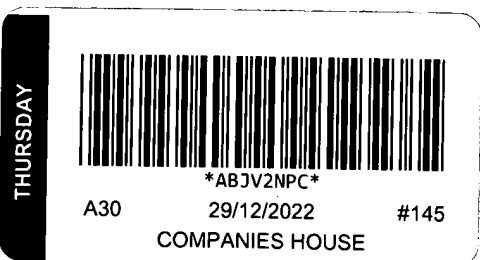


Registration number: 3078882

Overhall Contractors Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022



Overhall Contractors Limited

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Overhall Contractors Limited

Strategic Report for the Year Ended 31 March 2022

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

Principal activity

The principal activity of the company is that of contracting and plant hire.

Fair review of the business

We, the directors, are happy with the results of the company for the year ended 31 March 2022. The company performed well in extremely challenging circumstances and had a profitable year. The company saw a turnover growth of 47.5% from £8.6 million to £12.7 million and achieved operating profits of £531,000.

At the balance sheet date net assets of the company remained stable at £1.3 million from £1.2 million after the declaration of the dividend for the year.

The current financial year has started positively and we are confident that current ongoing contracts and the future order book will enable the company to maintain a strong position for the future.

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

Financial KPIs	Unit	2022	2021
Turnover	£000	12,744	8,639
Turnover growth	%	48	50
Gross profit	£000	2,194	1,538
Gross profit margin	%	17	18
Operating profit	£000	531	222

Overhall Contractors Limited

Strategic Report for the Year Ended 31 March 2022

Principal risks and uncertainties

The company faces risks and uncertainties in the course of its day to day operations. The successful management of risk is essential to enable the company to deliver its strategic objectives. Noted below are key risks and uncertainties applicable to the company. Control of each of these risks is essential to ensure the ongoing success of the business. As such, the management is primarily the responsibility of the directors which is supported by the management throughout the company.

Supply chain risk:

The supply chain continues to tighten which has affected the availability and cost of materials. This can lead to decreased margins as lack of material may lead to unexpected downtime, as well as cost increases not being to be fully passed through to customers. Thanks to our excellent relationship with suppliers, built on a partnership approach to delivering high quality service to our customers, the company continues to mitigate the impact of this risk.

Financial risk:

As the company operates it is open to potential uncertainties such as financial risks, most notably credit risk and liquidity risk. The effects of credit risks are controlled by the adoption of policies that require appropriate credit checking and monitoring of new customers and also for supplier and subcontractors, particularly when placing large orders. The company has no ongoing disputes or debts. Liquidity risk is managed by monitoring the cash flow position to ensure that sufficient funds are available to meet amounts due for current and future operations. The company remains in a strong cash position but management are aware how suddenly this can fluctuate in the construction sector.

Market risk:

In order to minimise exposure to market risk we undertake contracts with a variety of customers. We recognise the risk of not focusing on completing our contractual obligations and therefore strive to fulfil these to a good quality, time scale and budget. Our success in this area generates repeat custom and protects the company position in the market place.

Workforce and materials risk:

If the availability of skilled workers, subcontractors or materials is insufficient to meet demand, this could lead to increased costs and therefore impact profitability. We maintain regular contact with suppliers, negotiating contract volumes, pricing and duration. We provide high level and site-specific programme information to the subcontractor base to aid with demand planning. When selecting our subcontractors, we consider competencies particularly in relation to health and safety, quality, previous performance and financial stability. Over the years we have built good relationships with subcontractors. For our own workforce, investment is continued to be made in their training and development. Should circumstances change whereby there is a major negative impact on supply chain, the company has the financial resources to ride out an enforced temporary reduction in its activity.

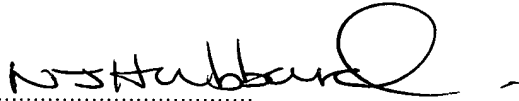
Health and safety risk:

The company has detailed procedures and policies in place to minimise health and safety risks which are inherent due to the nature of the business. The directors take this responsibility seriously and in order to manage this risk procedures and policies are constantly being reviewed. This commitment to health and safety is further enhanced by our membership of RoSPA and the British Safety Council.

Overhall Contractors Limited

Strategic Report for the Year Ended 31 March 2022

Approved and authorised by the Board on 22.12.22 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'N J Hubbard', with a large circular flourish at the end.

.....
Mr N J Hubbard
Director

Overhall Contractors Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors of the company

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

Mr J J Hubbard

Mr N J Hubbard

Financial instruments

Objectives and policies

The directors takes the management of risk very seriously and as such have policies and procedures in place which have been authorised by the board. At board level regular meetings are held where current management accounts are available to highlight any financial risks to be dealt with.

