

**Strategic Report, Report of the Directors and
Financial Statements for the Period 1 December 2022 to 30 April 2023
for
LONDON SOUTH BUILD LIMITED**

**Contents of the Financial Statements
for the period 1 December 2022 to 30 April 2023**

| | Page |
|---|-------------|
| Company Information | 1 |
| Strategic Report | 2 |
| Report of the Directors | 3 |
| Report of the Independent Auditors | 5 |
| Income Statement | 7 |
| Other Comprehensive Income | 8 |
| Balance Sheet | 9 |
| Statement of Changes in Equity | 10 |
| Cash Flow Statement | 11 |
| Notes to the Cash Flow Statement | 12 |
| Notes to the Financial Statements | 13 |

LONDON SOUTH BUILD LIMITED

Company Information
for the period 1 December 2022 to 30 April 2023

DIRECTORS:

Mr A J Kuropatwa
Mr O D Kuropatwa

REGISTERED OFFICE:

9, Worton Park
Cassington
Oxfordshire
OX29 4SX

REGISTERED NUMBER:

06587544 (England and Wales)

AUDITORS:

Camerons Accountancy Consultants Limited
Statutory Auditor
Chartered Accountants
9 Worton Park
Cassington
Witney
Oxfordshire
OX29 4SX

**Strategic Report
for the period 1 December 2022 to 30 April 2023**

The directors present their strategic report for the period 1 December 2022 to 30 April 2023.

The principal activity of the business is the construction of new build mixed use property in London.

REVIEW OF BUSINESS

Key Performance Indicators

The company reviews and monitors each site project in terms of profitability and management of costs against budgets.

The last period has been a period of consolidation for the business with the completion of projects that had commenced or been agreed prior to the period of extreme cost inflation that the construction sector experienced from late 2020 through 2022/23.

Whilst being profitable in 2022/23, as the business has been every year since being founded in 2008, margins remained tight as a result of the continued cost pressures created by COVID, Brexit and the war in Ukraine which have beset the whole industry.

PRINCIPAL RISKS AND UNCERTAINTIES

Market Risks

The external market risks are lower than they were at the start of the most recent financial year as inflation has fallen and there is far greater cost and supply certainty. The cost of both labour and materials are far more predictable than they were 12 months ago which gives the business a far greater ability to plan ahead and look at new projects.

Having said that the pressures facing the end-user housing market remain a significant concern. The rate of sale of residential property slowed markedly during 2023 and remains subdued going forward. Hopefully interest rates have now peaked and if they start to fall in 2024 this would provide a boost to confidence and sales that the business would benefit from.

OTHER INFORMATION

Business Strengths

The business continues to benefit from strong long-term relationships with key sub-contractors and suppliers built up over many years. The management and site teams within the business are highly experienced and have been with the business for a number of years. The company also continues to benefit from its flat management structure that enables it to make swift decisions. This has proved crucial over the recent challenging years the industry has faced.

But possibly the business' greatest strength lies in its experience of delivering on sites that will be more and more significant as the UK and London expands its housing stock. As a contractor the company has consistently delivered on tight, high density sites that are increasingly common as London seeks to provide much needed housing for its growing population.

HEALTH AND SAFETY

The company has also continued to invest in site Health and Safety utilising the experience of our consultants Safe Scope and the experienced Project Managers we have on site.

Each site is audited monthly by external consultants and the business continually invests in training for staff both in terms of site specific risks and wider issues such as mental health awareness.

One of the highlights of the last 12 months, that reflect this focus, was the 90% Considerate Contractors score that was achieved.

ON BEHALF OF THE BOARD:

Mr A J Kuropatwa - Director

6 March 2024

**Report of the Directors
for the period 1 December 2022 to 30 April 2023**

The directors present their report with the financial statements of the company for the period 1 December 2022 to 30 April 2023.

CHANGE OF NAME

The company passed a special resolution on 28 December 2023 changing its name from Kuropatwa Limited to London South Build Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of building construction.

DIVIDENDS

No dividends will be distributed for the period ended 30 April 2023.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2022 to the date of this report.

Mr A J Kuropatwa
Mr O D Kuropatwa

Other changes in directors holding office are as follows:

Mrs A E Kuropatwa ceased to be a director after 30 April 2023 but prior to the date of this report.

