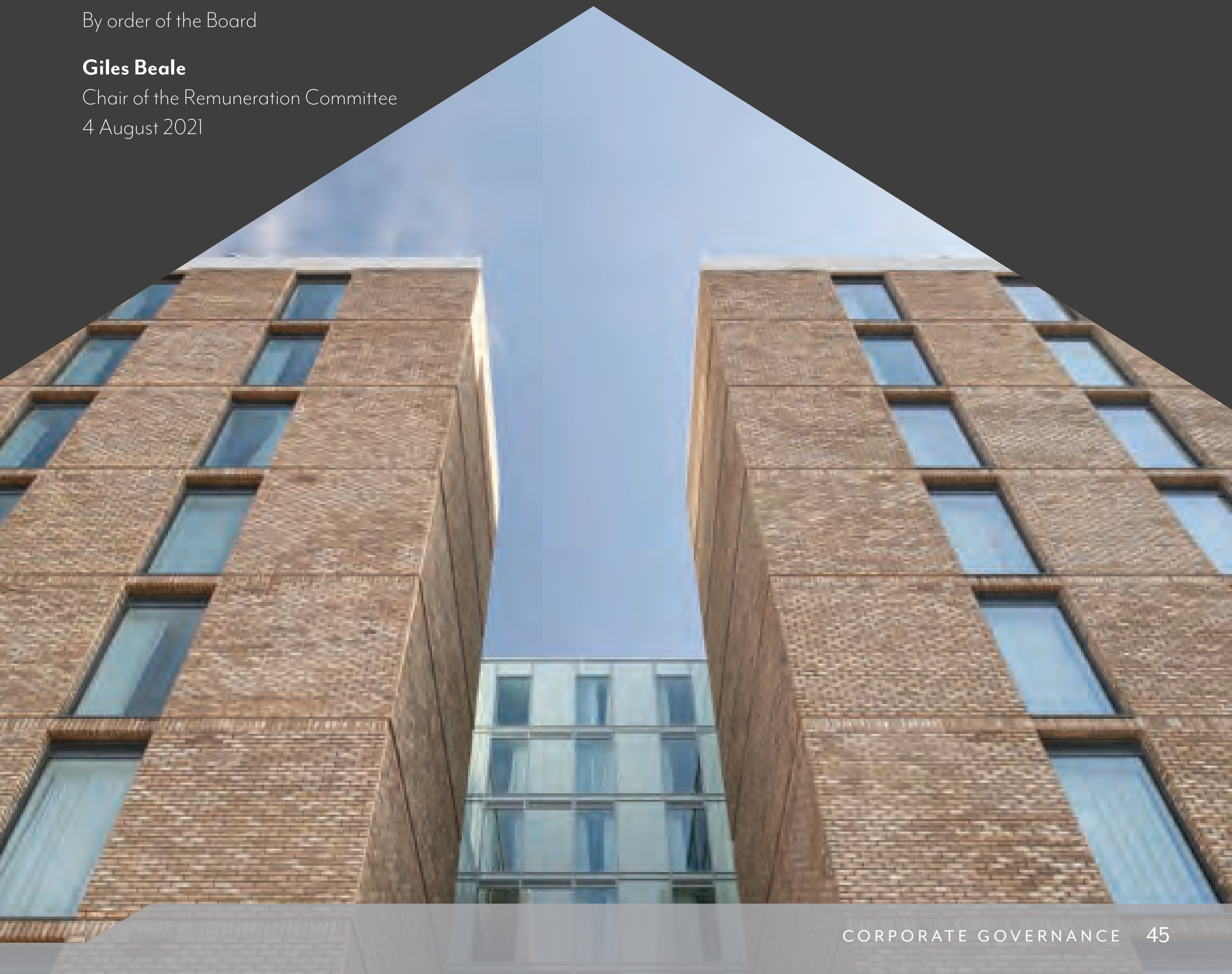
Non-executive Directors' Remuneration

The table below summarises the key elements for the period of our non-executive Directors' remuneration.

Purpose and link to strategy	Operation	Maximum potential value	Performance conditions
Base fee To provide competitive fixed fees so as to (a) procure and retain the appropriate skills and experience required and (b) expected time commitment. Additional fees are incorporated for those performing duties in a Committee Chair role.	Non-executive fees are reviewed on a periodic basis. Fees payable to non-executives are a matter for the Chairman (save in respect of his own fee) and executive members of the Board.	Fees paid during the period are set out on page 42.	Assessment of personal and corporate performance.
Benefits and incentives The provision of market benefits on a cost-effective basis.	Reimbursement for reasonable business expenses. John Richards and Giles Beale are covered under the Group's death in service insurance plan. Save as noted above, non-executives do not receive any benefits provided to Group employees or otherwise. No non-executive Director participates in any bonus, incentive or share plan provided by the Group.	The maximum potential value is the cost to the Company in providing these benefits.	Not applicable.

By order of the Board

Giles Beale
Chair of the Remuneration Committee
4 August 2021



Report of the Directors

The Directors have pleasure in presenting their Annual Report, together with the audited financial statements of the Company, for the year ended 31 March 2021. The Corporate Governance Statement set out on pages 34 and 35 forms part of this report.

The Company is a public limited company, registered in England and Wales, with registered number 11123804 and is listed on the Alternate Investment Market segment of the London Stock Exchange. The Company has been permanently domiciled in the UK since incorporation and is the ultimate parent company of the Brickability Group.

The Directors' Report comprises pages 46 to 49 and the following cross-referenced material is incorporated into this Directors' Report:

Future Development of the Business – pages 6 to 15

Going Concern Statement – pages 26 and 27

People, culture, and employee engagement – pages 28 and 29

Health and Safety – pages 9 and 28

Environmental policy, including Greenhouse Gas Emissions – page 29

Stakeholder Engagement – pages 22, 23 and 29

Governance Report – pages 34 and 35

Statement of Directors' Responsibilities – page 50

Review of the Business

The Strategic report on pages 4 to 29 provides an operating and financial review of the business and the Group's trading for the year ended 31 March 2021 as well as risk management.

Dividends

The Directors recommend a final dividend for the year of 1.0850p per share payable on 23 September 2021 (2020: 1.0850p). An interim dividend of 0.8678p per shares was paid during on 25 February 2021 (2020: 0.8678p).

Directors

The current Directors of the Company are listed on pages 30 and 31 together with their biographical and Committee membership details. All of the Directors served throughout the year ended 31 March 2021 with the exception of Mike Gant who was appointed to the Board after the year end on 30 April 2021. Stuart Overend served as a Director of the Company from 1 April 2020 until his death on 16 November 2020.

Directors' remuneration, share options, long-term executive plans, pension contributions, benefits and interests are set out in the Directors' remuneration report on pages 39 to 45.

In accordance with our commitment to good corporate governance practice that is relevant to our business, the Board has voluntarily adopted the policy that all continuing Directors will stand for re-election on an annual basis in line with best practice recommendations.

The Company's articles of association allow the indemnification of Directors out of the assets of the Company to the extent permitted by law. These indemnities came into force on 29 August 2019 and remain in force as at the date of this Annual Report and Accounts.

The Company maintains liability insurance for its Directors and Officers.

Share Capital and Substantial Shareholdings

Full details of the issued share capital of the Company are set out in note 34 to the financial statements on page 105. At 27 July 2021, the latest practicable date prior to the approval of this report, the Company had been notified of the following interests amounting to 3% or more of the voting rights attaching to the Company's issued share capital:

9.96%	29.694,391	**Liontrust Asset Management**
8.04%	30,798,898	**Alan Jonathan Simpson**
6.71%	20,007,298	**Paul Michael Hamilton**
4.22%	12,602,900	**Otus Capital Management**
4.11%	12,261,560	**Octopus Investments Nominees**
3.35%	10,000,000	**Arnold Bernard Geradus van Huet**
3.18%	9,475,902	**Sarah Simpson**

Significant Agreements (Change of Control)

The Company is required to disclose any significant agreements that take effect, alter or terminate on a change of control of the Company following a takeover bid.

The Company has committed debt facilities all of which are directly or indirectly subject to change of control provisions, albeit that the facilities do not necessarily require mandatory repayment on a change of control. In the event of a takeover or other change of control outstanding awards under the Group share plans will become exercisable.

Equal Opportunities

The Group is committed to eliminating discrimination and encouraging diversity. Its aim is that each employee is able to perform to the best of their ability. The Group will not make assumptions about a person's ability to carry out their work, for example on their ethnic origin, gender, sexual orientation, marital status, religion or beliefs, age or disability.

Disabled Employees

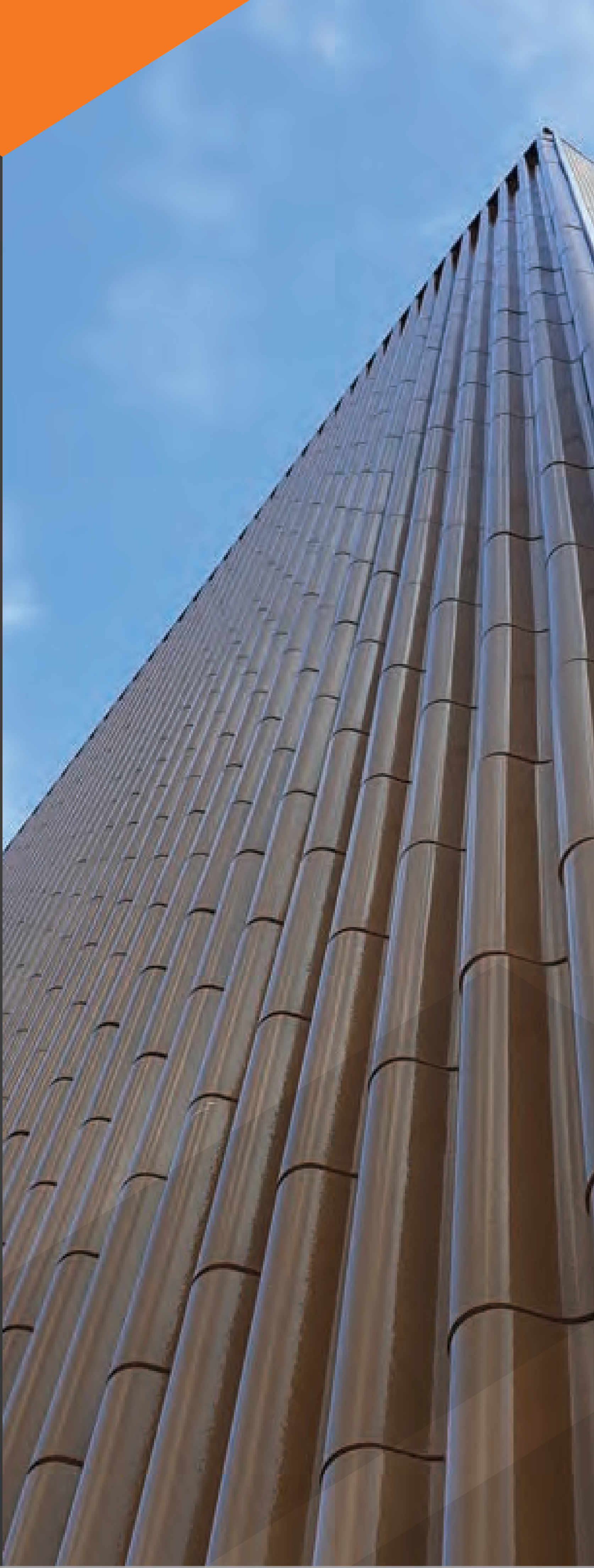
In the event of an employee becoming disabled, every effort is made to retain them in order that their employment with the Group may continue. It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

Political and Charitable Donations

Donations of £4,899 were made by the Group for charitable purposes during the year (2020: £14,283). The Group does not make political donations. Further details on our charitable initiatives are given on page 29.

Research and Development

The Group carries out research and development in relation to the design and development of technologies and processes in connection with its products and services.



Financial Risk Management

Information in respect of the financial risk management of the Group, is contained on page 95 in note 28 on borrowings and on pages 100 to 105 in note 33 on financial instruments of the financial statements.

Related Party Transactions

Any related party transactions required to be disclosed under the AIM rules are disclosed on pages 109 to 111 in note 38 to the Financial Statements.

Modern Slavery Act

Our anti-slavery policy, which sets out our commitment to preventing modern slavery and human trafficking from occurring within any part of our business and supply chain, is available on our website www.brickabilitygroupplc.com.

Statement, as to Disclosure of Information to Auditors

The Directors in office on 4 August 2021 have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Post Balance Sheet Events

Particulars of events after the reporting period are detailed in note 39 to the financial statements.

Annual General Meeting

The AGM will be held on 7 September 2021 at 11am at Queensgate House, Cookham Road, Bracknell, Berkshire, RG12 1RB. The 2021 Notice of AGM will be available on the Company's website, www.brickabilitygroupplc.com.

This Directors' report was approved by the Board of Directors on 4 August 2021.

By order of the Board

Prism Cosec Limited
Company Secretary
4 August 2021

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange, they are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law. The Directors have elected to prepare the Parent Company financial statements under the FRS 101 Reduced Disclosure Framework.

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 Group and Parent Company and of their profit or loss for that period.

In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international and UK accounting standards;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Alan Simpson
Chief Executive

Mike Gant
Chief Financial Officer

4 August 2021

Independent Auditor's Report to the members of Brickability Group PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Brickability Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated 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 the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independent Auditor's Report to the members of Brickability Group PLC

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

We obtained the going concern assessment, approved by the Directors, including detailed cash flow forecasts up to at least 12 months after the date of approval of these financial statements.

We assessed the Directors' assumptions in the going concern forecast including revenue and growth profiles, profit margin, Coronavirus risk assessment and funding headroom availability. We performed this with reference to available market data, reviewed the forecasts for any anomalies and investigated unusual large cash payments that would affect profit margins and assessed actual trading performance during the Coronavirus pandemic and how this was incorporated into future projections.

We assessed the historical accuracy of the Directors forecasts, including comparing the current forecasts against post year end actual results.

We inspected the Group's signed revolving facility agreements to check that the Group has sufficient funds to: settle the deferred consideration due of £4.5m (note 27) for acquisitions made in the prior year as well as the two new acquisitions in the current year and two new acquisitions post year end; and maintain sufficient working capital to continue daily operations as normal.

We obtained the documentation covering the availability of a 3 year extension to the facility from 3 March 2023.

We assessed the impact on banking covenants to determine if they would be breached if the drawn down of all facilities were to occur.

We assessed the appropriateness of sensitivity analyses prepared by management over the Group's cash flow forecasts including the effects of adverse movements in revenue to determine the sufficiency of available cash resources to settle short term liabilities as they fall due over the next 12 months.

We reviewed the reverse stress testing and challenged the Directors' assessment of the quantification of the revenue shortfall required for covenants to be breached in the forecast period. We considered the likelihood and reasonableness of the shortfall with reference to the Directors' historical data of revenue and EBITDA during the Coronavirus pandemic and lockdowns, and recent management accounts.

We reviewed the adequacy of disclosures in note 2 to the financial statements regarding going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage: from Significant components and specific procedures

91% (2020: 74%) of Group profit before tax
89% (2020: 81%) of Group revenue
94% (2020: 64%) of Group total net assets

Key audit matters

	2021	2020
KAM 1 – Revenue cut-off of direct sales	■	■
KAM 2 - Existence of Inventory		■
KAM 3 – Acquisition accounting		■
KAM 4 – Carrying value of goodwill and intangibles	■	■
KAM 5 – Going concern		■

KAM 1 for the current year we have focussed our audit work on the cut-off of direct sales. Our assessment of manual adjustments to revenue in the prior year did not bear significance in the current year.

KAM 2 is no longer considered to be a key audit matter because in the current year we were able to attend stock counts without any restrictions as a result of Covid 19 and as a result existence of inventory has not been deemed a risk by the audit team in the current year.

