

Registration number: 02312754

Gowlain Building Group Contractors Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2021

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Gowlain Building Group Contractors Limited

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Gowlain Building Group Contractors Limited

Company Information

Directors	Mr Terence Patrick Gannon
	Mr John Gannon
	Mr Terence Gannon
	Mr Charles Joseph McKenna
	Mr David Gannon
Registered office	City View House 1 Dorset Place Stratford London E15 1BZ
Auditors	McBrides Business Advisers Limited Chartered Accountants & Statutory Auditors Nexus House 2 Cray Road Sidcup Kent DA14 5DA

Gowlain Building Group Contractors Limited
Strategic Report for the Year Ended 31 March 2021

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

Principal activity

The principal activity of the company is building, planning and refurbishment contractors. The company also owns investment properties which generate rental income.

Fair review of the business

The results of the company for the year are set out on the profit and loss account on page 9 to the financial statements, and the directors report a loss before tax of £59,511 (2020: loss £20,935). The company recorded gross margins of 26.3% (2020: 35.3%). The turnover achieved in the year ended 31 March 2021 was £2,254,358 (2020: £2,562,513). Investment properties amounted to £7,699,629 (2020: £7,633,048).

The company continues to emphasise the importance of Health, Safety and Environmental issues in all its operations. The company strives to ensure that it operates to the highest level in these areas.

The company's key financial and other performance indicators during the year were as follows:

- (i) Profit for the period; and
- (ii) Net cashflow from operating activities.

Principal risks and uncertainties

Liquidity and cash flow risk

The company intends to focus on its core business of building, planning and refurbishment contractors and also to complete its development properties. Working capital requirements are regularly examined and reported to the directors. Cash balances are monitored on a weekly basis.

Covid-19

The Covid-19 outbreak poses a risk to all business. Currently, the impact on the entity is expected to be manageable.

Labour and materials

In order to optimise project cost efficiency, whilst retaining the flexibility to initiate work on new sites, the vast majority of work carried out is performed by subcontractors overseen by the management.

The company continues to work hard to develop relationships with its subcontractors and materials suppliers to mitigate the effect of price increases and materials and labour shortages.

Approved by the Board on 15/11/21 and signed on its behalf by:

Mr Terence Gannon
Director

Gowlain Building Group Contractors Limited

Directors' Report for the Year Ended 31 March 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors of the company

The directors who held office during the year were as follows:

Mr Terence Patrick Gannon

Mr John Gannon

Mr Terence Gannon

Mr Charles Joseph McKenna

Mr David Gannon

Financial instruments

The company's financial instruments comprise of basic financial instruments. The company does not undertake financial transactions which are speculative. Exposure to liquidity and credit risks arise in the normal course of the company's business. The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring it has sufficient liquid resources to meet the operating needs of the business.

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank overdrafts and loans.

All customers who wish to trade on credit terms are subject to credit verification procedures and trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

Future developments

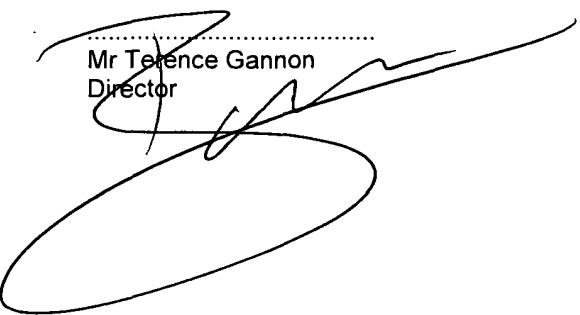
The company intends to focus on its core business of building, planning and refurbishment contractors and also to complete its development properties.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 18/11/21 and signed on its behalf by:

Mr Terence Gannon
Director



Gowlain Building Group Contractors Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report 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 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.

