

Company registration number SC073177 (Scotland)

**MACKENZIE CONSTRUCTION LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# MACKENZIE CONSTRUCTION LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A M Dalrymple BSc Mr M Wilson Mr A Montgomery Mr M S Bramley	(Appointed 1 April 2022) (Appointed 3 October 2022)
<b>Secretary</b>	Mr A M Dalrymple BSc	
<b>Company number</b>	SC073177	
<b>Registered office</b>	Burnfield Avenue Thornliebank Glasgow United Kingdom G46 7TL	
<b>Auditor</b>	Azets Audit Services Titanium 1 King's Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF	
<b>Solicitors</b>	Pinsent Masons 141 Bothwell Street Glasgow United Kingdom G2 7EQ	

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# **MACKENZIE CONSTRUCTION LIMITED**

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# **MACKENZIE CONSTRUCTION LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present the strategic report for the year ended 31 March 2023.

#### **Review of the business**

The directors are pleased with the level of turnover and profit before tax in the year. The company turnover has decreased slightly in 2023 to £58.5m (2022 - £61.95m). Profit before tax decreased to £3.03m in 2023 (2022 - £3.51m). Continued investment in company infrastructure, training and development will ensure a solid foundation on which continued and sustainable growth can be achieved.

#### **Principal risks and uncertainties**

The management of the business is subject to various evolving risks and uncertainties. The directors regularly review the risks and uncertainties posed on the business and manage these to minimise business exposure.

##### *Credit risk*

The company has no significant exposure to credit risk. Credit risk is managed by the company through credit checks and continued assessment of customers financial status where necessary. The company have minimal history of bad debts.

##### *Liquidity risk*

The company maintains a strong balance sheet which includes sufficient cash reserves for the needs of the business. Management assess cashflow on a regular basis to ensure cash efficiency is maximised.

##### *Covid-19*

The company's Business Continuity Plan was successfully implemented as part of addressing the challenges of the COVID-19 pandemic during which works continued to be delivered on behalf of clients who form part of the national infrastructure. The positive changes made to address the challenges of COVID-19 will be carried forward as opportunities for improvement in how the company operate and deliver its services to clients.

#### **Key performance indicators**

The company considers key performance indicators to be:

- Safety;
- Quality;
- Profitability; and
- Turnover.

The KPIs are reviewed in conjunction with management accounts on a monthly basis.

#### **Future developments**

Safe and efficient self delivery will remain core to all trading activities, reducing risk and maximising control achieved through training, development and promotion from within. A positive company culture will be maintained through consultation, engagement and empowerment. An ethos of continuous improvement and collaborative working is promoted at all levels within the company with a focus on sharing knowledge both internally and externally with our supply chain, key stakeholders and client base.

The company continues to benefit from long term framework contracts, with key clients and service levels will be subject to continuous improvement to ensure the renewal of current and the awarding of future framework contracts. The growth strategy of the company includes provisions for the widening of the company's client base and increased geographical coverage.

The company has in place a Business Plan for the next five years with a focus on the company's commitment to Net Zero, People Excellence and Innovation.

# **MACKENZIE CONSTRUCTION LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **Section 172 statement**

The Board of Directors believe that they have acted in the way they consider to be both in good faith and would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31st March 2023; and in so having regard, amongst other matters to;

- (a) the likely consequences of any decision in the long term.
- (b) the interests of the company's employees.
- (c) the need to foster the company's business relationships with suppliers, customers, and others.
- (d) the impact of the company's operations on the community and the environment.
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly between members of the Group.

The directors are following a business plan to achieve the company's long-term objective including being very successful in areas of operation.

The Directors understand the importance of engaging and discussing issues concerning employees, clients, customers, suppliers, subcontractors, the community and environment, regulators, and shareholders as part of its decision-making processes.

### *Employees*

Our employees are key to the success and growth of the business. We continue to review training and development needs to drive productivity and enhance skills whilst ensuring we are a responsible employer in our approach to remuneration and benefits. The company encourages diversity and inclusion of employees of all backgrounds. The directors believe that employee physical and mental health and wellbeing are essential in ensuring the success of the company and both current and future initiatives focused on employee health and wellbeing will continue to be given the importance they deserve.

### *Customers*

We continue to engage closely with our customers to ensure that their needs are met, and service levels achieved efficiently and in line with specifications.

### *Suppliers and subcontractors*

We value the company's key suppliers and subcontractors and their overall contribution to the continued success of the business. One of our primary goals is to develop and enter strong stable working relationships with them. We seek to be fair and transparent in our dealings with them and we ensure that we honour our arrangements with them.

### *Environment and community*

The company remain committed to environmental issues with particular reference to carbon reduction with dedicated internal resources allocated to work with our clients, key stakeholders, and supply chain in working towards a carbon net-zero economy.

