
WAYNE CONNOLLY HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2020

WAYNE CONNOLLY HOLDINGS LIMITED

COMPANY INFORMATION

Director Mr W.E.G. Connolly (appointed 12 March 2008)

Registered number 06480383

Registered office E1-E2 Lyntown Trading Estate
Eccles
Manchester
M30 9QG

Independent auditors Duce
Chartered Certified Accountants
Manor House
35 St Thomas's Road
Chorley
Lancashire
PR7 1HP

WAYNE CONNOLLY HOLDINGS LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2020**

Introduction

The company is a holding company and has one wholly owned subsidiary – Connolly Scaffolding Limited, which operates primarily as a plant hire company.

Business review

In 2020, sales decreased by 5%. The company changed emphasis during the year, from mainly operating in the residential property sector to commercial. Although this resulted in a loss of turnover by volume, the returns on commercial property projects are higher, and the directors are of the opinion that this policy will lead to more favourable results in the future.

In the last few months of the year under review, the company was affected by the worldwide pandemic with operations temporarily ceasing. The directors believe that this adverse impact will be reversed when the pent-up demand in the sector is realised.

As always, growth in the building sector is dependant upon the stability of the housing market and new house building projects. External factors would suggest that there will be substantial growth in the immediate future, and added to the investment the company has undertaken in new operating systems, the directors remain confident for the forthcoming period.

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The company operates a defined contribution scheme for all employees, including directors. Funds are held independently of the company.

The company is financed by a number of external funders in the form of loans secured by a fixed and floating charge over company assets, together with higher purchase and finance funding, which is secured on the specific assets to which it relates.

Principal risks and uncertainties

Customer demands are changing and competitive pressure is a continuing risk for the company. To manage this risk the company strives to understand its market and customers, to provide the right products and services to its customer and seek expansion by organic growth and acquisitions. Given the potential economic volatility in our markets, we are continuously monitoring trading trends and ways in which to improve the management of our working capital.

The United Kingdom's decision to leave the European Union may lead to a more challenging environment in the short and medium term due to uncertainties in the construction sector, due to product supply chain availability. The costs and impacts on the overall economy will need to be understood alongside the availability of the workforce in our business and the building industry more generally. The company will continue to monitor the situation and be ready to mitigate risks as best as possible and take advantage of new opportunities as they become available.

The company also considers the current state of the economy, both globally and within the United Kingdom, to present challenges. The activities started to be affected by Covid-19 in the last quarter of 2020 and the company expects that turnover could fall by £500,000 in the year ended 30th April 2021, but at the date of this report, the company's order book still illustrates significant growth for 2021/22. Consequently, the company expects to break even in the forthcoming year before returning to profits. This major world crisis constitutes a non-adjusting event with no significantly adverse impact on the value of the company's assets and liabilities in the accounts at 30th April 2020.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020

Financial key performance indicators

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate. The company meets day to day working capital requirements through operating cash flows largely funded by its subsidiary. The subsidiary forms an integral part of the wider operation of the group, and as such, is reliant on the continuation of the group for funding. In making the going concern assessment, the directors have considered the cash flow forecast for the group for a period of twelve months from the date of approval of these financial statements.

The Covid-19 virus has further developed since our financial year end and at the date of approval of these financial statements, the UK government has put in place stringent measures limiting the movements of the population as part of its strategy to delay and contain the impact of the virus. These restrictions included a temporary closure of construction sites that has now been largely lifted.

The directors have given careful consideration in order to include severe but plausible downside sensitivities to the forecast cash flows for the group, which indicate that the group can manage the disruption caused by the Covid-19 virus. Having performed the sensitivity analysis, the directors remain confident that sufficient funds should be made available to enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements, and therefore, have prepared the financial statements on a going concern basis.

Other key performance indicators

The directors of the group assess performance by measuring growth in turnover, gross profit margin and operating profit. Turnover for 2020 is £5,204,615 (2019: £5,524,537) - a decrease of 5%.

Gross profit margin decreased to 28% in 2020 (2019: 52.3%). Operating profit has decreased to 9% (2019: 19.4%).

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

Mr W.E.G. Connolly

Director

Date: 22 March 2021

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 APRIL 2020**

The director presents his report and the financial statements for the year ended 30 April 2020.

Director's responsibilities statement

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 profit for the year, after taxation, amounted to £332,820 (2019 - £860,807).

Director

The director who served during the year was:

Mr W.E.G. Connolly (appointed 12 March 2008)

Future developments

The company does not intend to decrease its trade.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- he 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.