Gowlain Building Group Contractors Limited

Independent Auditor's Report to the Members of Gowlain Building Group Contractors Limited

Opinion

We have audited the financial statements of Gowlain Building Group Contractors Limited (the 'company') for the year ended 31 March 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 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 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Gowlain Building Group Contractors Limited

Independent Auditor's Report to the Members of Gowlain Building Group Contractors Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Gowlain Building Group Contractors Limited

Independent Auditor's Report to the Members of Gowlain Building Group Contractors Limited

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:

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include operating licence, compliance, environmental regulations and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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. This description forms part of our auditor's report.

Gowlain Building Group Contractors Limited

Independent Auditor's Report to the Members of Gowlain Building Group Contractors 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M.B. & B. Business Advisers Ltd

Andrew Warren (Senior Statutory Auditor)

For and on behalf of McBrides Business Advisers Limited, Statutory Auditors

Nexus House
2 Cray Road
Sidcup
Kent
DA14 5DA

Date: 18-11-2021

Gowlain Building Group Contractors Limited

Profit and Loss Account for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	2,254,358	2,562,513
Cost of sales		<u>(1,661,119)</u>	<u>(1,658,846)</u>
Gross profit		593,239	903,667
Administrative expenses		(1,005,960)	(1,155,298)
Other operating income	4	<u>403,725</u>	<u>378,835</u>
Operating (loss)/profit	7	<u>(8,996)</u>	<u>127,204</u>
Investment properties fair value adjustments		42,126	(42,126)
Interest payable and similar expenses	5	<u>(92,641)</u>	<u>(106,013)</u>
		<u>(50,515)</u>	<u>(148,139)</u>
Loss before tax		(59,511)	(20,935)
Taxation	10	<u>(8,004)</u>	<u>2,529</u>
Loss for the financial year		<u><u>(67,515)</u></u>	<u><u>(18,406)</u></u>

No Statement of Comprehensive Income has been presented as there is no movement through other comprehensive income in the year.

Gowlain Building Group Contractors Limited

(Registration number: 02312754)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	35,273	51,366
Investment property	12	<u>7,699,629</u>	<u>7,633,048</u>
		<u>7,734,902</u>	<u>7,684,414</u>
Current assets			
Stocks	13	471,634	1,111,066
Debtors	14	1,477,528	1,523,814
Cash at bank and in hand		<u>298</u>	<u>34</u>
		1,949,460	2,634,914
Creditors: Amounts falling due within one year	16	<u>(1,000,136)</u>	<u>(1,422,272)</u>
Net current assets		<u>949,324</u>	<u>1,212,642</u>
Total assets less current liabilities		8,684,226	8,897,056
Creditors: Amounts falling due after more than one year	16	(2,518,725)	(2,633,618)
Provisions for liabilities	20	<u>(700,958)</u>	<u>(692,954)</u>
Net assets		<u>5,464,543</u>	<u>5,570,484</u>
Capital and reserves			
Called up share capital	17	1,332	1,332
Profit and loss account	19	<u>5,463,211</u>	<u>5,569,152</u>
Total equity		<u>5,464,543</u>	<u>5,570,484</u>

Approved and authorised by the Board on 18/11/21 and signed on its behalf by:

Mr Terence Gannon
Director

Company registration number: 02312754

Gowlain Building Group Contractors Limited

Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	Profit and loss account £	Total £
At 1 April 2020	1,332	5,569,152	5,570,484
Loss for the year	-	(67,515)	(67,515)
Total comprehensive income	-	(67,515)	(67,515)
Dividends	-	(38,426)	(38,426)
At 31 March 2021	<u>1,332</u>	<u>5,463,211</u>	<u>5,464,543</u>

	Share capital £	Profit and loss account £	Total £
At 1 April 2019	1,332	5,625,984	5,627,316
Loss for the year	-	(18,406)	(18,406)
Total comprehensive income	-	(18,406)	(18,406)
Dividends	-	(38,426)	(38,426)
At 31 March 2020	<u>1,332</u>	<u>5,569,152</u>	<u>5,570,484</u>

The notes on pages 13 to 25 form an integral part of these financial statements.

