

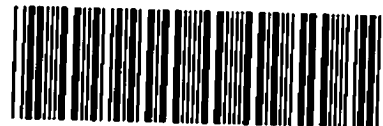
**H & J Martin  
Construction Limited  
Financial statements  
31 March 2022**

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# **H & J Martin Construction Limited**

## **Financial statements**

**Year ended 31 March 2022**

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# H & J Martin Construction Limited

## Officers and professional advisers

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<b>The board of directors</b>	MJ Hughes D Ramsey G Moore
<b>Company secretary</b>	D Agnew
<b>Registered office</b>	Rosemount House 21-23 Sydenham Road Belfast BT3 9HA
<b>Auditor</b>	BDO Northern Ireland Chartered accountants & statutory auditor Lindsay House 10 Callender Street Belfast BT1 5BN
<b>Bankers</b>	Danske Bank Donegall Square West Belfast BT1 6JS
<b>Solicitors</b>	Tughans Marlborough House 30 Victoria Street Belfast BT1 3GG

# H & J Martin Construction Limited

## Strategic report

### Year ended 31 March 2022

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

#### Principal activities and business review

H.& J. Martin Construction Limited ("the Company") is a construction company.

#### Performance

The company made a profit before taxation of £3.1m (2021: £0.2m) on turnover of £9.2m (2021: £13.0m). The current year results included a gain on disposal of subsidiary undertaking of £3.5m (2021: £nil) and a bad debt provision of £0.4m (2021: £nil).

At 31 March 2022 the company had net assets of £1.1m (2021 net liabilities: £2.0m).

The directors do not recommend the payment of a dividend in the year.

#### Principal Risks and Uncertainties

##### UK, Ireland and International Economies

The company's revenue depends to a great degree on the economies of the countries in which we operate. A positive economic climate is essential to generate economic growth which in turn provides further opportunities for the company. Despite the limitations in recent growth in the UK, Ireland and Internationally, the company has been able to maximise opportunities by continuing to invest in long term relationships with its clients, partners and other key stakeholders. This approach enables early identification of opportunities and strategic partners.

##### Project Management

First class project management is fundamental to the continued success of our company and does not happen by chance. Our company's outstanding success in project management for over 50 years has been down to our people - we have a greatly experienced management team who have developed over several years and have been supported by industry leading staff development and training programmes. Our approach to project management is built on collaboration with clients, partners and supply chain with open communication to ensure that issues are dealt with as they arise to ensure successful project outcomes.

##### Staff Retention and Recruitment

Our business is built on our people and it is therefore critical that we continue to develop and train our staff in order to retain the breadth of experience and industry knowledge that they possess. Our company not only ensures that our overall pay and benefit packages are extremely competitive but has invested massively in the wider cultural aspects of staff retention, including career development, staff health and wellbeing, work life balance and staff communication. This is demonstrated by our staff retention rate which is well above the construction industry average.

Furthermore, recruitment of new people into the business is essential to ensure the business can attract high calibre recruits to complement the existing workforce and to harness new skills and ideas throughout the business. The business continues to invest in its recruitment process to ensure it attracts the right candidates to the business.

This ongoing investment has led to numerous awards, including Investors in People Gold.

**H & J Martin Construction Limited****Strategic report** *(continued)***Year ended 31 March 2022**

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**Future Developments**

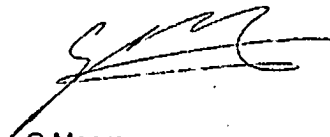
There have been no events since the balance sheet date which materially affect the position of the company.

**Key Performance Indicators**

The company has developed a suite of financial and other KPIs which are regularly monitored throughout the year, as follows:

	2022	2021
	£	£
Turnover	9,198,178	13,029,229
Profit before tax	3,075,194	211,584

This report was approved by the board of directors on 05 September 2022 and signed on behalf of the board by:



G Moore  
Director

Registered office:  
Rosemount House  
21-23 Sydenham Road  
Belfast  
BT3 9HA

## **H & J Martin Construction Limited**

### **Directors' report**

#### **Year ended 31 March 2022**

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

#### **Directors**

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

MJ Hughes

D Ramsey

G Moore

K A Lagan

(Resigned 1 April 2021)

On 1 April 2021 Ms J Harrower-Steele resigned as company secretary and Mr D Agnew was appointed as company secretary.