WAYNE CONNOLLY HOLDINGS LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2020**

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Duce, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Mr W.E.G. Connolly
Director

Date: 22 March 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYNE CONNOLLY HOLDINGS LIMITED

Opinion

We have audited the financial statements of Wayne Connolly Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2020, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows 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 30 April 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYNE CONNOLLY HOLDINGS LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Director's 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 Director's 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 Director's 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 returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's 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 Director's responsibilities statement on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WAYNE CONNOLLY HOLDINGS 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 financial statements.

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.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Michael Edward Skuce (Senior statutory auditor)

for and on behalf of

Duce

Chartered Certified Accountants and Registered Auditors

Manor House
35 St Thomas's Road
Chorley
Lancashire
PR7 1HP

22 March 2021

WAYNE CONNOLLY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 APRIL 2020

	Note	2020 £	2019 £
Turnover		5,204,615	5,524,537
Cost of sales		(3,780,121)	(2,606,156)
Gross profit		1,424,494	2,918,381
Administrative expenses		(954,603)	(1,845,628)
Operating profit		469,891	1,072,753
Interest payable and expenses		(137,235)	(93,730)
Profit before tax		332,656	979,023
Tax on profit		164	(118,216)
Profit after tax		332,820	860,807
Retained earnings at the beginning of the year		2,886,292	2,275,485
		2,886,292	2,275,485
Profit for the year attributable to the owners of the parent		332,820	860,807
Dividends declared and paid		(200,000)	(250,000)
Retained earnings at the end of the year		3,019,112	2,886,292
Non-controlling interest at the end of the year			

The notes on pages 15 to 30 form part of these financial statements.

WAYNE CONNOLLY HOLDINGS LIMITED
REGISTERED NUMBER: 06480383

CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	3,913,500	3,093,708
		<u>3,913,500</u>	<u>3,093,708</u>
Current assets			
Stocks	13	14,876	14,876
Debtors: amounts falling due within one year	14	2,338,750	2,662,974
		<u>2,353,626</u>	<u>2,677,850</u>
Creditors: amounts falling due within one year	16	(1,977,645)	(2,038,444)
Net current assets		<u>375,981</u>	<u>639,406</u>
Total assets less current liabilities		<u>4,289,481</u>	<u>3,733,114</u>
Creditors: amounts falling due after more than one year	17	(1,053,893)	(630,346)
Provisions for liabilities			
Deferred taxation	21	(216,426)	(216,426)
		<u>(216,426)</u>	<u>(216,426)</u>
Net assets excluding pension asset		<u>3,019,162</u>	<u>2,886,342</u>
Net assets		<u><u>3,019,162</u></u>	<u><u>2,886,342</u></u>
Capital and reserves			
Called up share capital	22	50	50
Profit and loss account	23	3,019,112	2,886,292
Equity attributable to owners of the parent Company		<u>3,019,162</u>	<u>2,886,342</u>
		<u><u>3,019,162</u></u>	<u><u>2,886,342</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr W.E.G. Connolly
Director

Date: 22 March 2021

WAYNE CONNOLLY HOLDINGS LIMITED
REGISTERED NUMBER: 06480383

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2020

The notes on pages 15 to 30 form part of these financial statements.

WAYNE CONNOLLY HOLDINGS LIMITED
REGISTERED NUMBER: 06480383

COMPANY BALANCE SHEET
AS AT 30 APRIL 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	12	190,050	190,050
		<u>190,050</u>	<u>190,050</u>
Creditors: amounts falling due within one year	16	(204,345)	(203,145)
Net current liabilities		<u>(204,345)</u>	<u>(203,145)</u>
Total assets less current liabilities		<u>(14,295)</u>	<u>(13,095)</u>
Net assets excluding pension asset		<u>(14,295)</u>	<u>(13,095)</u>
Net liabilities		<u><u>(14,295)</u></u>	<u><u>(13,095)</u></u>
Capital and reserves			
Called up share capital	22	50	50
Profit and loss account brought forward		(13,145)	(12,113)
Profit for the year		198,800	248,968
Other changes in the profit and loss account		(200,000)	(250,000)
		<u>(14,345)</u>	<u>(13,145)</u>
Profit and loss account carried forward		<u><u>(14,295)</u></u>	<u><u>(13,095)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr W.E.G. Connolly
Director

Date: 22 March 2021

The notes on pages 15 to 30 form part of these financial statements.

