

Registered Number:02962055

England and Wales

Righthouse Limited

Unaudited Financial Statements

For the year ended 31 May 2020

Righthouse Limited
Corporate Purpose
For the year ended 31 May 2020

Our purpose

At Crystal Doors, our purpose as a business is based on three pillars: people, planet and profit. We believe our future viability as a business depends not only on our financial performance but also on:

- our role in the local community, supply chain and wider society as a responsible organisation, and;
- our role in mitigating, and building resilience to, the climate and environmental emergency.

Our commitments to deliver on the above include:

As an employer

Crystal Doors' Wellbeing Fund offers staff who have been employed at Crystal Doors for longer than 12 months an annual one-off payment of up to £150 to put towards their own personal development and wellbeing.

As a community stakeholder

Every Crystal Doors employee, including our senior management team, is a Rochdale resident living within 3 miles of our factory. We set aside 2% of our annual turnover to support charitable activities, most of them local to Rochdale.

As a custodian of the environment

We are strongly committed to protecting the environment and continually improving our environmental performance, informed specifically by our industry-leading plan to achieve carbon neutrality by 2022. We are investing 10% of our turnover over a 5-year period to achieve this goal and taking a leading role in the business community to encourage wider action.

As a customer and supplier

We value a close working relationship with our key customers and suppliers. Informed by our 2022 carbon neutral plan, from 2021 we will begin an active engagement programme to encourage and support our end-to-end supply chain to reduce greenhouse gas emissions reductions and improve environmental resilience.

UN Sustainable Development Goals (SDGs)

The SDGs are an internationally recognised blueprint to ending poverty, protecting the planet and improving the lives and prospects of every individual in society. By utilising our resources to address the SDGs, Crystal Doors will deliver benefits for our business, our community and wider society. We will initially focus on 3 of the 17 SDGs where we feel we can have the biggest impact:

Climate-related Financial Disclosure

SDG 13: Take urgent action to combat climate change and its impact

By achieving carbon neutrality by 2022, we're doing our part to limit global warming and show that small businesses can make a big difference.

SDG 12: Ensure sustainable production and consumption

We're doing our part by finding and developing alternative materials that support the circular economy and are made of recycled content.

SDG 7: Ensure access to affordable, reliable, sustainable and modern energy

We're supporting the transition to sustainable energy by generating our own solar power, improving energy efficiency and adopting clean energy technologies.

Climate change impacts are beginning to play out globally and across industries. These impacts will magnify in years to come, becoming a significant factor in the relative performance of firms, industries and the availability of resources. For this reason, Crystal Doors has committed to implementing, as fully as practicable, the recommendations of the internationally recognised Taskforce on Climate-Related Financial Disclosures (TCFD). For more information, visit www.fsb-tcfid.org.

Governance

Richard Hagan, Managing Director and sole shareholder of Crystal Doors, has responsibility for climate-related issues and since 2015 has pursued energy efficiency and renewable energy investments, measures to reduce carbon emissions and efforts to move towards a circular economy. To ensure a balanced and informed decision-making process, Richard Hagan works closely with senior management and external professionals supporting the company's growth journey. In any significant decision over £500,000, all employees are engaged and a majority must be in acceptance of the financial commitment

Righthouse Limited
Corporate Purpose Continued
For the year ended 31 May 2020

Strategy

The direct and indirect impacts of climate change have the potential to impact our business in the short (<2 years), medium (2-5 years) and long-term (5-10 years). This includes both 'physical' risks of climate change and 'transition' risks associated with the shift to a lower carbon economy. While many of these risks are not currently impacting business growth, they will continue to be monitored, evaluated and mitigated.

