

**REGISTERED NUMBER: 05285429 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022  
FOR  
FALCO CONSTRUCTION LIMITED**

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FOR THE YEAR ENDED 31ST MARCH 2022**

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**FALCO CONSTRUCTION LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MARCH 2022**

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<b>DIRECTORS:</b>	Mr B Griffin Mr A Seyfi
<b>REGISTERED OFFICE:</b>	2 Mountside Stanmore Middlesex HA7 2DT
<b>REGISTERED NUMBER:</b>	05285429 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Christopher Andrews ACA
<b>AUDITORS:</b>	Mountsides Limited Chartered Accountants & Statutory Auditors 2 Mountside Stanmore Middlesex HA7 2DT

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31ST MARCH 2022**

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The directors present their strategic report for the year ended 31st March 2022.

**REVIEW OF BUSINESS**

The directors consider that the key financial performance indicators (KPIs) are those that communicate the financial performance and strength of the company as a whole to its members. These KPIs comprise turnover, operating profit and shareholders' funds.

The year ended 31st March 2022 continued to be a challenging year for the construction industry in general, as activity remained cautious due to the uncertainty of the UK economy following the Brexit referendum and UK withdrawal agreement from the EU. Austerity and political uncertainty have led to major delays in investment on infrastructure projects such as HS2 and Crossrail 2. As the company operates mainly in the utilities sector, it was not severely impacted by the general downturn, but nevertheless this did have some effect.

Turnover increased by 43.7% during the year, with gross margins falling from 19% to 15.3%. This was in line with the directors' expectations following the negotiation of a new five year contract. Operating profit increased due to the increased revenues and remained satisfactory at £1,474,344.

The company is exempt from the requirement to disclose details of non-financial key performance indicators as it is a medium sized company.

**OTHER PRINCIPAL RISKS AND UNCERTAINTIES**

The company's financial risk management objectives consist of identifying and monitoring those risks which have an adverse impact on the value of the company's financial assets and liabilities or on reported profitability and on the cash flows of the company.

The company's principal financial instruments comprise cash balances and various items such as trade debtors and trade and other creditors which arise directly from trading operations. The main purpose of these financial instruments is to provide finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks.

**LIQUIDITY RISK**

The company minimises its exposure to liquidity risk by managing cash generation by its operations with cash collection targets set. In this way the company ensures that sufficient funds are available for day to day operations and planned expansions.

**CREDIT RISK**

The principal credit risk arises from trade debtors. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis, based on a combination of payment history and third party references.

**FUTURE DEVELOPMENTS**

During the year under review the company reported a solid profitable performance due to the increase in activity. The directors continue to make every effort to source new construction contracts and control costs during these times of great uncertainty. In their opinion the company is well positioned to meet these challenges and continue to operate profitably.

**ON BEHALF OF THE BOARD:**

Mr B Griffin - Director

30th September 2022

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2022**

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The directors present their report with the financial statements of the company for the year ended 31st March 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of utility support services.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st March 2022.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2021 to the date of this report.

Mr B Griffin  
Mr A Scyfi

**OTHER MATTERS**

The Granard EOT acquired the business on 1st March 2021, and the company is funding the acquisition, with a view to encouraging more involvement and greater motivation among the company's workforce.

During the year, contributions of £nil (2021:4,400,000) were made to The Granard EOT from reserves.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

The director of the company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MARCH 2022**

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**AUDITORS**

The auditors, Mountsides Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

Mr B Griffin - Director

30th September 2022

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FALCO CONSTRUCTION LIMITED**

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### **Opinion**

We have audited the financial statements of Falco Construction Limited (the 'company') for the year ended 31st March 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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.

