

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements

for the Period 1 April 2021 to 30 September 2022

for

Sleaford Building Holdings Limited

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for the Period 1 April 2021 to 30 September 2022

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DIRECTORS:

R A White
B M Exton

SECRETARY:

R A White

REGISTERED OFFICE:

Amon House, Heckington Business Park
Station Road
Heckington
Sleaford
Lincolnshire
NG34 9JH

REGISTERED NUMBER:

09147870 (England and Wales)

AUDITORS:

Xeinadin Audit Limited t/a Xeinadin Auditing
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Group Strategic Report
for the Period 1 April 2021 to 30 September 2022

The directors present their strategic report of the company and the group for the period 1 April 2021 to 30 September 2022.

REVIEW OF BUSINESS

The Group's principle activity during the period was Mechanical and Electrical Engineering installations on both design and build contracts and pre designed installations. The Group continued to deliver a service and maintenance division of the business.

The primary focus of the management team is to deliver a high quality service to our customers.

Trading conditions remained challenging given the continued impact of the COVID pandemic along with Brexit, the Ukraine crisis and ongoing inflation concerns having all had an impact on material availability and prices, as well as general labour shortages and post COVID attitudes towards working routines. The Directors have focused on securing contracts that provided a baseline workload for the staff of the business, whilst limiting exposure to risks of these issues as far as possible.

Turnover over the 18 month period has increased to £19,566,580 (2021 - 12 months £12,662,607), with a gross margin achieved of 20.1% (2021 - 12.3%).

The profit before taxation for the period was £670,058 (2021 - loss £793,282) which in the opinion of the Directors is a satisfactory performance given the trading conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

Management continually monitors the key risks facing the Group, together with assessing the controls used for managing these risks. The board of Directors formally review the principle risks facing the business at least annually.

The principle risks and uncertainties facing the Group are as follows:

1. **Contract risk:** Significant time is invested in the tendering process to try and ensure that achievable margins and realistic programming of potential works reduce the risks throughout the contract works. Projects are closely monitored for performance and any indicators of issues are swiftly reviewed and monitored by a pro-active management team.
2. **Competitor risk:** Trading conditions remain competitive, and therefore competitor pressure can result in loss of sales to key competitors. The Group manages this risk by carrying out high quality work and maintaining strong relationships with its key customers. In the period an increased focus on repeat work for valued clients in specific sectors has been seen as a key factor in ensuring the Group manages its clients and their expectations to the best of our ability.
3. **People:** The Group depends upon its management team and highly skilled workforce but acknowledges the increasingly competitive market for people. Management seek to ensure that all personnel are appropriately remunerated and ensure that good performance is rewarded through flexible incentives and bonus scheme.
4. **Health and Safety issues:** The Group operates to a high standard of health and safety with regular training for all employees and subcontractors.

KEY PERFORMANCE INDICATORS

Management use a range of performance measures to monitor and manage the business. The KPIs used to determine the progress and performance of the Group are set out below:

1. **Gross profit margin** - The Group gross profit margin in the period under review was 20.1%
2. **Net current assets** - Net current assets represent the liquidity of the Group and amounted to £2,615,932
3. **Financing** - The Group continues to operate with minimal bank debt and aims to retain cash resources to provide for short term funding if required.

FUTURE DEVELOPMENTS

The Group has secured contracts continuing into 2024 since the year end and the Directors are confident of increasing trading activity in the forthcoming years.

ON BEHALF OF THE BOARD:

R A White - Director

21 June 2023

Report of the Directors
for the Period 1 April 2021 to 30 September 2022

The directors present their report with the financial statements of the company and the group for the period 1 April 2021 to 30 September 2022.

DIVIDENDS

No dividends will be distributed for the period ended 30 September 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

R A White
B M Exton

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Xeinadin Audit Limited t/a Xeinadin Auditing, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

R A White - Director

21 June 2023

Opinion

We have audited the financial statements of Sleaford Building Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 September 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 September 2022 and of the group's profit for the period 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 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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Emphasis of matter - prior year adjustments

We draw attention to Note 10 to the financial statements which describes the circumstances surrounding the prior year adjustments. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Report of the Directors.