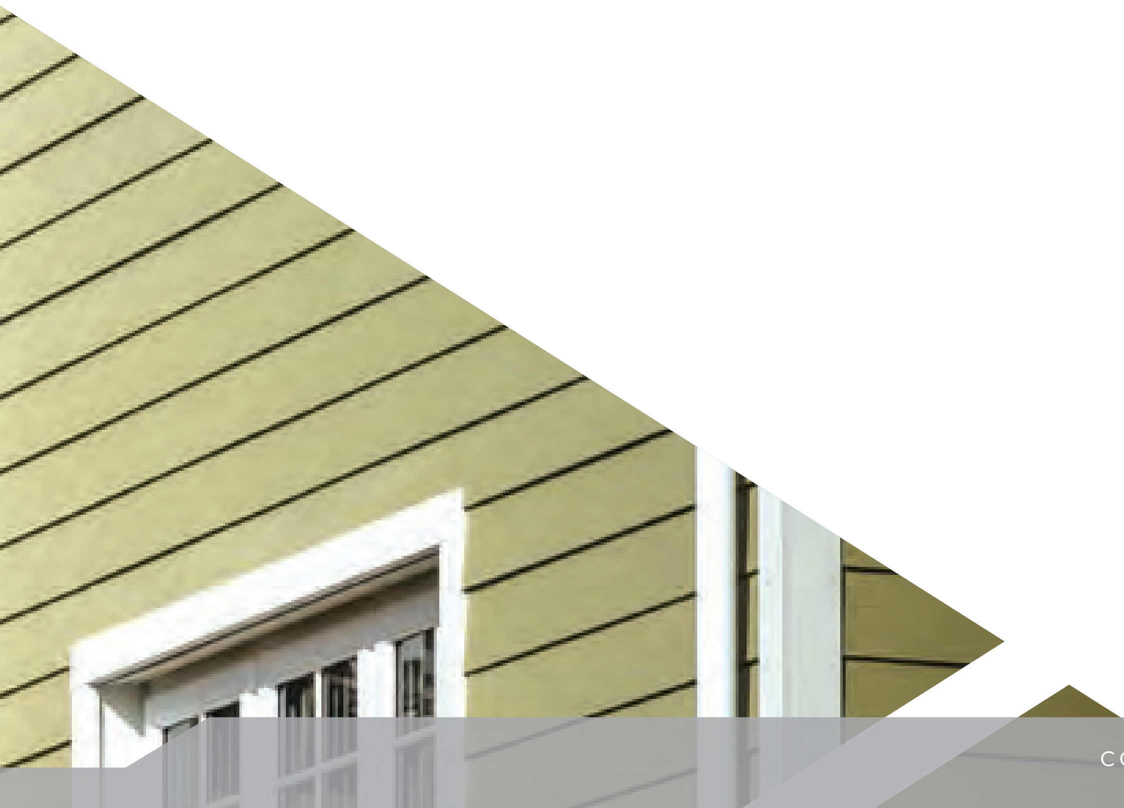
KAM 3 is no longer considered to be a key audit matter because the current year there were only 2 immaterial acquisitions and in consideration of the scope of our audit we have not considered this as a KAM for the current year.

KAM 5 is no longer considered to be a key audit matter because of the limited impact of the Coronavirus on the Group and the resulting impact on our risk assessment.

Materiality

Group financial statements as a whole

£720,000 (2020: £600,000) based on 5% (2020: 4.9%) of adjusted profit before tax (2020: profit before tax).



Independent Auditor's Report to the members of Brickability Group PLC

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In determining the scope of our audit we considered the size and nature of each component within the Group to determine the level of work to be performed at each in order to ensure sufficient assurance was gained to allow us to express an opinion on the financial statements as a whole.

We have identified 12 components to be significant to the Group (Brick-ability Ltd, Brick Services Limited, Bespoke Brick Company Limited, Brick-link Limited, LBT Brick & Facades Limited, Crest Brick Slate & Tile Limited, Crest Roofing Limited, U Plastics Limited, Excel Roofing Services Limited, Crown Roofing (Centres) Limited, McCann Roofing Products Limited, Towelrads.com Limited). Full scope audits were undertaken by the Group audit team.

There are 16 other components within the Group that were not considered to be significant components. For these components, the Group audit team performed other procedures, including analytical review where we corroborated any unusual trends and material movements by further testing a sample of those material items to supporting documentation with reference to the Group materiality threshold. These specific audit procedures performed increased the level of coverage obtained from our audit over revenue, profit before taxation and net assets.

We obtained an understanding of the internal control environment related to the financial reporting process and assessed the appropriateness, completeness and accuracy of the Group journals and other adjustments performed on consolidation. All procedures were undertaken by the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue cut-off of direct sales See note 3.4 to the financial statements for the Directors' disclosures of the related revenue recognition accounting policies.	Trade in the Bricks division predominantly comprises direct sales where goods are delivered directly from the supplier to the customer. Transfer of risk and rewards are at a point in time when the goods are delivered at the client site for all direct sales. We considered that there is a risk of inappropriate revenue recognition arising from cut-off of direct sales, where revenue is incorrectly recorded and risk and rewards transfer is incorrectly applied to goods delivered around year end. This could lead to the overstatement of revenue as a result of the recognition of revenue in the incorrect period.	We challenged management on the application of the accounting policies with reference to the cut-off of direct sales and the application of the timing of the transfer of risk and rewards in accordance with the accounting standards and terms and conditions of the direct sales. We agreed a sample of sales invoices recognised covering a risk period before and after the year end through to supporting third party delivery documentation and customer confirmation, to confirm that the Group has satisfied its performance obligations and revenue was appropriately recorded in the correct period.
Key observations: From our testing performed we consider the cut –off of revenue to be appropriate.		
Carrying value of goodwill and intangibles Refer to note 3.11 and 4 to the financial statements for the Directors' disclosures on the critical accounting estimates and judgements related to impairment.	As a consequence of the Group's growth strategy a significant value of goodwill and intangible assets has arisen from acquisitions. The carrying amounts of the Group's goodwill, which is assessed annually and other acquired intangible assets, for which there are an indicator for impairment, are assessed against potential future cash flows. There is a risk that the year end values assigned to goodwill and intangible assets are materially misstated. As this is subjective and judgemental, this increases the risk of misstatement. This risk has been heightened by uncertainty over future trading prospects and cash flows caused by the Covid-19 pandemic, Brexit and other macro-economic factors affecting the construction industry which may lead to an impairment charge that has not been recognised by management.	For all intangible assets where an indicator for impairment exist and for goodwill on an annual basis, we reviewed management's methodology and assumptions used in their impairment assessment. Our detailed procedures included the following: We compared the assessment of the indicators identified by the Directors against our own expectation of the market. We challenged management's models for assessing the valuation of significant goodwill and intangible balances to understand the composition of management's future cash flow forecasts, and the process undertaken to prepare them to conclude on the appropriateness of the models and assumptions used by management. We confirmed the underlying cash flows were consistent with the Board approved budgets, which reflected the forecasted impact of COVID-19, Brexit and other macro-economic factors on the construction industry and the business. We assessed the reasonableness of the key assumptions, including growth rate, discount rate used, and other key assumptions by testing this to supporting documentation which include historical information, budget verses actual results, recent acquisitions and industry published information and trends. We checked the mathematical integrity of the model. For all cash generating unit ("CGUs"), we scrutinised the Directors' assessment of the degree to which the key assumptions would need to fluctuate before an impairment was triggered. This includes testing sensitivities to ensure sufficient headroom exist for each CGU. In respect of the CGUs identified as having impairment indicators or lower levels of headroom we performed detailed testing with support from our internal BDO valuations experts to critically assess and corroborate the key inputs of the forecast cash flows including: An assessment of the discount rate used by obtaining the underlying data used in the calculation and benchmarking it against comparable organisations and market data; A consideration of the length of the period for which cash flows were modelled and the growth rates assumed in the cash flows as well as the terminal value, by comparing them to economic and industry forecasts; and An analysis of the historical accuracy of budgets to actual results for previously acquired components, to determine whether forecast cash flows are reliable based on past experience and checking that sensitivities applied to the models are in excess of any forecasting inaccuracy identified our assessment of budgets vs actual results.
Key observations: Based on our procedures performed we consider managements judgements and estimates to be appropriate.		

Independent Auditor's Report to the members of Brickability Group PLC

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

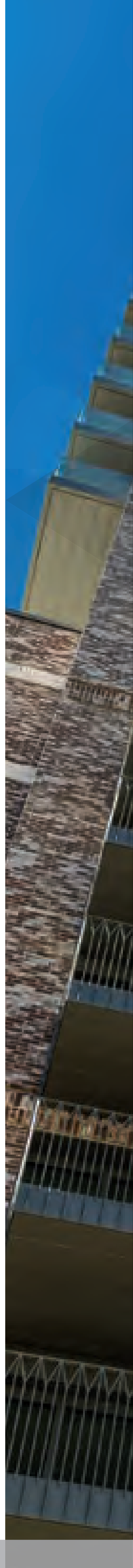
In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2021 £	2020 £	2021 £	2020 £
Materiality	720,000	600,000	472,000	495,000
Basis for determining materiality	5% of Adjusted Profit before Taxation	4.9% of Profit before Taxation	66% of Group materiality	82.5% of group materiality
Rationale for the benchmark applied	We considered that adjusted profit before tax is a key performance measure to the stakeholders of the entity and therefore an appropriate benchmark. This has been changed on the basis that the Group is acquisitive, with large intangible asset balances and the entity's performance is more accurately reflected when adjusted for amortisation, fair value changes in contingent consideration, and acquisition and other exceptional costs.	We considered that profit before tax is a key performance measure to the stakeholders of the entity and therefore an appropriate benchmark.	Capped at 66% of Group materiality (2020: 82.5% of Group materiality) given the assessment of the significant components aggregation risk.	
Performance materiality	508,000	400,000	354,000	326,000
Basis for determining performance materiality	70% (65%) of Group materiality taking into consideration of the overall risk assessment, including factors such as areas of estimation within the financial statements, the type of audit testing to be completed and history of misstatement.		70% (65%) of Parent Company materiality taking into consideration factors such as areas of estimation within the financial statements and the type of audit testing to be completed.	

Component materiality

We set materiality for each component of the Group based on a percentage of between 3% and 66% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £20,700 to £472,000. In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated. Because each of these components were also subject to standalone statutory audits, we used the materiality applicable to those audits for Group purposes.



Independent Auditor's Report to the members of Brickability Group PLC

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £14,500 (2020: £14,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report and accounts 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	**In our opinion, based on the work undertaken in the course of the audit:** • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	**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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, 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 Group's and the Parent 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 Group or the Parent 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the companies Act 2006, accounting standards, AIM Rules and the Corporation Tax Act 2010. We identified these areas of laws and regulations as those that could reasonably be expected to have a material effect on the financial statements from sector experience and through discussion with the Directors and other management.

We assessed compliance with the these laws and regulations through enquiry with management and the Audit Committee, review of reporting to Directors with respect to compliance with laws and regulations, review of board meeting minutes and review of legal correspondence.

We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. In addressing the risk of fraud including management override of controls, we have performed journals testing based on a set of fraud risk criteria and tested to supporting documentation also verifying the business rationale. This criteria included round sum posted journals, material journals, unexpected account combinations, unusual journal descriptions and authorised users testing. Other procedures in response to management override included checking discretionary bonus payments to approval from the remuneration committee, challenging management on the rationale for the defects provision and potential senior management influence on adequacy of the provision by corroborating management's assumptions and further challenging retention provisions on similar projects. We also incorporated unpredictability procedures as part of our response to the risk of management override of controls. We addressed the risk of fraud in revenue recognition through testing of manual entries impacting reported revenue as well as cut-off. We analysed the journal entries made to revenue account codes across the Group and investigated the reason for journal entries made that appeared unusual and not in line with our expected transaction flows. We agreed management's explanations back through to supporting documentation. For cut-off, please refer to the key audit matter section above.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Applegate (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Bristol, UK
4 August 2021

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Adjusted £'000	2021 Other items (Note 14) £'000	2021 Total £'000	2020 Adjusted £'000	2020 Other items (Note 14) £'000	2020 Total £'000
Revenue	5	**181,084**	**-**	**181,084**	187,126	-	187,126
Cost of sales		**(143,112)**	**-**	**(143,112)**	(149,442)	-	(149,442)
Gross profit		**37,972**	**-**	**37,972**	37,684	-	37,684
Other operating income	7	**92**	**-**	**92**	26	-	26
Administrative expenses		**(20,181)**	**(443)**	**(20,624)**	(17,710)	(56)	(17,766)
Impairment losses on financial assets	25	**(341)**	**-**	**(341)**	(433)	-	(433)
Depreciation and amortisation		**(1,837)**	**(3,619)**	**(5,456)**	(1,312)	(3,075)	(4,387)
Finance income	11	**13**	**-**	**13**	71	-	71
Finance expense	12	**(718)**	**(127)**	**(845)**	(1,310)	(1,217)	(2,527)
Share of post-tax loss of equity accounted associates	22	**-**	**(6)**	**(6)**	-	(32)	(32)
Fair value gains/ (losses)	13	**-**	**360**	**360**	-	(45)	(45)
Exceptional income	14	**-**	**-**	**-**	-	2,000	2,000
Exceptional expenses	14	**-**	**-**	**-**	-	(2,407)	(2,407)
Profit before tax	8	**15,000**	**(3,835)**	**11,165**	17,016	(4,832)	12,184
Tax expense	15	**(2,193)**	**687**	**(1,506)**	(2,905)	12	(2,893)
Profit for the year and total comprehensive income		**12,807**	**(3,148)**	**9,659**	14,111	(4,820)	9,291
Attributable to:							
Equity holders of the parent		**12,813**	**(3,148)**	**9,665**	14,111	(4,820)	9,291
Non-controlling interests		**(6)**	**-**	**(6)**	-	-	-
		12,807	**(3,148)**	**9,659**	14,111	(4,820)	9,291
Earnings per share							
Basic earnings per share	17			**4.19 p**			4.79 p
Diluted earnings per share	17			**4.18 p**			4.77 p
Adjusted basic earnings per share	17			**5.56 p**			7.27 p
Adjusted diluted earnings per share	17			**5.54 p**			7.25 p

All results relate to continuing operations.

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Non-current assets			
Property, plant and equipment	18	**9,125**	4,173
Right of use assets	29	**7,945**	6,375
Intangible assets	19	**76,848**	78,050
Investments in equity accounted associates	22	**221**	352
Investments in financial assets	23	**125**	-
Deferred tax assets	31	**98**	205
Trade and other receivables	25	**460**	391
Total non-current assets		**94,822**	89,546
Current assets			
Inventories	24	**12,127**	9,791
Trade and other receivables	25	**42,832**	36,560
Cash and cash equivalents	26	**8,592**	27,269
Total current assets		**63,551**	73,620
Total assets		**158,373**	163,166
Current liabilities			
Trade and other payables	27	**(38,769)**	(41,912)
Current income tax liabilities		**(426)**	(277)
Lease liabilities	29	**(1,497)**	(776)
Total current liabilities		**(40,692)**	(42,965)
Non-current liabilities			
Trade and other payables	27	**(3,153)**	(2,402)
Loans and borrowings	28	**(15,750)**	(24,912)
Lease liabilities	29	**(6,796)**	(5,802)
Provisions	30	**(1,247)**	(1,389)
Deferred tax liabilities	31	**(5,301)**	(5,631)
Total non-current liabilities		**(32,247)**	(40,136)
Total liabilities		**(72,939)**	(83,101)
Net assets		**85,434**	80,065
Equity			
Called up share capital	34	**2,305**	2,305
Share premium account	35	**49,999**	49,999
Capital redemption reserve	35	**2**	2
Share-based payment reserve	35	**266**	56
Merger reserve	35	**1,245**	1,245
Retained earnings	35	**31,623**	26,458
Equity attributable to equity holders of the parent		**85,440**	80,065
Non-controlling interests		**(6)**	-
Total equity		**85,434**	80,065

These financial statements were approved by the Board of Directors and authorised for issue on 4 August 2021. They are signed on behalf of the Board by:

Alan Simpson Director

Mike Gant Director

Company registration number: 11123804

COMPANY BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Non-current assets			
Investment in subsidiaries	20	**6,542**	6,542
Trade and other receivables	25	**9,343**	9,343
Total non-current assets		**15,885**	15,885
Current assets			
Trade and other receivables	25	**75,482**	79,819
Cash and cash equivalents	26	**22**	-
Total current assets		**75,504**	79,819
Total assets		**91,389**	95,704
Current liabilities			
Trade and other payables	27	**(10,084)**	(166)
Current income tax liabilities		**-**	(15)
Total current liabilities		**(10,084)**	(181)
Non-current liabilities			
Loans and borrowings	28	**(15,750)**	(24,912)
Total non-current liabilities		**(15,750)**	(24,912)
Total liabilities		**(25,834)**	(25,093)
Net assets		**65,555**	70,611
Equity			
Called up share capital	34	**2,305**	2,305
Share premium account	35	**49,999**	49,999
Capital redemption reserve	35	**2**	2
Share-based payment reserve	35	**266**	56
Merger reserve	35	**6,506**	6,506
Retained earnings	35	**6,477**	11,743
Total equity		**65,555**	70,611

The loss of the Company for the financial year was £766,000 (2020: £175,000 profit).