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 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FALCO CONSTRUCTION LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to but not limited to, Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- Reviewing the financial statements for compliance with the Companies Act 2006.
- Evaluating and challenging the reasonableness of accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FALCO CONSTRUCTION LIMITED**

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### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Andrews ACA (Senior Statutory Auditor)  
for and on behalf of Mountsides Limited  
Chartered Accountants  
& Statutory Auditors  
2 Mountside  
Stanmore  
Middlesex  
HA7 2DT

3rd October 2022

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2022

	Notes	31.3.22 £	31.3.21 £
<b>TURNOVER</b>		<b>16,574,914</b>	11,535,813
Cost of sales		<u>(14,034,113)</u>	<u>(9,342,994)</u>
<b>GROSS PROFIT</b>		<b>2,540,801</b>	2,192,819
Administrative expenses		<u>(1,069,257)</u>	<u>(1,208,966)</u>
		<b>1,471,544</b>	983,853
Other operating income		<u>2,800</u>	3,910
<b>OPERATING PROFIT</b>	5	<b>1,474,344</b>	987,763
Interest receivable and similar income		<u>259</u>	813
		<b>1,474,603</b>	988,576
Interest payable and similar expenses	6	<u>(3,245)</u>	<u>(4,574)</u>
<b>PROFIT BEFORE TAXATION</b>		<b>1,471,358</b>	984,002
Tax on profit	7	<u>(284,196)</u>	<u>(189,912)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,187,162</b>	794,090
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>			
<b>FOR THE YEAR</b>		<b>1,187,162</b>	794,090

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31ST MARCH 2022

	Notes	31.3.22 £	31.3.21 £
<b>FIXED ASSETS</b>			
Tangible assets	8	98,064	213,666
<b>CURRENT ASSETS</b>			
Debtors	9	3,928,071	2,851,765
Cash at bank and in hand		<u>2,548,409</u>	<u>1,355,958</u>
		6,476,480	4,207,723
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>(2,559,729)</u>	<u>(1,645,184)</u>
<b>NET CURRENT ASSETS</b>		<u>3,916,751</u>	<u>2,562,539</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,014,815	2,776,205
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	(56,080)	-
<b>PROVISIONS FOR LIABILITIES</b>	14	-	(4,632)
<b>NET ASSETS</b>		<u>3,958,735</u>	<u>2,771,573</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,000	1,000
Retained earnings		<u>3,957,735</u>	<u>2,770,573</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>3,958,735</u>	<u>2,771,573</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30th September 2022 and were signed on its behalf by:

Mr B Griffin - Director

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2022

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1st April 2020</b>	1,000	6,376,483	6,377,483
<b>Changes in equity</b>			
Profit for the year	-	794,090	794,090
Other comprehensive income	-	(4,400,000)	(4,400,000)
Total comprehensive income	-	(3,605,910)	(3,605,910)
<b>Balance at 31st March 2021</b>	<b>1,000</b>	<b>2,770,573</b>	<b>2,771,573</b>
<b>Changes in equity</b>			
Profit for the year	-	1,187,162	1,187,162
Total comprehensive income	-	1,187,162	1,187,162
Contributions to EOT	-	-	-
<b>Balance at 31st March 2022</b>	<b>1,000</b>	<b>3,957,735</b>	<b>3,958,735</b>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2022**

		31.3.22	31.3.21
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,365,979	1,446,562
Interest element of hire purchase payments paid		(3,245)	(4,574)
Contribution to EOT		-	(4,400,000)
Tax paid		(173,399)	(127,679)
Net cash from operating activities		<u>1,189,335</u>	<u>(3,085,691)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		-	(79,052)
Sale of tangible fixed assets		57,646	-
Interest received		259	813
Net cash from investing activities		<u>57,905</u>	<u>(78,239)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(50,561)	(56,597)
Amount introduced by directors		-	176,939
Amount withdrawn by directors		(4,228)	(84,804)
Net cash from financing activities		<u>(54,789)</u>	<u>35,538</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>1,192,451</u>	<u>(3,128,392)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	1,355,958	4,484,350
<b>Cash and cash equivalents at end of year</b>	2	<u>2,548,409</u>	<u>1,355,958</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2022

