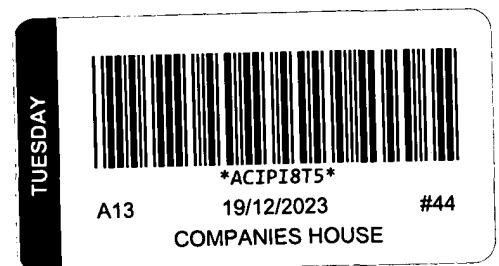


Company Registration No. 02916697 (England and Wales)

HORTON DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023



Riordan O'Sullivan & Co
Chartered Certified Accountants and Statutory Auditors
40 Chamberlayne Road
London
NW10 3JE

HORTON DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	M L Masterson C M Mitchell
Company secretary	B J Courtney
Registered number	02916697
Registered office	Mitchellson House Horton Trading Estate Stanwell Road Horton Slough SL3 9PF
Independent auditors	Riordan O'Sullivan & Co Chartered Certified Accountants and Statutory Auditors 40 Chamberlayne Road London NW10 3JE
Bankers	Santander UK Plc First floor Santander house 100 Ludgate hill London EC4M 7RE

HORTON DEVELOPMENTS LIMITED

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HORTON DEVELOPMENTS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2023

The directors present the Group strategic report for the year ended 31 May 2023.

Principal activities

The principal activity of Horton Developments Limited (the parent Company) continued to be that of commercial property lettings. The principal activity of Mitchellson Plant Hire Limited (the wholly-owned subsidiary Company) continued to be that of hire of plant and equipment to the construction industry.

Headline facts and key performance indicators

The key financial highlights for the last four years since the formation of the group are as follows:

		2023	2022	2021	2020
Turnover	£'000	9,100	9,259	10,326	10,638
Gross margin	%	7.8	20.6	24.8	33.8
Profit before tax	£'000	123	1,273	1,690	2,941
Balance sheet strength	£'000	10,382	10,430	10,399	9,869

Fair review of the business and future prospects

The directors acknowledge that the results for the year are disappointing. While the company made a profit from its investment activities the plant hire subsidiary made a loss for the year. However, the directors are optimistic about the year 2024 and expecting for return into profitability.

Principal risks and uncertainties

The principal risks are very similar to most companies operating in the construction and property industry, namely the state of the economy, health and safety and competitive market place. The Group is dependent on the demand for hire of plant and property income from its related company, Mitchellson Formwork & Civil Engineering Limited.

The directors are confident that the demand from the related company and others will continue to grow albeit remaining very competitive. The Group has a strong balance sheet and the directors believe that the Group will continue to be profitable.

Financial instruments, credit and liquidity risk

The Group's principal financial instruments comprise of bank balances, receivables from related companies, trade debtors, payables to related companies and trade creditors. It does not have any complex financial instruments or hedging mechanism.

The Group's credit and liquidity risks are mainly attributable to the amounts recoverable from related companies and its trade debtors. The debtors are closely monitored to ensure full recovery of balances.

The financial statements show the Group maintains a strong balance sheet with significant reserves and efficient financial reporting procedures to regularly monitor the operational risk.

HORTON DEVELOPMENTS LIMITED

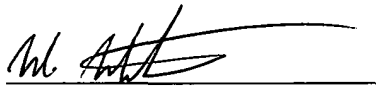
**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023**

Going concern

The Group has considerable financial resources and the directors believe that the Group is well placed to manage its business risks successfully despite the current economic outlook.

The directors expect the Group to have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis for accounting in preparing the annual financial statements.

This report was approved by the board on 5 December 2023 and signed on its behalf.



M L Masterson
Director

HORTON DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2023

The directors present their report and the financial statements for the year ended 31 May 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £47,878 (2022 - profit £1,031,181).

No Interim dividends (2022: £1,000,000) were paid during the year. The directors have not proposed a final dividend (2022: £Nil).

Directors

The directors who served during the year were:

M L Masterson
C M Mitchell

Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Schedule 7 of the Large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties, financial instruments and future prospects.

HORTON DEVELOPMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Riordan O'Sullivan & Co. Chartered Certified Accountants and Statutory Auditors will be deemed to have been reappointed as auditors.

This report was approved by the board on 5 December 2023 and signed on its behalf.