These financial statements were approved by the Board of Directors and authorised for issue on 4 August 2021. They are signed on behalf of the board by:

Alan Simpson Director

Mike Gant Director

Company registration number: 11123804

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £'000	Share premium account £'000	Capital redemption £'000	Share-based payments £'000	Merger reserve £'000	Retained Earnings £'000	Total attributable to equity holders of the parent £'000	Non-controlling interest £'000	Total £'000
At 1 April 2019	4	8,970	-	-	1,245	6,167	16,386	-	16,386
Profit for the year	-	-	-	-	-	9,291	9,291	-	9,291
Total comprehensive income for the year	-	-	-	-	-	9,291	9,291	-	9,291
Dividends paid	-	-	-	-	-	(2,000)	(2,000)	-	(2,000)
Issue of paid shares (note 37)	678	44,223	-	-	-	-	44,901	-	44,901
Bonus issue of shares	1,429	(1,429)	-	-	-	-	-	-	-
Conversion of debt to equity (note 37)	196	13,736	-	-	-	-	13,932	-	13,932
Purchase of own shares	(2)	-	2	-	-	-	-	-	-
Increase in share-based payment reserve	-	-	-	56	-	-	56	-	56
Share issue costs	-	(2,501)	-	-	-	-	(2,501)	-	(2,501)
Share premium reduction	-	(13,000)	-	-	-	13,000	-	-	-
Total contributions by and distributions to owners	2,301	41,029	2	56	-	11,000	54,388	-	54,388
At 31 March 2020	**2,305**	**49,999**	**2**	**56**	**1,245**	**26,458**	**80,065**	**-**	**80,065**
Profit or (loss) for the year	-	-	-	-	-	9,665	9,665	(6)	9,659
Total comprehensive income for the year	-	-	-	-	-	9,665	9,665	(6)	9,659
Dividends paid	-	-	-	-	-	(4,500)	(4,500)	-	(4,500)
Increase in share-based payment reserve	-	-	-	210	-	-	210	-	210
Total contributions by and distributions to owners	-	-	-	210	-	(4,500)	(4,290)	-	(4,290)
At 31 March 2021	**2,305**	**49,999**	**2**	**266**	**1,245**	**31,623**	**85,440**	**(6)**	**85,434**

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £'000	Share premium account £'000	Capital redemption £'000	Share based payments £'000	Merger Reserve £'000	Retained Earnings £'000	Total £'000
At 1 April 2019	4	8,970	-	-	6,506	568	16,048
Profit for the year	-	-	-	-	-	175	175
Total comprehensive income for the year	-	-	-	-	-	175	175
Dividends paid	-	-	-	-	-	(2,000)	(2,000)
Issue of paid shares (note 37)	678	44,223	-	-	-	-	44,901
Bonus issue of shares	1,429	(1,429)	-	-	-	-	-
Conversion of debt to equity (note 37)	196	13,736	-	-	-	-	13,932
Purchase of own shares	(2)	-	2	-	-	-	-
Increase in share-based payment reserve	-	-	-	56	-	-	56
Share issue costs	-	(2,501)	-	-	-	-	(2,501)
Share premium reduction	-	(13,000)	-	-	-	13,000	-
Total contributions by and distributions to owners	2,301	41,029	2	56	-	11,000	54,388
At 31 March 2020	**2,305**	**49,999**	**2**	**56**	**6,506**	**11,743**	**70,611**
Loss for the year	-	-	-	-	-	(766)	(766)
Total comprehensive income for the year	-	-	-	-	-	(766)	(766)
Dividends paid	-	-	-	-	-	(4,500)	(4,500)
Increase in share-based payment reserve	-	-	-	210	-	-	210
Total contributions by and distributions to owners	-	-	-	210	-	(4,500)	(4,290)
At 31 March 2021	**2,305**	**49,999**	**2**	**266**	**6,506**	**6,477**	**65,555**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Operating activities			
Profit for the year		**9,659**	9,291
Adjustments for:			
Depreciation of property, plant and equipment	18	**726**	595
Depreciation of right of use assets	29	**1,111**	717
Amortisation of intangible assetss	19	**3,619**	3,059
Loss/ (Gain) on disposal of property, plant & equipment and right of use assets	8	**4**	(8)
Foreign exchange (gains)/ losses		**(19)**	4
Share-based payments expense	36	**338**	56
Share of post-tax loss in equity accounted associates	22	**6**	32
Impairment of goodwill	19	**-**	16
Fair value changes in contingent consideration	13	**(360)**	45
Movements in provisions	30	**(142)**	(586)
Finance income	11	**(13)**	(71)
Finance expense	12	**845**	2,527
Acquisition/ exceptional expenses	14	**105**	2,407
Income tax expense	15	**1,506**	2,893
Amortisation of loan note issue costs		**-**	2
Operating cash flows before movements in working capital		**17,385**	20,979
Changes in working capital:			
Increase in inventories		**(2,011)**	(1,890)
(Increase)/ Decrease in trade and other receivables		**(4,077)**	6,862
Increase/ (Decrease) in trade and other payables		**1,792**	(5,024)
Cash generated from operations		**13,089**	20,927
Payment of exceptional acquisition expenses		**(105)**	(320)
Interest received		**13**	70
Interest paid		**(367)**	(6,049)
Income taxes paid		**(2,435)**	(4,710)
Net cash generated from operating activities		**10,195**	9,918
Investing activities			
Purchase of property, plant and equipment	18	**(5,669)**	(941)
Proceeds from sale of property, plant and equipment		**59**	25
Purchase of right of use assets	29	**-**	(32)
Proceeds from sale of right of use assets		**9**	-
Acquisition of subsidiaries	21	**(2,548)**	(11,426)
Net cash acquired with subsidiary undertakings	21	**2,274**	5,146
Dividends received from associates	22	**-**	33
Net cash used in investing activities		**(5,875)**	(7,195)

The Consolidated Statement of Cash Flows continues on the following page.

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Financing activities			
Equity dividends paid	16	**(4,500)**	(2,000)
Proceeds from issue of ordinary shares		-	43,923
Payment of share issue costs		-	(414)
Payment of exceptional financing costs		-	(490)
Proceeds from bank borrowings		**3,400**	13,015
Repayment of bank borrowings		**(12,500)**	(25,000)
Repayment of loan notes		-	(14,562)
Payment of lease liabilities	29	**(1,398)**	(871)
Payment of deferred and contingent consideration	37	**(7,883)**	(5,885)
Payment of transaction costs relating to loans and borrowings		**(90)**	(70)
Settlement of derivative financial instruments	37	-	(105)
Net cash (used in)/ generated from financing activities		**(22,971)**	7,541
Net increase in cash and cash equivalents		**(18,651)**	10,264
Cash and cash equivalents at beginning of year		**27,269**	17,001
Effect of changes in foreign exchange rates		**(26)**	4
Cash and cash equivalents at end of year	26	**8,592**	27,269

The notes on pages 66 to 113 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. General information

Brickability Group plc is a company incorporated in England and Wales. The address of the registered office is shown on page 114. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 4 to 29.

2. Basis of preparation

The consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Company, as the ultimate parent of the Group, has elected prepare its individual financial statements in accordance with FRS 101 Reduced Disclosure Framework. The Company's individual financial statements are presented within these Group financial statements.

The Company has adopted the following disclosure exemptions:

i. the requirements of IFRS 7 Financial Instruments: Disclosures;

ii. the requirement to present a cash flow statement under IAS 7 Statement of Cash Flows;

iii. the requirement to disclose key management personnel compensation; and

iv. the requirement to disclose related party transactions with wholly owned members of the Group.

The financial statements are presented in pounds sterling, which is the functional currency of the Group. Amounts are rounded to the nearest thousand, unless otherwise stated.

The financial statements are prepared on the historical cost basis, with the exception of certain financial assets and liabilities (including derivative financial instruments) which are stated at fair value.

After making appropriate enquiries, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future and for at least twelve months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Group's going concern basis has been considered further on pages 26 and 27 of the Strategic Report.

New standards, interpretations and amendments effective from 1 January 2020

The following new standards and amendments have been adopted by the Group for the first time in the annual financial statements for the year ended 31 March 2021:

- Definition of material (amendments to IAS 1 and IAS 8);
- Definition of a business (amendments to IFRS 3);
- Interest rate benchmark reform (amendments to IFRS 9, IAS 39 and IFRS 7);
- COVID-19 related rent concessions (amendments to IFRS 16); and
- Revised conceptual framework for financial reporting.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Amendments to IFRS 16: COVID-19 Related Rent Concessions

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

i. The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

ii. The reduction in lease payments affects only payments originally due on or before 30 June 2021; and

iii. There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy the above criteria may be accounted for in accordance with the practical expedient, which means lessees do not need to assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The Group has elected to utilise the practical expedient for all eligible rent concessions. The practical expedient has also been applied retrospectively to those rent concessions meeting the criteria from 1 April 2020 to 31 May 2020.

Accounting for the rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability being recorded against the right of use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the concession occurs. The impact of applying the practical expedient is disclosed in note 29.

New standards, interpretations and amendments not yet effective

Certain new standards and amendments have been issued by the IASB and will be effective in future accounting periods. The standards and amendments that are not yet effective, are likely to impact the Group and have not been adopted early by the Group include:

- References to the Conceptual Framework (amendments to IFRS 3);
- Proceeds before intended use (amendments to IAS 16);
- Onerous contracts – cost of fulfilling a contract (amendments to IAS 37);
- Annual improvements to IFRS standards 2018-2020 cycle (amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- Classification of liabilities as current or non-current (amendments to IAS 1).

The above amendments are not expected to have a significant impact on the period of initial application or in subsequent reporting periods.

3. Significant accounting policies

The accounting policies which follow set out those policies which were applied in preparing the financial statements for the year ended 31 March 2021.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of Brickability Group plc and its subsidiary undertakings. Control is achieved when the Group:

- has power over the investee;
- is exposed or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect those variable returns.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

Intra-group transactions and balances are eliminated fully on consolidation and the consolidated financial statements reflect external transactions only. Subsidiaries' accounting policies are amended where necessary to ensure consistency with the policies adopted by the Group.

All accounts for subsidiary undertakings have been prepared for the year ended 31 March 2021, except Forum Tiles Limited which was incorporated in January 2021. Its first set of financial statements will be prepared for the period ending 31 March 2022. The Group accounts therefore include interim financial information to 31 March 2021 for this entity.

In the prior year, all subsidiary undertakings prepared accounts for the year ended 31 March 2020, except for McCann Roofing Products Limited and U Plastics Limited, which both had a year end of 31 December 2019. The comparative figures therefore include interim financial information to 31 March 2020 for each of these entities, following their acquisition.

The Company has applied the exemption under section 408 of the Companies Act 2006 and not presented its individual income statement.

3.2 Investments

Non-current asset investments by the Company in subsidiaries and associates are initially recorded at cost and subsequently stated at cost less any accumulated provision for impairment.

3.3 Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, investments are initially recognised at cost and subsequently adjusted to reflect changes in the Group's share of the net assets of the associate or joint venture since the acquisition date.

Where a Group company transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant entity.

3.4 Revenue recognition

Revenue is recognised when the Group has satisfied its performance obligations to the customer. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and Value Added Tax.

The Group generates revenue primarily through the following activities:

- the sale of superior quality building materials to all sectors of the construction industry including national house builders, developers, contractors, general builders and retail to members of the public;
- the transportation and distribution of building materials from Europe to the UK;
- the supply of roofing construction services, primarily within the residential construction sector; and
- the sale of high-performance joinery materials and the distribution of radiators and associated parts and accessories.

The Group considers itself to be the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer; the Group is primarily responsible for fulfilling its promise to provide the goods or services and for those goods or services meeting customer specifications, it assumes the inventory risk prior to delivery to the customer and it has complete discretion in setting its prices for the required goods or services.

3.4 Revenue recognition (continued)

Revenue from the sale of goods is recognised when control of the goods has transferred to the buyer. This is usually when the goods are delivered to the customer. Revenue from the provision of transportation and distribution services is also recognised on delivery of the materials being transported as this is the point at which the service is complete. There is limited judgement required in identifying the point at which the service is complete or control passes as, once physical delivery has taken place, the Group no longer has possession of the goods, does not retain the significant risks and rewards of those goods and has an unconditional right to consideration. A receivable is therefore recognised on delivery and payment expected according to the specific credit terms agreed with each customer.

Revenue from contracts for the provision of services, in relation to roof installations, is recognised over time by reference to the stage of completion. Jobs in progress are reviewed and invoiced at the end of each month to reflect the value of work carried out in the period. This is considered an appropriate measure of the progress towards complete satisfaction of the Group's performance obligations and reflects the Group's right to consideration for services performed to date. Payment is due throughout the duration of the contract, based on the amounts invoiced and according to the credit terms agreed.

Certain roofing products and services provided by the Group are subject to warranty, requiring the Group to rectify defects during the warranty period should those goods and services not comply with agreed-upon specifications. Such warranties cannot be purchased separately and are therefore accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Further details are disclosed in notes 3.17 and 30.

The majority of the Group's revenue is derived from fixed price contracts with stand-alone selling prices. There is therefore no judgement involved in allocating the contract price to the goods or services provided.

The Group has applied the practical expedients within IFRS 15 in respect of the following:

- not accounting for significant financing components where the time difference between receiving consideration and transferring control of the goods or services to its customers is one year or less; and
- expensing the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised is one year or less.

Customer rebates

The Group offers customer rebates in respect of volume discounts. These customer rebates give rise to variable consideration. Where the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring its goods to the customer. The Group applies the most likely amount method to estimate the variable consideration in the contract.

Where the Group has rebate agreements with its customers, rebates payable are deducted from revenue in the period that the associated revenue is recognised. The value of rebates payable is based on the terms of the individual contracts in place, to the extent that it is highly probable that the variable consideration estimated will not result in a significant reversal in the amount of cumulative revenue recognised when the uncertainty associated with the variable contract is subsequently resolved.

3.5 Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). The results and financial position of each Group company are expressed in pounds sterling, which is also the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate on the dates of the transactions. Monetary assets and liabilities, that are denominated in foreign currencies, are retranslated at the exchange rates ruling at the reporting date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction and not retranslated at the reporting date. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date at which the fair value is determined.

3.6 Group pension schemes

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

3.7 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Grants relating to expense items are recognised as income on a systemic basis over the period that the related costs, for which the grant is intended to compensate, are expensed. Grants relating to assets are recognised as deferred income and transferred to income in the profit or loss on a systemic basis over the expected useful life of the related assets. Further details regarding grants received during the year are outlined in note 8.

3.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is the expected tax payable or recoverable based on taxable profit for the year and any adjustment to tax payable in respect of prior years. Current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the liability method.

Deferred tax assets and liabilities are recognised where the carrying value of an asset or liability in the Consolidated Balance Sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting 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. Unrecognised deferred tax assets are also re-assessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable group company or different taxable group companies which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

3.9 Property, plant and equipment

Property, plant and equipment is initially recorded at cost and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of an asset, less its residual value, over the estimated useful life of that asset, using the straight-line or reducing balance method, as follows:

Freehold property	2% – 25% per annum
Leasehold property	Over the term of the lease
Plant and machinery	20% to 33% per annum
Fixtures, fittings and equipment	10% to 33% per annum
Motor vehicles	10% to 25% per annum

Freehold land is not depreciated.

3.10 Leases

The Group assesses, at the inception of a contract, whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed when the Group has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected not to separate non-lease components and thus account for the entire contract as a lease.

Lessee accounting

All leases are accounted for by recognising a right of use asset and a lease liability except for:

- leases of low value assets; and
- leases with a term of 12 months or less.

Lease payments for short-term (those with a term of 12 months or less) and low value asset leases are recognised as an expense, in the Statement of Profit or Loss, on a straight-line basis over the lease term.

Right of use assets

At the lease commencement date, right of use assets are measured at the amount of the corresponding lease liability, less any lease incentives received, plus the following:

- lease payments made at or before the lease commencement date;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually obliged to dismantle, remove or restore the leased asset or site on which the leased asset is located.

Right of use assets are presented as a separate line in the Consolidated Balance Sheet.

Right of use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right of use assets are depreciated, on a straight-line basis, over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost reflects that the Group expects to exercise a purchase option, the related right of use asset is depreciated over the useful life of the asset.

Lease liabilities

At the lease commencement date, lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted at the rate implicit in the lease, where this can be readily determined. Where the rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability include:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of any purchase option, if it is reasonably certain to be exercised by the Group; and
- any penalties payable for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as an expense, in the Statement of Profit or Loss, in the period to which they relate.

3.10 Leases (continued)

Lease liabilities are presented as a separate line in the Consolidated Balance Sheet.

Lease liabilities are subsequently increased to reflect interest charged on the lease liability, using the effective interest method, and reduced for lease payments made.

Lease liabilities are remeasured if there is a modification (and the lease modification is not accounted for as a separate lease), a change in the lease term, a change in the lease payments due to changes in an index or rate, a change in the expected payment under a guaranteed residual value or a change in the assessment to exercise a purchase option.

In the event of a lease modification, change in lease term or change in the assessment of a purchase option, the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

In the event of a change in the lease payments, the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate, unless the lease payment change is due to a change in a floating interest rate, in which case a revised discount rate is used.

When a lease liability is remeasured, a corresponding adjustment is made to the carrying value of the right of use asset, with the revised asset value being depreciated over the remaining lease term.

Lessor accounting

The Group enters into lease agreements as a lessor in respect of sub-leasing some of its leasehold property. Where the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as an operating lease by reference to the right of use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised on a straight-line basis over the lease term.

3.11 Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired as part of a business combination is their fair value at the acquisition date. Intangible assets are subsequently stated at cost less any accumulated amortisation and impairment losses.

Amortisation is charged so as to write off the cost of the asset, less its residual value, over the estimated useful life of that asset, using the straight-line method, as follows:

Brands	10% – 12% per annum
Customer and supplier relationships and other intangibles	10% – 25% per annum

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

3.12 Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs are only recognised as an intangible asset if, and only if, the Group can demonstrate all of the following:

- the technical feasibility to complete the development so that the asset will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

3.13 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Contingent consideration is recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument, and within the scope of IFRS 9 Financial Instruments, is measured at fair value at the reporting date with changes in fair value recognised in the Statement of Profit or Loss in accordance with IFRS 9. Other contingent consideration, that is not within the scope of IFRS 9, is measured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is remeasured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3.14 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the value in use and the fair value less costs of disposal.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is estimated for the smallest group of assets to which it belongs and for which there are separately identifiable cash flows (its cash generating unit (CGU)).