## 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.22	31.3.21
	£	£
Profit before taxation	1,471,358	984,002
Depreciation charges	101,794	118,432
(Profit)/loss on disposal of fixed assets	(43,837)	2
Finance costs	3,245	4,574
Finance income	(259)	(813)
	<u>1,532,301</u>	<u>1,106,197</u>
(Increase)/decrease in trade and other debtors	(1,075,936)	15,963
Increase in trade and other creditors	<u>909,614</u>	<u>324,402</u>
<b>Cash generated from operations</b>	<u><b>1,365,979</b></u>	<u><b>1,446,562</b></u>

## 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31st March 2022**

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>2,548,409</u>	<u>1,355,958</u>

**Year ended 31st March 2021**

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>1,355,958</u>	<u>4,484,350</u>

## 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>1,355,958</u>	<u>1,192,451</u>	<u>2,548,409</u>
	<u>1,355,958</u>	<u>1,192,451</u>	<u>2,548,409</u>
<b>Debt</b>			
Finance leases	<u>(67,086)</u>	<u>50,561</u>	<u>(16,525)</u>
	<u>(67,086)</u>	<u>50,561</u>	<u>(16,525)</u>
<b>Total</b>	<u><b>1,288,872</b></u>	<u><b>1,243,012</b></u>	<u><b>2,531,884</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2022**

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**1. STATUTORY INFORMATION**

Falco Construction Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention.

**TURNOVER**

Turnover represents amounts invoiced for the value of services supplied by the company, net of any discounts and Value Added Tax.

Turnover has also been recognised in respect of long term contracts, with the value of work completed, but unbilled at the balance sheet date being taken to turnover and the associated costs, where not invoiced at that date, being accrued for.

**TANGIBLE FIXED ASSETS**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- Over term of lease
Plant and machinery	- over 3-4 years
Motor vehicles	- over 3-4 years
Computer equipment	- 25% on reducing balance

**TAXATION**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**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.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

**3. ACCOUNTING POLICIES - continued**

**HIRE PURCHASE AND LEASING COMMITMENTS**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**GOVERNMENT GRANTS**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the income statement over the expected useful life of the assets. Grants towards revenue expenditure are released to the income statement as the related expenditure is incurred.

**4. EMPLOYEES AND DIRECTORS**

	31.3.22	31.3.21
	£	£
Wages and salaries	1,503,430	1,245,842
Social security costs	181,950	148,878
Other pension costs	113,017	104,757
	<u>1,798,397</u>	<u>1,499,477</u>

The average number of employees during the year was as follows:

	31.3.22	31.3.21
Project management and site operations	16	17
Office administration and management	17	15
	<u>33</u>	<u>32</u>
	31.3.22	31.3.21
	£	£
Directors' remuneration	135,325	128,280
Directors' pension contributions to money purchase schemes	<u>40,000</u>	<u>40,833</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022

## 5. OPERATING PROFIT

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

	31.3.22	31.3.21
	£	£
Hire of plant and machinery	653,669	588,484
Plant and machinery costs	94,616	84,192
Depreciation - owned assets	88,343	83,119
Depreciation - assets on hire purchase contracts	13,451	35,313
(Profit)/loss on disposal of fixed assets	(43,837)	2
Auditors' remuneration	10,000	7,500

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.22	31.3.21
	£	£
Hire purchase interest	3,245	4,574

## 7. TAXATION

## Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax	289,199	190,634
Deferred tax	(5,003)	(722)
Tax on profit	284,196	189,912

## RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.22	31.3.21
	£	£
Profit before tax	1,471,358	984,002
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	279,558	186,960
Effects of:		
Expenses not deductible for tax purposes	1,272	1,806
Timing differences	3,366	1,146
Total tax charge	284,196	189,912