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 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 a Report of the Auditors 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.

Based on our understanding of the Group and industry, we identified that Health and Safety, and construction laws and regulations are the most significant to this business and we considered other laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and concluded that the principal risks were related to management bias in accounting for long-term contracts and revenue recognition. Audit procedures undertaken in response to these risks included:

- Enquiring of management and those charged with governance around actual and potential fraud, litigation, and claims;
- Reviewing internal health and safety records and correspondence with legal advisers for indications of any instances on non-compliance with laws and regulations;
- Reviewing non-ledger transactions for items of an unusual nature and further related party transactions;
- Testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of any significant transactions outside the normal course of business;
- Evaluating assumptions and judgements made by management in the estimates involved with accounting for long term contracts; and
- Reviewing a sample of sales around the year end and ensuring correct cut-off had been applied.

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

A further description of our responsibilities 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 Report of the Auditors.

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 a Report of the Auditors 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.

Antony Bostock FCA CF (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited t/a Xeinadin Auditing
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

21 June 2023

Consolidated Income Statement
for the Period 1 April 2021 to 30 September 2022

		Period 1.4.21 to 30.9.22 £	Year Ended 31.3.21 as restated £
	Notes		
TURNOVER	3	19,566,580	12,662,607
Cost of sales		15,461,368	11,106,550
GROSS PROFIT		4,105,212	1,556,057
Administrative expenses		3,487,216	2,683,825
		617,996	(1,127,768)
Other operating income	4	101,738	321,027
OPERATING PROFIT/(LOSS)	6	719,734	(806,741)
Interest receivable and similar income		1,056	76,080
		720,790	(730,661)
Interest payable and similar expenses	7	50,732	62,621
PROFIT/(LOSS) BEFORE TAXATION		670,058	(793,282)
Tax on profit/(loss)	8	216,371	-
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		453,687	(793,282)
Profit/(loss) attributable to:			
Owners of the parent		453,687	(793,282)

Consolidated Other Comprehensive Income
for the Period 1 April 2021 to 30 September 2022

	Notes	Period 1.4.21 to 30.9.22 £	Year Ended 31.3.21 as restated £
PROFIT/(LOSS) FOR THE PERIOD		453,687	(793,282)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			<u>(793,282)</u>
Prior year adjustment	Note 10	<u>2,119,429</u>	
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT		<u>2,573,116</u>	
Total comprehensive income attributable to: Owners of the parent		<u>2,573,116</u>	<u>(793,282)</u>

Consolidated Balance Sheet
30 September 2022

		30.9.22		31.3.21 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11		759,150		818,557
Investments	12		-		-
			<u>759,150</u>		<u>818,557</u>
CURRENT ASSETS					
Debtors	13	4,856,713		5,403,035	
Cash at bank and in hand		<u>544,328</u>		<u>45,454</u>	
		5,401,041		5,448,489	
CREDITORS					
Amounts falling due within one year	14	<u>2,744,896</u>		<u>3,209,931</u>	
NET CURRENT ASSETS			<u>2,656,145</u>		<u>2,238,558</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,415,295		3,057,115
CREDITORS					
Amounts falling due after more than one year	15		(219,562)		(594,268)
PROVISIONS FOR LIABILITIES	19		<u>(668,357)</u>		<u>(389,158)</u>
NET ASSETS			<u><u>2,527,376</u></u>		<u><u>2,073,689</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		264		264
Retained earnings	21		<u>2,527,112</u>		<u>2,073,425</u>
SHAREHOLDERS' FUNDS			<u><u>2,527,376</u></u>		<u><u>2,073,689</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2023 and were signed on its behalf by:

R A White - Director

Company Balance Sheet
30 September 2022

		30.9.22		31.3.21 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	11		-		-
Investments	12		100		100
			<u>100</u>		<u>100</u>
CURRENT ASSETS					
Debtors	13	100		100	
Cash in hand		64		64	
		<u>164</u>		<u>164</u>	
NET CURRENT ASSETS			<u>164</u>		<u>164</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>264</u>		<u>264</u>
CAPITAL AND RESERVES					
Called up share capital	20		264		264
SHAREHOLDERS' FUNDS			<u>264</u>		<u>264</u>
Company's profit for the financial year			<u>-</u>		<u>-</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21 June 2023 and were signed on its behalf by:

R A White - Director

Consolidated Statement of Changes in Equity
for the Period 1 April 2021 to 30 September 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	264	2,866,707	2,866,971
Changes in equity			
Total comprehensive income	-	(2,912,711)	(2,912,711)
Balance at 31 March 2021	264	(46,004)	(45,740)
Prior year adjustment	-	2,119,429	2,119,429
As restated	264	2,073,425	2,073,689
Changes in equity			
Total comprehensive income	-	453,687	453,687
Balance at 30 September 2022	264	2,527,112	2,527,376

Company Statement of Changes in Equity
for the Period 1 April 2021 to 30 September 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	264	-	264
Changes in equity			
Balance at 31 March 2021	264	-	264
Changes in equity			
Balance at 30 September 2022	264	-	264

Consolidated Cash Flow Statement
for the Period 1 April 2021 to 30 September 2022

		Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	2,641,350	865,511
Interest paid		(35,337)	(56,606)
Interest element of hire purchase payments paid		(15,395)	(6,015)
Taxation refund		-	98,689
Net cash from operating activities		<u>2,590,618</u>	<u>901,579</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(179,676)	(71,623)
Sale of tangible fixed assets		61,863	41,508
Interest received		1,056	76,080
Net cash from investing activities		<u>(116,757)</u>	<u>45,965</u>
Cash flows from financing activities			
New loans in year		-	50,000
Loan repayments in year		(374,409)	(755,324)
Capital repayments in year		(135,317)	(34,603)
Amount introduced by directors		-	10
Amount withdrawn by directors		(1,465,261)	(73,606)
Net cash from financing activities		<u>(1,974,987)</u>	<u>(813,523)</u>
Increase in cash and cash equivalents		<u>498,874</u>	<u>134,021</u>
Cash and cash equivalents at beginning of period	2	45,454	(88,567)
Cash and cash equivalents at end of period	2	<u>544,328</u>	<u>45,454</u>

Notes to the Consolidated Cash Flow Statement
for the Period 1 April 2021 to 30 September 2022

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Profit/(loss) before taxation	670,058	(793,282)
Depreciation charges	192,499	149,708
(Profit)/loss on disposal of fixed assets	(15,284)	4,603
Movement in onerous contract provision	(389,158)	389,158
Movement in other provisions	580,000	-
Finance costs	50,732	62,621
Finance income	(1,056)	(76,080)
	<u>1,087,791</u>	<u>(263,272)</u>
Decrease in trade and other debtors	2,627,727	786,140
(Decrease)/increase in trade and other creditors	<u>(1,074,168)</u>	<u>342,643</u>
Cash generated from operations	<u>2,641,350</u>	<u>865,511</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 September 2022

	30.9.22	1.4.21
	£	£
Cash and cash equivalents	<u>544,328</u>	<u>45,454</u>

Year ended 31 March 2021

	31.3.21 as restated	1.4.20
	£	£
Cash and cash equivalents	45,454	579
Bank overdrafts	-	(89,146)
	<u>45,454</u>	<u>(88,567)</u>

Notes to the Consolidated Cash Flow Statement
for the Period 1 April 2021 to 30 September 2022

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.4.21 £	Cash flow £	At 30.9.22 £
Net cash			
Cash at bank and in hand	45,454	498,874	544,328
	<u>45,454</u>	<u>498,874</u>	<u>544,328</u>
Debt			
Finance leases	(173,283)	135,317	(37,966)
Debts falling due within 1 year	(124,676)	88,319	(36,357)
Debts falling due after 1 year	(504,935)	286,095	(218,840)
	<u>(802,894)</u>	<u>509,731</u>	<u>(293,163)</u>
Total	<u>(757,440)</u>	<u>1,008,605</u>	<u>251,165</u>

1. **STATUTORY INFORMATION**

Sleaford Building Holdings 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 General Information page.