Price risk, credit risk, liquidity risk and cash flow risk

The business's principal financial instruments comprise bank balances, bank loans, trade debtors and trade creditors. The main purpose of these instruments is to finance the business's operations. In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

Credit risk associated with bank loans is mitigated through ensuring sufficient bank balances are available to cover repayments as they fall due. Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

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 22.12.22 and signed on its behalf by:



Mr N J Hubbard
Director

Overhall 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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Overhall Contractors Limited

Independent Auditor's Report to the Members of Overhall Contractors Limited

Qualified opinion

We have audited the financial statements of Overhall Contractors Limited (the 'company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, 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 the previous accounting period the directors of the company took advantage of audit exemption under S477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

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

Basis for qualified opinion on financial statements

We were not appointed as auditor of the company until after 31 March 2021 and thus did not undertake a review of the work in progress at the end of that year. We were unable to satisfy ourselves by alternative means concerning the work in progress value at 31 March 2021, which is included in the balance sheet for that year at £310,358, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary.

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 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 qualified opinion.

Key audit matters

Except for the matter described in the basis for qualified opinion section, we have determined that there are no key audit matters to be communicated in our report.

Overhall Contractors Limited

Independent Auditor's Report to the Members of Overhall Contractors Limited

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the work in progress value at 31 March 2021. We have concluded that where the other information refers to the work in progress balance or related balances such as sales, it may be materially misstated for the same reason.

Opinion on other matter prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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.

Overhall Contractors Limited

Independent Auditor's Report to the Members of Overhall Contractors Limited

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, 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.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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 5], 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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;

Overhall Contractors Limited

Independent Auditor's Report to the Members of Overhall Contractors Limited

- the key laws and regulations under which the business operates and whether management were aware of any instances of noncompliance;
- whether the management have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: contract accounting and purchase/working capital transactions. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the health and safety regulations, UK Companies Act, Tax legislation, and Regulations established by regulators in the key markets in which the company operates.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the operating and environmental regulations relevant to the company.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management, concerning any actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud in revenue recognition, we have performed focussed testing on trades close to the year-end, depth testing and analytical review procedures to assess accuracy and completeness of revenue recognised;
- in addressing the risk of fraud in contract, we have we have tested the calculation of contract revenue recognised based on the proportion of contract costs in incurred for the work performed to the balance sheet date relative to the estimates total forecast costs of the contract at complete, traced contract costs to the supporting invoices to ensure they are correctly recognised, performed retrospective review of contracts to ensure estimated costs are accurate and appropriate and inquired with management regarding any unusual trends or potential loss making contracts;
- in addressing the risk of fraud in the use of purchase ledger/working capital transactions, we have reviewed the accounting treatments adopted by management against the specific contractual terms and arrangements associated with each individual transaction and reviewed the related disclosures in the financial statements; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Overhall Contractors Limited

Independent Auditor's Report to the Members of Overhall Contractors Limited

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



John Heeney (Senior Statutory Auditor)

For and on behalf of RNS Registered Auditors, Statutory Auditor

50-54 Oswald Road
Scunthorpe
North Lincolnshire
DN15 7PQ

Date:

22 December 2022

Overhall Contractors Limited

Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Revenue	3	12,744,928	8,639,408
Cost of sales		<u>(10,550,521)</u>	<u>(7,100,947)</u>
Gross profit		2,194,407	1,538,461
Administrative expenses		(1,663,166)	(1,326,263)
Other operating income	4	<u>-</u>	<u>10,000</u>
Operating profit	5	<u>531,241</u>	<u>222,198</u>
Other interest receivable and similar income	7	(61)	-
Interest payable and similar expenses	8	<u>(157,688)</u>	<u>(65,214)</u>
		<u>(157,749)</u>	<u>(65,214)</u>
Profit before tax		373,492	156,984
Tax on profit	12	<u>(182,450)</u>	<u>(31,338)</u>
Profit for the financial year		<u><u>191,042</u></u>	<u><u>125,646</u></u>

The above results were derived from continuing operations.

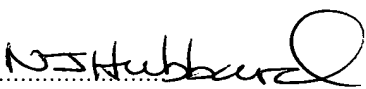
The company has no recognised gains or losses for the year other than the results above.

The notes on pages 15 to 26 form an integral part of these financial statements.