When the carrying value of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised as an expense in the Statement of Profit or Loss, except to the extent that they reverse gains previously recognised in other comprehensive income, in which case the impairment loss is also recognised in other comprehensive income up to the amount of any previous gain.

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.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For assets, excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the recoverable amount of the asset or CGU. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised recoverable amount but only to the extent that the carrying value does not exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years. The reversal of an impairment loss is recognised in the Statement of Profit or Loss.

Goodwill is not amortised but is reviewed for impairment at least annually. CGUs, to which goodwill has been allocated, are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying value, an impairment loss is recognised. It is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset of the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

3.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and sale.

3.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets

Financial assets, on initial recognition, are classified as those to be subsequently measured at amortised cost or those to be subsequently measured at fair value (either through profit or loss or through other comprehensive income). The classification depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the Balance Sheet. They are assets held for the collection of contractual cash flows where those cash flows represent solely payments of the principal and interest.

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition. They are subsequently stated at amortised cost, using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9, using lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables that are reported net, such provisions are recorded in a separate provision account with the loss being recognised within in the Statement of Profit or Loss. The gross carrying amount of a financial asset is reduced when the Group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

Assets measured at fair value through profit or loss are subsequently remeasured at fair value, with gains and losses being recognised in profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

For investments in equity instruments that are not held for trading and fall within the scope of IFRS 9, the Group may (on an instrument-by-instrument basis) irrevocably elect to present subsequent changes in fair value within other comprehensive income. Where this election is made, there is no subsequent re-classification of fair value gains and losses to profit or loss following derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payment is established.

Financial liabilities

Financial liabilities, on initial recognition, are classified as those to be subsequently measured at amortised cost or those to be subsequently measured at fair value through profit or loss.

All financial liabilities are initially recognised at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities measured at amortised cost include trade and other payables and loans and other borrowings, including bank overdrafts. These are subsequently stated at amortised cost, using the effective interest rate method. The interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Financial liabilities measured at fair value are subsequently remeasured at fair value, with gains and losses recognised in profit or loss.

Derivative financial instruments

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its exposure to foreign currency exchange risk and interest risk. The Group does not enter into speculative financial instruments.

Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and subsequently remeasured at fair value, with gains and losses recognised in profit or loss.

Derivatives are held as financial assets when their fair value is positive and as financial liabilities when the fair value is negative.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Details of significant unobservable inputs used in determining fair values within level 3 are disclosed in note 33.

3.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to transfer economic benefits to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are recognised as a liability in the Balance Sheet with a corresponding expense recognised in profit or loss.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the receivable can be measured reliably.

Warranties

The Group provides for the expected cost of warranty obligations for defects that existed at the time of sale, as required by law. Provision is based on historical experience and management's best estimate of the amount required to settle the Group's obligation. Further details are outlined in note 30.

Dilapidations

The Group provides for the expected cost of restoring its operating premises to their original state in accordance with its lease terms. Provision is based on management's best estimate of the work and cost involved in completing this restoration. The cost is recognised as part of the right of use asset and is depreciated over the remaining term of the lease.

3.18 Share-based payments

Equity-settled share option schemes and long-term incentive plans are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 36.

The fair value, determined at the grant date of the equity-settled share-based payments, is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

3.19 Statement of cash flows

Deferred and contingent consideration arrangements contain an implicit financing element. As such, the Group's policy is to include the payment of deferred and contingent consideration within cash flows from financing activities. The cash outflow is presented on a gross basis and thus the associated interest is also included in the total paid within cash flows from financing activities.

Cash flows in respect of the payment of lease liabilities are also presented on a gross basis, with both the interest and principal amounts included within cash flows from financing activities.

Payments in respect of short-term or low value leases that are not included within the measurement of the lease liabilities are presented within cash flows from operating activities.

3.20 Alternative performance measures

Alternative performance measures (APMs) are disclosed within the 2021 Annual Report and Accounts where management believes it is necessary to do so to provide further understanding of the financial performance of the Group.

Underlying results are used in the day to day management of the Group. They represent statutory measures adjusted for items which could distort the understanding of performance and comparability year on year.

Adjusted EBITDA

Adjusted EBITDA is the primary non-statutory measure used by the Group. This is represented by earnings before interest, tax, depreciation, amortisation and other items considered non-operational in nature, including acquisition and share based payment related expenses. A reconciliation between adjusted EBITDA and statutory IFRS measures is included in note 6.

Exceptional items are those which the Group considers to be significant in nature and quantum but not in the normal course of business. Details of exceptional items are disclosed in note 14.

Adjusted basic EPS

Adjusted basic EPS is defined as the adjusted profit after tax divided by the weighted average number of shares outstanding during the year.

Adjusted diluted EPS is defined as the adjusted profit after tax divided by the weighted average number of shares outstanding during the year plus the weighted average number of shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

An adjusted basic and diluted EPS is also determined by dividing the profit after tax for the year by the total number of shares in issue at the year end and following the Initial Public Offering (IPO).

Adjusted basic and diluted EPS are outlined in note 17.

Net debt/ cash

Net debt is defined as bank borrowings (excluding the impact of arrangement fees) less cash and cash equivalents. Net cash arises when the cash and cash equivalents exceed bank borrowings and is defined as cash and cash equivalents less bank borrowings.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the Group's share of the profit or loss, other comprehensive income and equity of the associate. Judgements are made as to whether the Group has significant influence (but not control or joint control), being the power to participate in the financial and operating policy decisions of the associate or not.

Provisions

Provisions are a key area of the financial statements and are subject to both judgement and estimation uncertainty. Provisions are recognised on product defect warranties when claims are made in relation to the products and services supplied. This requires judgement as to whether a claim would likely give rise to a provision based on the Group's knowledge of its products, services and customers. The provision would then need to be estimated based on management's assessment of the likely work and cost required to rectify any defect. This estimate is subjective and based on management's knowledge of the products, services and past customer experience (see note 30).

Lease term

Judgement is required in determining the lease term where a lease includes periods covered by an option to extend the lease or an option to terminate the lease. The Directors apply judgement in evaluating whether it is reasonably certain or not that an option will be exercised. When recognising the lease, all relevant factors are taken into account, including the Group's intentions and any factors that create an economic incentive to exercise an option. After the commencement date, the lease term will be re-assessed if there is a significant event or change in circumstances that is within the Group's control and affects its ability to exercise an option.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Impairment of non-financial assets

The Group acquires intangible assets and goodwill during a business combination. These assets are primarily the assets subject to an impairment review. They are initially recorded at fair value and subsequently at cost less any amortisation (in the case of intangible assets) and impairment losses. Goodwill is reviewed for impairment annually while other assets are assessed when an indication of impairment is identified. In assessing whether an asset is impaired, the asset's or CGU's value in use is calculated based on a discounting cash flow model. The cash flows are derived from forecasts covering the next three years. The recoverable amount is therefore sensitive to the assumptions and estimates used in determining the amount and timing of future cash flows, the discount factor applied and the growth rate used for extrapolation purposes. Details of the key assumptions, including consideration of sensitivity, are disclosed further in note 19.

Intangible assets

The Group recognises identifiable intangible assets acquired through business combinations, such as brands and customer and supplier relationships, at fair value on acquisition. Any excess paid over the value of net assets acquired is included as goodwill. Estimates are required to determine the purchase price allocation (PPA) between intangible assets and goodwill, with the fair value of intangibles sensitive to these estimates. The key estimates involved in establishing the fair values are the future cash flows forecast for the acquired entity, inputs into appropriate valuation models and the expected useful life of the assets.

Projected cash flows underpin the valuation of all identifiable intangible assets. These are based on management's best estimate of the expected levels of trade and profits following acquisition, taking into account actual results around the time of acquisition. Forecasts are prepared for a three year period, with an inflationary 2% growth rate applied thereafter.

The fair value of brands is based on a relief from royalty method. The royalty rates applied in this model are based on other business to business operations in the market, reflecting the size of the entities acquired and that their reach is limited given the business to business nature. The brand value is sensitive to the royalty rate incorporated into the model. For acquisitions during the year, the Group applied a royalty rate of 1% based upon other business to business brands in the sector and analysis of the underlying profit margin.

Intangible assets are amortised over their expected useful life. The annual amortisation charge and carrying value of the asset is therefore sensitive to the estimated useful life. The useful life is based on the period over which management expects to benefit from the intangible assets, based on past experience and knowledge of the business acquired.

Provision for expected credit losses (ECLs)

The Group uses a provision matrix to calculate the ECLs for trade receivables. The provision rates are based on days past due for groupings of customers with similar credit risk characteristics. The provision matrix is initially based on the Group's historical observed default rates. However, the historical rate is adjusted to consider forward looking information, which may lead to a change in the expected number of defaults. The assessment of correlation between the historically observed default rates and forecast economic conditions is therefore a significant estimate. The ECLs calculated are sensitive to changes in circumstances and forecast economic conditions as the historical experience and forecasts may not be representative of a customer's actual default in the future. Details of the ECLs on the Group's trade receivables and contract assets, are disclosed in note 25.

Share-based payments

Key estimates are used in determining the fair value of share-based payment transactions, including selecting the most appropriate valuation model and related inputs into that model. The Group operates a Company Share Option Plan (CSOP) and Long-term Incentive Plan (LTIP) with equity settled transactions. Fair value of the CSOP options was measured using a binomial model at the grant date. Monte Carlo and Black-Scholes models were used to determine the fair value of the LTIP awards at the grant date. Estimates are also required, at each reporting date, in determining the number of options that are expected to vest. Details of the assumptions and models used are disclosed in note 36.

Fair value measurement of financial instruments

When fair values cannot be measured based on quoted prices in an active market, the fair value is measured using valuation techniques, including the discounted cash flow model. Inputs into this model are taken from observable markets where possible but a degree of judgement is required where this is not possible. Expert valuers are engaged by the Group where appropriate.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When contingent consideration meets the definition of a financial asset or liability, it is subsequently remeasured to fair value at each reporting date. The fair value is determined using discounted cash flows. The key estimates are therefore the probability of the performance target being met and the discount rate used. Further details are disclosed in note 33.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Lease incremental borrowing rate

Where the interest rate in a lease cannot be readily determined, the Group uses its incremental borrowing rate to measure the lease liability. The incremental borrowing rate is that which the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. This rate therefore requires estimation when no observable rates are available. The Group estimates the rate by assessing the rates implied in similar agreements and using observable inputs, such as market interest rates, when available.

COVID-19

The outbreak of the COVID-19 pandemic in March 2020 has led to economic uncertainty over the past 15 months, with significant government interventions on daily life in the UK. While the Group has recovered strongly from the initial lockdown in March and April 2020, that prevented trade, the ongoing impact of COVID-19 on the consolidated financial statements still requires judgement and affects certain estimates. The primary estimates affected are those concerning the testing for impairment of assets (see note 19), including adjustments made for forward looking information in determining the Group's expected ECL (note 25).

5. Revenue

An analysis of the Group's revenue, by type, is as follows:	2021 £'000	2020 £'000
Sale of goods	**165,471**	170,022
Rendering of services	**15,613**	17,104
	181,084	187,126

An analysis of the Group's revenue, by geographic location, is as follows:	2021 £'000	2020 £'000
United Kingdom	**180,122**	187,126
Europe	**962**	-
	181,084	187,126

All of the Group's revenue is derived from contracts with customers. Revenue in relation to the sale of goods comprises amounts receivable from the sale of building and joinery materials. Revenue in connection with the rendering of services relates to amounts receivable from the provision of roofing construction and installation services and the transportation and distribution of building materials. Revenue by segment is included in note 6.

Trade receivables and contract assets arising are disclosed in note 25. The Group does not have a significant level of contract assets. These arise where bespoke goods are prepared specifically for a customer, for which the Group has a right to consideration but the goods have not yet been transferred to the customer.

Included within other payables is an amount of £336,000 (2020: £202,000) in relation to contract liabilities in respect of amounts paid or invoiced in advance of goods being transferred to the customer. Due to the nature of the business and short turnaround between orders being placed and goods being delivered, liabilities at the reporting date are recognised within revenue in the following year.

6. Segmental analysis

For management purposes, the Group is organised into segments based on its products and services. The Group generates revenue through three main activities and thus has three reportable segments, as follows:

- Bricks and Building Materials, which incorporates the sale of superior quality building materials to all sectors of the construction industry including national house builders, developers, contractors, general builders and retail to members of the public;
- Roofing Services, which incorporates the supply of roofing construction services, primarily within the residential construction sector; and
- Heating, Plumbing and Joinery, which incorporates the sale of high-performance joinery materials and the distribution of radiators and associated parts and accessories.

The Group's segments are strategic business units that offer different products and services. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The accounting policies of the reportable segments are the same as the Group's accounting policies as described in note 3. Segment performance is evaluated based on adjusted EBITDA, without allocation of depreciation and amortisation, finance expenses and income, impairment losses, fair value movements or the share of results of associates. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

The Group's revenue is primarily generated in the United Kingdom. An analysis by geographic location is included within note 5. All of the revenue generated in Europe is included within revenue from the rendering of services within the Bricks and Building Materials segment below. Right of use assets, in respect of trailers, with a carrying value of £1,251,000, are either held in the United Kingdom or Europe at the year end, depending on the timing and location of goods being transported. All other non-current assets are solely held within the United Kingdom.

Included within revenue is a total of £19,910,000 (2020: £31,282,000) in respect of a customer accounting for more than 10% of the Group's total revenue. Revenue from this customer is included within all three reportable segments.

Inter-segment sales are eliminated from the results reported to the CODM and from the consolidated financial statements.

	2021			
	Bricks and Building Materials £'000	**Roofing Services £'000**	**Heating, Plumbing and Joinery £'000**	**Consolidated £'000**
Revenue from sale of goods	**141,019**	**-**	**24,452**	**165,471**
Revenue from rendering of services	**3,187**	**12,426**	**-**	**15,613**
Total revenue	**144,206**	**12,426**	**24,452**	**181,084**
EBITDA	**11,662**	**2,571**	**5,766**	**19,999**
Centralised costs				**(2,453)**
(Loss)/ profit on disposal of assets				**(4)**
Group adjusted EBITDA				**17,542**
Depreciation				**(1,837)**
Amortisation				**(3,619)**
Acquisition costs				**(105)**
Share-based payment expense				**(338)**
Finance income				**13**
Finance expense				**(845)**
Share of results of associates				**(6)**
Fair value gains and losses				**360**
Group profit before tax				**11,165**

	2020			
	Bricks and Building Materials £'000	Roofing Services £'000	Heating, Plumbing and Joinery £'000	Consolidated £'000
Revenue from sale of goods	143,954	-	26,068	170,022
Revenue from rendering of services	-	17,104	-	17,104
Total revenue	143,954	17,104	26,068	187,126
EBITDA	11,469	3,683	6,156	21,308
Centralised costs				(1,805)
(Loss)/ profit on disposal of assets				8
Group adjusted EBITDA				19,511
Impairment of goodwill				(16)
Depreciation				(1,312)
Amortisation				(3,059)
Finance income				71
Finance expense				(2,527)
Share of results of associates				(32)
Fair value gains and losses				(45)
Exceptional income				2,000
Exceptional expenses				(2,407)
Group profit before tax				12,184

6. Segmental analysis (continued)

For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the total non-current and current assets attributable to each segment. All assets are allocated to reportable segments with the exception of those used primarily for corporate purposes (head office), investments in associates and financial assets and deferred tax assets. Goodwill has been allocated to reportable segments as detailed in note 19. No other assets are used jointly by reportable segments.

