

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021  
FOR  
ROCKSTONE SURFACING LIMITED**

Haines Watts  
Chartered Accountants & Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
Wiltshire  
SN1 3DU

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FOR THE YEAR ENDED 31 AUGUST 2021**

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**ROCKSTONE SURFACING LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**DIRECTORS:**

Mr S M Dziubinski  
Mrs L J Dziubinski

**SECRETARY:**

Mrs L J Dziubinski

**REGISTERED OFFICE:**

Central Trading Estate  
Signal Way  
Swindon  
Wiltshire  
SN3 1PD

**REGISTERED NUMBER:**

01933766 (England and Wales)

**AUDITORS:**

Haines Watts  
Chartered Accountants & Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
Wiltshire  
SN1 3DU

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2021**

The directors present their strategic report for the year ended 31 August 2021.

**REVIEW OF BUSINESS**

**Summary of year-end 31/08/2021**

An increase in turnover of £2m totalling £9.12m giving rise to a net profit of £0.53m; indicative of strong post-covid recovery. The company has maintained a strong presence servicing the (new) house building sector, accounting for up to 80% of total turnover. Having restored revenue to near pre-covid levels, the quality of work presented the next task to focus on.

The Company has formed a Quality Department for the first time in its history. A new Quality Management system has been put in place following collaboration with Global-QA Ltd, with Accreditation audits for ISO:9001 and National Highways Sector Scheme 16 booked for April 2022.

**2021/22 Outlook**

The Company will look to build on 2021's solid recovery; with plans for further organic growth to satisfy ever-increasing demand in the housing sector. With uncertainty still looming regarding the pandemic, and now stability in Eastern Europe, further (unprecedented) cost increases are expected across our raw material supply-chain. Given the ever-increasing volatility of bituminous products, The Company has re-organised the Purchasing Department with a view to procuring materials from a wider range of suppliers. In doing so places even more emphasis on the Quality Management System; providing traceable evidence from respective suppliers of all installed materials. The Management Team remains largely the same bar one departure earlier in the year, and all share enthusiasm and optimism for another successful year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Whilst well documented, the full impact of leaving the European Union remains to be felt within the construction industry and the company will continue to focus on business-critical elements that may be affected in the future:

Available labour: The company will continue to invest in the training and development of home-grown talent for manual and skilled roles within the workforce.

Legislative Change: Added personnel within technical and managerial positions will facilitate swift transition as the country migrates from previous EU-driven legislation.

**ON BEHALF OF THE BOARD:**

Mr S M Dziubinski - Director

27 May 2022

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2021**

The directors present their report with the financial statements of the company for the year ended 31 August 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the company is the provision of sub-contract civil engineering, macadam and resinous surfacing in the South of England and South Wales.

**DIVIDENDS**

Interim dividends per share were paid as follows:

896	- 31 March 2021
640	- 31 August 2021
<u>1536</u>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2021 will be £ 153,600 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2020 to the date of this report.

Mr S M Dziubinski

Mrs L J Dziubinski

**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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

Mr S M Dziubinski - Director

27 May 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ROCKSTONE SURFACING LIMITED**

**Opinion**

We have audited the financial statements of Rockstone Surfacing Limited (the 'company') for the year ended 31 August 2021 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, 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 31 August 2021 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.

**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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policies note.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROCKSTONE SURFACING LIMITED**

### **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.

### **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.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ROCKSTONE SURFACING LIMITED**

### **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:

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the design effectiveness of the controls in place to prevent and detect fraud;
- assessing the risk of management override including identifying and testing journal entries; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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  
ROCKSTONE SURFACING LIMITED**

**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.

Michael Lloyd FCCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants & Statutory Auditors  
Old Station House  
Station Approach  
Newport Street  
Swindon  
Wiltshire  
SN1 3DU