POLITICAL DONATIONS AND EXPENDITURE

Charitable donations in the period amounted to £nil (£2,000 in 2022). No political donations were made in either period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

LONDON SOUTH BUILD LIMITED (REGISTERED NUMBER: 06587544)

**Report of the Directors
for the period 1 December 2022 to 30 April 2023**

AUDITORS

The auditors, Camerons Accountancy Consultants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr A J Kuropatwa - Director

6 March 2024

Report of the Independent Auditors to the Members of London South Build Limited

Disclaimer of opinion

We were engaged to audit the financial statements of Kuropatwa Limited (the 'company') for the shortened period ended 30th April 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statements of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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).

We do not express an opinion on the accompanying financial statements of the company because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

We were not appointed auditors of the company until after 30 April 2023 and therefore we were not able to attend any year end inspections, valuations, office or site visits at cut off date. We have not obtained all the information and justifications that we considered necessary for gaining adequate assurance over work in progress, reported as £2,452,933 at 30th April 2023 and £2,186,635, 30th November 2022, being one of the most material audit areas within the accounts and bearing the highest level of Director estimation.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded trade creditors and work in progress and the impact on the financial statements.

Opinions on other matters prescribed by the Companies Act 2006

Due to the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report or the directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Report of the Independent Auditors to the Members of London South Build Limited

In identifying and assessing risks or 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 market, control environments and business performance;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified relating to:
- Identifying, evaluating and complying with laws and regulations specific to the individual entities, and if management are aware of any instances of non-compliance.
- Detecting and responding to the risks of fraud and whether management have knowledge of any actual, suspected or alleged fraud;
- Internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- The matters discussed among the audit engagement team covered how and where fraud may occur in the financial statements and potential indicators of fraud.

In keeping with ISAs (UK), we are required to perform specific procedures to respond to the risk of management override across the company.

Key laws and regulations that have a direct impact on material values within the financial statements include the UK Companies Act and tax legislation. Other key laws and regulations that the company is subject to are Health & Safety Act and whole Construction Industry regulations such as building and planning requirements.

Some of our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with the above mentioned significant laws and regulations;
- Enquiring of management about any actual and potential litigation claims;
- Review correspondence with HMRC
- Testing appropriateness of journal entered and other adjustments susceptible to management override.

The engagement team members were all briefed on the relevant laws and regulations, and they remained alert to any indications of fraud or non compliance with laws and regulations throughout the audit.

Use of the audit 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.

Ellen O'Donnell (Senior Statutory Auditor)
for and on behalf of Camerons Accountancy Consultants Limited
Statutory Auditor
Chartered Accountants
9 Worton Park
Cassington
Witney
Oxfordshire
OX29 4SX

6 March 2024

LONDON SOUTH BUILD LIMITED (REGISTERED NUMBER: 06587544)

**Income Statement
for the period 1 December 2022 to 30 April 2023**

| | Notes | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|--|-------|---|---|
| TURNOVER | | 5,452,804 | 25,571,079 |
| Cost of sales | | <u>5,260,067</u> | <u>24,638,535</u> |
| GROSS PROFIT | | 192,737 | 932,544 |
| Administrative expenses | | <u>129,646</u> | <u>798,382</u> |
| | | 63,091 | 134,162 |
| Other operating income | | <u>4,500</u> | <u>-</u> |
| OPERATING PROFIT | 4 | <u>67,591</u> | <u>134,162</u> |
| Interest receivable and similar income | | <u>455</u> | <u>74,691</u> |
| | | 68,046 | 208,853 |
| Interest payable and similar expenses | 5 | <u>57,690</u> | <u>193,419</u> |
| PROFIT BEFORE TAXATION | | 10,356 | 15,434 |
| Tax on profit | 6 | <u>3,613</u> | <u>3,243</u> |
| PROFIT FOR THE FINANCIAL PERIOD | | <u>6,743</u> | <u>12,191</u> |

The notes form part of these financial statements

LONDON SOUTH BUILD LIMITED (REGISTERED NUMBER: 06587544)

**Other Comprehensive Income
for the period 1 December 2022 to 30 April 2023**

| | Notes | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|--|-------|---|---|
| PROFIT FOR THE PERIOD | | 6,743 | 12,191 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | <u>6,743</u> | <u>12,191</u> |

The notes form part of these financial statements

LONDON SOUTH BUILD LIMITED (REGISTERED NUMBER: 06587544)