#### **Dividends**

The directors do not recommend the payment of a dividend.

#### **Health and Safety**

The company exercises a strong commitment towards the maintenance of a healthy and safe working environment and training in safety procedures for its employees both in practical terms and in the issue of safety policies, notifications and publications to raise and maintain awareness of safety matters.

#### **Environment**

The company is conscious of the real and perceived effects upon the environment arising particularly from construction operations. Operational managers are required to comply with all relevant environmental legislation. In the absence of such statutory legislation they are encouraged to apply best industry environmental practice, effect continuous improvement and to foster good relationships within the communities in which we operate. The Directors are committed to all relevant operating companies attaining accepted and approved environmental standards and to this end the group employs appropriately qualified staff dedicated to the establishment and maintenance of environmental management systems. Arising from this the company has been awarded ISO 14001:2015 accreditation.

#### **Quality Assurance**

In keeping with its Mission Statement of serving its customers to the highest standards of professionalism and quality the Quality Management Systems within the company has been upgraded and is now registered to the ISO 9001:2015 standard.

# **H & J Martin Construction Limited**

## **Directors' report** *(continued)*

**Year ended 31 March 2022**

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### **Financial risk management objectives and policies**

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

### **Interest Rate Risk**

The company has both interest bearing assets and interest bearing liabilities, both of which bear interest at variable rates. The future cashflows of the company's operations are not sufficiently at risk due to interest rate changes to require funding at fixed rate. The appropriateness of this policy will be revisited should the company's operations change in size or nature.

### **Credit Risk**

The company monitors credit risk closely and considers that its current policies of credit checks meets its objectives of managing exposure to credit risk.

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

### **Liquidity Risk**

The company actively maintains short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

### **Events after the end of the reporting period**

There have been no events since the balance sheet date which materially affect the position of the company.

### **Disclosure of information in the strategic report**

The strategic report is included in page 2 to 3 of the financial statements.

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## H & J Martin Construction Limited

### Directors' report *(continued)*

**Year ended 31 March 2022**

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#### Directors' responsibilities statement

The directors are responsible for preparing the 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 Companies Act 2006 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued by the Financial Reporting Council ("relevant financial reporting framework"). 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2006.

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;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, comprising FRS 102, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.
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## H & J Martin Construction Limited

### Directors' report *(continued)*

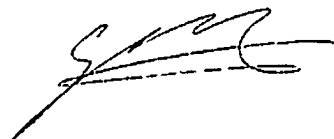
**Year ended 31 March 2022**

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#### **Auditor**

In accordance with section 487(2) of the Companies Act 2006, the auditors, BDO Northern Ireland, will continue in office.

This report was approved by the board of directors on 05 September 2022 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'G Moore', written over a horizontal dashed line.

G Moore  
Director

Registered office:  
Rosemount House  
21-23 Sydenham Road  
Belfast  
BT3 9HA

## **H & J Martin Construction Limited**

### **Independent auditor's report to the members of H & J Martin Construction Limited**

**Year ended 31 March 2022**

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#### **Opinion**

In our opinion the financial statements:

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

We have audited the financial statements of H.& J. Martin Construction Limited ("the company") for the year ended 31 March 2022 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remain 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.

#### **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.

# H & J Martin Construction Limited

## Independent auditor's report to the members of H & J Martin Construction Limited *(continued)*

**Year ended 31 March 2022**

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### 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.

### Other Companies Act reporting

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 have been prepared in accordance with applicable legal requirements.

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- —we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the 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.

## H & J Martin Construction Limited

### Independent auditor's report to the members of H & J Martin Construction Limited *(continued)*

**Year ended 31 March 2022**

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#### **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.

#### **Extent to which the audit was capable of detecting irregularities, including fraud**

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 gained an understanding of the legal and the regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006 and FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

We focused on laws and regulations that could give rise to material misstatement in the financial statements. Our tests included but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period; and
- considering the effectiveness of the control environment and monitoring compliance with laws and regulations.