27 May 2022

**STATEMENT OF INCOME AND  
RETAINED EARNINGS  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
<b>TURNOVER</b>		9,122,384	7,109,327
Cost of sales		<u>7,627,718</u>	<u>6,398,157</u>
<b>GROSS PROFIT</b>		1,494,666	711,170
Administrative expenses		<u>1,050,472</u>	<u>1,583,418</u>
		444,194	(872,248)
Other operating income		<u>87,897</u>	<u>331,711</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	532,091	(540,537)
Interest receivable and similar income		<u>94</u>	<u>2,351</u>
		532,185	(538,186)
Interest payable and similar expenses	5	<u>-</u>	<u>40</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		532,185	(538,226)
Tax on profit/(loss)	6	<u>89,259</u>	<u>(81,542)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		442,926	(456,684)
Retained earnings at beginning of year		4,552,586	5,162,870
Dividends	7	(153,600)	(153,600)
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>4,841,912</u>	<u>4,552,586</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>FIXED ASSETS</b>					
Intangible assets	8		-		-
Tangible assets	9		793,128		890,070
Investment property	10		<u>1,970,500</u>		<u>1,855,147</u>
			2,763,628		2,745,217
<b>CURRENT ASSETS</b>					
Debtors	11	2,906,489		2,173,028	
Cash at bank and in hand		<u>1,125,146</u>		<u>920,967</u>	
		4,031,635		3,093,995	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,779,799</u>		<u>1,149,641</u>	
<b>NET CURRENT ASSETS</b>			<u>2,251,836</u>		<u>1,944,354</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,015,464		4,689,571
<b>PROVISIONS FOR LIABILITIES</b>	13		<u>173,452</u>		<u>136,885</u>
<b>NET ASSETS</b>			<u>4,842,012</u>		<u>4,552,686</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		100		100
Retained earnings	15		<u>4,841,912</u>		<u>4,552,586</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,842,012</u>		<u>4,552,686</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 May 2022 and were signed on its behalf by:

Mr S M Dziubinski - Director

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	546,524	443,248
Interest element of hire purchase or finance lease rental payments paid		-	(40)
Tax paid		-	(62,388)
Net cash from operating activities		<u>546,524</u>	<u>380,820</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(286,912)	(180,535)
Purchase of investment property		-	(312,292)
Sale of tangible fixed assets		99,500	-
Interest received		94	2,351
Net cash from investing activities		<u>(187,318)</u>	<u>(490,476)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		-	(3,056)
Amount withdrawn by directors		(1,427)	-
Equity dividends paid		(153,600)	(153,600)
Net cash from financing activities		<u>(155,027)</u>	<u>(156,656)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>204,179</u>	<u>(266,312)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	920,967	1,187,279
<b>Cash and cash equivalents at end of year</b>	2	<u>1,125,146</u>	<u>920,967</u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021

1. RECONCILIATION OF PROFIT/(LOSS) FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit/(loss) for the financial year	442,926	(456,684)
Depreciation charges	308,454	346,859
(Profit)/loss on disposal of fixed assets	(24,100)	4,863
Gain on revaluation of fixed assets	(115,353)	(16,255)
Finance costs	-	40
Finance income	(94)	(2,351)
Taxation	89,259	(81,542)
	<u>701,092</u>	<u>(205,070)</u>
(Increase)/decrease in trade and other debtors	(732,034)	1,610,436
Increase/(decrease) in trade and other creditors	577,466	(962,118)
<b>Cash generated from operations</b>	<u>546,524</u>	<u>443,248</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 31 August 2021**

	31/8/21	1/9/20
	£	£
Cash and cash equivalents	<u>1,125,146</u>	<u>920,967</u>

**Year ended 31 August 2020**

	31/8/20	1/9/19
	£	£
Cash and cash equivalents	920,967	1,225,829
Bank overdrafts	-	(38,550)
	<u>920,967</u>	<u>1,187,279</u>

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/20 £	Cash flow £	At 31/8/21 £
<b>Net cash</b>			
Cash at bank and in hand	920,967	204,179	1,125,146
	<u>920,967</u>	<u>204,179</u>	<u>1,125,146</u>
<b>Total</b>	<u>920,967</u>	<u>204,179</u>	<u>1,125,146</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**1. STATUTORY INFORMATION**

Rockstone Surfacing 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.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Going concern**

The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is that, given the measures that could be undertaken to mitigate the current adverse conditions and the current resources available, they can continue to adopt the going concern basis in preparing the annual report and accounts.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, is being amortised evenly over its estimated useful life of ten years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land Not depreciated

Freehold buildings 2% straight line basis

Plant and machinery 20% straight line basis

Motor Vehicles 20% straight line basis

Office Equipment 20% straight line basis

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

**Financial instruments**

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and are initially measured at transaction price.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 31 AUGUST 2021

2. ACCOUNTING POLICIES - continued

**Hire purchase and leasing commitments**

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.

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	2,334,049	2,570,119
Social security costs	260,308	268,825
Other pension costs	44,156	40,553
	<u>2,638,513</u>	<u>2,879,497</u>

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

	2021	2020
Production	43	44
Admin	11	11
Other	4	4
	<u>58</u>	<u>59</u>

	2021	2020
	£	£
Directors' remuneration	<u>19,058</u>	<u>27,986</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021	2020
	£	£
Hire of plant and machinery	450,466	300,784
Depreciation - owned assets	308,454	318,984
Profit on disposal of fixed assets	(24,100)	(5,212)
Goodwill amortisation	-	27,875
Auditor's remuneration	<u>9,075</u>	<u>7,500</u>

The total cost of other services provided by the auditors was £7,590 (2020: £5,038).