M L Masterson
Director

HORTON DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORTON DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Horton Developments Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 May 2023, which comprise the Consolidated profit and loss account, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of changes in equity and the related notes, 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 Group's and of the parent Company's affairs as at 31 May 2023 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

HORTON DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORTON DEVELOPMENTS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the 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 the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

HORTON DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORTON DEVELOPMENTS LIMITED (CONTINUED)

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 an Auditors' 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 Group financial statements.

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

We obtained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, through discussions with directors and senior management and from our commercial knowledge and experience of the construction industry.

We focused on specific laws and regulations which we considered may have a material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the extent of compliance with these laws and regulations through discussions and enquiry with directors and senior management.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur.

We considered the financial controls in place to mitigate risks of fraud and error, including the risk of management bias or override. We tested the appropriateness of journal entries that appeared unusual as to nature or amount.

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

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 Auditors' report.

HORTON DEVELOPMENTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORTON DEVELOPMENTS LIMITED
(CONTINUED)**

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 Auditors' 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.



Kumar Perumal (Senior Statutory Auditor)
for and on behalf of

Riordan O'Sullivan & Co
Chartered Certified Accountants and Statutory Auditors
40 Chamberlayne Road
London
NW10 3JE

5 December 2023

HORTON DEVELOPMENTS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 2023**

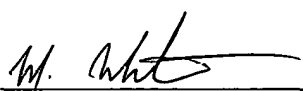
	Note	2023 £	2022 £
Turnover	4	9,099,541	9,258,958
Cost of sales		(8,385,350)	(7,353,035)
Gross profit		714,191	1,905,923
Administrative expenses		(599,019)	(611,280)
Other operating income		33,161	-
Operating profit	5	148,333	1,294,643
Interest receivable and similar income	9	-	5,566
Interest payable and similar expenses	10	(24,871)	(27,146)
Profit before tax		123,462	1,273,063
Taxation	11	(171,340)	(241,882)
(Loss)/profit for the financial year		(47,878)	1,031,181
(Loss)/profit for the year attributable to:			
Owners of the parent company		(47,878)	1,031,181

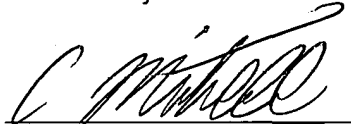
The Profit and Loss account has been prepared on the basis that all operations are continuing operations.

HORTON DEVELOPMENTS LIMITED
REGISTERED NUMBER:02916697
CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	2,291,603	2,099,218
Investment property	15	14,065,000	14,065,000
		<u>16,356,603</u>	<u>16,164,218</u>
Current assets			
Stocks	16	140,211	132,772
Debtors	17	771,620	963,014
Cash at bank and in hand		244,939	137,708
		<u>1,156,770</u>	<u>1,233,494</u>
Creditors: amounts falling due within one year	18	(6,508,698)	(6,365,011)
Net current liabilities		<u>(5,351,928)</u>	<u>(5,131,517)</u>
Total assets less current liabilities		<u>11,004,675</u>	<u>11,032,701</u>
Creditors: amounts falling due after more than one year	19	(43,744)	(195,232)
Provisions for liabilities			
Deferred taxation	22	(579,042)	(407,702)
		<u>(579,042)</u>	<u>(407,702)</u>
Net assets		<u><u>10,381,889</u></u>	<u><u>10,429,767</u></u>
Capital and reserves			
Called up share capital	23	18,000	18,000
Revaluation reserve		928,698	928,698
Consolidated reserves		6,067,554	6,067,554
Profit and loss account		3,367,637	3,415,515
		<u><u>10,381,889</u></u>	<u><u>10,429,767</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 December 2023.


M L Masterson
 Director


C M Mitchell
 Director

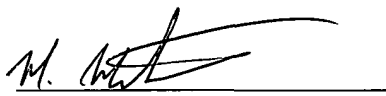
The notes on pages 16 to 29 form part of these financial statements.