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

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

## H & J Martin Construction Limited

### Independent auditor's report to the members of H & J Martin Construction Limited *(continued)*

**Year ended 31 March 2022**

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#### Use of our report

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



Nigel V W Harra, senior statutory auditor  
For and on behalf of BDO Northern Ireland, statutory auditor  
Lindsay House  
10 Callender Street  
Belfast  
BT1 5BN

05 September 2022

**H & J Martin Construction Limited****Statement of income and retained earnings****Year ended 31 March 2022**

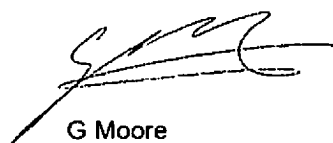
	Note	2022 £	2021 £
<b>Turnover</b>	<b>4</b>	<b>9,198,178</b>	13,029,229
Cost of sales		<u>(8,647,643)</u>	<u>(12,196,298)</u>
<b>Gross profit</b>		<b>550,535</b>	832,931
Administrative expenses		(1,017,067)	(680,737)
Other operating income		45,226	59,390
Gain on disposal of subsidiary		<u>3,496,500</u>	—
<b>Operating profit</b>	<b>6</b>	<b>3,075,194</b>	211,584
<b>Profit before taxation</b>		<u>3,075,194</u>	<u>211,584</u>
Tax on profit	<b>9</b>	—	319,235
<b>Profit for the financial year and total comprehensive income</b>		<u><b>3,075,194</b></u>	<u>530,819</u>
<b>Retained losses at the start of the year</b>		<u>(4,913,773)</u>	<u>(5,444,592)</u>
<b>Retained losses at the end of the year</b>		<u><b>(1,838,579)</b></u>	<u>(4,913,773)</u>

All the activities of the company are from continuing operations.

**H & J Martin Construction Limited****Statement of financial position****31 March 2022**

	Note	2022 £	£	2021 £
<b>Fixed assets</b>				
Investments	10		-	750
<b>Current assets</b>				
Debtors	11	3,485,408		3,470,532
Cash at bank and in hand		290,500		-
		<u>3,775,908</u>		<u>3,470,532</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>2,707,589</u>		<u>5,478,157</u>
<b>Net current assets/(liabilities)</b>			<u>1,068,319</u>	<u>(2,007,625)</u>
<b>Total assets less current liabilities</b>			<u>1,068,319</u>	<u>(2,006,875)</u>
<b>Net assets/(liabilities)</b>			<u>1,068,319</u>	<u>(2,006,875)</u>
<b>Capital and reserves</b>				
Called up share capital	16		2,906,898	2,906,898
Profit and loss account			<u>(1,838,579)</u>	<u>(4,913,773)</u>
<b>Shareholders funds/(deficit)</b>			<u>1,068,319</u>	<u>(2,006,875)</u>

These financial statements were approved by the board of directors and authorised for issue on 05 September 2022, and are signed on behalf of the board by:



G Moore  
Director

Company registration number: NI020288

**H & J Martin Construction Limited****Statement of cash flows****Year ended 31 March 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		3,075,194	530,819
<i>Adjustments for:</i>			
Tax on profit		–	(319,235)
Gain on disposal of subsidiary		(3,496,500)	–
<i>Changes in:</i>			
Trade and other debtors		(14,876)	187,233
Trade and other creditors		(212,021)	(318,210)
Cash generated from operations		<u>(648,203)</u>	<u>80,607</u>
Net cash (used in)/from operating activities		<u>(648,203)</u>	<u>80,607</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of subsidiaries		3,497,250	–
Net cash from investing activities		<u>3,497,250</u>	<u>–</u>
<b>Net increase in cash and cash equivalents</b>		<b>2,849,047</b>	<b>80,607</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>(2,558,547)</b>	<b>(2,639,154)</b>
<b>Cash and cash equivalents at end of year</b>	12	<b><u>290,500</u></b>	<b><u>(2,558,547)</u></b>

The notes on pages 15 to 21 form part of these financial statements.



# H & J Martin Construction Limited

## Notes to the financial statements

Year ended 31 March 2022

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### 1. General information

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is Rosemount House, 21-23 Sydenham Road, Belfast, BT3 9HA. The principal activity of the company is that of a construction company.

### 2. Statement of compliance

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

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention. The financial reporting framework that has been applied in their preparation is the Companies Act 2006 (the Act) and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council.