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.

The 2022 results have been prepared for the 18 month period to September 2022 due to management's decision to change the financial year end. The comparative figures are therefore not entirely comparable.

Turnover

Turnover, for small works and sundry sales, represents net invoiced sales of goods and services excluding value added tax. For long term contracts, income is recognised based on the level of practical completion attained, which is determined based on past experience and valuations performed by project managers. Contracts are broken down sufficiently to allow the directors, with reasonable certainty, to assess the level of profitability associated with them. Provision is made for losses on all long term contracts as soon as such losses become apparent.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 20% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Tangible fixed assets are initially recognised at cost which is the purchase price plus any directly attributable costs. Subsequently, tangible fixed assets are measured at cost less accumulated depreciation and impairment losses.

Government grants

Government grants are recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and liabilities are recognised when the Group becomes party to the contractual provisions of the financial instrument. The Group holds only basic financial instruments, which comprise cash and cash equivalents, debtors, creditors and loans and borrowings. The Group has chosen to apply the provisions of Section 11 'Basic Financial Instruments' in full.

(i) Cash and cash equivalents;

Cash and cash equivalents include cash in hand, deposits held with banks, and other short term highly liquid investments with original maturities of three months or less.

(ii) Debtors;

Debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount expected to be receivable, net of any impairment.

(iii) Creditors and loans and borrowings;

Creditors and loans and borrowings are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised costs using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at the market rate of interest.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated 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.

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Assets obtained under hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful lives

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

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

Sales retentions

Retentions outstanding on invoiced contract works are included within debtors. The ageing split of retentions is based upon contract completion dates and in accordance with contractor agreement terms and/or normal terms of contract works with the contractor for retention release.

Accounting estimates and judgements

In order to assess the appropriateness of the income and costs recognised on contracts, the group is required to make estimations of sales prices, costs and margins expected in order to determine whether any writedowns or reversals are required to ensure turnover and cost of sales are stated appropriately in the financial statements.

3. TURNOVER

The turnover and profit (2021 - loss) before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Engineering installations	15,495,425	9,804,319
Housing development	4,071,155	2,858,288
	<u>19,566,580</u>	<u>12,662,607</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

4. OTHER OPERATING INCOME

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Sundry receipts	53,353	7,828
Government grants	48,385	313,199
	<u>101,738</u>	<u>321,027</u>

Government grants of £48,385 (2021 : £313,199) are comprised solely of monies received under the CJRS (Coronavirus job retention scheme).

5. EMPLOYEES AND DIRECTORS

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Wages and salaries	3,212,193	2,306,823
Social security costs	321,173	233,270
Other pension costs	138,531	41,670
	<u>3,671,897</u>	<u>2,581,763</u>

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

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
Office and management staff	29	34
Site staff	<u>25</u>	<u>33</u>
	<u>54</u>	<u>67</u>

The average number of employees by undertakings that were proportionately consolidated during the period was 54 (2021 - 67) .

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

5. EMPLOYEES AND DIRECTORS - continued

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Directors' remuneration	288,387	135,725
Directors' pension contributions to money purchase schemes	<u>83,302</u>	<u>1,713</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director for the period ended 30 September 2022 is as follows:

	Period 1.4.21 to 30.9.22
	£
Emoluments etc	122,381
Pension contributions to money purchase schemes	<u>1,981</u>

Key management personnel comprise the executive directors. Their aggregate remuneration is disclosed above.