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022

## 8. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1st April 2021	154,800	203,129	292,385	8,077	658,391
Disposals	-	(28,135)	(94,218)	(314)	(122,667)
At 31st March 2022	<u>154,800</u>	<u>174,994</u>	<u>198,167</u>	<u>7,763</u>	<u>535,724</u>
<b>DEPRECIATION</b>					
At 1st April 2021	100,132	145,851	191,045	7,696	444,724
Charge for year	18,021	43,942	39,831	-	101,794
Eliminated on disposal	-	(28,132)	(80,726)	-	(108,858)
At 31st March 2022	<u>118,153</u>	<u>161,661</u>	<u>150,150</u>	<u>7,696</u>	<u>437,660</u>
<b>NET BOOK VALUE</b>					
At 31st March 2022	<u>36,647</u>	<u>13,333</u>	<u>48,017</u>	<u>67</u>	<u>98,064</u>
At 31st March 2021	<u>54,668</u>	<u>57,278</u>	<u>101,340</u>	<u>381</u>	<u>213,667</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 1st April 2021	25,000	77,235	102,235
Disposals	(25,000)	(39,998)	(64,998)
Transfer to ownership	-	(37,237)	(37,237)
At 31st March 2022	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEPRECIATION</b>			
At 1st April 2021	25,000	46,967	71,967
Charge for year	-	13,451	13,451
Eliminated on disposal	(25,000)	(26,506)	(51,506)
Transfer to ownership	-	(37,237)	(37,237)
At 31st March 2022	<u>-</u>	<u>(3,325)</u>	<u>(3,325)</u>
<b>NET BOOK VALUE</b>			
At 31st March 2022	<u>-</u>	<u>3,325</u>	<u>3,325</u>
At 31st March 2021	<u>-</u>	<u>30,268</u>	<u>30,268</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022

## 9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Trade debtors	114,337	763,454
Amounts recoverable on long term contracts	3,292,371	1,736,710
Other debtors	219,319	164,423
Deferred tax asset	371	-
Prepayments	301,673	187,178
	<u>3,928,071</u>	<u>2,851,765</u>

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.22	31.3.21
	£	£
Hire purchase contracts (see note 12)	16,525	67,086
Trade creditors	1,195,189	908,128
Corporation Tax	308,214	192,414
Social security and other taxes	101,585	87,577
VAT	575,491	52,842
Other creditors	139,369	103,100
Directors' current accounts	91,704	95,932
Accrued expenses	131,652	138,105
	<u>2,559,729</u>	<u>1,645,184</u>

## 11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.22	31.3.21
	£	£
EOT Bonus Provision	<u>56,080</u>	<u>-</u>

## 12. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.3.22	31.3.21
	£	£
Gross obligations repayable:		
Within one year	<u>18,604</u>	<u>72,410</u>
Finance charges repayable:		
Within one year	<u>2,079</u>	<u>5,324</u>
Net obligations repayable:		
Within one year	<u>16,525</u>	<u>67,086</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2022

## 12. LEASING AGREEMENTS - continued

	Non-cancellable	operating leases
	31.3.22	31.3.21
	£	£
Within one year	74,000	74,000
Between one and five years	296,000	296,000
In more than five years	259,000	333,000
	<u>629,000</u>	<u>703,000</u>

## 13. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.22	31.3.21
	£	£
Hire purchase contracts	<u>16,525</u>	<u>67,086</u>

All liabilities under hire purchase contracts are secured upon the asset(s) to which the agreements relate.

## 14. PROVISIONS FOR LIABILITIES

	31.3.21
	£
Deferred tax	<u>4,632</u>
	<b>Deferred tax</b>
	£
Balance at 1st April 2021	4,632
Credit to Statement of Comprehensive Income during year	<u>(5,003)</u>
Balance at 31st March 2022	<u>(371)</u>

## 15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.22	31.3.21
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

## 16. RELATED PARTY DISCLOSURES

During the year, the company paid rent of £74,000 (2021:£65,500) to B & A Properties, a partnership owned jointly by the directors.

The directors are the key management personnel in the company. During the year a total of key management personnel compensation of £191,384 (2021:£183,684) was paid.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2022**

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**17. ULTIMATE CONTROLLING PARTY**

The controlling party is The Granard EOT.

The controlling party is The Granard Employee Ownership Trust.

The Granard EOT acquired the business on 1st March 2021, and the company is funding the acquisition, with a view to encouraging more involvement and greater motivation among the company's workforce.

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