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Hire purchase	<u>-</u>	<u>40</u>

6. TAXATION

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	52,692	(81,542)
Deferred tax	<u>36,567</u>	<u>-</u>
Tax on profit/(loss)	<u>89,259</u>	<u>(81,542)</u>

UK corporation tax was charged at 19% in 2020.

**Reconciliation of total tax charge/(credit) included in profit and loss**

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

	2021	2020
	£	£
Profit/(loss) before tax	<u>532,185</u>	<u>(538,226)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	101,115	(102,263)
Effects of:		
Expenses not deductible for tax purposes	-	2,806
Income not taxable for tax purposes	(26,496)	(31,914)
Capital allowances in excess of depreciation	(8,496)	-
Depreciation in excess of capital allowances	-	45,975
Utilisation of tax losses	(13,431)	3,388
Reconciliation between accounting profit and tax expense (income)	-	466
Deferred tax movement	<u>36,567</u>	<u>-</u>
Total tax charge/(credit)	<u>89,259</u>	<u>(81,542)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021

7. DIVIDENDS

	2021 £	2020 £
Ordinary shares of 1 each		
Interim	<u>153,600</u>	<u>153,600</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 September 2020 and 31 August 2021	<u>300,000</u>
<b>AMORTISATION</b>	
At 1 September 2020 and 31 August 2021	<u>300,000</u>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<u>-</u>
At 31 August 2020	<u>-</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings and equipment £	Motor vehicles £	Other tangible assets £	Totals £
<b>COST</b>					
At 1 September 2020	309,151	142,346	974,775	2,286,590	3,712,862
Additions	-	-	-	286,912	286,912
Disposals	-	-	(185,719)	(409,200)	(594,919)
At 31 August 2021	<u>309,151</u>	<u>142,346</u>	<u>789,056</u>	<u>2,164,302</u>	<u>3,404,855</u>
<b>DEPRECIATION</b>					
At 1 September 2020	148,808	142,345	729,330	1,802,309	2,822,792
Charge for year	3,092	-	89,984	215,378	308,454
Eliminated on disposal	-	-	(185,319)	(334,200)	(519,519)
At 31 August 2021	<u>151,900</u>	<u>142,345</u>	<u>633,995</u>	<u>1,683,487</u>	<u>2,611,727</u>
<b>NET BOOK VALUE</b>					
At 31 August 2021	<u>157,251</u>	<u>1</u>	<u>155,061</u>	<u>480,815</u>	<u>793,128</u>
At 31 August 2020	<u>160,343</u>	<u>1</u>	<u>245,445</u>	<u>484,281</u>	<u>890,070</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021

10. INVESTMENT PROPERTY

	Total £
<b>FAIR VALUE</b>	
At 1 September 2020	1,855,147
Revaluations	115,353
At 31 August 2021	<u>1,970,500</u>
<b>NET BOOK VALUE</b>	
At 31 August 2021	<u>1,970,500</u>
At 31 August 2020	<u>1,855,147</u>

Fair value at 31 August 2021 is represented by:

	£
Valuation in 2021	115,353
Valuation in 2020	127,755
Valuation in 2019	92,500
Valuation in 2018	(55,105)
Cost	<u>1,689,997</u>
	<u>1,970,500</u>

Valuations are based on sales value in an open market. The properties were informally and independently valued.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	2,482,862	1,913,869
Other debtors	11,166	30,159
Directors' current account	7,383	5,956
Tax	71,965	71,965
VAT	241,578	131,063
Prepayments and accrued income	<u>91,535</u>	<u>20,016</u>
	<u>2,906,489</u>	<u>2,173,028</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	1,539,507	976,647
Tax	52,692	-
Social security and other taxes	72,081	66,051
Other creditors	36,534	34,526
Accruals and deferred income	78,985	72,417
	<u>1,779,799</u>	<u>1,149,641</u>

13. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	<u>173,452</u>	<u>136,885</u>
		Deferred tax
		£
Balance at 1 September 2020		136,885
Charge to Income Statement during year		36,567
Balance at 31 August 2021		<u>173,452</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
100	Ordinary	1	<u>100</u>	<u>100</u>

15. RESERVES

	Retained earnings
	£
At 1 September 2020	4,552,586
Profit for the year	442,926
Dividends	(153,600)
At 31 August 2021	<u>4,841,912</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2021

16. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 August 2021 and 31 August 2020:

	2021	2020
	£	£
<b>Mr S M Dziubinski and Mrs L J Dziubinski</b>		
Balance outstanding at start of year	5,956	5,956
Amounts advanced	1,427	153,600
Amounts repaid	-	(153,600)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>7,383</u>	<u>5,956</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.