Overhall Contractors Limited
(Registration number: 3078882)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	4,376,599	3,958,265
Investments	14	-	30,200
		<u>4,376,599</u>	<u>3,988,465</u>
Current assets			
Stocks	15	642,165	310,358
Debtors	16	2,261,548	2,309,567
Cash at bank and in hand	17	159,990	-
		<u>3,063,703</u>	<u>2,619,925</u>
Creditors: Amounts falling due within one year	18	<u>(3,602,383)</u>	<u>(2,944,166)</u>
Net current liabilities		<u>(538,680)</u>	<u>(324,241)</u>
Total assets less current liabilities		3,837,919	3,664,224
Creditors: Amounts falling due after more than one year	18	(1,973,784)	(2,068,581)
Provisions for liabilities	19	<u>(561,118)</u>	<u>(378,668)</u>
Net assets		<u>1,303,017</u>	<u>1,216,975</u>
Capital and reserves			
Called up share capital	21	105	105
Retained earnings		<u>1,302,912</u>	<u>1,216,870</u>
Shareholders' funds		<u>1,303,017</u>	<u>1,216,975</u>

Approved and authorised by the Board on 22.12.22 and signed on its behalf by:


 Mr N J Hubbard
 Director

Overhall Contractors Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Retained earnings £	Total £
At 1 April 2021	105	1,216,870	1,216,975
Profit for the year	-	191,042	191,042
Dividends	-	(105,000)	(105,000)
At 31 March 2022	105	1,302,912	1,303,017

	Share capital £	Retained earnings £	Total £
At 1 April 2020	105	1,131,224	1,131,329
Profit for the year	-	125,646	125,646
Dividends	-	(40,000)	(40,000)
At 31 March 2021	105	1,216,870	1,216,975

The notes on pages 15 to 26 form an integral part of these financial statements.

Overhall Contractors Limited

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		191,042	125,646
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	761,708	507,557
Profit on disposal of tangible assets		(80,617)	(52,449)
Finance income	7	61	-
Finance costs	8	157,688	65,214
Corporation tax expense	12	182,450	31,338
		<u>1,212,332</u>	<u>677,306</u>
Working capital adjustments			
(Increase)/decrease in stocks	15	(331,807)	183,024
Decrease/(increase) in trade debtors	16	48,019	(1,159,748)
Increase in trade creditors	18	311,976	907,619
Net cash flow from operating activities		<u>1,240,520</u>	<u>608,201</u>
Cash flows from investing activities			
Interest received	7	(61)	-
Acquisitions of tangible assets		(142,783)	(312,925)
Proceeds from sale of tangible assets		526,152	220,522
Net cash flows from investing activities		<u>383,308</u>	<u>(92,403)</u>
Cash flows from financing activities			
Interest paid	8	(157,688)	(65,214)
Proceeds from bank borrowing draw downs		-	250,000
Repayment of bank borrowing		(41,667)	-
Proceeds from other borrowing draw downs		250,000	-
Repayment of other borrowing		(70,336)	(42,167)
Payments to finance lease creditors		(1,318,200)	(515,493)
Dividends paid	23	(105,000)	(40,000)
Net cash flows from financing activities		<u>(1,442,891)</u>	<u>(412,874)</u>
Net increase in cash and cash equivalents		180,937	102,924
Cash and cash equivalents at 1 April		<u>(20,947)</u>	<u>(123,871)</u>
Cash and cash equivalents at 31 March	17	<u>159,990</u>	<u>(20,947)</u>

The notes on pages 15 to 26 form an integral part of these financial statements.

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

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

The principal place of business is:

16 Carr Lane

Thealby

Scunthorpe

North Lincolnshire

DN15 9AE

The address of its registered office is:

50-54 Oswald Road

Scunthorpe

North Lincolnshire

DN15 7PQ

Registration number: 3078882.

2 Accounting policies

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

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.

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Key sources of estimation uncertainty

The estimates and assumptions that have the most significant impact on the carrying value of assets and liabilities of the company within the next financial year are detailed as follows:

Contract judgements

Management's best estimate of the likely outcome of disputed amounts, legal cases and claims has been reflected in the recognition of revenues and costs of contract but the actual future outcome may be different.

Turnover and margin recognition - The Company's turnover recognition and margin recognition policies are central to how the company values the revenue and costs in each financial year. These policies require forecasts to be made of the outcomes of long-term contracts, which require assessments and judgements to be made on the costs to complete the project. Changes in the forecast as a result of changes in work scope, contract programmers, defects and maintenance liabilities impact the margin to be recognised.

Taxation

The Company is subject to tax and an estimate is required in determining the provision for taxes including the recognition of deferred tax assets. The Company provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based upon management's assessment of exposures. Assets are only recognised where it is reasonably certain additional tax will become payable in future periods and when the asset can be utilised.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the company's activities.

