

COUNTY BUILDING SERVICES LIMITED

Financial statements

28 February 2022

Company registration number 06815179

COUNTY BUILDING SERVICES LIMITED

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COUNTY BUILDING SERVICES LIMITED

Strategic report

Year ended 28 February 2022

The director presents the strategic report for the year ended 28 February 2022.

Review of the business

The principal activity during the year continues to be providing labour and services to Civil Engineering contractors. The key financial and other performance indicators during the year were as follows:

2022 2021 Change

£,000 £,000 %

Turnover 8,681 15,895 -45

Operating profit 1,996 5,757 -65

Profit after tax 1,581 4,637 -66

Current assets as % of current liabilities 547 257

This financial year shows reduced trading and profitability when compared to last year, which was not unexpected. Last year benefited from accelerated works, to take advantage of the various lockdowns throughout the Coronavirus pandemic. This year has seen a challenging supply chain, including costs increasing, the availability of products and lead times. This has led to us implementing our own cost saving measures.

Despite these issues, we continue to be satisfied with the results presented and financial position of the Company.

Principal risks and uncertainties

In common with most other businesses the company faces pressure from organisations pursuing the same contracts. The directors consider that a competitive advantage is maintained because of the depth of experience in the industry of the management team as well as a detailed understanding of the market. The company is subject to regulatory and legislative risks. Breaches in regulations or applicable law can result in fines or exclusion from certain contracts. To combat this the company maintains robust compliance and legal monitoring controls. The company's overhead base is low and the risk arising from a downturn in business is considered to be low as the company is flexible enough to downsize or gear up quickly in reaction to changing market conditions.

Credit risk

Credit risk is the risk of financial loss to the company. Exposure to credit risk in relation to customers is managed through credit control processes which include active debtor management.

Liquidity risks

Liquidity risk is the risk that County Building Services Limited will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure as far as possible, that we will always have sufficient liquidity to meet liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Considering the risk mitigation activities in place, the company's exposure to liquidity and credit risk is considered to be within normal parameters and represents an acceptable level of risk.

Environment

At County Building Services Limited we take a robust approach, considering every detail in our procurement of products and services, system design, client interfaces and employee training. The company is committed to reducing CO2 emissions and helping to tackle global climate change by offsetting our in-house carbon footprint. To control our emissions we continue to invest in maintaining a modern fleet which ensures better fuel efficiency and guarantees we meet the current emissions standard. All our equipment is serviced regularly as per manufacturer guidelines to ensure it continues to run efficiently and is reliable.

Development

We are constantly searching out new opportunities within the business. The company is recognised as innovative in problem solving and dealing with specialist projects.

This report was approved by the board of directors on and signed on behalf of the board by:

Mr M P Killick

Director

COUNTY BUILDING SERVICES LIMITED

Directors report

Year ended 28 February 2022

The directors present their report and the financial statements of the company for the year ended 28 February 2022.

Directors

The directors who served the company during the year were as follows:

Mr M P Killick

Mr S Killick

Mr B Killick

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Financial instruments

There is no material exposure to price risk, credit risk, liquidity risk or cash flow risk not covered in the strategic report.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, directors 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 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 judgments and accounting estimates that are reasonable and prudent; 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 25 November 2022 and signed on behalf of the board by:

Mr M P Killick

Director

COUNTY BUILDING SERVICES LIMITED

Independent auditor's report to the members of

County Building Services Limited

Year ended 28 February 2022

Opinion

We have audited the financial statements of County Building Services Limited (the 'company') for the year ended 28 February 2022 which comprise the statement of comprehensive income, statement of financial position, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements: - give a true and fair view of the state of the company's affairs as at 28 February 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 opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and the returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: We obtained an understanding of laws and regulations that apply to the company including those that have a direct effect on the determination of amounts and disclosures in the financial statements and those other laws and regulations that do not have a direct effect on financial statement amounts and disclosures but compliance with which may be fundamental to the operation and continuation of the business, or to avoidance of material penalties. We obtained our understanding through discussions with management and those charged with governance, and from independent research and prior knowledge of the business sector as recorded on our permanent file. We determined that the most significant laws and regulations included UK GAAP, the Companies Act 2006 and taxation law. Laws and regulations relating to employment, health and safety and the environment may also have significant impact on the company's business. Our audit procedures were then designed to obtain sufficient, appropriate audit evidence to provide a basis for our audit opinion on the financial statements, including identification of non-compliance with relevant laws and regulations. The audit engagement principal selected an audit engagement team with appropriate competence and capabilities to carry out the required audit work. The chosen team discussed matters about the audit process including non-compliance with relevant laws and regulations and how fraud might occur, including what the potential indicators of fraud might be. The engagement team maintained professional scepticism throughout the audit, recognising the possibility of material misstatement, arising from acts of omission or commission, either intentional or unintentional, which are contrary to laws or regulations, notwithstanding prior experience of the honesty and integrity of the entity's management and of those charged with governance. We performed analytical procedures to identify any unusual or unexpected transactions, balances, patterns or trends that may indicate a potentially material misstatement. We made enquiries of management, those charged with governance and other third parties and we corroborated enquiries through review of internal documentation and confirmation to third party documentation. Where documentary evidence was unavailable the information provided to us was included in the letter of representation signed on behalf of the Board of Directors. We considered the control environment within the company and specifically enquired of management regarding their own assessment of the risks of fraud and error. The company is controlled by the members of one family. The audit team could not therefore ignore management override of controls as an area where the financial statements could be susceptible to material misstatement. Audit procedures to address this risk included, but were not limited to, testing the appropriateness of journal entries, assessing accounting estimates to challenge potential bias and evaluating the rationale for any significant transactions outside the normal course of business, particularly those involving related parties. Audit work does not look at all transactions and balances in the financial statements. We use systematic sampling methods selecting transactions and balances guided by materiality. Materiality is a figure which we, with professional judgment, decide is the amount by which something in the financial statements could change without causing a reader of those financial statements to change their opinion on the company's results and financial position. There is a consequent risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. We may also not detect non-compliance where non-compliance is not measured in financial terms. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Wendy Draper BSc FCA (Senior Statutory Auditor)

For and on behalf of

JADAudit Limited

Chartered Accountants

4 Bloors Lane

Rainham

Gillingham

Kent

25 November 2022

COUNTY BUILDING SERVICES LIMITED**Statement of comprehensive income****Year ended 28 February 2022**

		<u>2022</u>	<u>2021</u>
	Note	£	£
Turnover	4	8,681,117	15,894,551
Cost of sales		(5,748,051)	(9,445,102)
Gross profit		2,933,066	6,449,449
Administrative expenses		(946,644)	(699,867)
Other operating income	5	9,950	7,463
Operating profit	6	1,996,372	5,757,045
Other interest receivable and similar income	9	3,615	1,705
Interest payable and similar expenses	10	(15,111)	(16,990)
Profit before taxation		1,984,876	5,741,760
Tax on profit	11	(403,896)	(1,104,263)
Profit for the financial year and total comprehensive income		1,580,980	4,637,497

All the activities of the company are from continuing operations.

COUNTY BUILDING SERVICES LIMITED**Statement of financial position****28 February 2022**

	Note	<u>2022</u> £	£	<u>2021</u> £	£
Fixed assets					
Tangible assets	13	1,225,696		1,033,931	
		<u> </u>	1,225,696	<u> </u>	1,033,931
Current assets					
Stocks	14	16,275		18,950	
Debtors	15	1,888,340		3,917,838	
Cash at bank and in hand		2,502,749		2,820,793	
		<u> </u>		<u> </u>	
		4,407,364		6,757,581	
Creditors: amounts falling due within one year	16	(806,412)		(2,622,058)	
		<u> </u>		<u> </u>	
Net current assets			3,600,952		4,135,523
			<u> </u>		<u> </u>
Total assets less current liabilities			4,826,648		5,169,454
Creditors: amounts falling due after more than one year	17		(286,713)		(365,643)
Provisions for liabilities	18		(162,711)		(83,030)
			<u> </u>		<u> </u>
Net assets			4,377,224		4,720,781
			<u> </u>		<u> </u>
Capital and reserves					
Called up share capital	21		104		104
Fair value reserve			53,681		45,825
Profit and loss account			4,323,439		4,674,852
			<u> </u>		<u> </u>
Shareholders funds			4,377,224		4,720,781
			<u> </u>		<u> </u>

These financial statements were approved by the board of directors and authorised for issue on 25 November 2022
, and are signed on behalf of the board by:

Mr M P Killick

Director

Company registration number: 06815179

COUNTY BUILDING SERVICES LIMITED**Statement of changes in equity****Year ended 28 February 2022**

	<u>Called up share capital</u>	<u>Fair value reserve</u>	<u>Profit and loss account</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
At 1 March 2020	102	-	3,443,258	3,443,360
Profit for the year			4,637,497	4,637,497
Other comprehensive income for the year:				
Reclassification from fair value reserve to profit and loss account		45,825	(45,825)	-
Total comprehensive income for the year	-	45,825	4,591,672	4,637,497
Issue of shares	2			2
Dividends paid and payable			(3,360,078)	(3,360,078)
Total investments by and distributions to owners	2	-	(3,360,078)	(3,360,076)
At 28 February 2021 and 1 March 2021	104	45,825	4,674,852	4,720,781
Profit for the year			1,580,980	1,580,980
Other comprehensive income for the year:				
Reclassification from fair value reserve to profit and loss account		7,856	(7,856)	-
Total comprehensive income for the year	-	7,856	1,573,124	1,580,980
Dividends paid and payable			(1,924,537)	(1,924,537)
Total investments by and distributions to owners	-	-	(1,924,537)	(1,924,537)
At 28 February 2022	104	53,681	4,323,439	4,377,224

COUNTY BUILDING SERVICES LIMITED**Statement of cash flows****Year ended 28 February 2022**

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Cash flows from operating activities		
Profit for the financial year	1,580,980	4,637,497
<i>Adjustments for:</i>		
Depreciation of tangible assets	146,300	107,436
Fair value adjustment of investment property	(15,000)	(56,574)
Other interest receivable and similar income	(3,615)	(1,705)
Interest payable and similar expenses	15,111	16,990
Gain/(loss) on disposal of tangible assets	(9,125)	835
Tax on profit	403,896	1,104,263
Accrued expenses/(income)	(497,172)	613,953
<i>Changes in:</i>		
Stocks	2,675	16,460
Trade and other debtors	2,577,172	(1,096,502)
Trade and other creditors	(734,485)	(593,833)
Cash generated from operations	<u>3,466,737</u>	<u>4,748,820</u>
Interest paid	(15,111)	(16,990)
Interest received	3,615	1,705
Tax paid	(1,019,777)	(297,356)
Net cash from operating activities	<u>2,435,464</u>	<u>4,436,179</u>
Cash flows from investing activities		
Purchase of tangible assets	(366,212)	(737,766)
Proceeds from sale of tangible assets	52,272	11,408
Net cash used in investing activities	<u>(313,940)</u>	<u>(726,358)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	2
Proceeds from borrowings	(445,186)	755,891
Payment of finance lease liabilities	(69,845)	26,113
Equity dividends paid	(1,924,537)	(3,360,078)
Net cash used in financing activities	<u>(2,439,568)</u>	<u>(2,578,072)</u>
Net increase/(decrease) in cash and cash equivalents	<u>(318,044)</u>	<u>1,131,749</u>
Cash and cash equivalents at beginning of year	<u>2,820,793</u>	<u>1,689,044</u>

Cash and cash equivalents at end of year	<u>2,502,749</u>	<u>2,820,793</u>
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COUNTY BUILDING SERVICES LIMITED

Notes to the financial statements

Year ended 28 February 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Poplar Farm, Ivychurch, New Romney, Kent, TN29 0AU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Going concern

These financial statements have been prepared on the going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	-	1 % straight line
Plant and machinery	-	20 % reducing balance
Fittings fixtures and equipment	-	20 % reducing balance
Motor vehicles	-	25 % reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Investment property

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

The company 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 and loans to related parties.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Rendering of services	8,681,117	15,894,551
	<hr/>	<hr/>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Rental income	9,950	7,463
	<hr/>	<hr/>

6. Operating profit

Operating profit is stated after charging/(crediting):

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Depreciation of tangible assets	146,300	107,436
(Gain)/loss on disposal of tangible assets	(9,125)	835
Fair value adjustments to investment property	(15,000)	(56,574)
Impairment of trade debtors	-	(20,904)
Operating lease rentals	4,268	7,526
Fees payable for the audit of the financial statements	24,000	15,000
	<hr/>	<hr/>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	<u>2022</u>	<u>2021</u>
Production staff	4	4
Administrative staff	6	6
	<u>10</u>	<u>10</u>