HORTON DEVELOPMENTS LIMITED
REGISTERED NUMBER:02916697

COMPANY BALANCE SHEET
AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	14	9,000	9,000
Investment property	15	14,065,000	14,065,000
		<u>14,074,000</u>	<u>14,074,000</u>
Current assets			
Debtors	17	113,994	198,114
Cash at bank and in hand		167,487	27,271
		<u>281,481</u>	<u>225,385</u>
Creditors: amounts falling due within one year	18	(6,820,742)	(7,732,877)
Net current liabilities		<u>(6,539,261)</u>	<u>(7,507,492)</u>
Total assets less current liabilities		<u>7,534,739</u>	<u>6,566,508</u>
Provisions for liabilities			
Deferred taxation	22	(217,843)	(217,843)
		<u>(217,843)</u>	<u>(217,843)</u>
Net assets		<u>7,316,896</u>	<u>6,348,665</u>
Capital and reserves			
Called up share capital	23	18,000	18,000
Revaluation reserve		928,698	928,698
Profit and loss account		6,370,198	5,401,967
		<u>7,316,896</u>	<u>6,348,665</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 December 2023.


M L Masterson
 Director


C M Mitchell
 Director

The notes on pages 16 to 29 form part of these financial statements.

HORTON DEVELOPMENTS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2023**

	Called up share capital £	Revaluation reserve £	Consolidated reserves £	Profit and loss account £	Total equity £
At 1 June 2020	18,000	928,698	6,067,554	3,384,334	10,398,586
Profit for the year	-	-	-	1,031,181	1,031,181
Dividend	-	-	-	(1,000,000)	(1,000,000)
At 1 June 2021	18,000	928,698	6,067,554	3,415,515	10,429,767
Profit for the year	-	-	-	(47,878)	(47,878)
At 31 May 2023	18,000	928,698	6,067,554	3,367,637	10,381,889

The notes on pages 16 to 28 form part of these financial statements.

HORTON DEVELOPMENTS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2023**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 June 2021	18,000	928,698	5,403,888	6,350,586
Profit for the year	-	-	998,079	998,079
Dividends	-	-	(1,000,000)	(1,000,000)
At 1 June 2022	18,000	928,698	5,401,967	6,348,665
Profit for the year	-	-	968,231	968,231
At 31 May 2023	18,000	928,698	6,370,198	7,316,896

The notes on pages 16 to 28 form part of these financial statements.

HORTON DEVELOPMENTS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2023**

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(47,878)	1,031,181
Adjustments for:		
Depreciation of tangible assets	749,434	771,524
Profit on disposal of tangible assets	(49,557)	(53,340)
Interest paid	24,871	27,146
Interest received	-	(5,566)
Taxation charge	171,340	241,882
Increase in stocks	(7,439)	(10,333)
Decrease in debtors	278,307	76,224
Increase / (decrease) in creditors	519,453	(1,304,475)
Corporation tax (paid)/refunded	(215,840)	220,395
Net cash generated from operating activities	1,422,691	994,638
Cash flows from investing activities		
Purchase of tangible fixed assets	(965,214)	(22,385)
Sale of tangible fixed assets	72,952	249,000
Interest received	-	5,566
HP and other interest paid	(24,871)	(27,146)
Net cash from investing activities	(917,133)	205,035
Cash flows from financing activities		
Repayment of finance leases	(398,327)	(477,259)
Dividends paid	-	(1,000,000)
Net cash used in financing activities	(398,327)	(1,477,259)
Cash and cash equivalents at beginning of year	137,708	415,294
Cash and cash equivalents at the end of year	244,939	137,708
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	244,939	137,708

HORTON DEVELOPMENTS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MAY 2023

	At 1 June 2022 £	Cash flows £	At 31 May 2023 £
Cash at bank and in hand	137,708	107,231	244,939
Debt due within 1 year	(88,280)	(2,500,000)	(2,588,280)
Finance leases	(607,557)	398,327	(209,230)
	<u>(558,129)</u>	<u>(1,994,442)</u>	<u>(2,552,571)</u>

The notes on pages 16 to 28 form part of these financial statements.

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

1. General information

Horton Developments Limited ("the Company") is a private company limited by shares incorporated in England and Wales. The registered office is Mitchellson House, Stanwell Road, Horton, Slough, Berkshire, SL3 9PF.

The Group consists of Horton Developments Limited and its subsidiary company, Mitchellson Plant Hire Limited.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value, unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the group.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking using acquisition accounting at the balance sheet date. A subsidiary is an entity that is controlled by another entity, known as the parent. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiary undertaking acquired or disposed of during a financial period are included from, or up to, the effective date of acquisition or disposal. Intra group balances, sales and profits are eliminated fully on consolidation. Uniform accounting policies have been adopted across the Group.