Long term contracts are included in turnover on the basis of sales value of work performed during the year. Profit is taken on such contracts as the work is carried out but only where the contract is so far advanced that the final outcome can be assessed with reasonable certainty. The profit is calculated on a prudent basis to reflect the proportion of work carried out at the year end by recording turnover and related third party costs as activity progresses. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Contract revenue recognition

Turnover is only recognised on a construction contract where the outcome can be estimated reliably. Turnover and costs are recognised by reference to the stage of completion of contract activity at the year end date. This is normally measured by surveys of work performed to date. Contracts are only treated as construction contracts when they have been specifically negotiated for construction of a development.

Tax

The tax expense for the period comprises 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.

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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 in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

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

Asset class	Depreciation method and rate
Furniture, fittings and equipment	12.5% or 33% per annum on cost
Motor vehicles	20% per annum on cost
Leasehold buildings	Over 5 years

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

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.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured less a provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Sales retentions are held within debtors until they are received.

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised at the transaction price.

Borrowings

Interest-bearing borrowings are recorded at fair value, net of transaction costs.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

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

	2022 £	2021 £
Contract revenue	11,524,028	8,213,613
Rendering of services	936,900	425,795
Other revenue	284,000	-
	<u>12,744,928</u>	<u>8,639,408</u>

The amount of contract revenue recognised as revenue in the year was £11,524,028 (2021 - £8,213,613).

4 Other operating income

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

	2022 £	2021 £
Government grants	<u>-</u>	<u>10,000</u>

5 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	761,708	507,557
Profit on disposal of property, plant and equipment	<u>(80,617)</u>	<u>(52,449)</u>

6 Government grants

Coronavirus job retention scheme (CJRS) grants have been claimed for employees unable to work due to the Covid-19 pandemic and as such were placed on furlough. The grants have been recognised on the accruals basis. Last year included CJRS grants and the local council business support scheme grant.

The amount of grants recognised in the financial statements was £10,412 (2021 - £92,623).

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Other interest receivable and similar income

	2022	2021
	£	£
Other finance income	(61)	-

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	2,785	1,811
Interest on obligations under finance leases and hire purchase contracts	136,380	61,097
Interest expense on other finance liabilities	18,523	2,306
	<u>157,688</u>	<u>65,214</u>

9 Staff costs

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

	2022	2021
	£	£
Wages and salaries	2,151,114	1,617,328
Social security costs	266,578	198,106
Pension costs, defined contribution scheme	57,293	43,119
	<u>2,474,985</u>	<u>1,858,553</u>

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

	2022	2021
	No.	No.
Production	70	52
Administration and support	6	6
	<u>76</u>	<u>58</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	129,800	125,173
Contributions paid to money purchase schemes	2,484	2,476
	<u>132,284</u>	<u>127,649</u>

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

11 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>3,670</u>	<u>-</u>

12 Taxation

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

	2022 £	2021 £
Current taxation		
UK corporation tax	-	(51,075)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>182,450</u>	<u>82,413</u>
Tax expense in the income statement	<u>182,450</u>	<u>31,338</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>373,492</u>	<u>156,984</u>
Corporation tax at standard rate	70,963	29,827
Effect of expense not deductible in determining taxable profit (tax loss)	334	169
Deferred tax credit relating to changes in tax rates or laws	(38,711)	-
Deferred tax expense from unrecognised temporary difference from a prior period	266,629	152,921
Tax decrease from effect of capital allowances and depreciation	(116,765)	(153,018)
Tax increase arising from group relief	-	1,439
Total tax charge	<u>182,450</u>	<u>31,338</u>

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Deferred tax

Deferred tax assets and liabilities

	Liability £
2022	
Difference between accumulated depreciation and amortisation	722,414
Tax losses carried forward	<u>(161,296)</u>
	<u>561,118</u>

	Liability £
2021	
Difference between accumulated depreciation and amortisation	449,586
Tax losses carried forward	<u>(70,918)</u>
	<u>378,668</u>

13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2021	111,492	4,885,177	295,872	5,292,541
Additions	-	1,489,382	136,191	1,625,573
Disposals	<u>-</u>	<u>(913,772)</u>	<u>(13,900)</u>	<u>(927,672)</u>
At 31 March 2022	<u>111,492</u>	<u>5,460,787</u>	<u>418,163</u>	<u>5,990,442</u>
Depreciation				
At 1 April 2021	23,520	1,186,174	124,582	1,334,276
Charge for the year	151	684,027	77,526	761,704
Eliminated on disposal	<u>-</u>	<u>(470,907)</u>	<u>(11,230)</u>	<u>(482,137)</u>
At 31 March 2022	<u>23,671</u>	<u>1,399,294</u>	<u>190,878</u>	<u>1,613,843</u>
Carrying amount				
At 31 March 2022	<u>87,821</u>	<u>4,061,493</u>	<u>227,285</u>	<u>4,376,599</u>
At 31 March 2021	<u>87,972</u>	<u>3,699,003</u>	<u>171,290</u>	<u>3,958,265</u>

Included within the net book value of land and buildings above is £87,821 (2021 - £87,972) in respect of long leasehold land and buildings.