### *Governance and regulation*

The Board's intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards of business conduct and good governance expected of a business of our nature and size and in full alignment with the rules and regulations. We also operate to the highest levels of safety and high-quality standards. In doing so, we believe we will achieve our long-term business strategy and further develop our reputation in our sector.

### *Members*

The Board of directors and shareholders of the group work closely together to share information and ensure the long term strategic goals of the group are met.

# **MACKENZIE CONSTRUCTION LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2023***

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On behalf of the board

Mr A M Dalrymple BSc  
**Director**

21 December 2023

# **MACKENZIE CONSTRUCTION LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their annual report and financial statements for the year ended 31 March 2023.

#### **Principal activities**

The principal activity of the company continued to be that of civil engineering construction and specialist structural repairs.

#### **Results and dividends**

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £742,463. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A M Dalrymple BSc

Mr M Wilson

Mr A Montgomery

(Appointed 1 April 2022)

Mr M S Bramley

(Appointed 3 October 2022)

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The company's policy is to consult and discuss with employees at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

#### **Auditor**

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Energy and carbon report**

This report was undertaken in accordance with the Streamlined Energy and Carbon ("SECR") Reporting requirements outlined in the Companies Act (2006) for large quoted and unlisted companies which requires Mackenzie Construction Limited to report on its Greenhouse Gas (GHG) emissions.

This report contains details on annual GHG emissions, total energy consumption for Mackenzie Construction covering our office, company owned vehicles and energy efficiency actions implemented during the financial year. This report contains our SECR disclosure for our 2022/23 Financial Year.

# **MACKENZIE CONSTRUCTION LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Quantification and reporting methodology**

##### Scope of analysis and data collection

Over FY 2022/23 we have collected primary data for our office, site, and business travel activities including: electricity consumption (kWh), gas oil consumption (kWh), vehicle fuel (litres) and business travel (flights).

All primary data used within this report is from 1st April 2022 – 31st March 2023 covering our financial year. The scope of our GHG emissions calculation covers all of Mackenzie Construction's operations. For FY 2022/23 we have chosen to report additional Scope 3 GHG emissions sources (water, waste, paper use); which has increased our overall emissions footprint. To maintain consistency year-on-year comparisons have been reported for Scope 1 and Scope 2 emissions sources.

##### Calculation Methodology

We have used the BEIS and Greenhouse Gas Protocol Corporate Reporting Standard (GHG Protocol) methodology for compiling this GHG data and have calculated our GHG emissions in accordance with the UK Government's reporting guidelines for Company Reporting.

To ensure consistency in our reporting we are reporting all GHG emissions in units of CO<sub>2</sub>e (carbon dioxide equivalent) and have used 2022 GHG Conversion Factors for Company Reporting, published annually by Defra and BEIS.

##### GHG Emissions Scopes

The following reporting scopes (as outlined by the Greenhouse Gas Protocol) are included within this disclosure:

- Scope 1 Emissions: direct emissions from sources which Mackenzie Construction owns or controls. Includes fuel consumed by our company vehicles and plant machinery, and gas oil consumption across sites.
- Scope 2 Emissions: indirect emissions relating solely to the generation of purchased electricity that is consumed by Mackenzie Construction.
- Scope 3 GHG Emissions: indirect emissions relating solely to the transmission and distribution of purchased electricity, water consumption, and waste disposal from our offices. In addition we have also included business travel undertaken by employees (air travel), and paper used in our operations.



# MACKENZIE CONSTRUCTION LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### Energy Consumption

The table below displays our annual energy consumption for electricity, natural gas and business travel for the 2022/23 financial year (1st April 2022 - 31st March 2023). As per SECR reporting requirements this information is presented in kilowatt hours (kWh). Please note that suitable energy conversions for air travel, water, waste and paper use are not yet available and have been recorded as zero.

Emissions Source	GHG Scope (GHG Protocol)	Reporting Units	2021/22 (1st April - 31st March)	2022/23 (1st April - 31st March)	Y.o.Y% change
Vehicle Fleet	Scope 1	Kilowatt hour (kWh)	5,533,452	10,239,512	+85.0%
Gas Oil	Scope 1	Kilowatt hour (kWh)	5,044,169	4,487,008	-11.0%
Electricity	Scopes 2 & 3	Kilowatt hour (kWh)	55,869	95,619	+71.1%
Air travel	Scope 3	Kilowatt hour (kWh)	-	-	-
Water	Scope 3	Kilowatt hour (kWh)	-	-	-
Waste	Scope 3	Kilowatt hour (kWh)	-	-	-
Paper use	Scope 3	Kilowatt hour (kWh)	-	-	-
<b>Total Energy Consumption (kWh)</b>			<b>10,633,490</b>	<b>14,822,139</b>	<b>+39.4%</b>

#### GHG Emissions Reporting

In accordance with the SECR Emissions Reporting requirements our GHG disclosure for the 2022/23 financial year is listed below. Results have been split by GHG Emissions Scope as outlined by the GHG Protocol calculation methodology.