	2021			
	Bricks and Building Materials £'000	**Roofing Services £'000**	**Heating, Plumbing and Joinery £'000**	**Consolidated £'000**
Non-current segment assets	**46,276**	**18,235**	**29,867**	**94,378**
Current segment assets	**45,635**	**3,799**	**12,582**	**62,016**
Total segment assets	**91,911**	**22,034**	**42,449**	**156,394**
Investment in associates				**221**
Investments in financial assets				**125**
Deferred tax assets				**98**
Head office				**1,535**
Group assets				**158,373**
Total segment liabilities	**(37,570)**	**(2,815)**	**(7,040)**	**(47,425)**
Loans and borrowings (excluding leases and overdrafts)				**(15,750)**
Deferred tax liabilities				**(5,301)**
Other unallocated central liabilities				**(4,463)**
Group liabilities				**(72,939)**

	2020			
	Bricks and Building Materials £'000	Roofing Services £'000	Heating, Plumbing and Joinery £'000	Consolidated £'000
Non-current segment assets	42,166	19,684	27,134	88,984
Current segment assets	51,856	3,798	10,837	66,491
Total segment assets	94,022	23,482	37,971	155,475
Investment in associates				352
Deferred tax assets				205
Head office				7,134
Group assets				163,166
Total segment liabilities	(34,205)	(2,265)	(4,744)	(41,214)
Loans and borrowings (excluding leases and overdrafts)				(24,912)
Deferred tax liabilities				(5,631)
Other unallocated central liabilities				(11,344)
Group liabilities				(83,101)

7. Other operating income

	2021 £'000	2020 £'000
Rental income	**46**	9
Other	**46**	17
	92	26

8. Profit before tax

Profit before tax is stated after charging/ (crediting):

	2021 £'000	2020 £'000
Amortisation of intangible assets	**3,619**	3,059
Impairment of goodwill	**-**	16
Depreciation of property, plant and equipment	**726**	595
Depreciation of right of use assets	**1,111**	717
Loss/ (Gain) on disposal of property, plant and equipment and right of use assets	**4**	(8)
Cost of inventories recognised as an expense	**32,129**	25,424
Impairment of trade receivables	**341**	433
Net foreign exchange gains	**(173)**	(170)
Government grant income	**(1,360)**	-

During the year, the Group received government grants in response to the global COVID-19 pandemic. The Group has elected to deduct the grant income from the associated expenses. The grant income is included within administrative expenses, with £30,000 relating to business rates support, while the remainder relates to support in respect of payroll costs of the Group's employees. The Group does not have any unfulfilled obligations or other contingencies relating to the support schemes.

9. Auditor's remuneration

During the year, the Group incurred the following costs for services provided by the Company's Auditor:

	2021 £'000	2020 £'000
Fees payable for audit services:		
Audit of the company annual financial statements	**37**	13
Audit of the company's subsidiaries	**159**	169
Total audit related fees	**196**	182
Fees payable for other services:		
Reporting accountant	**-**	292
Other services	**6**	41
Total non-audit fees	**6**	333
Total auditors' remuneration	**202**	515

10. Staff numbers and costs

The average number of persons employed by the Group during the year, including the Directors, amounted to:

	2021 Number	2020 Number
Production staff	**6**	9
Distribution staff	**49**	24
Administrative staff	**64**	51
Management staff	**44**	32
Sales and sales support staff	**165**	169
	328	285

The aggregate remuneration costs incurred during the year, and included within administration expenses, were:

	2020 £'000	2020 £'000
Staff costs:		
Wages and salaries	**14,511**	10,757
Social security costs	**1,642**	1,198
Other pension costs (note 32)	**586**	463
Share-based payments expense (note 36)	**338**	56
	17,077	12,474

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

	2021 £'000	2020 £'000
Directors' emoluments:		
Remuneration	**1,081**	1,248
Pension contributions	**21**	42
	1,102	1,290

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

	2021 Number	2020 Number
Defined contribution pension plans	**1**	1

Remuneration of the highest paid Director in respect of qualifying services was:

	2021 £'000	2020 £'000
Remuneration	**636**	463
Pension contributions	**-**	-
	636	463

Full details of Directors' remuneration is included within the Report of the Remuneration Committee on pages 39 to 45.

11. Finance income

	2021 £'000	2020 £'000
Interest on cash and cash equivalents	**13**	70
Gain on fair value adjustment of financial liabilities at fair value through profit or loss	**-**	1
	13	71

12. Finance expense

	2021 £'000	2020 £'000
Interest on bank loans and overdrafts	**360**	1,013
Interest on lease liabilities	**354**	280
Interest payable on loan notes	**-**	977
Interest payable on deferred consideration	**-**	13
Unwinding of discount on contingent consideration	**127**	227
Other interest payable	**4**	17
	845	2,527

13. Fair value gains and losses

	2021 £'000	2020 £'000
Gain/ (loss) on re-measurement of contingent consideration (notes 21 & 33)	**360**	(45)

14. Other items

In order to assist with the understanding of the Group's performance, items that management consider to not be directly attributable to the Group's underlying trade are presented separately, on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income. This presentation has been adopted for the first time in the current year and thus the prior year figures have been re-presented on a comparable basis. No changes have been made to the individual line item totals reported in the prior year.

Other items represent those costs that are considered non-operational in nature and are as follows:

	2021 £'000	2020 £'000
Acquisition costs	**(105)**	-
Share based payment expense	**(338)**	(56)
Total administrative expenses	**(443)**	(56)
Amortisation of intangible assets (note 19)	**(3,619)**	(3,059)
Impairment of goodwill (note 19)	**-**	(16)
Total depreciation and amortisation	**(3,619)**	(3,075)
Interest payable on loan notes (note 12)	**-**	(977)
Interest payable on deferred consideration (note 12)	**-**	(13)
Unwinding of discount on contingent consideration (note 12)	**(127)**	(227)
Total finance expense	**(127)**	(1,217)
Share of post-tax loss of equity accounted associates (note 22)	**(6)**	(32)
Fair value gains/ (losses) (note 13)	**360**	(45)
Exceptional income	**-**	2,000
Exceptional expenses	**-**	(2,407)
Total other items before tax	**(3,835)**	(4,832)
Tax on other items	**687**	12
Total other items after tax	**(3,148)**	(4,820)

Acquisition costs comprise of transaction costs of £22,000, in relation to stamp duty, plus a further £83,000 in respect of legal and professional fees directly associated with the acquisitions in the year. Acquisition costs in the prior year were included within the exceptional expenses line (below).

The share-based payment expense represents the share-based payment charge for the year, including associated accrued employer taxes.

Exceptional items were included in the prior year, in respect of those costs that the Group considered to be significant, one-off items that are not incurred as part of the Group's normal operations.

	2021 £'000	2020 £'000
Exceptional income		
Insurance proceeds in respect of keyman policies	-	2,000
Total exceptional income	-	2,000

The exceptional income in the prior year relates to a recovery under keyman insurance policies, following a medical diagnosis, in connection with a member of key management.

	2021 £'000	2020 £'000
Exceptional expenses		
IPO costs	-	(522)
Re-financing costs	-	(585)
Acquisition costs	-	(425)
Impairment of investments in associates (note 22)	-	(875)
Total exceptional expenses	-	(2,407)

During the prior year, the Company completed an initial public offering (IPO). Exceptional legal and professional fees of £522,000 are included within the 2020 profit or loss in connection with the IPO. Transactions costs of £2,501,000, directly attributable to the issue of shares, were included as a reduction in the share premium account.

The Group also undertook a re-financing exercise in the prior year, incurring exceptional costs of £585,000 in respect of the release of loan arrangement fees, following repayment of the previous term loan on listing, and legal fees associated with the re-financing.

During the prior year, the Group acquired seven subsidiaries, incurring costs of £425,000. This comprised transaction costs on acquisition of £103,000, in relation to stamp duty, and £322,000 in respect of legal and professional fees directly associated with these acquisitions.

Further details regarding the impairment of investments in associates is disclosed in note 22.

The tax credit arising on the other items is presented on the same basis as the cost to which it relates.

15. Tax on profit

The major components of the income tax expense are:

	2021 £'000	2020 £'000
Current tax		
UK current tax expense	**2,851**	2,885
Adjustments in respect of prior periods	**(720)**	(618)
Total current tax	**2,131**	2,267
Deferred tax		
Origination and reversal of temporary differences	**(625)**	626
Total tax on profit	**1,506**	2,893

Reconciliation of tax expense

The standard rate of corporation tax in the UK is 19% (2020: 19%). The charge for the year can be reconciled, to the standard rate applied to the profit before tax, as follows:

	2021 £'000	2020 £'000
Profit on ordinary activities before taxation	**11,165**	12,184
Tax on profit on ordinary activities at standard rate	**2,121**	2,315
Adjustments to current tax charge in respect of prior periods	**(720)**	(618)
Adjustments to deferred tax charge in respect of prior periods	**35**	509
Effect of expenses not deductible for tax purposes	**50**	94
Effect of capital allowances and depreciation	**35**	26
Effect of changes in UK tax rates	**-**	549
Effect of utilisation of tax losses	**(15)**	2
Changes in unrecognised deferred tax assets	**-**	(1)
Other tax adjustments	**-**	17
Tax on profit	**1,506**	2,893

On 11 March 2021, the UK Government announced that the main rate of corporation tax in the United Kingdom would increase to 25%, with effect from April 2023. This change was not substantively enacted at the year end and thus there has been no impact on the tax liabilities at the reporting date. However, once this rate has been substantively enacted, deferred tax assets and liabilities, currently recognised at 19%, will be remeasured at 25%. This change is expected to result in an increase of £1,384,000 in the deferred tax liability recognised at 31 March 2022.

16. Dividends	2021 £'000	2020 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 March 2020 of 1.0850p per share (2020: for the year ended 31 March 2019 of nil p per share)	**2,500**	-
Interim dividend for the year ended 31 March 2021 of 0.8678p per share (2020: for the year ended 31 March 2020 of 0.8678 p per share)	**2,000**	2,000
Total dividends paid in the year	**4,500**	2,000

The Directors recommend that a final dividend for 2021 of 1.0850p (2020: 1.0850p) per ordinary share be paid.

The final dividend will be paid, subject to shareholders' approval at the Annual General Meeting, to shareholders on the register at the close of business on 27 August 2021. This dividend has not been included as a liability in these financial statements.

17. Earnings per share

Earnings per share (EPS) is calculated by dividing the profit for the year, attributable to ordinary equity holders of the parent, by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit for the year, attributable to ordinary equity holders, by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of basic and diluted earnings per share is based on the following data:

	2021			2020		
	Earnings £'000	Weighted average number of shares	Earnings per share (p)	Earnings £'000	Weighted average number of shares	Earnings per share (p)
Basic earnings per share	**9,665**	**230,458,821**	**4.19**	9,291	194,093,236	4.79
Effect of dilutive securities Employee share options	**-**	**629,983**	**-**	-	582,220	-
Diluted earnings per share	**9,665**	**231,088,804**	**4.18**	9,291	194,675,456	4.77

Based on the full number of shares in issue at the year end, and following the IPO in the prior year, the adjusted basic and diluted EPS would be as follows:

Adjusted basic earnings per share	**9,665**	**230,458,821**	**4.19**	9,291	230,458,821	4.03
Adjusted diluted earnings per share	**9,665**	**231,088,804**	**4.18**	9,291	231,041,041	4.02

Adjusted earnings per share and adjusted diluted earnings per share based on the adjusted profit attributable to the equity holders of the parent, as shown in the Adjusted column of the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Details of the Other items after tax, forming the difference between the statutory earnings above and adjusted earnings below, are outlined in note 14 of the financial statements.

	2021			2020		
	Earnings £'000	Weighted average number of shares	Earnings per share (p)	Earnings £'000	Weighted average number of shares	Earnings per share (p)
Adjusted basic earnings per share	**12,813**	**230,458,821**	**5.56**	14,111	194,093,236	7.27
Effect of dilutive securities Employee share options	**-**	**629,983**	**-**	-	582,220	-
Adjusted diluted earnings per share	**12,813**	**231,088,804**	**5.54**	14,111	194,675,456	7.25

18. Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 April 2019	3,025	336	242	466	4,069
Additions	398	299	67	187	951
Acquisition through business combinations	60	63	62	144	329
Disposals	-	(1)	-	(43)	(44)
At 31 March 2020	3,483	697	371	754	5,305
Additions	5,060	102	309	198	5,669
Acquisition through business combinations	-	4	9	-	13
Transferred from right of use assets	-	-	-	127	127
Disposals	-	(14)	-	(115)	(129)
At 31 March 2021	**8,543**	**789**	**689**	**964**	**10,985**
Depreciation					
At 1 April 2019	213	123	93	126	555
Charge for the year	247	141	81	126	595
On disposals	-	-	-	(18)	(18)
At 31 March 2020	460	264	174	234	1,132
Charge for the year	305	135	93	193	726
Transferred from right of use assets	-	-	-	60	60
On disposals	-	(4)	-	(55)	(59)
At 31 March 2021	**765**	**396**	**267**	**432**	**1,860**
Net book value					
At 31 March 2021	**7,778**	**393**	**422**	**532**	**9,125**
At 31 March 2020	3,023	433	197	520	4,173

The Company has no property, plant and equipment.

Included within land and buildings is freehold land amounting to £1,113,000 (2020: £348,000) which is not depreciated.

Property, plant and equipment with a carrying value of £7,920,000 (2020: £2,983,000) is pledged as security for the Group's bank loan.

19. Intangible assets

	Brands £'000	Customer & supplier relationships and other intangibles £'000	Goodwill £'000	Total £'000
Cost				
At 1 April 2019	5,351	20,801	43,388	69,540
Additions	-	-	-	-
Acquisition through business combinations	2,564	5,734	6,074	14,372
At 31 March 2020	7,915	26,535	49,462	83,912
Additions	-	-	-	-
Acquisition through business combinations	421	1,489	507	2,417
Disposals	-	-	-	-
At 31 March 2021	8,336	28,024	49,969	86,329
Amortisation and impairment				
At 1 April 2019	566	2,221	-	2,787
Charge for the year	639	2,420	-	3,059
Impairment	-	-	16	16
At 31 March 2020	1,205	4,641	16	5,862
Charge for the year	806	2,813	-	3,619
Impairment	-	-	-	-
On disposals	-	-	-	-
At 31 March 2021	**2,011**	**7,454**	**16**	**9,481**
Net book value				
At 31 March 2021	**6,325**	**20,570**	**49,953**	**76,848**
At 31 March 2020	6,710	21,894	49,446	78,050

The Company has no intangible assets.

Goodwill is reviewed annually for impairment. As outlined within the key sources of estimation uncertainty, in note 4 of the financial statements, the ongoing COVID-19 pandemic led to significant changes in the market in which the Group operates. This has given rise to an indication of potential impairment. As such, impairment reviews have also been carried out in respect of other intangible assets and other non financial assets, including property, plant and equipment and right of use assets.

Impairments of investments in associates are disclosed in note 22.

The carrying amount of goodwill and impairment losses by segment are as follows:

	Bricks and Building Materials £'000	Roofing Services £'000	Heating, Plumbing and Joinery £'000	Consolidated £'000
At 1 April 2019	18,399	12,299	12,690	43,388
Recognised on acquisitions	5,940	-	134	6,074
Impairment	(16)	-	-	(16)
At 31 March 2020	24,323	12,299	12,824	49,446
Recognised on acquisitions	388	-	119	507
Impairment	-	-	-	-
At 31 March 2021	**24,711**	**12,299**	**12,943**	**49,953**

Impairment losses regarding goodwill are included within the depreciation and amortisation expense in the Statement of Profit or Loss.

The carrying amount of goodwill is allocated to CGUs as follows:	2021 £'000	2020 £'000
Brick-ability trading group	**12,845**	12,845
PVH trading group	**16,399**	16,399
HHG trading group	**12,690**	12,690
Other CGUs	**8,019**	7,512
Total	**49,953**	49,446

The goodwill allocated to the Brick-ability trading group, PVH trading group and HHG trading group CGUs is considered significant in comparison with the Group's total carrying amount of goodwill. CGUs within the Other CGU category represent between 0.03% and 6.15% of the total goodwill and relate to the business operations of entities acquired during the current and previous years.

The Group estimates the recoverable amount of each CGU using a value in use model by projecting cash flows for the next three years together with a terminal value using a growth rate. The key assumptions underpinning the recoverable amounts of the CGUs tested for impairment are forecast revenues and EBITDA and the discount rate applied.

Revenue and EBITDA forecast in the impairment models are based on management's past experience and future expectations of performance. The projections also consider the ongoing impact of the COVID-19 pandemic, with assumptions for future trade supported by actual trends and performance during the pandemic. For each CGU, a growth rate of 2% (2020: 2%) is used to extrapolate cash flow projections beyond the three year period covered by the most recent forecasts. This rate does not exceed the average long-term growth rate for the relevant markets. The rates used to discount the forecast cash flows are 10.00% – 12.60% (2020: 10.00%) derived from the CGU's weighted average cost of capital (WACC).

The impairment loss of £nil (2020: £16,000) in the period relates to goodwill held in a subsidiary and is included within the Other CGU total above. This goodwill arose following incorporation of that subsidiary and acquisition of the business previously operating as a partnership. Given the age of the goodwill asset, management no longer considered that economic benefits generated by that subsidiary were attributable to this asset. Its carrying amount was therefore written down to £nil, based on its value in use.

The total recoverable amount in respect of goodwill arising on consolidation, other intangibles and other non-financial assets, as assessed by management using the above assumptions, is greater than the carrying amount. No further impairment loss has therefore been recorded, in either the current or previous year. The projections used in the impairment reviews have also been sensitised. Given the level of headroom, management currently consider that it is not reasonably possible for the assumptions to change so significantly as to eliminate the excess.