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

14 Investments

	2022 £	2021 £
Investments in subsidiaries	<u>-</u>	<u>30,200</u>
Subsidiaries		£
Cost or valuation		
At 1 April 2021		30,200
Disposals		<u>(30,200)</u>
At 31 March 2022		<u>-</u>
Provision		
Carrying amount		
At 31 March 2022		<u>-</u>
At 31 March 2021		<u>30,200</u>

15 Stocks

	2022 £	2021 £
Work in progress	<u>642,165</u>	<u>310,358</u>

16 Debtors

	2022 £	2021 £
Trade debtors	1,839,487	1,639,589
Amounts owed by related parties	337,839	380,866
Prepayments	10,476	13,030
Corporation tax	73,746	73,746
Social security and other taxes	-	202,336
	<u>2,261,548</u>	<u>2,309,567</u>

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

17 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	159,990	-
Bank overdrafts	-	(20,947)
Cash and cash equivalents in statement of cash flows	<u>159,990</u>	<u>(20,947)</u>

18 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	22	1,338,983	992,742
Trade creditors		2,041,284	1,785,872
Amounts due to related parties		8,831	-
Social security and other taxes		113,672	63,732
Outstanding defined contribution pension costs		2,894	2,544
Other creditors		41,881	36,486
Accrued expenses		<u>54,838</u>	<u>62,790</u>
		<u>3,602,383</u>	<u>2,944,166</u>
Due after one year			
Loans and borrowings	22	<u>1,973,784</u>	<u>2,068,581</u>

19 Provisions for liabilities

	Deferred tax £	Total £
At 1 April 2021	378,668	378,668
Increase in existing provisions	<u>182,450</u>	<u>182,450</u>
At 31 March 2022	<u>561,118</u>	<u>561,118</u>

20 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 £57,293 (2021 - £43,119).

Contributions totalling £2,894 (2021 - £2,544) were payable to the scheme at the end of the year and are included in creditors.

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

21 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100
Ordinary A shares of £1 each	1	1	1	1
Ordinary B shares of £1 each	1	1	1	1
Ordinary C shares of £1 each	1	1	1	1
Ordinary D shares of £1 each	1	1	1	1
Ordinary E shares of £1 each	1	1	1	1
	<u>105</u>	<u>105</u>	<u>105</u>	<u>105</u>

22 Loans and borrowings

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	50,000	-
Bank overdrafts	-	20,947
Hire purchase contracts	1,105,648	959,795
Other borrowings	<u>183,335</u>	<u>12,000</u>
	<u>1,338,983</u>	<u>992,742</u>

	2022 £	2021 £
Non-current loans and borrowings		
Bank borrowings	158,333	250,000
Hire purchase contracts	1,815,451	1,808,081
Other borrowings	<u>-</u>	<u>10,500</u>
	<u>1,973,784</u>	<u>2,068,581</u>

Bank and other borrowings are secured against the assets of the company.

Finance lease liabilities are secured against the assets to which they relate.

Overhall Contractors Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

23 Dividends

	2022 £	2021 £
Interim dividend of £1,000.00 (2021 - £380.95) per ordinary share	<u>105,000</u>	<u>40,000</u>

24 Related party transactions

Transactions with directors

	At 1 April 2021 £	Advances to director £	At 31 March 2022 £
2022			
Mr J J Hubbard			
Director's loan account	<u>124,426</u>	<u>107,762</u>	<u>232,188</u>

	At 1 April 2020 £	Advances to director £	At 31 March 2021 £
2021			
Mr J J Hubbard			
Director's loan account	<u>-</u>	<u>124,426</u>	<u>124,426</u>

No interest is being charged in respect of this balance which is repayable on demand.

25 Parent and ultimate parent undertaking

The company's immediate parent is Hubbgroup Holdings Limited, incorporated in England.

The parent of the largest group in which these financial statements are consolidated is Hubbgroup Holdings Limited, incorporated in England.

The address of Hubbgroup Holdings Limited is:

16 Carr Lane
Thealby
Scunthorpe
North Lincolnshire
DN15 9AE