The aggregate payroll costs incurred during the year were:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Wages and salaries	435,595	392,454
Social security costs	44,140	38,455
Other pension costs	145,649	20,211
	<u>625,384</u>	<u>451,120</u>

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Remuneration	26,517	26,313
Company contributions to pension schemes in respect of qualifying services	140,000	-
	<u>166,517</u>	<u>26,313</u>

9. Other interest receivable and similar income

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Bank deposits	292	1,705
Other interest receivable and similar income	3,323	-
	<u>3,615</u>	<u>1,705</u>

10. Interest payable and similar expenses

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	8,374	2,816
Other loans made to the company:		
Finance leases and hire purchase contracts	5,339	11,529
Other interest payable and similar expenses	1,398	2,645
	<u>15,111</u>	<u>16,990</u>

11. Tax on profit

Major components of tax expense

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Current tax:		
UK current tax expense	324,215	1,076,493
	<u> </u>	<u> </u>
Deferred tax:		
Origination and reversal of timing differences	79,681	27,770
	<u> </u>	<u> </u>
Tax on profit	<u>403,896</u>	<u>1,104,263</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19.00 % (2021: 19.00%).

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Profit before taxation	1,984,876	5,741,760
	<u> </u>	<u> </u>
Profit multiplied by rate of tax	377,126	1,090,934
Effect of expenses not deductible for tax purposes	5,528	2,580
Effect of capital allowances and depreciation	(55,589)	-
Effect of fair value adjustments not tax deductible	(2,850)	10,749
Deferred tax	79,681	-
	<u> </u>	<u> </u>
Tax on profit	<u>403,896</u>	<u>1,104,263</u>

12. Dividends

Equity dividends

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	1,924,537	3,360,078
	<hr/>	<hr/>

13. Tangible assets

	<u>Long leasehold property</u>	<u>Plant and machinery</u>	<u>Fixtures, fittings and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation					
At 1 March 2021	611,879	7,226	17,163	817,805	1,454,073
Additions	-	190,307	71,924	103,981	366,212
Disposals	-	-	-	(145,505)	(145,505)
Revaluation	15,000	-	-	-	15,000
At 28 February 2022	<hr/> 626,879	<hr/> 197,533	<hr/> 89,087	<hr/> 776,281	<hr/> 1,689,780
Depreciation					
At 1 March 2021	-	6,063	9,526	404,553	420,142
Charge for the year	4,869	29,440	7,352	104,639	146,300
Disposals	-	-	-	(102,358)	(102,358)
At 28 February 2022	<hr/> 4,869	<hr/> 35,503	<hr/> 16,878	<hr/> 406,834	<hr/> 464,084
Carrying amount					
At 28 February 2022	<hr/> 622,010	<hr/> 162,030	<hr/> 72,209	<hr/> 369,447	<hr/> 1,225,696
At 28 February 2021	<hr/> 611,879	<hr/> 1,163	<hr/> 7,637	<hr/> 413,252	<hr/> 1,033,931
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Investment property

Included within the above is investment property measured at fair value as follows:

	<u>£</u>
At 1 March 2021	125,000
Fair value adjustments	15,000
At 28 February 2022	<hr/> 140,000
	<hr/>

At the year end investment properties have been valued by the directors of the company using market conditions. No independent professional valuation has been undertaken.

Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	<u>Long leasehold property</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
At 28 February 2022		
Aggregate cost	68,426	68,426
Aggregate depreciation	-	-
	<u>68,426</u>	<u>68,426</u>
Carrying amount		
	<u>68,426</u>	<u>68,426</u>
At 28 February 2021		
Aggregate cost	68,426	68,426
Aggregate depreciation	-	-
	<u>68,426</u>	<u>68,426</u>
Carrying amount		
	<u>68,426</u>	<u>68,426</u>

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	<u>Motor vehicles</u>
	<u>£</u>
At 28 February 2022	72,953
At 28 February 2021	175,215

14. Stocks

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Finished goods and goods for resale	16,275	18,950

15. Debtors

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Trade debtors	729,282	3,383,444
Prepayments and accrued income	799,181	251,507
Other debtors	359,877	282,887
	<u>1,888,340</u>	<u>3,917,838</u>

16. Creditors: amounts falling due within one year

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	31,308	30,172
Trade creditors	377,050	789,139
Accruals and deferred income	70,502	20,000
Corporation tax	246,724	942,286
Social security and other taxes	32,472	354,868
Obligations under finance leases	45,399	69,845
Director loan accounts	468	413,259
Other creditors	2,489	2,489
	<u>806,412</u>	<u>2,622,058</u>

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

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts	278,931	312,462
Obligations under finance leases	7,782	53,181
	<u>286,713</u>	<u>365,643</u>

The bank loan is secured via a charge held by the Bank over the freehold property of the company.