Gowlain Building Group Contractors Limited

Statement of Cash Flows for the Year Ended 31 March 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the year		(67,515)	(18,406)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	7	14,886	18,883
Changes in fair value of investment property	12	(42,126)	42,126
(Profit)/loss on disposal of property plant and equipment		(1,452)	1,400
Finance costs	5	92,641	106,013
Corporation tax	10	8,004	(2,529)
		<u>4,438</u>	<u>147,487</u>
Working capital adjustments			
Decrease/(increase) in stock	13	639,432	(6,271)
Decrease in trade and other debtors	14	46,286	282,854
Decrease in trade and other creditors	16	<u>(50,332)</u>	<u>(188,130)</u>
Cash generated from operations		639,824	235,940
Corporation tax (paid)/received	10	<u>(200,907)</u>	<u>19,051</u>
Net cash flow from operating activities		<u>438,917</u>	<u>254,991</u>
Cash flows from investing activities			
Proceeds from sale of property plant and equipment		2,659	-
Investment property improvements		<u>(24,456)</u>	<u>(155,907)</u>
Net cash flows from investing activities		<u>(21,797)</u>	<u>(155,907)</u>
Cash flows from financing activities			
Interest paid	5	(92,641)	(106,013)
Repayment of bank borrowing		(17,049)	(127,070)
Payments to finance lease creditors		(20,324)	(19,252)
Dividends paid	22	<u>(38,426)</u>	<u>(38,426)</u>
Net cash flows from financing activities		<u>(168,440)</u>	<u>(290,761)</u>
Net increase/(decrease) in cash and cash equivalents		248,680	(191,677)
Cash and cash equivalents at 1 April		<u>(453,232)</u>	<u>(261,555)</u>
Cash and cash equivalents at 31 March	15	<u><u>(204,552)</u></u>	<u><u>(453,232)</u></u>

The notes on pages 13 to 25 form an integral part of these financial statements.

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The principal activity of the company is disclosed in the Strategic Report.

The address of its registered office and principal place of business is:

City View House
1 Dorset Place
Stratford
London
E15 1BZ

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards including Financial Reporting Standard 102 - 'The Financial Reporting standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The accounts have been prepared on the going concern basis as the directors believe the company will continue to trade into the foreseeable future.

The company continues to monitor the development of the Covid-19 outbreak and assess the potential exposure. Currently, the impact on the entity is expected to be manageable. Nonetheless, the company will continue to monitor the impact to customers and other key stakeholders and review business continuity plans as appropriate.

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historic experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Specifically, judgements and estimates are required in the valuation of investment properties, work in progress, recovery of debtors and the useful economic life of tangible and intangible assets.

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

Specifically, judgements and estimates are required in the valuation of investment properties, work in progress, recovery of debtors and the useful economic life of tangible and intangible assets.

Revenue recognition

The turnover shown in the profit and loss account represents amounts of services supplied by the company, net of Value Added Tax and trade discounts, together with amount due on stage of completion of long term contracts, and rental income from investment properties.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Defined contribution pension obligation

Contributions to defined contribution plans 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.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	33% reducing balance
Motor vehicles	25% reducing balance

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets are classified as financial assets at fair value through profit or loss, loans and debtors, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, trade and other creditors, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

Recognition and measurement

All financial instruments are recognised initially at fair value plus transaction costs. Thereafter financial instruments are stated at amortised cost using the effective interest rate method (less impairment where appropriate) unless the effect of discounting would be immaterial in which case they are stated at cost (less impairment where appropriate). The exception to this are those financial instruments where it is a requirement to continue recording them at fair value through profit and loss.