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

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Contract revenue and costs are recognised when the outcome of a construction contract can be reliably estimated. The percentage of completion method is used to value revenue and costs at year end, these are included in the profit or loss account. At year end, the company reviews the recoverability of amounts already recognised as contract revenue. If, on the review of market conditions and conversations with the client, the debtor is not considered to be recoverable, the unrecoverable amount will be expensed in the year. When, on review of production schedules, it is deemed probable that total contract costs will exceed total contract revenue the expected loss is recognised as an expense immediately, with a corresponding provision for an onerous contract.
- Impairment of trade debtors is reviewed on an ongoing basis. The company trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The company uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required.

#### Revenue recognition

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

**H & J Martin Construction Limited****Notes to the financial statements (continued)****Year ended 31 March 2022**

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**3. Accounting policies (continued)****Construction contracts**

Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity as at the period end.

Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

The entity uses the percentage of completion method to determine the amounts to be recognised in the period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, 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.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Investments in subsidiaries are valued at cost less provision for impairment.

**Cash and cash equivalents**

Cash consists of cash on hand and demand deposits. There are no cash equivalents included in the financial statements.

**Other financial assets**

Other financial assets comprise of trade debtors, amounts due from group and related undertakings and other debtors. Other financial assets are initially measured at the undiscounted amount of cash receivable and are subsequently measured at amortised cost less impairment, where there is objective evidence of an impairment.

# H & J Martin Construction Limited

## Notes to the financial statements (continued)

### Year ended 31 March 2022

#### 3. Accounting policies (continued)

##### Other financial liabilities

Trade creditors are measured at invoice price, unless payment is deferred beyond normal business terms or financed at a rate of interest that is not at a market rate. In this case the arrangement constitutes a financing transaction, and the financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### Ordinary share capital

The ordinary share capital of the company is presented as equity.

#### 4. Turnover

Turnover arises from:

	2022	2021
	£	£
Construction contracts	<u>9,198,178</u>	<u>13,029,229</u>

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

#### 5. Auditor remuneration

Auditors remuneration is borne by a fellow subsidiary, Lagan Services Limited (formerly Lagan Construction Services Limited).

#### 6. Operating profit

Operating profit or loss is stated after charging:

	2022	2021
	£	£
Impairment of trade debtors	<u>382,818</u>	<u>—</u>

#### 7. Staff costs

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

	2022	2021
	No.	No.
Administrative staff	7	7
Number of production staff	<u>14</u>	<u>21</u>
	<u>21</u>	<u>28</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022	2021
	£	£
Wages and salaries	845,842	1,014,794
Social security costs	92,285	107,290
Other pension costs	<u>59,810</u>	<u>37,240</u>
	<u>997,937</u>	<u>1,159,324</u>

**H & J Martin Construction Limited****Notes to the financial statements (continued)****Year ended 31 March 2022****8. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	229,702	211,734
Company contributions to defined contribution pension plans	10,735	8,628
	<u>240,437</u>	<u>220,362</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2022	2021
	No.	No.
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2022	2021
	£	£
Aggregate remuneration	130,729	113,033
Company contributions to defined contribution pension plans	5,961	4,649
	<u>136,690</u>	<u>117,682</u>

**9. Tax on profit****Major components of tax income**

	2022	2021
	£	£
<b>Current tax:</b>		
Group relief	—	(319,235)
<b>Tax on profit</b>	<u>—</u>	<u>(319,235)</u>

**Reconciliation of tax income**

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	£	£
Profit on ordinary activities before taxation	3,075,194	211,584
Profit on ordinary activities by rate of tax	584,287	40,201
Effect of revenue exempt from tax	(672,928)	—
Deferred tax not recognised	88,641	(40,201)
Group relief payment received	—	(319,235)
<b>Tax on profit</b>	<u>—</u>	<u>(319,235)</u>

# H & J Martin Construction Limited

## Notes to the financial statements *(continued)*

**Year ended 31 March 2022**

### 10. Investments

	Shares in subsidiaries £
<b>Cost</b>	
At 1 April 2021	750
Disposals	(750)
<b>At 31 March 2022</b>	<b>—</b>
<b>Impairment</b>	
At 1 April 2021 and 31 March 2022	—
<b>Carrying amount</b>	
At 31 March 2022	—
At 31 March 2021	750

During the year, the company disposed of its investment in H & J Martin Limited as part of an internal group reorganisation exercise.