Balance Sheet

30 April 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 7 | | 13,574 | | 22,233 |
| CURRENT ASSETS | | | | | |
| Debtors | 8 | 6,024,263 | | 6,387,920 | |
| Cash at bank | | <u>92,345</u> | | <u>289,270</u> | |
| | | 6,116,608 | | 6,677,190 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 9 | <u>4,997,845</u> | | <u>5,517,580</u> | |
| NET CURRENT ASSETS | | | <u>1,118,763</u> | | <u>1,159,610</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 1,132,337 | | 1,181,843 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 10 | | <u>282,161</u> | | <u>338,410</u> |
| NET ASSETS | | | <u>850,176</u> | | <u>843,433</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 8,000 | | 8,000 |
| Capital redemption reserve | 15 | | 2,000 | | 2,000 |
| Retained earnings | 15 | | <u>840,176</u> | | <u>833,433</u> |
| SHAREHOLDERS' FUNDS | | | <u>850,176</u> | | <u>843,433</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 6 March 2024 and were signed on its behalf by:

Mr A J Kuropatwa - Director

Statement of Changes in Equity
for the period 1 December 2022 to 30 April 2023

| | Called up share capital £ | Retained earnings £ | Capital redemption reserve £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|---------------------------------------|----------------------|
| Balance at 1 June 2021 | 8,000 | 861,242 | 2,000 | 871,242 |
| Changes in equity | | | | |
| Profit for the period | - | 12,191 | - | 12,191 |
| Total comprehensive income | - | 12,191 | - | 12,191 |
| Purchase of own shares | - | (40,000) | - | (40,000) |
| Balance at 30 November 2022 | 8,000 | 833,433 | 2,000 | 843,433 |
| Changes in equity | | | | |
| Profit for the period | - | 6,743 | - | 6,743 |
| Total comprehensive income | - | 6,743 | - | 6,743 |
| Balance at 30 April 2023 | 8,000 | 840,176 | 2,000 | 850,176 |

Cash Flow Statement**for the period 1 December 2022 to 30 April 2023**

| | | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|---|-------|---|---|
| | Notes | | |
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (800,688) | (1,241,543) |
| Interest element of hire purchase payments paid | | (100) | (1,219) |
| Tax paid | | (51,104) | (459,638) |
| Net cash from operating activities | | <u>(851,892)</u> | <u>(1,702,400)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | - | (11,507) |
| Sale of tangible fixed assets | | - | 5,000 |
| Net cash from investing activities | | <u>-</u> | <u>(6,507)</u> |
| Cash flows from financing activities | | | |
| New loans in year | | 1,084,700 | - |
| Loan repayments in year | | (1,004,682) | (197,383) |
| Capital repayments in year | | (551) | (5,595) |
| Amount introduced by directors | | 1,189,232 | 3,962,160 |
| Amount withdrawn by directors | | (582,021) | (2,052,475) |
| Share buyback | | (10,000) | (30,000) |
| Interest paid | | (21,711) | (13,407) |
| Net cash from financing activities | | <u>654,967</u> | <u>1,663,300</u> |
| Decrease in cash and cash equivalents | | <u>(196,925)</u> | <u>(45,607)</u> |
| Cash and cash equivalents at beginning of period | 2 | 289,270 | 334,877 |
| Cash and cash equivalents at end of period | 2 | <u>92,345</u> | <u>289,270</u> |

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the period 1 December 2022 to 30 April 2023**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|--|---|---|
| Profit before taxation | 10,356 | 15,434 |
| Depreciation charges | 8,659 | 11,392 |
| Profit on disposal of fixed assets | - | (3,250) |
| Finance costs | 57,690 | 193,419 |
| Finance income | (455) | (74,691) |
| | <u>76,250</u> | <u>142,304</u> |
| Increase in trade and other debtors | (240,738) | (2,633,063) |
| (Decrease)/increase in trade and other creditors | (636,200) | 1,249,216 |
| Cash generated from operations | <u>(800,688)</u> | <u>(1,241,543)</u> |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 30 April 2023

| | 30/4/23 £ | 1/12/22 £ |
|---------------------------|---------------|----------------|
| Cash and cash equivalents | <u>92,345</u> | <u>289,270</u> |

Period ended 30 November 2022

| | 30/11/22 £ | 1/6/21 £ |
|---------------------------|----------------|----------------|
| Cash and cash equivalents | <u>289,270</u> | <u>334,877</u> |

3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1/12/22 £ | Cash flow £ | At 30/4/23 £ |
|---------------------------------|--------------------|------------------|--------------------|
| Net cash | | | |
| Cash at bank | <u>289,270</u> | <u>(196,925)</u> | <u>92,345</u> |
| | <u>289,270</u> | <u>(196,925)</u> | <u>92,345</u> |
| Debt | | | |
| Finance leases | (551) | 551 | - |
| Debts falling due within 1 year | (2,168,000) | (149,700) | (2,317,700) |
| Debts falling due after 1 year | (338,410) | 56,249 | (282,161) |
| | <u>(2,506,961)</u> | <u>(92,900)</u> | <u>(2,599,861)</u> |
| Total | <u>(2,217,691)</u> | <u>(289,825)</u> | <u>(2,507,516)</u> |