Type	Risk	What we are doing to manage the risk
Transition	<p>Policy and legal Legislative and regulatory pressure to reduce greenhouse gas emissions in the UK and overseas is very likely to increase over the next decade. Expected impacts include rising energy, materials, waste and transport fuel costs and increasing environmental compliance requirements.</p>	<p>Crystal Doors' strategy is to exceed environmental regulations wherever possible. Our commitment to reach carbon neutrality by 2022 puts us years ahead of UK climate policy. We have had zero waste to landfill status since 2015. To reduce our reliance on energy from the grid, we have invested over £1.5 million to date in energy efficiency and renewable energy projects. As of 2020, our property is EPC A+ rated and our electricity consumption is 75% lower than it would have been had we made no improvements over the last 6 years. In 2020 we will produce 3x more energy on-site than we import from the grid. Our heating is entirely off-grid thanks to a 980kW biomass burner installed in 2015. To mitigate rising fuel costs, we currently have one electric car and plan to electrify more of our fleet over the next few years. We are conducting R&D projects and working with suppliers to identify/develop lower environmental impact materials to minimise impacts of future regulations on the materials we use.</p>
	<p>Market As society adapts and reacts to the climate and environmental emergency, consumer behaviour will shift towards lower impact goods and services. Increasing demand for electricity due to the electrification of heating and transport will increase electricity prices. Natural resource depletion is expected to reduce availability and increase the cost of raw materials. The amount of natural resources consumed globally has quadrupled in the last 50 years, but less than 9% is being reused.</p>	<p>Crystal Doors holds FSC (Forest Stewardship Council) Chain of Custody Certification to ensure that all timber we purchase is sourced from well-managed forests. We stock product that has been produced under the Programme for the Endorsement of Certification schemes (PEFC) and the American Sustainable Forestry Initiative (SFI). We are taking action to lower the impact of our product portfolio by conducting R&D projects and working with suppliers to identify/develop sustainable, recycled and recyclable materials that support the circular economy. We have invested over £1.5 million to date in on-site energy efficiency and renewable energy projects to minimise our reliance on imported energy and increase resilience to rising energy costs. Our energy efficiency and renewable energy investments minimise the embedded carbon in our products, and the significant energy savings we enjoy also help to offset the cost of using more sustainable materials.</p>
	<p>Corporate reputation Shifting public sentiment about climate change risks damage to brand value in the case of poor environmental performance, increased customer pressure down-stream in the supply chain and increased concern amongst stakeholders, including existing and prospective employees.</p>	<p>Crystal Doors is committed to being an exemplar in corporate responsibility. In 2020 we declared a Climate Emergency and began aligning our business strategy with the UN Sustainable Development Goals (SDGs). We have committed to achieving carbon neutrality by 2022, making us one of the most ambitious manufacturers of any size in the UK in terms of tackling climate change. To ensure this level of performance is replicated throughout our supply chain, from 2021 we will begin an active engagement programme with both suppliers and customers to encourage action on climate change. From 2022, if we deem a supplier or customer is failing to make progress, we will take the radical action of removing them from our supply chain.</p>
Physical	<p>Extreme weather – Local Climate change is expected to increase the frequency of extreme weather events around the globe. In the UK, this is likely to result in increased frequency of flooding. Although Crystal Doors' property has not</p>	<p>By supporting the employment of local residents, over 50% of Crystal Doors' employees have the ability to walk to work, reducing the risk of transport disruptions in the event of extreme weather. Our 245kW of solar panel system and self-supplied biomass heating ensures resilience against disruption to power lines. EPC rating B insulation in the property will help</p>

	been directly affected by flooding and is at low flood risk, the wider Rochdale area suffered significant flooding during the Boxing Day floods of 2015.	to ensure resilience against extreme hot or cold weather in future.
	Extreme weather – Global Globally, climate-related extreme weather and natural disasters have the potential to cause significant disruption to supply chains.	Our supply chain is continuously under review to ensure that we are partnering with companies that are able to demonstrate sustainability and environmental resilience. We were able to secure supply and continue operating during the COVID-19 pandemic, which has acted as a good stress-test for the resilience of our supply chain against natural disasters.

Risk management

To underpin the ongoing success of the company and ensure sustainability for the long-term, managing climate-related risk is part of the Managing Director's key responsibilities. MD Richard Hagan assesses best environmental practice on a monthly basis and seeks advice from a growing network of expert organisations and professionals to identify existing and emerging risks, their potential size and scope, and available solutions. This is integrated into wider risk management decisions and informs Crystal Doors' business investment strategy, which is investing 10% of company turnover over 5 years towards the goal of carbon neutrality by 2022. To manage and minimise the financial risk of these activities, we utilise a cashflow neutral or cashflow positive approach to large capital investments, using cost savings from energy efficiency and renewable energy measures to cover finance repayments.

Key metrics and targets

Crystal Doors uses a number of KPIs to measure and manage climate-related risks and opportunities, where possible in quantitative terms and verified by a third party.