6. OPERATING PROFIT/(LOSS)

The operating profit (2021 - operating loss) is stated after charging/(crediting):

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Hire of plant and machinery	329,241	109,030
Other operating leases	34,494	21,729
Depreciation - owned assets	126,107	84,851
Depreciation - assets on hire purchase contracts	66,397	64,857
(Profit)/loss on disposal of fixed assets	(15,284)	4,603
Auditors' remuneration	<u>20,000</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Bank interest	2,188	-
Bank loan interest	13,658	10,589
Other loan interest	17,486	11,933
Other interest payable	2,005	34,084
Hire purchase	15,395	6,015
	<u>50,732</u>	<u>62,621</u>

8. **TAXATION**

Analysis of the tax charge

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

	Period 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Current tax:		
Prior year	128,014	-
Deferred tax	88,357	-
Tax on profit/(loss)	<u>216,371</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

8. **TAXATION - continued**

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 1.4.21 to 30.9.22	Year Ended 31.3.21 as restated
	£	£
Profit/(loss) before tax	<u>670,058</u>	<u>(793,282)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	127,311	(150,724)
Effects of:		
Expenses not deductible for tax purposes	5,902	4,780
Depreciation in excess of capital allowances	10,784	21,590
Utilisation of tax losses	(143,997)	-
Adjustments to tax charge in respect of previous periods	128,014	-
Tax losses carried forward	-	124,354
Brought forward accelerated capital allowances	77,492	-
Change in tax rate	<u>10,865</u>	<u>-</u>
Total tax charge	<u>216,371</u>	<u>-</u>

9. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

10. **PRIOR YEAR ADJUSTMENT**

The following prior year adjustments have been made:

1. A detailed review of a material contract for housing developer Stickney Meadows Limited (now in liquidation) was undertaken. This contract covered 4 years in total and it was identified that Sleaford Building Services Limited (SBS) was overly prudent regarding revenue recognition and associated work in progress. The cautious nature of accounting was related to the following factors: the length of the contract, a new unproven income stream for SBS, the impact of the COVID pandemic, and the general housing market. However, these financial statements have crystallised the final contract position which has resulted in a prior year adjustment. The overall financial result of the contract over the 4 years was correct and the adjustment is simply a timing issue of work in progress throughout the life of the project.

The effect of this is as below:

Impact to Year Ended 31.3.21

Work in progress	£2,489,069 increase
Turnover	£137,764 decrease
Retained earnings	£2,626,833 increase

The adjustment to retained earnings represents the correction at the beginning of the earliest prior period presented.

2. Unrecognised sales retentions were identified. The effect of this is as below:

Impact to Year Ended 31.3.21

Sales retentions < 1 year	£186,218 increase
Sales retentions > 1 year	£67,526 increase
Turnover	£366,935 increase
Administrative expenses	£113,191 increase

3. The results achieved on construction contracts have been reviewed and onerous contract provisions and accruals have been adjusted accordingly. The effect of this is as below:

Impact to Year Ended 31.3.21

Administrative expenses	£538,244 increase
Accrued expenses	£149,086 increase
Provisions	£389,158 increase

4. Sales cut-off errors were identified. The effect of this is as below:

Impact to Year Ended 31.3.21

Turnover	£85,140 decrease
Trade debtors	£85,140 decrease

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

11. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2021	404,080	153,814	530,730	132,207	1,220,831
Additions	-	77,855	86,918	14,903	179,676
Disposals	-	(49,529)	(68,095)	-	(117,624)
At 30 September 2022	404,080	182,140	549,553	147,110	1,282,883
DEPRECIATION					
At 1 April 2021	16,164	68,744	237,379	79,987	402,274
Charge for period	12,121	47,041	111,529	21,813	192,504
Eliminated on disposal	-	(23,284)	(47,761)	-	(71,045)
At 30 September 2022	28,285	92,501	301,147	101,800	523,733
NET BOOK VALUE					
At 30 September 2022	375,795	89,639	248,406	45,310	759,150
At 31 March 2021	387,916	85,070	293,351	52,220	818,557