20. Subsidiaries

Company	2021 £'000	2020 £'000
Shares in group undertakings		
Cost and carrying value	**6,542**	6,542

20. Subsidiaries (continued)

At the reporting date, the Company had the following subsidiary undertakings, all of which are included in these consolidated financial statements:

Subsidiary	Country of operation and incorporation	Class of share held	Proportion of shares held 2021	Proportion of shares held 2020
Brickability Enterprises Holding Limited	England and Wales	Ordinary	100%	100%
Brickability Enterprises Investments Limited	England and Wales	Ordinary	100%	100%
Brickability UK Holdings Limited (1)	England and Wales	Ordinary	100%	100%
Brick-ability Ltd. (2)	England and Wales	Ordinary	100%	100%
Brick Services Limited (2)	England and Wales	Ordinary	100%	100%
The Matching Brick Company Limited (2)	England and Wales	Ordinary	100%	100%
Brick-Link Limited (2)	England and Wales	Ordinary	100%	100%
Plansure Building Products Limited (2)	England and Wales	Ordinary	100%	100%
P V H Holdings Limited (1)	England and Wales	Ordinary	100%	100%
Crest Brick Slate & Tile Limited (3)	England and Wales	Ordinary	100%	100%
Crest Roofing Limited (3)	England and Wales	Ordinary	100%	100%
Crown Roofing (Centres) Limited (5)	England and Wales	Ordinary	100%	100%
Excel Roofing Services Limited (5)	England and Wales	Ordinary	100%	100%
Hamilton Heating Group Limited (1)	England and Wales	Ordinary	100%	100%
Towelrads.com Limited (6)	England and Wales	Ordinary	100%	100%
Radiatorsonline.com Ltd (6)	England and Wales	Ordinary	100%	100%
Frazer Simpson Limited (1)	England and Wales	Ordinary	100%	100%
FSN Doors Limited (1)	England and Wales	Ordinary	100%	100%
DSH Flooring Limited (6)	England and Wales	Ordinary	100%	100%
CPG Building Supplies Limited (1)	England and Wales	Ordinary	100%	100%
Brickwise Ltd (1)	England and Wales	Ordinary	-	100%
The Bespoke Brick Company Limited (1)	England and Wales	Ordinary	100%	100%
The Brick Slip Business Limited (1)	England and Wales	Ordinary	100%	100%
Brickmongers (Wessex) Ltd (2)	England and Wales	Ordinary	100%	100%
LBT Brick & Facades Limited (2)	England and Wales	Ordinary	100%	100%
McCann Roofing Products Limited (4)	England and Wales	Ordinary	100%	100%
U Plastics Limited (1)	England and Wales	Ordinary	100%	100%
Bathroom Barn Limited (7)	England and Wales	Ordinary	100%	-
McCann Logistics Ltd (3)	England and Wales	Ordinary	100%	-
Forum Tiles Limited (8)	England and Wales	Ordinary	75%	-

(1) Wholly owned by Brickability Enterprises Investments Limited.
(2) Wholly owned by Brickability UK Holdings Limited.
(3) Wholly owned by P V H Holdings Limited.
(4) Wholly owned by Crest Brick Slate & Tile Limited.
(5) Wholly owned by Crest Roofing Limited.
(6) Wholly owned by Hamilton Heating Group Limited.
(7) Wholly owned by Towelrads.com Limited.
(8) 75% owned by Towelrads.com Limited.

Brickwise Ltd was a non-trading, dormant subsidiary that was dissolved via voluntary strike-off during the year.

Forum Tiles Limited was incorporated on 14 January 2021, with the Group owning 75% of the issued share capital. The non-controlling interest is not material to the Group and thus no further disclosure is included in respect of the profit or loss allocated to non-controlling interests.

By virtue of section 479A of the Companies Act 2006, the following subsidiaries are exempt from the requirements relating to the audit of individual accounts, with the ultimate parent company, Brickability Group plc, providing a guarantee for these companies under section 479C:

Subsidiary	Company number
Brickability Enterprises Holding Limited	10332050
Brickability Enterprises Investments Limited	10332505
Brickability UK Holdings Limited	07805178
P V H Holdings Limited	02484708
Hamilton Heating Group Limited	09921801
The Matching Brick Company Limited	02530773
Plansure Building Products Limited	06016447
CPG Building Supplies Limited	02937329

Subsidiary	Company number
The Brick Slip Business Limited	09707800
Brickmongers (Wessex) Ltd	06944174
Radiatorsonline.com Ltd	10757797
Frazer Simpson Limited	06838234
FSN Doors Limited	07304174
DSH Flooring Limited	08209834
McCann Logistics Ltd	01403830

The Directors believe that the likelihood of the guarantee being called upon is remote, based on the above subsidiaries either being intermediate parents within the Group, with primarily just Group debt balances, or considered low risk.

21. Business combinations

The Group acquired the entire share capital and 100% of the voting rights in the following companies during the year:

Company acquired	Acquisition date
Bathroom Barn Limited	30 November 2020
McCann Logistics Ltd*	4 December 2020

*Formerly McCann Limited

The fair value of the assets acquired and liabilities assumed on acquisition are as follows:

	Bathroom Barn Limited £'000	McCann Logistics Ltd £'000
Property plant and equipment	2	11
Right of use assets	-	287
Identifiable intangible assets	427	1,482
Inventory	309	16
Trade and other receivables	264	1,678
Cash and cash equivalents	1,499	775
Trade and other payables	(180)	(1,657)
Lease liabilities	-	(287)
Deferred tax	(81)	(320)
Total identifiable net assets	2,240	1,985
Goodwill	119	405
Total consideration	2,359	2,390
Satisfied by:		
Cash paid	1,323	1,225
Deferred cash consideration	805	276
Contingent consideration (note 33)	231	889
Total consideration	2,359	2,390

Included in the consolidated financial statements are the following amounts of revenue and profit in respect of the subsidiaries acquired:

	Bathroom Barn Limited £'000	McCann Logistics Ltd £'000
Revenue	361	2,312
Net profit	96	144

Had the current year business combinations taken place at the beginning of the financial year, the Group's revenue for the year would have been £185,840,000 (2020: £206,278,000) and Group profit would have been £10,006,000 (2020: £11,215,000).

21. Business combinations (continued)

Acquisition related costs, included in administrative expenses (note 14), amounted to £105,000, made up as follows:

	Bathroom Barn Limited £'000	McCann Logistics Ltd £'000
Acquisition costs	50	55

The Group acquired each of the above subsidiaries in order to expand its network within the UK and increase the range of products that can be offered to its customers.

Goodwill principally comprises the value of expected synergies arising from the acquisitions and the value of the assembled workforce.

None of the goodwill is expected to be deductible for tax purposes.

Contingent consideration

The Group has entered into contingent consideration arrangements during the purchase of several subsidiaries. Final amounts payable under these agreements are all subject to future performance and the acquired business achieving pre-determined EBITDA targets, over the three years following acquisition.

The fair value of all contingent consideration is based on a discounting cash flow model, applying a discount rate of between 1.7% and 4.9% to the expected future cash flows.

Summarised below are the fair values of the contingent consideration at both acquisition and reporting date, the potential undiscounted amount payable and the discount rates applied within the discounting cash flow models, for each acquisition where contingent consideration arrangements remain in place.

Company acquired	Discount rate	Fair value at acquisition £'000	Fair value at reporting date 2021 £'000	Fair value at reporting date 2020 £'000	Undiscounted amount payable 2021 £'000	Undiscounted amount payable 2020 £'000
The Bespoke Brick Company Limited	4.9%	-	-	-	-	-
Brickmongers (Wessex) Ltd	4.8%	138	-	143	-	155
CPG Building Supplies Limited	4.0%	(201)	-	-	-	-
U Plastics Limited	3.5%	2,208	2,270	2,214	2,400	2,400
Bathroom Barn Limited	1.7%	231	241	-	248	-
McCann Logistics Ltd	1.7%	889	931	-	958	-

The total potential undiscounted amount payable in respect of U Plastics ranges from £246,000 to £2,400,000 (2020: £nil to £2,400,000). It is not possible to determine a range of outcomes for the other companies acquired as the arrangements do not contain a maximum payable.

A sensitivity in respect of the inputs into the discounted cash flow model, determining the contingent consideration, is outlined in note 33.

22. Associates

At the reporting date, the Group had the following associated undertaking, which is included in the consolidated financial statements using the equity method:

Associate	Country of operation and incorporation	Class of share held	Proportion of shares held
Apex Brickcutters Limited	England and Wales	Ordinary	50%

Interest in associates	2021 £'000	2020 £'000
At 1 April	**352**	1,292
Dividends received from associates	**-**	(33)
Share of profit or loss	**(6)**	(32)
Disposals	**(125)**	-
Impairment of investments (note 14)	**-**	(875)
At 31 March	**221**	352

Aggregate information of associates that are not individually material	2021 £'000	2020 £'000
Group's share of profit or loss from continuing operations	**(6)**	(32)
Group's share of other comprehensive income	**-**	-
Group's share of total comprehensive income	**(6)**	(32)

During the year, the Group reduced its share in Financewell Limited to a level where the Group is no longer considered to have significant influence. The investment in associate has therefore been disposed of and the investment is now classified as an investment in a financial asset (see note 23).

Investments in associates are not attributed to the Group's reportable segments. Impairment losses in the prior year, in respect of investments in associates, are included within exceptional expenses within the Statement of Profit or Loss (note 14). No impairment loss has been recognised in the current year.

During the prior year, an impairment loss of £509,000 was recognised in relation to the investment in Financewell Limited, as the company was not trading profitably and further losses were anticipated. The investment was written down to its recoverable amount of £125,000, based on fair value less costs of disposal. Costs of disposal were expected to be minimal. The fair value was based on an agreement in principal to sell the investment. As the fair value was based on the price agreed in an active market, but not quoted, it was considered to be at level 2 of the fair value hierarchy.

During the year, an impairment loss of £nil (2020: £366,000) was recognised in relation to Apex Brickcutters Limited as the company had not been trading as profitably as it had been historically and the carrying value had included an element of goodwill. The investment in Apex Brickcutters Limited was written down to its recoverable amount of £227,000, based on its fair value less costs of disposal. The fair value was based on an amount equal to the Group's share of the net assets of the associate, based on its latest financial statements. As the associate is unquoted but its net asset value is observable, with its carrying value of assets and liabilities not expected to be subject to significant adjustments to reflect fair value, it is considered to be at level 2 of the fair value hierarchy.

23. Investments

Investments in equity instruments at fair value through other comprehensive income	2021 £'000	2020 £'000
Non-current		
At 1 April	**-**	-
Additions	**125**	-
Change in fair value recognised in OCI	**-**	-
At 31 March	**125**	-

During the year, a group re-organisation took place which resulted in the Group's 25% share in Financewell Limited being exchanged for a 12.5% share of Lendwell Holdings Limited, a new parent company of Financewell Limited.

The Group's investment is therefore no longer accounted for as an investment in associate, under the equity method, but classified as an investment, measured at fair value through other comprehensive income.

The equity investments are not held for trading and thus the Group has made an irrevocable election to classify the equity instruments at fair value through other comprehensive income as it is considered more appropriate for this nature of investment.

There has been no significant change in the fair value of the investment since recognition. The fair value is based on the Group's share of the net assets of the entity in which it has the investment, under a cost approach. The investment is in an unquoted entity but the fair value of the assets and liabilities are not expected to be significantly different to the carrying value. As the net asset value is observable, it is considered to be at level 2 of the fair value hierarchy.

24. Inventories

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Goods for resale	**12,127**	9,791	**-**	-

25. Trade and other receivables

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Current				
Trade receivables	**38,553**	33,696	**-**	-
Less allowance for expected credit loss	**(358)**	(592)	**-**	-
	38,195	33,104	**-**	-
Contract assets	**-**	37	**-**	-
Amounts owed by group undertakings	**-**	-	**75,482**	79,819
Prepayments and accrued income	**2,651**	1,911	**-**	-
Directors' loan accounts	**978**	978	**-**	-
Other receivables	**1,008**	530	**-**	-
	42,832	36,560	**75,482**	79,819
Non-current				
Trade receivables	**460**	391	**-**	-
Other receivables	**-**	-	**9,343**	9,343
	460	391	**9,343**	9,343
	43,292	36,951	**84,825**	89,162

Other receivables for the Company relate to loan notes receivable. The balance is due on the 10th anniversary of the loan note instrument and is receivable from 6 March 2028. Interest, accrued at 9.5% per annum up until IPO, is receivable when the loan notes are repaid.

Trade receivables are non-interest bearing. The allowance for credit losses has been determined by reference to past default experience and a review of specific customers' debts at the year end. The Group considers a financial asset to be in default when contractual payments are 90 days past due. However, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Trade receivables are written off when there is no reasonable expectation of recovering the amounts due, for example when a customer has entered liquidation.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments that have similar credit risk and loss patterns, for example by customer type, size or credit rating.

The provision matrix is initially based on the Group's historical observed default rates over the previous 2 years. The Group will then adjust the historical loss rate to take into account forward looking information, for example when forecast economic conditions, such as gross domestic product or unemployment rates, are expected to deteriorate. At each reporting date, the historical default rates are updated and forward looking estimates re-assessed.

The Group has primarily experienced an increase in the ECL rate among older debts due to some customers struggling amid the COVID-19 pandemic. The forward looking estimates applied have considered the ongoing impact of the pandemic and potential future risk of loss, given the significant impact the pandemic has had on the UK economy.

The Group maintains credit insurance for its main customers within the Bricks and Building Materials segment, which will mitigate some of this risk. Market recovery following the initial lock down period has also been considered. Details of the Group's credit exposure is included in note 33.

Set out below is the risk profile of trade receivables and contract assets based on the Group's provision matrix. Any reasonable change in rates applied would not result in a material adjustment to the expected credit loss recognised.

	Trade Receivables and Contract Assets Days past due					
31 March 2021	**Current £'000**	**< 30 days £'000**	**30-60 days £'000**	**61-90 days £'000**	**>91 days £'000**	**Total £'000**
Expected credit loss rate	**0.16%**	**0.27%**	**1.43%**	**9.2%**	**16.18%**	
Gross carrying amount	**24,823**	**10,370**	**1,888**	**718**	**1,214**	**39,013**
Expected credit loss	**40**	**28**	**27**	**66**	**197**	**358**

	Trade Receivables and Contract Assets Days past due					
31 March 2020	**Current £'000**	**< 30 days £'000**	**30-60 days £'000**	**61-90 days £'000**	**>91 days £'000**	**Total £'000**
Expected credit loss rate	0.19%	0.29%	9.31%	4.24%	15.69%	
Gross carrying amount	16,899	12,444	2,990	307	1,484	34,124
Expected credit loss	32	36	278	13	233	592

Movement in the allowance for expected credit losses	**2021 £'000**	2020 £'000
Balance at the beginning of the year	**592**	710
Impairment losses recognised	**341**	433
Amounts written off as uncollectable	**(575)**	(551)
	358	592

26. Cash and cash equivalents

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Cash and cash equivalents	**8,592**	27,269	**22**	-

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

27. Trade and other payables

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Current				
Trade payables	**27,481**	27,159	-	-
Amounts owed to group undertakings	**-**	-	**9,925**	120
Accruals and deferred income	**5,869**	3,289	**159**	46
Other taxation and social security	**3,388**	3,070	-	-
Deferred and contingent consideration	**1,372**	8,020	-	-
Other payables	**659**	374	-	-
	38,769	41,912	**10,084**	166
Non-current				
Deferred and contingent consideration	**3,153**	2,402	-	-
	41,922	44,314	**10,084**	166

Trade payables are non-interest bearing and principally comprise amounts outstanding for trade purchases and ongoing costs. The Group's policy is to pay all payables within its pre-agreed credit terms, which, for the majority of suppliers, is a period of 30 days. The Directors consider that the carrying amount of trade payables approximates to their fair value.

28. Loans and borrowings

	Group		Company	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Non-current				
Bank loans	**15,750**	24,912	**15,750**	24,912

The Directors consider that the carrying amount of loans and borrowings approximates to their fair value.

The bank loans are secured by a fixed charge over the Group's properties and floating charges over the remaining assets of the Group, including all property, investments and assets of the Company's subsidiary undertakings. A guarantee has also been provided by certain trading subsidiaries.

29. Leases

Group as lessee
Right of use assets

	Land and buildings £'000	Plant and vehicles £'000	Equipment £'000	Total £'000
Cost				
At 1 April 2019	2,135	406	100	2,641
Additions	3,364	563	43	3,970
Acquisition through business combinations	891	58	-	949
Disposals	(19)	(31)	-	(50)
At 31 March 2020	6,371	996	143	7,510
Additions	534	125	34	693
Acquisition through business combinations	287	1,765	4	2,056
Transferred to property, plant and equipment	-	(127)	-	(127)
Disposals	-	(122)	-	(122)
At 31 March 2021	**7,192**	**2,637**	**181**	**10,010**
Depreciation				
At 1 April 2019	326	124	18	468
Charge for the year	522	169	26	717
Depreciation on disposals	(19)	(31)	-	(50)
At 31 March 2020	829	262	44	1,135
Charge for the year	631	452	28	1,111
Transferred to property, plant and equipment	-	(60)	-	(60)
Depreciation on disposals	-	(121)	-	(121)
At 31 March 2021	**1,460**	**533**	**72**	**2,065**
Carrying value				
At 31 March 2021	**5,732**	**2,104**	**109**	**7,945**
At 31 March 2020	5,542	734	99	6,375

Lease liabilities

	Land and buildings £'000	Plant and vehicles £'000	Equipment £'000	Total £'000
At 1 April 2019	1,814	238	81	2,133
Additions	3,477	532	43	4,052
Acquisition through business combinations	926	58	-	984
Interest expense	257	19	4	280
Lease payments	(624)	(219)	(28)	(871)
At 31 March 2020	5,850	628	100	6,578
Additions	543	125	34	702
Acquisition through business combinations	287	1,765	4	2,056
Interest expense	296	52	6	354
Lease payments	(871)	(494)	(33)	(1,398)
Foreign exchange losses	-	1	-	1
At 31 March 2021	**6,105**	**2,077**	**111**	**8,293**

Maturity analysis

	2021 £'000	2020 £'000
Due within 1 year	**1,497**	776
Due between 1 and 5 years	**2,688**	2,034
Due after 5 years	**4,108**	3,768
	8,293	6,578

The undiscounted maturity analysis in respect of lease payments is disclosed in note 33.