### 11. Debtors

	2022 £	2021 £
Trade debtors	958,036	609,040
Amounts owed by group undertakings	396,968	363,698
Prepayments and accrued income	2,446	3,459
Amounts owed by related parties	2,092,202	2,494,335
Other debtors	35,756	—
	<b><u>3,485,408</u></b>	<b><u>3,470,532</u></b>

All debt is due within one year.

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

### 12. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2022 £	2021 £
Cash at bank and in hand	290,500	—
Bank overdrafts	—	(2,558,547)
	<b><u>290,500</u></b>	<b><u>(2,558,547)</u></b>

**H & J Martin Construction Limited****Notes to the financial statements (continued)****Year ended 31 March 2022****13. Creditors: amounts falling due within one year**

	2022 £	2021 £
Bank loans and overdrafts	–	2,558,547
Trade creditors	1,543,417	1,217,775
Accruals and deferred income	887,452	1,459,458
Social security and other taxes	51,318	121,490
Amounts due to group undertakings	57,576	32,257
Other creditors	167,826	88,630
	<u>2,707,589</u>	<u>5,478,157</u>

Amounts owed to Group undertakings are unsecured, interest-free and repayable on demand.

**14. Employee benefits****Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £49,075 (2021: £33,261).

**15. Government grants**

The amounts recognised in the financial statements for government grants are as follows:

	2022 £	2021 £
Recognised in other operating income:		
Government grants recognised directly in income	–	59,390

**16. Called up share capital****Issued, called up and fully paid**

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	100,002	100,002	100,002	100,002
Preference shares of £1 each	2,806,896	2,806,896	2,806,896	2,806,896
	<u>2,906,898</u>	<u>2,906,898</u>	<u>2,906,898</u>	<u>2,906,898</u>

**17. Analysis of changes in net debt**

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	–	290,500	290,500
Bank overdrafts	(2,558,547)	2,558,547	–
	<u>(2,558,547)</u>	<u>2,849,047</u>	<u>290,500</u>

## H & J Martin Construction Limited

### Notes to the financial statements *(continued)*

**Year ended 31 March 2022**

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#### **18. Contingencies**

H&J Martin Construction Limited has provided an unlimited inter-company cross guarantee to cover any bonds in Lagan Specialist Contracting Group Holdings Limited, Lagan Construction Limited, H&J Martin Holdings Limited, F K Lowry Plant Limited, F K Lowry Limited, Dew Piling Limited, Lagan Projects Investments Limited, Lagan Operations and Maintenance Limited, Lagan International Limited, Charles Brand Group Limited, F K Lowry Holdings Limited, Lagan Operations and Maintenance Holdings Limited, Lagan Construction Group Holdings Limited, Lagan Construction Group Limited, Lagan Water Limited and Lagan Building Contractors Limited.

Due to the various factors that may impact on the above guarantees it is not possible to quantify the amounts that could be involved or give any indication as to the timing of when a liability may arise.

#### **19. Related party transactions**

The company has taken advantage of the exemption not to disclose any transactions with its parent or fellow 100% owned subsidiary undertakings on the grounds that it is a 100% owned subsidiary and included in the consolidated accounts of Lagan Specialist Contracting Group Holdings Limited.

During the period, the company made sales of £5,968,714 (2021: £6,402,632) from entities related by virtue of common directors. In addition the company made a bad debt provision of £38,818 (2021: £nil) in respect of amounts due from related parties. At 31 March 2022, the company was owed £2,092,202 (2021: £2,494,335) from this entity.

No further transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

#### **20. Controlling party**

On 30 March 2022 the group undertook an internal reorganisation whereby H & J Martin Holdings Limited ceased to be the immediate parent company and a newly incorporated holding company H & J Martin Construction Group Limited became the immediate parent company. H & J Martin Construction Group Limited is incorporated in Northern Ireland. The ultimate parent company remained unchanged and is Lagan Specialist Contracting Group Holdings Limited, a company incorporated in the Isle of Man.

The only group for which consolidated accounts are prepared including the results of this company is Lagan Specialist Contracting Group Holdings Limited, a company incorporated in the Isle of Man.

The company considers members of the Lagan family to be the ultimate controlling parties.