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 April 2021	306,491
Disposals	(15,979)
Transfer to ownership	(50,972)
At 30 September 2022	239,540
DEPRECIATION	
At 1 April 2021	110,477
Charge for period	66,397
Eliminated on disposal	(8,114)
Transfer to ownership	(33,495)
At 30 September 2022	135,265
NET BOOK VALUE	
At 30 September 2022	104,275
At 31 March 2021	196,014

12. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1 April 2021
and 30 September 2022

100

NET BOOK VALUE

At 30 September 2022
At 31 March 2021

100

100

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Sleaford Building Services Limited

Registered office: Same as parent - see company information page
Nature of business: Mechanical and electrical engineering

Class of shares:	% holding
Ordinary	100.00

The subsidiary is incorporated in England & Wales, and is included within the consolidation.

13. DEBTORS

	Group		Company	
	30.9.22	31.3.21 as restated	30.9.22	31.3.21 as restated
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,031,045	2,367,512	-	-
Applications	15,000	-	-	-
Work in progress	258,781	2,489,069	-	-
Sales retentions	159,247	67,526	-	-
Amounts owed by group undertakings	-	-	100	100
Other debtors	57,115	52,084	-	-
Directors' current accounts	1,460,305	-	-	-
Tax	621,100	-	-	-
VAT	-	177,651	-	-
Prepayments	149,346	62,975	-	-
	<u>4,751,939</u>	<u>5,216,817</u>	<u>100</u>	<u>100</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

13. **DEBTORS - continued**

	Group		Company	
	30.9.22	31.3.21 as restated	30.9.22	31.3.21 as restated
	£	£	£	£
Amounts falling due after more than one year:				
Sales retentions	104,774	186,218	-	-
Aggregate amounts	4,856,713	5,403,035	100	100

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	
	30.9.22	31.3.21 as restated
	£	£
Bank loans and overdrafts (see note 16)	36,357	38,343
Other loans (see note 16)	-	86,333
Hire purchase contracts (see note 17)	37,244	83,950
Trade creditors	512,129	1,597,425
Tax	749,114	-
Social security and other taxes	62,722	77,166
VAT	68,523	-
Other creditors	23,873	38,772
Purchase retentions	317,576	284,526
Directors' current accounts	-	4,956
Accruals and deferred income	937,358	998,460
	2,744,896	3,209,931

15. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group	
	30.9.22	31.3.21 as restated
	£	£
Bank loans (see note 16)	218,840	270,935
Other loans (see note 16)	-	234,000
Hire purchase contracts (see note 17)	722	89,333
	219,562	594,268

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

16. **LOANS**

An analysis of the maturity of loans is given below:

		Group	
		30.9.22	31.3.21
			as restated
		£	£
Amounts falling due within one year or on demand:			
Bank loans		36,357	38,343
Other loans		-	86,333
		<u>36,357</u>	<u>124,676</u>
Amounts falling due between one and two years:			
Bank loans - 1-2 years		36,357	38,344
Other loans - 1-2 years		-	62,400
		<u>36,357</u>	<u>100,744</u>
Amounts falling due between two and five years:			
Bank loans - 2-5 years		181,791	230,066
Other loans - 2-5 years		-	171,600
		<u>181,791</u>	<u>401,666</u>
Amounts falling due in more than five years:			
Repayable by instalments			
Bank loans more 5 yr by instal		<u>692</u>	<u>2,525</u>

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

		Hire purchase contracts	
		30.9.22	31.3.21
			as restated
		£	£
Net obligations repayable:			
Within one year		37,244	83,950
Between one and five years		<u>722</u>	<u>89,333</u>
		<u>37,966</u>	<u>173,283</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

17. **LEASING AGREEMENTS - continued**

Group

	Non-cancellable operating leases	
	30.9.22	31.3.21 as restated
	£	£
Within one year	9,069	8,969
Between one and five years	11,516	19,865
	<u>20,585</u>	<u>28,834</u>

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group	
	30.9.22	31.3.21 as restated
	£	£
Bank loans	255,197	309,278
Other loans	-	320,333
Hire purchase contracts	37,966	173,283
	<u>293,163</u>	<u>802,894</u>

The bank loans are secured by fixed and floating charges over the assets of the company.