Included within administration expenses within the Consolidated Statement of Profit or Loss is an amount of £117,000 (2020: £69,000) in respect of short-term leases and an amount of £6,000 (2020: £3,000) in respect of low value asset leases.

During the year, the Group received COVID-19 related rent concessions of £15,000, which is recognised as a credit within administrative expenses within the profit or loss.

The lease liabilities are secured over the assets to which they relate. The Group is not permitted to pledge these assets as security for any other borrowings or to sell them to another entity.

The Company does not have any right of use assets or lease liabilities.

Group as lessor

The Group does not have significant leasing activities acting as a lessor. Operating leases, in which the Group is the lessor relate to the sub-let of part of its freehold and leasehold property.

Rental income on operating leases recognised in the Statement of Profit or Loss is as follows:

	2021 £'000	2020 £'000
Rental income	**46**	9

29. Leases (continued)

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

Maturity analysis

	2020 £'000	2019 £'000
Due within 1 year	**119**	9
Due between 1 and 5 years	**351**	23
	470	32

The Company does not have any operating lease arrangements.

30. Provisions

Group

	Defect provisions £'000	Dilapidation provisions £'000	Total £'000
At 1 April 2019	1,962	13	1,975
Additions	77	-	77
Utilised in the year	-	(13)	(13)
Unused amounts reversed	(650)	-	(650)
At 31 March 2020	1,389	-	1,389
Additions	209	-	209
Utilised in the year	(62)	-	(62)
Unused amounts reversed	(289)	-	(289)
At 31 March 2021	**1,247**	**-**	**1,247**

The Company does not have any provisions.

Defect provisions

A 10 year warranty is offered in connection with roofing services. These warranties are offered in the normal course of business and are in line with industry standards. Provision is therefore recognised for expected defect claims on goods and services sold during the last 10 years. The provision is based on the estimated cost to rectify potential claims as a proportion of sales, applied to sales in the previous 10 years. The rectification cost is based on management's best estimate of the Group's liability under the warranties granted, based on past experience. The main uncertainty relates to estimating the value and number of claims expected to be made.

Management consider their estimate on a case by case basis, following a specific review of jobs carried out during the year. This is considered to be the most appropriate method for determining the provision due to the individual nature of the materials used in construction, the size and geography of the site and other external factors. The cost and number of historical claims forms the basis of the estimated costs that could potentially arise from future claims over the 10 year warranty period. The cost of any warranty claim is charged against the associated provision as those costs become payable. Once the 10 year warranty period has expired, any unutilised provision is released back to profit or loss. Due to the long-term nature of the liabilities and uncertainty surrounding the potential timing of the claims, the provision is inherently subjective. The potential impact of discounting is considered immaterial.

Dilapidation provisions

Provision was recognised for expected repairs on the Group's operating premises. Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The cost is now recognised as part of the right of use asset and is depreciated over the remaining term of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

31. Deferred tax

Group

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period:

	Accelerated tax depreciation £'000	Other temporary differences £'000	Total £'000
At 1 April 2019	662	(4,010)	(3,348)
Charged to profit or loss	(843)	217	(626)
Acquired through business combinations	(28)	(1,424)	(1,452)
At 31 March 2020	(209)	(5,217)	(5,426)
Charged to profit or loss	65	560	625
Acquired through business combinations	(1)	(401)	(402)
At 31 March 2021	**(145)**	**(5,058)**	**(5,203)**

Deferred tax assets and liabilities are presented in the Consolidated Balance Sheet as follows:

	2021 £'000	2020 £'000
Deferred tax assets	**98**	205
Deferred tax liabilities	**(5,301)**	(5,631)
	(5,203)	(5,426)

The Company has no deferred tax assets or liabilities.

At the reporting date, the Group had no unused tax losses (2020: £nil), available for offset against future profits, where deferred tax assets have not been provided.

32. Pensions

Defined contribution plans

The total expense recognised in profit or loss in relation to contributions payable under defined contribution pension plans is £586,000 (2020: £463,000).

At the reporting date, contributions of £ 75,000 (2020: £72,000) due in respect of the reporting period had not yet been paid over to the pension provider.

33. Financial instruments

The Group has the following financial assets and liabilities:

Financial assets	2021 £'000	2020 £'000
Financial assets measured at amortised cost		
Cash and cash equivalents	**8,592**	27,269
Trade and other receivables	**40,642**	35,040
Total financial assets	**49,234**	62,309

Financial liabilities	2021 £'000	2020 £'000
Financial liabilities measured at amortised cost		
Trade and other payables	**35,092**	38,887
Loans and borrowings	**15,750**	24,912
Lease liabilities	**8,293**	6,578
	59,135	70,377
Financial liabilities measured at fair value through profit or loss		
Contingent consideration	**3,442**	2,357
	3,442	2,357
Total financial liabilities	**62,577**	72,734

Fair values

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, loans and borrowings and lease liabilities.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables and trade and other payables approximates their fair value.

For details of the fair value of loans and borrowings, refer to note 28.

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis at 31 March 2021 and 31 March 2020 are shown below:

Financial instrument	Valuation technique	Significant Unobservable inputs	Range/ estimate	Sensitivity of the input to fair value
Contingent Consideration in a business combination (note 21)	Present value of future cash flows	Assumed probability -adjusted EBITDA of acquired entities.	**2021:** £1,142,000 – £3,852,000 **2020:** £1,231,000 – £3,750,000	The higher the adjusted EBITDA, the higher the fair value. If forecast EBITDA was 10% higher, while all other variables remained constant, the fair value of the overall contingent consideration liability would increase by £140,000. A 10% decrease in EBITDA would result in a decrease in the liability of £424,000. (2020: increase of £67,000 and decrease of £404,000)
		Discount rate	**2021:** 1.7% - 4.9% **2020:** 3.5% - 4.8%	The higher the discount rate, the lower the fair value. If the discount rate applied was 2% higher, while all other variables remained constant, the fair value of the overall contingent consideration liability would decrease by £110,000. A 2% decrease in the rate would result in an increase in the liability of £108,000. (2020: decrease of £103,000 and increase of £109,000)

Reconciliation of level 3 fair value measurements of financial instruments.

	Contingent consideration £'000
At 1 April 2019	(566)
Additions through business combinations	(2,345)
Finance expense charged to profit or loss	(28)
Settlement	627
Fair value losses recognised in profit or loss	(45)
At 31 March 2020	(2,357)
Additions through business combinations	(1,120)
Finance expense charged to profit or loss	(89)
Settlement	(236)
Fair value gains recognised in profit or loss	360
At 31 March 2021	**(3,442)**

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including cash flow, interest rate and currency risk), investment risk, liquidity risk and credit risk. Risk management is carried out by the directors. The Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade receivables and payables which arise directly from the Group's operations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows associated with an instrument will fluctuate due to changes in market interest rates. Interest bearing assets, including cash and cash equivalents, are considered to the short-term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and thus the Group does not incur interest on overdue balances. The Group's exposure to interest rate risk is therefore primarily in respect of its long-term floating rate borrowings.

In the prior year, the Group had a mix of fixed and floating rate borrowings and used an interest rate swap to manage interest rate risk volatility and hedge against interest exposure on future firm commitments. The fair values of the assets and liabilities held at fair value through profit or loss at the reporting date are determined using quoted prices. Where quoted prices are not available for derivatives, the fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates.

The Group also has the facility to offset cash and cash equivalents against its bank borrowings in order to minimise its interest charge.

Interest rate sensitivity analysis

The following table demonstrates the impact on the Group's profit before tax and equity based on the sensitivity of a reasonably possible change in interest rates on the Group's floating rate borrowings, with all other variables held constant. The analysis is prepared assuming the liability outstanding at the reporting date was outstanding for the whole year.

33. Financial instruments (continued)

	2021		2020	
	Change in rate	Effect on profit before tax £'000	Change in rate	Effect on profit before tax £'000
Sterling	+ 0.25%	(40)	+0.25%	(63)
	-0.25%	40	-0.25%	63

The change in interest rate is based on the observable market environment.

Foreign currency risk

The Group undertakes transactions denominated in foreign currencies and thus there is the risk of exposure to changes in foreign currency exchange rates. The Group enters into forward foreign exchange contracts in order to hedge against fluctuations in exchange rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Euro	928	132	4,370	2,190
USD	-	12	3	-
Total	928	144	4,373	2,190

Foreign currency sensitivity analysis

The Group is mainly exposed to the Euro currency.

The following table demonstrates the Group's sensitivity to a reasonably possible change in the Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities, including non-designated foreign currency derivatives. The impact on equity is due to changes in the fair value of forward contracts and changes as a result of translating outstanding foreign currency denominated monetary items at the revised exchange rates.

	2021		2020	
	Change in rate	Effect on profit and equity before tax £'000	Change in rate	Effect on profit and equity before tax £'000
Euro	+ 10%	313	+ 10%	187
	- 10%	(382)	- 10%	(229)
USD	+ 10%	-	+ 10%	(1)
	- 10%	-	- 10%	1

The change in exchange rate is based on management's assessment of the reasonably possible change in foreign exchange rates.

Liquidity risk

The Group manages liquidity risk by maintaining sufficient cash balances and reserves and by ensuring it has adequate banking and borrowing facilities available. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

Liquidity and inherent risk tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities, based on the undiscounted cash flows.

31 March 2021	< 1 year £'000	1 – 5 years £'000	> 5 years £'000	Total £'000
Non-derivative financial liabilities				
Trade and other payables	**35,384**	**3,323**	**-**	**38,707**
Lease liabilities	**1,737**	**3,856**	**5,532**	**11,125**
Bank loans	**-**	**15,900**	**-**	**15,900**
Total financial liabilities	**37,121**	**23,079**	**5,532**	**65,732**

31 March 2020	< 1 year £'000	1 – 5 years £'000	> 5 years £'000	Total £'000
Non-derivative financial liabilities				
Trade and other payables	39,023	2,515	-	41,538
Lease liabilities	1,078	2,933	4,936	8,947
Bank loans	-	25,000	-	25,000
Total financial liabilities	40,101	30,448	4,936	75,485

33. Financial instruments (continued)

Capital risk management

The capital structure of the Group consists of cash and cash equivalents, debt and equity. Equity comprises share capital, share premium, retained earnings and the merger reserve which is equal to the amount shown as 'Equity' in the Balance Sheet. Debt comprises loans and borrowings and lease liabilities.

The Group's objectives when maintaining capital are to:

- Safeguard the Group's ability to remain a going concern so that it can continue to pursue its growth plans;
- Provide a reasonable expectation of future returns to shareholders; and
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group is not subject to any externally imposed capital requirements.

The Board reviews the capital structure annually, considering the cost of capital and the risks associated with each class of capital.

The Group's gearing ratio at the reporting date is as follows:

	2021 £'000	2020 £'000
Debt	**24,043**	31,490
Cash and cash equivalents	**(8,592)**	(27,269)
Net debt	**15,451**	4,221
Equity	**85,434**	80,065
Net debt to equity ratio	**18%**	5%

Debt is defined as short and long-term loans and borrowings and lease liabilities as detailed in notes 28 and 29. Equity includes all capital and reserves.

Credit risk and impairment

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in a financial loss to the Group. In order to minimise the risk, the Group endeavours to only deal with companies which are demonstrably creditworthy. This, together with the aggregate financial exposure, is continuously monitored; Credit approval processes are in place for new customers and regular reviews of credit limits carried out. Credit insurance is also taken out where appropriate. Policies in place primarily cover customers within the Bricks and Building Materials segment.

The maximum exposure to credit risk is the carrying value of the Group's financial assets, including trade and other receivables and cash and cash equivalents. The Group does not consider that there is any concentration of risk within either trade or other receivables. The age of receivables is analysed and evaluated on a regular basis for potential credit losses, considering historic, current and forward-looking information. Details regarding the credit risk exposure on trade receivables is outlined in note 25.

Credit risk on cash and cash equivalents is considered to be very low as the counterparties are all substantial banks with high credit ratings.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

34. Share capital

	Group and Company			
	2021		2020	
	Number	**£'000**	Number	£'000
Issued and fully paid				
Ordinary shares of £0.01 each	**230,458,821**	**2,305**	230,458,821	2,305
	230,458,821	**2,305**	230,458,821	2,305

Any profits distributed shall be applied pari passu amongst the holders of the ordinary shares. In the event of a liquidation, the surplus assets shall be applied pari passu amongst the holders of the ordinary shares.

The Company has share option schemes under which options have been granted to certain employees to acquire ordinary shares. Further details are included in note 36.

35. Reserves

The share capital reserve represents the nominal value received for shares issued.

The share premium reserve represents the amount received, for shares issued, in excess of the nominal value, less transaction costs.

The capital redemption reserve represents the par value of shares purchased back by the Company and subsequently cancelled.

The share-based payment reserve represents the value of equity settled share-based payments provided to employees, including key management personnel, as part of their remuneration. See note 36.

The retained earnings reserve represents the total of all current and prior period retained profits and losses.

The merger reserve in the Consolidated Balance Sheet represents the difference between the carrying value of the assets and liabilities acquired and the value of consideration transferred on a previous group re-organisation. Within the Company Balance Sheet, it represents the merger relief arising on a share for share exchange in which the Company acquired a subsidiary.

36. Share-based payments

Equity settled share option plans

The Company operates a Company Share Option Plan (CSOP) and Long-term Incentive Plan (LTIP) for certain employees, including senior management and Directors.

Company Share Option Plan (CSOP)

Options are exercisable at a price equal to the market value per ordinary share at the grant date. Options have a vesting period of three years and a contractual life of ten years. Options are forfeited if the employee leaves employment before the options vest, unless considered a 'good leaver'.

Details of the share options outstanding during the year are as follows:

	2021		2020	
	Number of share options	**Weighted average exercise price £**	Number of share options	Weighted average exercise price £
Outstanding at 1 April	**3,635,422**	**0.41**	-	-
Granted during the year	**-**	**-**	3,681,311	0.41
Forfeited during the year	**(519,793)**	**0.41**	(45,889)	0.41
Outstanding at 31 March	**3,115,629**	**0.41**	3,635,422	0.41
Exercisable at 31 March	**106,203**	**0.41**	-	-

No share options were exercised during the year.

The options outstanding at the reporting date have an exercise price of £0.41 and a remaining contractual life of 8.33 years (2020 9.33 years).

The aggregate of the estimated fair value of the options granted during the year is £nil (2020: £257,692).

No options have been granted under the CSOP during the year. For options granted during the prior year, the fair value was determined using the binomial option pricing model. The inputs into this model are as follows:

	2021	2020
Weighted average share price	**-**	£0.41
Weighted average exercise price	**-**	£0.41
Expected volatility	**-**	23%
Option life	**-**	10 years
Expected dividend yield	**-**	2.6%
Risk free interest rate	**-**	0.34%
Sub-optimal exercise multiple	**-**	4.5x

The sub-optimal exercise multiple builds into the binomial option pricing model the assumption that once a vested option's intrinsic value reaches a certain multiple of the exercise price, the option-holder will choose to 'cash in' and exercise the option before it reaches the end of its contractual life.

Expected volatility was determined using the average volatility of listed companies in the Building Materials FTSE ICB Subsector weighted by market cap, as obtained from the LBS Risk Measurement Service's report for the relevant period.

Long Term Investment Plan (LTIP)

On 16 November 2020, the Group granted options under the LTIP scheme. The options are exercisable at the nominal price of £0.01 and have performance based vesting conditions dependent on total shareholder return (TSR) and adjusted EBITDA, with each award split equally between the two performance conditions. Vesting occurs on a straight-line basis on achieving 18% (equivalent to 6% per annum) to 30% (equivalent to 10% annually) of the relevant performance condition over the performance period (3 years ending 1 October 2023). There is no vesting if the relevant target is not met but a 50% vesting if the initial 18% hurdle is met with a proportionate additional vesting of up to 100% at the 30% threshold being met.

Options are forfeited if the employee leaves employment before the options vest, unless considered a 'good leaver'.

Details of the share options outstanding during the year are as follows:

	2021		2020	
	Number of share options	**Weighted average exercise price £**	Number of share options	Weighted average exercise price £
Outstanding at 1 April	**-**	**-**	-	-
Granted during the year	**5,621,074**	**0.01**	-	-
Lapsed during the year	**(260,870)**	**0.01**	-	-
Forfeited during the year	**(498,189)**	**0.01**	-	-
Outstanding at 31 March	**4,862,015**	**0.01**	-	-
Exercisable at 31 March	**-**	**-**	-	-

No share options were exercised during the year.