2.3 Turnover

Turnover from plant hire is recognised on a straight line basis over the period of the rental contract and is shown net of VAT.

Rental income is recognised on an accrual basis and is shown net of VAT.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.5 Going concern

The directors are required to consider whether the Group can continue in operational existence for the foreseeable future. The Group's business activities and the factors which may affect its future development, financial position and principal risks and uncertainties are set out in the Group Strategic Report on pages 1 to 2. The directors are confident that the Group has adequate resources to continue in operational existence and to manage its business risks successfully and to generate profit and positive cash flows for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

2.6 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	- 5 - 15% Straight line
Motor vehicles	- 15-25% Reducing balance
Fixtures and fittings	- 25% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Finance lease and hire purchase contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Stocks

Stock consists of consumable items and are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

2.12 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Employee benefits

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements under FRS 102 requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the balance sheet date and the amounts of revenue and expenses incurred during the year. Actual outcome may therefore differ from these estimates and assumptions. The estimates and assumptions that have the most significant impact on the carrying values of assets and liabilities of the company within the next financial year are detailed as follows:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into accounts residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as technological innovations, maintenance and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Rent receivable from properties	647,134	603,347
Plant hire income	7,999,352	8,453,526
Sale of consumable materials	453,055	202,085
	<u>9,099,541</u>	<u>9,258,958</u>

All turnover arose within the United Kingdom.

HORTON DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

5. Operating profit

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

	2023 £	2022 £
Depreciation of owned tangible fixed assets	496,929	556,604
Depreciation of tangible fixed assets held under hire purchase contracts	252,505	214,920
Profit on disposal of tangible fixed assets	(49,557)	(53,340)
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2023 £	2022 £
Audit services	18,500	18,500
Accountancy and taxation services	6,500	7,500
	<u> </u>	<u> </u>
	<u>25,000</u>	<u>26,000</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	862,995	1,067,937	-	-
Social security costs	98,746	108,059	-	-
Pension costs	51,281	66,986	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>1,013,022</u>	<u>1,242,982</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Employees	23	26	2	2
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

HORTON DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

8. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	40,000	40,000

9. Interest receivable

	2023	2022
	£	£
Other interest receivable	-	5,566

10. Interest payable and similar expenses

	2023	2022
	£	£
Finance leases and hire purchase contracts	24,871	27,146
	24,871	27,146

11. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	-	317,423
Deferred tax		
Origination and reversal of timing differences	171,340	(75,541)
Taxation on profit on ordinary activities	171,340	241,882

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *the same as*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>123,462</u>	<u>1,273,063</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	23,458	241,882
Effects of:		
Expenses not deductible for tax purposes	11,155	-
Difference in capital allowances and depreciation	(75,237)	85,676
Profit on disposal of fixed assets	(9,416)	(10,135)
Origination and reversal of timing differences	171,340	(75,541)
Losses carried back	50,040	-
Total tax charge for the year	<u>171,340</u>	<u>241,882</u>

12. Dividends

	2023 £	2022 £
Interim dividends paid	<u>-</u>	<u>1,000,000</u>

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

13. Tangible fixed assets

Group

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 June 2022	10,172,338	690,450	69,322	10,932,110
Additions	965,214	-	-	965,214
Disposals	(125,000)	(39,990)	-	(164,990)
At 31 May 2023	11,012,552	650,460	69,322	11,732,334
Depreciation				
At 1 June 2022	8,251,075	512,495	69,322	8,832,892
Charge for the year	709,168	40,266	-	749,434
Disposals	(118,475)	(23,120)	-	(141,595)
At 31 May 2023	8,841,768	529,641	69,322	9,440,731
Net book value				
At 31 May 2023	2,170,784	120,819	-	2,291,603
At 31 May 2022	1,921,263	177,955	-	2,099,218

Included within the net book value of £2,291,603 is £923,787 (2022: £1,220,679) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £252,505 (2022: £214,920).

HORTON DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2022	9,000
At 31 May 2023	<u>9,000</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company, which is registered in England and Wales:

Name	Principal activity	Class of shares	Holding
Mitchellson Plant Hire Limited	Plant hire and sales	Ordinary	100%

15. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 June 2022	14,065,000
At 31 May 2023	<u>14,065,000</u>

All of the Group's investment properties are held in the Parent company.