The other loans are secured over land owned by a company under common ownership.

The obligations under hire purchase contracts are secured on the assets to which they relate.

19. **PROVISIONS FOR LIABILITIES**

	Group	
	30.9.22	31.3.21 as restated
	£	£
Deferred tax	88,357	-
Other provisions		
Onerous contract provisions	-	389,158
Subcontractor provision	580,000	-
	<u>580,000</u>	<u>389,158</u>
Aggregate amounts	<u>668,357</u>	<u>389,158</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

19. **PROVISIONS FOR LIABILITIES - continued**

Group

	Deferred tax £	Other provisions £
Balance at 1 April 2021	-	389,158
Provided during period	88,357	580,000
Utilised during period	-	(389,158)
Balance at 30 September 2022	<u>88,357</u>	<u>580,000</u>

Other provisions are comprised of two provisions. The first relates to a provision for onerous contracts which as utilised in full in this period. The other relates to subcontractor costs anticipated pending the outcome of ongoing legal disputes. They are expected to reverse within the next financial year.

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.9.22	31.3.21 as restated
			£	£
200	Ordinary A	£1	200	200
57	Ordinary B	£1	57	57
7	Ordinary C	£1	7	7
			<u>264</u>	<u>264</u>

Ordinary A shares have full voting, dividend, and capital distribution rights. Ordinary B and C shares have full dividend and capital distribution rights but no voting rights.

21. **RESERVES**

Group

	Retained earnings £
At 1 April 2021	(46,004)
Prior year adjustment	<u>2,119,429</u>
	2,073,425
Profit for the period	<u>453,687</u>
At 30 September 2022	<u>2,527,112</u>

Notes to the Consolidated Financial Statements - continued
for the Period 1 April 2021 to 30 September 2022

21. **RESERVES - continued**

Company

Retained
earnings
£

Profit for the period
At 30 September 2022

-
-
=

22. **PENSION COMMITMENTS**

The Group contributes to the individual personal pension plans of employees and directors. The assets of the schemes are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the personal pension plans. The company contributed £55,229 (2021: £39,957) in respect of employees and £83,302 (2021: £1,713) in respect of directors. As at the reporting date, amounts payable of £8,817 (2021: £8,878) had not been paid over to the plan.

23. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

During the period directors were advanced £1,460,305 which remained outstanding at the period end included in other debtors. There were no advances or amounts outstanding in the prior year.

These advances were interest free, unsecured and repayable by demand.

24. **RELATED PARTY DISCLOSURES**

Other related parties

	30.9.22	31.3.21 as restated
	£	£
Sales (Related party 1)	3,803,180	2,862,686
Sales (Related party 3)	69	-
Purchases (Related party 1)	6,875	11,652
Purchases (Related party 2)	34,500	23,000
Purchases (Related party 3)	2,200	-
Loan repayment (Related party 2)	330,005	-
Amount due from related party (Related party 1)	706,090	496,461
Amount due from related party (Related party 3)	25,096	29,027
Amount due to related party (Related party 1)	-	2,913
Amount due to related party (Related party 2)	-	320,333

24. **RELATED PARTY DISCLOSURES - continued**

Related Party 1

During the current and comparative periods the group entered into transactions with other entities under shared control, the aggregate of which are disclosed above. The balances owed to and from were unsecured, interest free, and repayable on demand.

Related Party 2

During the current and comparative periods the group repaid a loan and made purchases from a pension scheme for which it is a sponsoring employer. No balances were owed at the period end.

Related Party 3

During the current and comparative periods transactions were entered into with close family members of a person with significant influence over the group. The balances outstanding at the period end were unsecured, interest free, and repayable on demand.

25. **ULTIMATE CONTROLLING PARTY**

The company is controlled by B Exton.

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