Included within creditors: amounts falling due after more than one year is an amount of £ 144,518 (2021 £ 180,413) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Final repayment on the bank loan is due in October 2030. Interest is payable at 3% p.a above base rate.

18. Provisions

	<u>Deferred tax</u> <u>(note 19)</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
At 1 March 2021	83,030	83,030
Additions	79,681	79,681
At 28 February 2022	162,711	162,711

19. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Included in provisions (note 18)	162,711	83,030

The deferred tax account consists of the tax effect of timing differences in respect of:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
Accelerated capital allowances	144,818	72,281
Fair value adjustment of investment property	17,893	10,749
	162,711	83,030

20. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £ 145,649 (2021: £ 20,211).

21. Called up share capital

Issued, called up and fully paid

	<u>2022</u>		<u>2021</u>	
	<u>No</u>	<u>£</u>	<u>No</u>	<u>£</u>
Ordinary A shares shares of £ 1.00 each	100	100	100	100
Ordinary B shares shares of £ 1.00 each	1	1	1	1
Ordinary C shares shares of £ 1.00 each	1	1	1	1
Ordinary D shares shares of £ 1.00 each	1	1	1	1
Ordinary E shares shares of £ 1.00 each	1	1	1	1
	<u>104</u>	<u>104</u>	<u>104</u>	<u>104</u>

All shares rank pari passu.

22. Fair value reserve

Included within other reserves is the fair value reserve as follows:

	<u>2022</u>	<u>2021</u>
	<u>£</u>	<u>£</u>
At start of year	45,825	-
Reclassification to fair value reserve to profit and loss account	7,856	45,825
At end of year	<u>53,681</u>	<u>45,825</u>

Gains arising from the revaluation of investment properties (note 13), less related deferred tax charges (note 19), are recognised within this reserve.

23. Analysis of changes in net debt

	<u>At 1 March</u>	<u>Cash flows</u>	<u>At 28</u>
	<u>2021</u>		<u>February</u>
	<u>£</u>	<u>£</u>	<u>2022</u>
Cash and cash equivalents	2,820,793	(318,044)	2,502,749
Debt due within one year	(513,276)	436,101	(77,175)
Debt due after one year	(365,643)	78,930	(286,713)
	<u>1,941,874</u>	<u>196,987</u>	<u>2,138,861</u>

24. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	£	£
Not later than 1 year	39,800	39,800
Later than 1 year and not later than 5 years	29,850	69,650
	<u>69,650</u>	<u>109,450</u>

The company as lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	£	£
Not later than 1 year	9,950	9,950
Later than 1 year and not later than 5 years	2,488	12,438
	<u>12,438</u>	<u>22,388</u>

25. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

2022

	<u>Balance brought forward</u>	<u>Advances /(credits) to the directors</u>	<u>Amounts repaid</u>	<u>Balance o/standing</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Mr M P Killick	(413,259)	-	438,553	25,294
Mr S Killick	10,267	-	(10,268)	(1)
Mr B Killick	583	-	(1,050)	(467)
	<u>(402,409)</u>	<u>-</u>	<u>427,235</u>	<u>24,826</u>

2021

	<u>Balance brought forward</u>	<u>Advances /(credits) to the directors</u>	<u>Amounts repaid</u>	<u>Balance o/standing</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Mr M P Killick	684,870	-	(1,098,129)	(413,259)
Mr S Killick	(1)	10,268	-	10,267
Mr B Killick	(1)	584	-	583
	<u>684,868</u>	<u>10,852</u>	<u>(1,098,129)</u>	<u>(402,409)</u>

Balances between the company and the directors are interest free, unsecured and repayable on demand.

26. Controlling party

The company is controlled by the director, Mr M.P. Killick , the majority shareholder.

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