WAYNE CONNOLLY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	332,820	860,807
Adjustments for:		
Depreciation of tangible assets	74,120	105,258
Loss on disposal of tangible assets	478	-
Interest paid	137,235	93,730
Taxation charge	(164)	118,216
Decrease in stocks	-	179,770
Decrease/(increase) in debtors	325,672	(799,714)
(Increase)/decrease in amounts owed by joint ventures	(1,450)	678,594
Increase in creditors	144,288	49,032
Corporation tax (paid)	(127,735)	(54,450)
Net cash generated from operating activities	885,264	1,231,243
Cash flows from investing activities		
Purchase of tangible fixed assets	(895,768)	(978,545)
Sale of tangible fixed assets	1,379	-
HP interest paid	(4,689)	(2,362)
Net cash from investing activities	(899,078)	(980,907)
Cash flows from financing activities		
New secured loans	712,192	240,271
Repayment of/new finance leases	5,703	(72,282)
Dividends paid	(200,000)	(250,000)
Interest paid	(132,545)	(91,368)
Net cash used in financing activities	385,350	(173,379)
Net increase in cash and cash equivalents	371,536	76,957
Cash and cash equivalents at beginning of year	(627,875)	(704,832)
Cash and cash equivalents at the end of year	(256,339)	(627,875)
Cash and cash equivalents at the end of year comprise:		
Bank overdrafts	(256,339)	(627,875)
	(256,339)	(627,875)

WAYNE CONNOLLY HOLDINGS LIMITED

The notes on pages 15 to 30 form part of these financial statements.

WAYNE CONNOLLY HOLDINGS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 APRIL 2020

	At 1 May 2019	Cash flows	New finance leases	At 30 April 2020
	£	£	£	£
Bank overdrafts	(627,875)	371,536	-	(256,339)
Debt due after 1 year	(481,979)	-	(498,433)	(980,412)
Debt due within 1 year	(380,127)	-	(213,759)	(593,886)
Finance leases	(222,518)	-	(5,703)	(228,221)
	<u>(1,712,499)</u>	<u>371,536</u>	<u>(717,895)</u>	<u>(2,058,858)</u>

The notes on pages 15 to 30 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

1. General information

Wayne Connolly Holdings Limited is a private company limited by shares, registered in the United Kingdom number 06480383. Its registered office is E1-E2 Lyntown Trading Estate, Eccles, Manchester, M30 9QG. During the year the principal activity of the company continued to be that of a holding company for Connolly Scaffolding Limited, who provide scaffolding.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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 Group management to exercise judgment 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 Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2005.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

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.

2.8 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Short-term leasehold property	-	
Plant and machinery	-	Nil
Motor vehicles	-	25% Reducing Balance
Fixtures and fittings	-	5% Reducing Balance
Office equipment	-	5% 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.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of income and retained earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

2. Accounting policies (continued)

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.16 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

There are no material judgements in applying accounting policies to disclose; and there are no material key sources of uncertainty.

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

4. Turnover

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

	2020 £	2019 £
Class 1	5,204,615	5,524,537
	<u>5,204,615</u>	<u>5,524,537</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	5,204,615	5,524,537
	<u>5,204,615</u>	<u>5,524,537</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Other operating lease rentals	<u>50,909</u>	<u>53,799</u>

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>8,500</u>	<u>8,845</u>

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	8,845	8,845
	<u>8,845</u>	<u>8,845</u>

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

7. Employees

Staff costs, including director's remuneration, were as follows:

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

2020 No.	2019 No.
<u>1</u>	<u>1</u>

The Company has no employees other than the directors, who did not receive any remuneration (2019 - *£NIL*)

8. Director's remuneration

During the year retirement benefits were accruing to no directors (2019 - *NIL*) in respect of defined contribution pension schemes.

9. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	132,546	91,368
Finance leases and hire purchase contracts	4,689	2,362
	<u>137,235</u>	<u>93,730</u>

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	161,111
Adjustments in respect of previous periods	(164)	(34,162)
	<u>(164)</u>	<u>126,949</u>
Total current tax	<u>(164)</u>	<u>126,949</u>
Deferred tax		
Origination and reversal of timing differences	-	(8,733)
Total deferred tax	<u>-</u>	<u>(8,733)</u>
Taxation on (loss)/profit on ordinary activities	<u>(164)</u>	<u>118,216</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>332,656</u>	<u>979,023</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	63,205	186,014
Effects of:		
Capital allowances for year in excess of depreciation	(194,768)	(115,421)
Adjustments to tax charge in respect of prior periods	(164)	-
Other timing differences leading to an increase (decrease) in taxation	-	(8,733)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(38,036)	(73,407)
Unrelieved tax losses carried forward	228	196
Other differences leading to an increase (decrease) in the tax charge	169,371	129,567
Total tax charge for the year	<u>(164)</u>	<u>118,216</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