**Notes to the Financial Statements
for the period 1 December 2022 to 30 April 2023**

1. STATUTORY INFORMATION

London South Build Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The company shortened end from November 2022 to April 2023 giving an 5 month accounting period. The reason for this was to re align the year end date with the company's seasonal business performance. As a result the comparative figures are not entirely comparable.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Construction contracts are recognised in line with the requirements of FRS 102 on a percentage of completion basis. Percentage of completion calculated via cost incurred to date divided by estimated total costs per project. This percentage is then applied to the contract value to give earned revenue for the time of report.

Tangible fixed assets

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

| | |
|-----------------------|-------------------------------|
| Plant and machinery | - 20% on cost and 10% on cost |
| Fixtures and fittings | - 20% on cost |
| Motor vehicles | - 20% on cost |
| Office equipment | - 20% on cost |

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
for the period 1 December 2022 to 30 April 2023

3. EMPLOYEES AND DIRECTORS

| | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|-----------------------|---|---|
| Wages and salaries | 41,990 | 417,728 |
| Social security costs | 3,936 | 48,154 |
| Other pension costs | 407 | 4,756 |
| | <u>46,333</u> | <u>470,638</u> |

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

| | Period 1/12/22 to 30/4/23 | Period 1/6/21 to 30/11/22 |
|----------------|------------------------------------|------------------------------------|
| Directors | 1 | 3 |
| Construction | 9 | 10 |
| Administration | <u>3</u> | <u>3</u> |
| | <u>13</u> | <u>16</u> |

| | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|--|---|---|
| Directors' remuneration | 2,100 | 277,800 |
| Directors' pension contributions to money purchase schemes | <u>47</u> | <u>3,210</u> |

4. OPERATING PROFIT

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

| | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|------------------------------------|---|---|
| Hire of plant and machinery | 446,418 | 1,313,280 |
| Other operating leases | 14,581 | 52,327 |
| Depreciation - owned assets | 8,659 | 11,391 |
| Profit on disposal of fixed assets | - | (3,250) |
| Auditors' remuneration | <u>10,000</u> | <u>25,000</u> |

All revenue recognised in the period is derived from contract revenue. This also applied to any amounts owing to the company included in work in progress £2,452,933 (£2,186,653 November 2022)

5. INTEREST PAYABLE AND SIMILAR EXPENSES

| | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|-----------------------------|---|---|
| Bank loan interest | 13,433 | 28,793 |
| Loan | 22,167 | 150,000 |
| HMRC interest and penalties | 21,990 | 13,407 |
| Hire purchase | <u>100</u> | <u>1,219</u> |
| | <u>57,690</u> | <u>193,419</u> |

Notes to the Financial Statements - continued
for the period 1 December 2022 to 30 April 2023

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

| | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|--------------------|---|---|
| Current tax: | | |
| UK corporation tax | 3,613 | 3,243 |
| Tax on profit | <u>3,613</u> | <u>3,243</u> |

Reconciliation of total tax charge included in profit and loss

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

| | Period 1/12/22 to 30/4/23 £ | Period 1/6/21 to 30/11/22 £ |
|--|---|---|
| Profit before tax | <u>10,356</u> | <u>15,434</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%) | 1,968 | 2,932 |
| Effects of: | | |
| Depreciation in excess of capital allowances | <u>1,645</u> | <u>311</u> |
| Total tax charge | <u>3,613</u> | <u>3,243</u> |

7. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Office equipment £ | Totals £ |
|---|-----------------------------|----------------------------------|------------------------|--------------------------|----------------|
| COST | | | | | |
| At 1 December 2022 and 30 April 2023 | <u>116,985</u> | <u>76,976</u> | <u>42,768</u> | <u>36,612</u> | <u>273,341</u> |
| DEPRECIATION | | | | | |
| At 1 December 2022 | 112,361 | 76,690 | 42,768 | 19,289 | 251,108 |
| Charge for period | <u>2,109</u> | <u>131</u> | <u>-</u> | <u>6,419</u> | <u>8,659</u> |
| At 30 April 2023 | <u>114,470</u> | <u>76,821</u> | <u>42,768</u> | <u>25,708</u> | <u>259,767</u> |
| NET BOOK VALUE | | | | | |
| At 30 April 2023 | <u>2,515</u> | <u>155</u> | <u>-</u> | <u>10,904</u> | <u>13,574</u> |
| At 30 November 2022 | <u>4,624</u> | <u>286</u> | <u>-</u> | <u>17,323</u> | <u>22,233</u> |