The options outstanding at the reporting date have an exercise price of £0.01 and a remaining contractual life of 9.63 years.

The aggregate of the estimated fair value of the options granted during the year is £2,315,000.

For options granted during the year, the fair value in connection with the TSR awards was determined using a Monte Carlo simulation model, while the fair value of the EBITDA awards was determined using a Black-Scholes model. The inputs into these models are as follows:

	2021	2020
Weighted average share price	**£0.53**	-
Weighted average exercise price	**£0.01**	-
Expected volatility	**25%**	-
Option life	**10 years**	-
Expected dividend yield	**3.5%**	-
Risk free interest rate	**0.39%**	-

37. Notes to the statement of cash flows

Changes in liabilities arising from financing activities

The table below outlines the changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes.

			Non-cash changes				
	1 April 2020 £'000	Financing cash flows (1) £'000	New leases £'000	Acquisition of subsidiaries £'000	Changes In fair value £'000	Other changes (2) £'000	31 March 2021 £'000
Bank borrowings (note 28)	24,912	(9,190)	-	-	-	28	15,750
Lease liabilities (note 29)	6,578	(1,398)	2,471	287	-	355	8,293
Deferred and contingent consideration	10,422	(7,883)	-	2,217	(360)	128	4,524
Total liabilities from financing activities	41,912	(18,471)	2,471	2,504	(360)	511	28,567

(1) The cash flows make up the net amount of proceeds and repayments of loans and borrowings in the cash flow statement.
(2) Other changes include interest and fee accruals and payments.

			Non-cash changes					
	1 April 2019 £'000	Financing cash flows (1) £'000	New leases £'000	Acquisition of subsidiaries £'000	Conversion to equity £'000	Changes In fair value £'000	Other changes (2) £'000	31 March 2020 £'000
Bank borrowings (note 28)	36,422	(12,055)	-	-	-	-	545	24,912
Loan notes	28,966	(14,562)	-	1,514	(11,845)	-	(4,073)	-
Lease liabilities (note 29)	2,133	(871)	5,036	-	-	-	280	6,578
Deferred and contingent consideration	8,449	(5,885)	-	8,266	-	(167)	(241)	10,422
Derivative financial instruments	106	(105)	-	-	-	(1)	-	-
Total liabilities from financing activities	76,076	(33,478)	5,036	9,780	(11,845)	(168)	(3,489)	41,912

(1) The cash flows make up the net amount of proceeds and repayments of loans and borrowings in the cash flow statement.
(2) Other changes include interest and fee accruals and payments.

Non cash changes in equity arising from financing activities

Shares issued in the prior year for consideration of £978,000 were funded by Directors' loans (note 38). The cash inflow of £43,923,000 as proceeds from the issue of ordinary shares is therefore £978,000 less than the total reported in the Consolidated and Company Statement of Changes in Equity, for the issue of paid shares, in the year ended 31 March 2020.

In addition to the conversion of loan notes into equity, amounting to £nil (2020: £11,845,000), fees of £nil (2020: £2,087,000), in connection with the IPO, were settled by the issue of shares in the Company. Total debt converted to equity was therefore £nil (2020: £13,932,000).

For the year ended 31 March 2020, the above mentioned fees of £2,087,000 and the £414,000 of share issue costs paid, form the total share issue costs of £2,501,000, as presented in the Consolidated and Company Statement of Changes in Equity.

38. Related party transactions

Group

Transactions and balances between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with Directors

Included within receivables are the following balances due from a Director and former Director:

	2021 £'000	2020 £'000
Directors' loan accounts	**978**	**978**

There has been no movement in the balance during the year.

In respect of Directors who had an overdrawn loan account during the year, the following transactions took place between the Directors and the Group:

	£'000
Opening balance	978
Amounts advanced	-
Amounts repaid	-
Closing balance	978

The amounts advanced were for the purpose of paying up the subscription price for ordinary D shares of £0.01 each, during the financial year ended 31 March 2020. The loans are unsecured and interest free and are repayable on the sale of any of the shares held in the Company by the Director and former Director. The balance has been repaid in full since the year end.

During the year, interest of £nil (2020: £317,000) was charged at a rate of 9.5% per annum, to profit or loss in respect of loan notes payable to Directors.

During the year, loan notes payable to Directors amounting to £nil (2020: £5,883,000) were exchanged for shares in the Company. Loan notes and accrued interest amounting to £nil (2020: £3,818,000) were paid to Directors.

Key management personnel	2021 £'000	2020 £'000
Key management personnel compensation		
Short-term employee benefits	**3,219**	2,033
Post-employment benefits	**75**	66
Share-based payment expense	**96**	2
	3,390	2,101

During the year, interest of £nil (2020: £279,000) was charged at a rate of 9.5% per annum, to profit or loss in respect of loan notes payable to key management personnel. Loan notes payable to key management personnel amounting to £nil (2020: £3,850,000) were exchanged for shares in the Company. Loan notes and accrued interest amounting to £nil (2020: £4,403,000) were paid to key management personnel.

Included within the deferred consideration liabilities is an amount of £nil (2020: £1,001,000) in respect of deferred consideration payable to key management personnel, in connection with acquisitions made by the Group on 6 March 2018. A finance expense of £16,000 (2020: £85,000) was recognised in respect of the unwinding of the discount applied to deferred consideration due to key management.

During the year, the Group made sales amounting to £13,000 (2020: £68,000) to members of key management. A balance of £7,000 (2020: £33,000) was included within trade receivables at the reporting date, in respect of these sales. The Group also purchased a motor vehicle from a member of key management personnel for £nil (2020: £35,000).

38. Related party transactions (continued)

Other related parties

Included within trade receivables/ payables are the following amounts due from/ to other related parties, at the reporting date:

	Amounts owed by related parties		Amounts owed to related parties	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Associates	**-**	120	**88**	44
Other related parties	**-**	-	**24**	-
	-	120	**112**	44

Transactions undertaken between the Group and its related parties during the year were as follows:

	Sales to related parties		Purchases from related parties	
	2021 £'000	2020 £'000	**2021 £'000**	2020 £'000
Associates	**1**	100	**474**	565
Other related parties	**1**	-	**199**	178
	2	100	**673**	743

Other related parties comprise of entities owned by Directors or key management. Purchases relate to rent and administrative expenses.

Interest of £nil (2020: £71,000) was accrued during the year in respect of loan notes due to a close relative of a Director, at a rate of 9.5% per annum. In the year, £nil (2020: £2,048,000) was paid to this close relative, in respect of these loan notes.

Included within the deferred consideration liability is an amount of £nil (2020: £1,363,000) in respect of deferred consideration payable to close relatives of key management, in connection with acquisitions made by the Group on 6 March 2018. A finance expense of £21,000 (2020: £116,000) was recognised in respect of the unwinding of the discount applied to deferred consideration due to these close relatives.

During the year, the Group was charged £nil (2020: £50,000), in respect of monitoring fees, by an entity in which members of that entity previously had significant influence over the Group.

Interest of £nil (2020: £211,000) was accrued during the year in respect of loan notes issued to an entity in which members of that entity previously had significant influence over the Group. The loan notes were secured with interest payable, at 9.5% per annum, on redemption. The loan notes were redeemable on 13 September 2026 but were settled during the prior year, with a total of £6,978,000 paid on settlement.

Company

In accordance with the exemption under FRS 101, transactions and balances with wholly owned Group members and key management personnel are not disclosed.

39. Post balance sheet events

On 20 May 2021, the Group purchased a property for £2,425,000.

On 7 June 2021, the Group granted 506,825 options under its LTIP scheme to a Director. The options were granted on the same terms as previous awards, as disclosed in note 36.

On 30 June 2021, the Group completed the acquisition of the entire share capital and 100% of the voting rights in Taylor Maxwell (2017) Limited, one of the UK's leading suppliers of timber and non-combustible cladding to the construction industry.

The acquisition was made in order to expand the Group's position in the UK market and further broaden the Group's product offering, whilst developing enhancement opportunities within the acquired business.

The book value of the separable assets acquired and liabilities assumed on acquisition are estimated as follows:

	£'000
Property plant and equipment	3,321
Inventory	6,538
Trade and other receivables	46,913
Trade and other payables	(47,797)
Deferred tax	(363)
Total identifiable net assets	**8,612**

Due to the timing of the acquisition, a detailed assessment of the fair value of the identifiable net assets, and value of any uncollectable contractual cash flows, has not yet been completed at the date of approving these financial statements.

The total consideration expected to be payable is:

	£'000
Cash	40,000
Issue of shares	10,000
Contingent consideration	13,000
Total consideration	**63,000**

The above consideration is subject to post completion adjustments and the initial cash consideration of £40 million is subject to a retention in respect of certain indemnities given under the share purchase agreement.

The £10 million consideration through the issue of shares has resulted in 9,900,990 new ordinary shares being issued.

The contingent consideration is subject to future performance of the acquired business, measured against agreed adjusted EBITDA targets, over the three years following acquisition. Due to the timing of the acquisition, the above value represents the undiscounted estimate of contingent consideration payable. The total potential undiscounted contingent consideration payable ranges from £nil to £13 million.

It is expected that goodwill will arise on the acquisition and this will primarily comprise the value of expected synergies arising from the acquisition and value of the assembled workforce. This goodwill is not expected to be deductible for tax purposes.

To fund the above acquisition and future bolt-on acquisitions, the Company has placed 57,894,737 new ordinary shares of £0.01 each, at an issue price of £0.95 per share with new and existing institutional investors, raising £55 million before fees and expenses. Shareholders involved in the management of businesses within the Group, including Directors, key management and persons connected with them, also sold 40 million existing ordinary shares, at the issue price of £0.95.

The above transactions have resulted in an increase of 67,795,727 ordinary shares, giving a total number of shares of 298,254,548 and a revised share capital balance of £2,983,000.

Total costs of £3,048,000 comprising stamp duty, legal and professional fees and transaction costs, directly attributable to the issue of new shares, are estimated to be incurred in connection with the acquisition. Of this total, share transaction costs of £2,280,000 are expected to be recognised as a reduction in the share premium account, while the remaining £768,000 will be recognised as an expense in profit or loss. Again, due to the timing of the acquisition, not all costs have been invoiced or finalised at the time of approving these financial statements.

The Company has also entered into an agreement to extend its borrowing facilities, increasing its facility limit from £30 million to £60 million. Arrangement fees and legal and professional fees associated with this re-financing are expected to amount to £325,000.

On 30 July 2021, the Group completed the acquisition of the entire share capital and 100% of the voting rights in Leadcraft Limited, a UK provider of energy efficient roofing solutions.

The acquisition was carried out to expand the Group's customer base and further enhance its offering of environmentally sustainable and efficient roofing products and services.

The book value of the separable assets acquired and liabilities assumed on acquisition are estimated as follows:

	£'000
Property plant and equipment	**123**
Inventory	**13**
Trade and other receivables	**681**
Trade and other payables	**(371)**
Deferred tax	**(18)**
Total identifiable net assets	**428**

Due to the timing of the acquisition, a detailed assessment of the fair value of the identifiable net assets, and value of any uncollectable contractual cash flows, has not yet been completed at the date of approving these financial statements.

The total consideration expected to be payable is:

	£'000
Cash	**3,300**
Deferred cash consideration	**1,320**
Contingent consideration	**390**
Total consideration	**5,010**

The above consideration is subject to post completion adjustments.

The contingent consideration is subject to future performance of the acquired business, measured against agreed adjusted EBITDA targets, over the three years following acquisition. Due to the timing of the acquisition, the above value represents the undiscounted estimate of contingent consideration payable. It is not possible to determine a range of outcomes for the contingent consideration payable as the arrangement does not contain a maximum payable.

It is expected that goodwill will arise on the acquisition and this will primarily comprise the value of expected synergies arising from the acquisition and value of the assembled workforce. This goodwill is not expected to be deductible for tax purposes.

Acquisition costs of £78,000, in relation to stamp duty and legal and professional fees, are estimated to be incurred in connection with this acquisition and will be recognised in profit or loss. Due to the timing of the acquisition, not all costs have been invoiced or finalised at the time of approving these financial statements.

Financial Statements

COMPANY INFORMATION

Board of Directors

Chairman
John Richards

Chief Executive Officer
Alan Simpson

Chief Financial Officer
Mike Gant

Non-executive Directors
Giles Beale
Cllive Norman
David Simpson

Company Secretary
Prism Cosec Limited

Registered office and number
c/o Brickability Limited
South Road
Bridgend Industrial Estate
Bridgend
United Kingdom
CF31 3XG

Registered number: 11123804

Auditor
BDO LLP
Bridgewater House
Finzels Reach
Counterslip
Bristol
BS1 6BX

Registrars
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors
Addleshaw Goddard LLP
Cornerstone
107 West Regent Street
Glasgow
G2 2BA

Nominated Adviser and Broker
Cenkos Securities plc
Tel: +44 (0) 20 7397 8900

Financial PR Advisers
Monfort Communications
Tel: +44 (0) 20 3770 7916

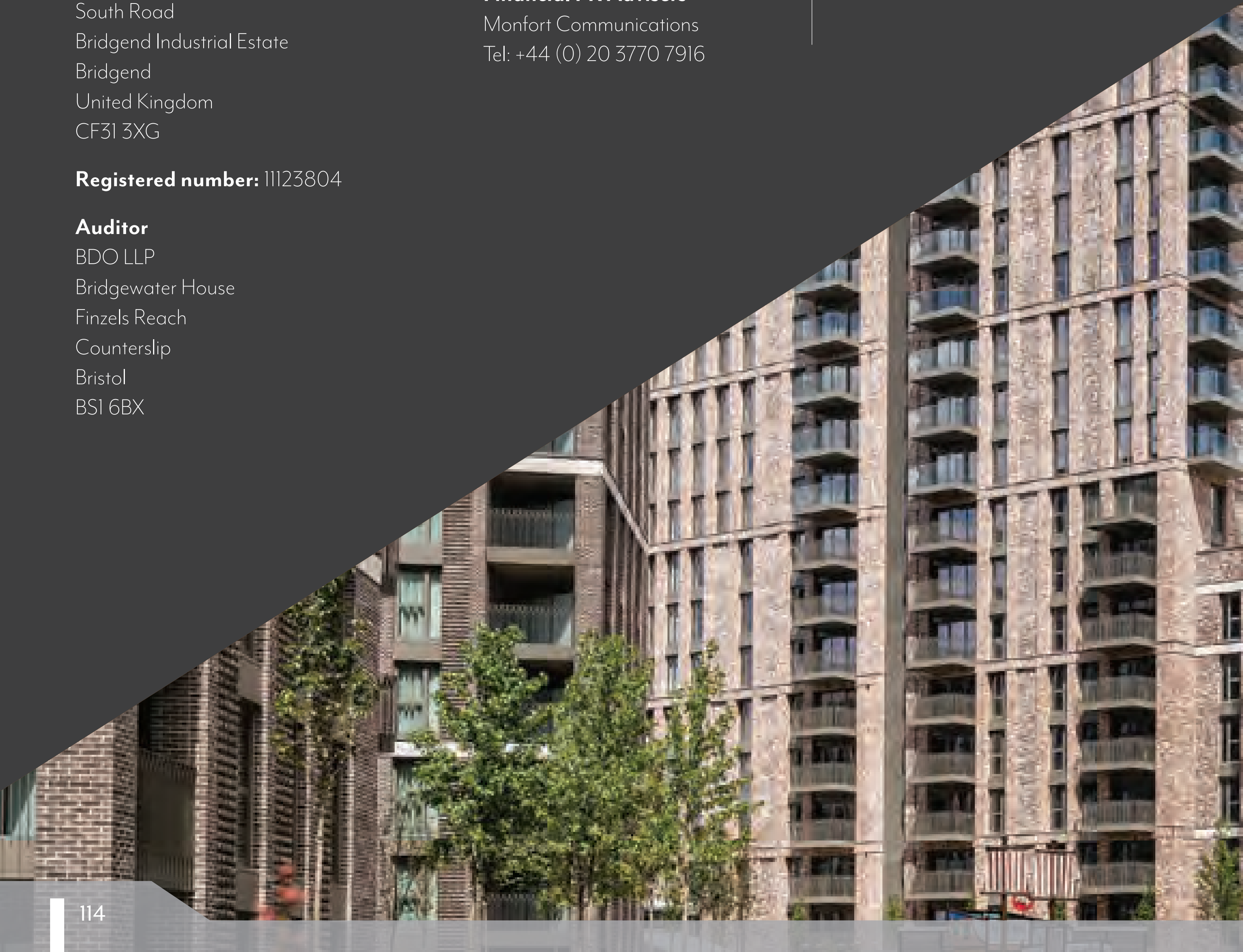
Financial Calendar

Annual General Meeting
7 September 2021

Interim Report
November 2021

Dividends
Final announced August 2021
Paid September 2021

Interim announced November 2021
Paid February 2022



Group plc Head Office

Brickability Group PLC
Queensgate House
Cookham Rd
Bracknell
Berkshire
RG12 1RB

Telephone

0870 143 3332

Email

investors@brickabilitygroupplc.com