Key KPIs:

Issue	Metric	Units	2018-19	2017-18
Greenhouse gas emissions	Scope 1 (direct) emissions	tonnes CO2e	72	66
	Scope 2 (indirect energy) emissions	tonnes CO2e	130	152
Resource use	Grid electricity consumption	kWh	460,643	432,402
	Diesel fuel consumption	litres	22,078	21,051
	Industrial wood waste	tonnes	246	241

Key targets:

Issue	Target	Status
Greenhouse gas emissions	Carbon neutral (scope 1,2,3) by 2022	On track (2022)
	Offset personal carbon footprint of each employee	On track (2020)
Energy	100% of heating from renewable heat source	Achieved (2015)
	100% LED lighting	Achieved (2020)
	Maximum solar power capacity on roof space	Achieved (2020)
	EPC rating A+	Achieved (2020)
	100% electricity from renewable sources	On track (2021)
Waste	Zero waste to landfill	Achieved (pre-2015)
	100% cardboard recycled	Achieved (2016)
	100% plastic recycled	Achieved (2016)
Other	All employees trained in carbon literacy	Achieved (2019)

For more information on our climate-related activities visit www.crystaldoors.co.uk/carbon-neutral.

Righthouse Limited
Statement of Financial Position
As at 31 May 2020

	Notes	2020 £	2019 £
Fixed assets			
Property, plant and equipment	2	399,069	612,130
		399,069	612,130
Current assets			
Inventories	3	117,309	161,737
Trade and other receivables	4	541,724	534,521
Cash and cash equivalents		74,208	8,170
		733,241	704,428
Trade and other payables: amounts falling due within one year	5	(477,318)	(536,030)
Net current assets		255,923	168,398
Total assets less current liabilities		654,992	780,528
Trade and other payables: amounts falling due after more than one year	6	(58,474)	(161,134)
Provisions for liabilities		(198)	(23,546)
Net assets		596,320	595,848
Capital and reserves			
Called up share capital		1,000	1,000
Retained earnings		595,319	594,847
Other reserves		1	1
Shareholders' funds		596,320	595,848

For the year ended 31 May 2020 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2020 in accordance with Section 476 of the Companies Act 2006

The director acknowledges his responsibilities for:
ensuring that the company keeps proper accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved and authorised for issue by the Board on 06 July 2020 and were signed by:

R S Hagan
Director

Righthouse Limited
Notes to the Financial Statements
For the year ended 31 May 2020

Statutory Information

Righthouse Limited is a private limited company, limited by shares, domiciled in England and Wales, registration number 02962055.

Registered address:

Unit 1,
Gorrells Way
Transpennine Trading Estate
Rochdale
OL11 2NX

The presentation currency is £ sterling.

1. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical costs convention as modified by the revaluation of certain assets.

Revenue recognition

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

Property, plant and equipment

Tangible fixed assets, other than freehold land, are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Improvements	10% Straight line
Plant and machinery	20% Straight line
Computer equipment	33% Straight line
Motor vehicles	25% Reducing balance
Fixtures and fittings	17% Straight line

Government grants

Government grants received are credited to deferred income. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants received towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Inventories

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Hire purchase and leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

Righthouse Limited
Notes to the Financial Statements Continued
For the year ended 31 May 2020

2. Property, plant and equipment

	Improvements	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment	Total
Cost or valuation	£	£	£	£	£	£
At 01 June 2019	254,164	2,542,788	140,708	129,769	130,140	3,197,569
Additions	12,400	84,813	-	-	-	97,213
At 31 May 2020	266,564	2,627,601	140,708	129,769	130,140	3,294,782
Provision for depreciation and impairment						
At 01 June 2019	125,207	2,106,647	100,970	123,662	128,953	2,585,439
Charge for year	26,656	269,699	9,934	3,148	837	310,274
At 31 May 2020	151,863	2,376,346	110,904	126,810	129,790	2,895,713
Net book value						
At 31 May 2020	114,701	251,255	29,804	2,959	350	399,069
At 31 May 2019	128,957	436,141	39,738	6,107	1,187	612,130

3. Inventories

	2020	2019
	£	£
Stocks	117,309	161,737

4. Trade and other receivables

	2020	2019
	£	£
Trade debtors	243,780	193,525
Amounts owed by group undertakings and participating interests	254,238	340,996
Other debtors	43,706	-
	541,724	534,521

5. Trade and other payables: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdraft	-	56,609
Trade creditors	200,176	189,050
Taxation and social security	58,810	70,146
Other creditors	218,332	220,225
	477,318	536,030

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Notes to the Financial Statements Continued
For the year ended 31 May 2020

6. Trade and other payables: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	58,474	161,134

7. Average number of persons employed

During the year the average number of employees was 31 (2019 : 24)