Notes to the Financial Statements - continued
for the period 1 December 2022 to 30 April 2023

8. DEBTORS

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 3,360,690 | 3,073,918 |
| Other debtors | 331,801 | 331,801 |
| Directors' current accounts | - | 604,395 |
| Tax | 790,155 | 593,727 |
| VAT | 120,629 | 202,787 |
| Accrued income | 1,397,520 | 1,292,497 |
| Prepayments | 23,468 | 92,367 |
| | <u>6,024,263</u> | <u>6,191,492</u> |
| Amounts falling due after more than one year: | | |
| Tax | - | 196,428 |
| Aggregate amounts | <u>6,024,263</u> | <u>6,387,920</u> |

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Bank loans and overdrafts (see note 11) | 168,000 | 168,000 |
| Other loans (see note 11) | 2,149,700 | 2,000,000 |
| Hire purchase contracts (see note 12) | - | 551 |
| Trade creditors | 1,360,749 | 1,634,178 |
| Tax | 3,613 | 51,104 |
| Social security and other taxes | 420,701 | 492,142 |
| Other creditors | 95,374 | 102,277 |
| Directors' current accounts | 10,957 | 8,141 |
| Accrued expenses | 788,751 | 1,061,187 |
| | <u>4,997,845</u> | <u>5,517,580</u> |

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2023 £ | 2022 £ |
|--------------------------|----------------|----------------|
| Bank loans (see note 11) | <u>282,161</u> | <u>338,410</u> |

11. LOANS

An analysis of the maturity of loans is given below:

| | 2023 £ | 2022 £ |
|---|------------------|------------------|
| Amounts falling due within one year or on demand: | | |
| Bank loans | 168,000 | 168,000 |
| Other loans | <u>2,149,700</u> | <u>2,000,000</u> |
| | <u>2,317,700</u> | <u>2,168,000</u> |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | <u>282,161</u> | <u>338,410</u> |

Notes to the Financial Statements - continued
for the period 1 December 2022 to 30 April 2023

12. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

| | 2023 £ | 2022 £ |
|----------------------------|-----------|------------|
| Net obligations repayable: | | |
| Within one year | <u>-</u> | <u>551</u> |

13. SECURED DEBTS

The following secured debts are included within creditors:

| | 2023 £ | 2022 £ |
|------------|----------------|----------------|
| Bank loans | <u>450,161</u> | <u>506,410</u> |

The bank loan is secured by a charge on the Company's present and future land, property, assets securities and other instruments.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2023 £ | 2022 £ |
|---------|----------|-------------------|--------------|--------------|
| 8,000 | Ordinary | 1 | <u>8,000</u> | <u>8,000</u> |

All Ordinary shares have full voting, capital and dividend rights.

15. RESERVES

| | Retained earnings £ | Capital redemption reserve £ | Totals £ |
|-----------------------|---------------------------|---------------------------------------|----------------|
| At 1 December 2022 | 833,433 | 2,000 | 835,433 |
| Profit for the period | 6,743 | | 6,743 |
| At 30 April 2023 | <u>840,176</u> | <u>2,000</u> | <u>842,176</u> |

16. CONTINGENT LIABILITIES

Since the year end the company has been made aware of a possible claim. The company is taking legal advice on this matter and the directors do not feel a provision is necessary in respect of this claim.

17. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

| | Balance at 1 December 2022 | Amounts Advanced | Amounts Repaid | Balance at 30 April 2023 |
|-------------------|----------------------------------|---------------------|-------------------|-----------------------------|
| Director's Loan 1 | 604,395 | 1,248,880 | (1,864,232) | (10,957) |
| Director's Loan 2 | (8,141) | 8,141 | - | - |

Interest is charged on the loans made to the directors at the market rate of 2% per annum and the loans are repayable on demand.

18. RELATED PARTY DISCLOSURES

Notes to the Financial Statements - continued
for the period 1 December 2022 to 30 April 2023

18. RELATED PARTY DISCLOSURES - continued

Other related parties

| | 2023 | 2022 |
|-----------------------------|-----------|------------|
| | £ | £ |
| Sales | 4,197,237 | 22,659,563 |
| Purchases | 6,000 | 186,623 |
| Amount due to related party | 2,219,700 | 2,070,000 |

Other related parties are companies under common control.

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