The balance £14,065,000 comprises two properties valued £12,125,000 (2022: £12,125,000) and £1,940,000 (2022: £1,940,000). The directors consider that the carrying value reflects the fair value of the properties at the balance sheet date.

HORTON DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

16. Stocks

	Group 2023 £	<i>Group 2022 £</i>
Consumable materials	140,211	<i>132,772</i>

17. Debtors

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Trade debtors	81,597	<i>184,386</i>	6,718	<i>6,718</i>
Amounts owed by related undertakings	491,994	<i>437,212</i>	-	<i>-</i>
Other debtors	179,301	<i>330,020</i>	88,548	<i>180,000</i>
Prepayments	18,728	<i>11,396</i>	18,728	<i>11,396</i>
	771,620	<i>963,014</i>	113,994	<i>198,114</i>

The amounts owed by related undertakings are unsecured, interest free and repayable on demand.

Other debtors include VAT recoverable of £92,388 (2022: £150,020) and corporation tax recoverable of £86,913 (2022: £Nil).

18. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Trade creditors	624,615	<i>337,425</i>	-	<i>-</i>
Amounts owed to group undertakings	-	<i>-</i>	3,446,863	<i>6,756,862</i>
Amounts owed to related undertakings	3,027,734	<i>5,230,095</i>	721,744	<i>736,449</i>
Corporation tax	-	<i>128,927</i>	-	<i>86,197</i>
Other taxation and social security	25,340	<i>29,112</i>	41,301	<i>42,535</i>
Obligations under hire purchase contracts	165,486	<i>412,325</i>	-	<i>-</i>
Other creditors	2,621,352	<i>138,493</i>	2,603,487	<i>103,487</i>
Accruals	44,171	<i>88,634</i>	7,347	<i>7,347</i>
	6,508,698	<i>6,365,011</i>	6,820,742	<i>7,732,877</i>

The amounts owed to group and related undertakings are unsecured, interest free and payable on demand.

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

19. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>
Obligations under hire purchase contracts	43,744	195,232

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	<i>Group 2022 £</i>
Within one year	165,486	412,325
Between 1-5 years	43,744	195,232
	209,230	607,557

The hire purchase agreements are secured on the assets to which they relate.

21. Financial instruments

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Financial assets				
Financial assets that are debt instruments measured at amortised cost	818,530	939,296	174,205	213,989
Financial liabilities				
Financial liabilities measured at amortised cost	(6,527,102)	(6,402,194)	(6,779,441)	(7,604,145)

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

22. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	407,702	483,243
Charge / (reversal) of timing differences	171,340	(75,541)
At end of year	579,042	407,702

Company

	2023 £	2022 £
At beginning of year	217,843	217,843
At end of year	217,843	217,843

The provision for deferred taxation is made up as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Accelerated capital allowances	361,199	189,859	-	-
Deferred tax on revaluation	217,843	217,843	217,843	217,843
	579,042	407,702	217,843	217,843

23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
18,000 Ordinary shares of £1 each	18,000	18,000

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £51,281 (2022: £66,986). Contributions totalling £3,375 (2022: £2,905) were payable to the fund at the balance sheet date and are included in creditors.

HORTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

25. Related party transactions

a) Group companies

The Group has taken advantage of the exemption available in accordance with Financial Reporting Standard 102, Section 33.1A, 'Related Party Disclosures' not to disclose transactions entered and outstanding balances between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

b) Other related undertakings

The Group is related to Mitchellson Formwork & Civil Engineering Limited, Three M's Harwich Limited, Mitchellson Rail Limited and Bedford Precast Limited by virtue of being under common control.

During the year, the Group entered into the following transactions with related parties:

Rent receivable - £54,000 (2022: £54,000).

Sale of plant and equipment hire - £7,956,435 (2022: £8,330,150).

Sale of consumables - £453,055 (2022: £202,085).

Purchase of plant and equipments - £719,810 (2022: £Nil).

c) Key management personnel

The key management personnel are the group's directors and their total remuneration was £44,426 (2022: £44,358), including employer's national insurance of £4,426 (2022: £4,358).

26. Post balance sheet events

There were no events since the year end which materially affected the group.

27. Controlling party

The ultimate controlling parties are both of the directors of the Group by virtue of their shareholdings.