Impairment

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stocks, including development stock, are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distributions to the company's shareholders are recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Construction contracts	<u>2,254,358</u>	<u>2,562,513</u>

The analysis of the company's turnover for the year by market is as follows:

	2021	2020
	£	£
United Kingdom	<u>2,254,358</u>	<u>2,562,513</u>

4 Other operating income

• The analysis of the company's other operating income for the year is as follows:

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

	2021 £	2020 £
Government grants	21,440	-
Rental income	379,895	378,835
Other operating income	2,390	-
	<u>403,725</u>	<u>378,835</u>

5 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	<u>92,641</u>	<u>106,013</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	535,430	650,202
Social security costs	50,861	58,936
Pension costs, defined contribution scheme	9,079	22,123
Other employee expense	9,112	19,431
	<u>604,482</u>	<u>750,692</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	7	12
Building and refurbishment	8	9
	<u>15</u>	<u>21</u>

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

7 Operating (loss)/profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation	14,886	18,883
Operating lease expense - property	18,336	81,514
(Profit)/loss on disposal of property, plant and equipment	<u>(1,452)</u>	<u>1,400</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	157,658	102,807
Contributions paid to money purchase schemes	<u>1,313</u>	<u>2,194</u>
	<u>158,971</u>	<u>105,001</u>

During the year the number of directors who accrued benefits under company pension plans was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

9 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>15,000</u>	<u>15,000</u>

10 Taxation

Tax charged/(credited) in the profit and loss account

	2021 £	2020 £
Current taxation		
UK corporation tax	-	5,475
Deferred taxation		
Arising from origination and reversal of timing differences	<u>8,004</u>	<u>(8,004)</u>
Tax expense/(receipt) in the profit and loss account	<u>8,004</u>	<u>(2,529)</u>

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020- 19%).

The differences are reconciled below:

	2021 £	2020 £
Loss before tax	<u>(59,511)</u>	<u>(20,935)</u>
Corporation tax at standard rate	(11,307)	(3,978)
Effect of revenues exempt from taxation	(276)	-
Effect of expense not deductible in determining taxable profit (tax loss)	28,309	-
Deferred tax expense from unrecognised temporary difference from a prior period	8,004	-
Tax increase from effect of capital allowances and depreciation	868	1,449
Tax decrease from effect of unrelieved tax losses carried forward	<u>(17,594)</u>	<u>-</u>
Total tax charge/(credit)	<u>8,004</u>	<u>(2,529)</u>

Deferred tax

Deferred tax assets and liabilities

	Liability £
2021	
Fair value gains on revaluation of investment properties	<u>700,958</u>
2020	
Fair value gains on revaluation of investment properties	<u>692,954</u>

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

11 Tangible assets

	Motor vehicles £	Other tangible assets £	Total £
Cost			
At 1 April 2020	275,945	90,806	366,751
Disposals	(21,432)	-	(21,432)
At 31 March 2021	254,513	90,806	345,319
Depreciation			
At 1 April 2020	226,812	88,573	315,385
Charge for the year	14,108	778	14,886
Eliminated on disposal	(20,225)	-	(20,225)
At 31 March 2021	220,695	89,351	310,046
Carrying amount			
At 31 March 2021	33,818	1,455	35,273
At 31 March 2020	49,133	2,233	51,366

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2021 £	2020 £
Motor vehicles	36,703	50,145

12 Investment properties

	2021 £
At 1 April 2020	7,633,047
Additions	24,456
Fair value adjustments	42,126
At 31 March 2021	7,699,629

A review of the investment properties was carried out at 31 March 2021 by the directors, on an open market value basis. The values have been assessed with reference to relevant housing market data and house price inflation and rental potentials. The directors have valued 35% of the investment properties at 31 March 2021 by reference to the professional valuation of 2 December 2020 by Land Commercial, Chartered Surveyors, 63% on future rental income and 2% on expenditure on investment properties during the year.