10. Taxation (continued)**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

11. Tangible fixed assets**Group**

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £
Cost or valuation					
At 1 May 2019	103,121	4,732,881	466,310	20,741	34,853
Additions	-	742,073	148,847	-	4,849
Disposals	(1,129)	-	(1,295)	-	-
At 30 April 2020	101,992	5,474,954	613,862	20,741	39,702
Depreciation					
At 1 May 2019	328	2,070,500	148,101	18,271	26,999
Charge for the year on owned assets	4,102	-	3,551	123	635
Charge for the year on financed assets	-	-	65,708	-	-
Disposals	-	-	(567)	-	-
At 30 April 2020	4,430	2,070,500	216,793	18,394	27,634
Net book value					
At 30 April 2020	97,562	3,404,454	397,069	2,347	12,068
At 30 April 2019	102,793	2,662,381	318,210	2,470	7,854

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

11. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 May 2019	5,357,906
Additions	895,769
Disposals	(2,424)
	<hr/>
At 30 April 2020	6,251,251
	<hr/>
Depreciation	
At 1 May 2019	2,264,199
Charge for the year on owned assets	8,411
Charge for the year on financed assets	65,708
Disposals	(567)
	<hr/>
At 30 April 2020	2,337,751
	<hr/>
Net book value	
At 30 April 2020	<u>3,913,500</u>
At 30 April 2019	<u>3,093,708</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Short leasehold	97,563	102,793
	<hr/>	<hr/>
	<u>97,563</u>	<u>102,793</u>

The net book value of assets held under hire purchase agreements total £386,413 (2019: £303,275).

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

12. Fixed asset investments

Group

Company

Investments in
subsidiary
companies
£

Cost or valuation

At 1 May 2019

190,050

At 30 April 2020

190,050

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Connolly Scaffolding Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 30 April 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Connolly Scaffolding Limited	3,223,507	334,020

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

13. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	14,876	14,876
	<u>14,876</u>	<u>14,876</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

14. Debtors

	Group 2020 £	Group 2019 £
Trade debtors	1,144,187	1,679,589
Amounts owed by joint ventures and associated undertakings	208,157	206,708
Other debtors	767,161	567,175
Prepayments and accrued income	219,245	209,502
	<u>2,338,750</u>	<u>2,662,974</u>

15. Cash and cash equivalents

	Group 2020 £	Group 2019 £
Less: bank overdrafts	(256,339)	(627,875)
	<u>(256,339)</u>	<u>(627,875)</u>

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

16. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	256,339	627,875	-	-
Bank loans	593,886	380,127	-	-
Trade creditors	357,972	224,542	-	-
Corporation tax	-	127,899	-	-
Other taxation and social security	389,331	401,510	-	-
Obligations under finance lease and hire purchase contracts	154,741	74,151	-	-
Other creditors	214,178	195,195	201,445	199,945
Accruals and deferred income	11,198	7,145	2,900	3,200
	<u>1,977,645</u>	<u>2,038,444</u>	<u>204,345</u>	<u>203,145</u>

The following liabilities were secured:

	Group 2020 £	Group 2019 £
Hire purchase/ Loans	1,004,966	1,082,153
	<u>1,004,966</u>	<u>1,082,153</u>

Details of security provided:

The assets are secured over a fixed and floating charge across the business and against specific fixed assets.

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

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

	Group 2020 £	Group 2019 £
Bank loans	980,412	481,979
Net obligations under finance leases and hire purchase contracts	73,481	148,367
	<u>1,053,893</u>	<u>630,346</u>

The following liabilities were secured:

	Group 2020 £	Group 2019 £
Hire purchase/Loans	1,053,893	630,346
	<u>1,053,893</u>	<u>630,346</u>

Details of security provided:

The assets are secured over a fixed and floating charge across the business and against specific fixed assets.

18. Loans

The loans are secured.

	Group 2020 £	Group 2019 £
Amounts falling due within one year		
Bank loans	593,886	380,127
	<u>593,886</u>	<u>380,127</u>
Amounts falling due 1-2 years		
Bank loans	980,412	481,979
	<u>980,412</u>	<u>481,979</u>
	<u>1,574,298</u>	<u>862,106</u>

WAYNE CONNOLLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	Group 2019 £
Within one year	154,741	74,151
Between 1-5 years	73,481	148,367
	<u>228,222</u>	<u>222,518</u>

20. Financial instruments

Financial assets measured at fair value through profit or loss.

21. Deferred taxation

Group

	2020 £
At beginning of year	(216,426)
Charged to profit or loss	-
At end of year	<u>(216,426)</u>

	Group 2020 £	Group 2019 £
Accelerated capital allowances	(216,426)	(216,426)
	<u>(216,426)</u>	<u>(216,426)</u>

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
50 (2019 - 50) Ordinary shares shares of £1.00 each	<u>50</u>	<u>50</u>

WAYNE CONNOLLY HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020**

22. Share capital (continued)

23. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

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