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

13 Stocks

	2021 £	2020 £
Raw materials and consumables	2,500	2,500
Development stock	469,134	1,108,566
	<u>471,634</u>	<u>1,111,066</u>

14 Debtors

	Note	2021 £	2020 £
Trade debtors		173,103	215,182
Directors loan accounts	24	796,711	780,588
Other debtors		437,470	439,136
Prepayments		70,244	88,908
Total current trade and other debtors		<u>1,477,528</u>	<u>1,523,814</u>

15 Cash and cash equivalents

	2021 £	2020 £
Cash on hand	228	34
Cash at bank	70	-
	298	34
Bank overdrafts	<u>(204,850)</u>	<u>(453,266)</u>
Cash and cash equivalents in statement of cash flows	<u>(204,552)</u>	<u>(453,232)</u>

16 Creditors

	2021 £	2020 £
Due within one year		
Bank borrowings	350,477	520,185
Trade creditors	258,740	372,337
Social security and other taxes	215,049	159,042
Other creditors	64,095	61,837
Accruals and deferred income	67,097	62,097
Corporation tax	25,543	226,450
Obligation under finance leases and hire purchase contracts	19,135	20,324
	<u>1,000,136</u>	<u>1,422,272</u>

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

	2021 £	2020 £
Due after one year		
Bank borrowings	1,516,080	1,611,838
Obligations under finance leases and hire purchase contracts	9,642	28,777
Amounts owed to group undertakings	<u>993,003</u>	<u>993,003</u>
	<u>2,518,725</u>	<u>2,633,618</u>

Included within creditors: amounts falling due after more than one year is an amount of £793,525 (2020: £907,912) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The loans payable after more than five years are all payable by instalments and carry interests at the rates of 3.6% to 6.2%. The final repayments are due in April 2034.

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate. Bank loans and overdrafts are secured on fixed and floating charges over the company's assets.

17 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,332</u>	<u>1,332</u>	<u>1,332</u>	<u>1,332</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All Ordinary shares rank equally with regard to the company's residual assets.

18 Obligations under leases and hire purchase contracts

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	19,135	20,324
Later than one year and not later than five years	<u>9,642</u>	<u>28,777</u>
	<u>28,777</u>	<u>49,101</u>

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

19 Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

The profit and loss account includes non-distributable reserves of £2,988,296 (2020: £2,954,174).

20 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 April 2020	692,954	692,954
Increase (decrease) in existing provisions	<u>8,004</u>	<u>8,004</u>
At 31 March 2021	<u><u>700,958</u></u>	<u><u>700,958</u></u>

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £9,079 (2020 - £22,122).

22 Dividends

Final dividends paid

	2021 £	2020 £
Final dividend of £28.84 per each ordinary share	<u><u>38,426</u></u>	<u><u>38,426</u></u>

23 Analysis of changes in net debt

At the beginning of the period the company had a net deficit of £3,174,093, being cash of £34 less borrowings of £3,174,127 set out in note 16. At the end of the period the net deficit was £2,888,039 being cash of £298 less borrowings of £2,888,039. The movement of £286,054 comprises an increase in cash of £264 plus repayment of borrowings of £285,790 as detailed in the cash flow statement on page 14.

Gowlain Building Group Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

24 Directors' loan accounts

	At 1 April 2020 £	Advances to directors £	Repayments by director £	At 31 March 2021 £
2021				
Director's loan account	<u>780,587</u>	<u>16,123</u>	<u>-</u>	<u>796,710</u>
	At 1 April 2019 £	Advances to directors £	Repayments by director £	At 31 March 2020 £
2020				
Director's loan account	<u>721,969</u>	<u>58,618</u>	<u>-</u>	<u>780,587</u>

Loans to directors' are interest free, unsecured and repayable on demand.

Summary of transactions with parent

At year-end an amount in the sum of £993,003 (2020: £993,003) was owed to the parent company, Gowlain Builders & Contractors Limited.

25 Parent and ultimate parent undertaking

The company is controlled by its parent undertaking, Gowlain Builders & Contractors Limited, by virtue of it holding the majority of the issued share capital of the company.

The ultimate controlling party is T P Gannon.