GHG Emissions Scope	Result Units	2021/22 (1st April - 31st March)	2022/23 (1st April - 31st March)	Y.o.Y% change
Scope 1	tonnes CO <sub>2</sub> e	2,601.89	3,610.78	+38.8%
Scope 2	tonnes CO <sub>2</sub> e	11.86	18.49	+55.9%
Scope 3	tonnes CO <sub>2</sub> e	29.42	46.32	+57.4%
<b>Total GHG Emissions</b>	<b>tonnes CO<sub>2</sub>e</b>	<b>2,642.75</b>	<b>3,675.59</b>	<b>+39.1%</b>
<b>GHG Emissions Intensity 1</b>	<b>tonnes CO<sub>2</sub>e/£M turnover</b>	<b>48.05</b>	<b>59.28</b>	-
<b>GHG Emissions Intensity 2</b>	<b>tonnes CO<sub>2</sub>e/employee</b>	<b>10.16</b>	<b>13.37</b>	-

Total GHG Emissions for Scope 1, Scope 2, and Scope 3 for the twelve-month period to 31st March 2023 are 3,675.59 tonnes CO<sub>2</sub>e. Of our total GHG emissions Scope 1 accounts for 98.2%, Scope 2 accounts for 0.5%, and Scope 3 counts for 1.3%. Our GHG Emissions CO<sub>2</sub>e Intensity per £M turnover is 59.28 tonnes CO<sub>2</sub>e, and per employee is 13.37 tonnes CO<sub>2</sub>e which have shown a 14.8% decrease and 34.1% increase compared to our 2020/21 baseline year respectively. The increase in GHG emissions compared to the previous two reporting years reflects an increase in contract work completed during the reporting year.

# **MACKENZIE CONSTRUCTION LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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#### **Measures taken to improve energy efficiency**

Mackenzie Construction has been actively undertaking several initiatives to reduce our greenhouse gas (GHG) emissions footprint. These initiatives include:

1. Development and training: Ongoing training for employees to educate about the company's drive efforts to achieve net-zero emissions.
2. Net zero committee: We have established a dedicated net zero committee to drive the reduction of our carbon footprint.
3. Recycling overburden materials: The company is currently conducting a trial stage of recycling overburden materials on Scottish Water sites, aiming to minimise waste and maximise resource utilization.
4. Utilisation of HVO: We are focusing on the utilisation of HVO (Hydrotreated Vegetable Oil) instead of diesel on all its sites within the next year. This transition promotes the use of a cleaner and more sustainable fuel source.
5. Green tariff for Head Office: The company is actively exploring the possibility of transitioning its Head Office to a full green tariff, ensuring that the energy consumed is sourced from renewable sources.
6. Procurement department creation: We have created and developed a procurement department to streamline the process of acquiring materials used in our operations. The aim is to reduce GHG emissions from unnecessary travel.
7. SMARTSURFACE utilisation and development: The company is placing a strong emphasis on the use and development of SMARTSURFACE technology, which can contribute to reducing the embodied carbon footprint associated with surfacing projects.
8. Electric vans: We have acquired an electric van as a trial to support the future incorporation of these vehicles into our fleet.
9. Fleet replacement with fuel-efficient vehicles: The company is actively replacing its existing fleet vehicles with new, more fuel-efficient models. This step aims to reduce emissions and improve overall fleet sustainability.

These initiatives collectively demonstrate our commitment to environmental responsibility and the ongoing efforts to mitigate our GHG emissions in order to contribute to a more sustainable future.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr A M Dalrymple BSc  
**Director**

21 December 2023

## **MACKENZIE CONSTRUCTION LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2023***

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# **MACKENZIE CONSTRUCTION LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MACKENZIE CONSTRUCTION LIMITED**

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#### **Opinion**

We have audited the financial statements of Mackenzie Construction Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 company's affairs as at 31 March 2023 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 contained within the annual report. 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. 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 course of 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 our 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.

# **MACKENZIE CONSTRUCTION LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MACKENZIE CONSTRUCTION LIMITED**

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#### **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 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 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.

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.

# **MACKENZIE CONSTRUCTION LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF MACKENZIE CONSTRUCTION LIMITED**

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#### **Extent to which the audit was considered 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we 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 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.

#### **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.

**Jennifer Alexander**  
**Senior Statutory Auditor**  
**For and on behalf of Azets Audit Services**

21 December 2023

**Chartered Accountants**  
**Statutory Auditor**

Titanium 1  
King's Inch Place  
Renfrew  
Renfrewshire  
United Kingdom  
PA4 8WF

## MACKENZIE CONSTRUCTION LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Turnover	3	58,505,462	61,950,840
Cost of sales		(50,836,990)	(55,138,935)
<b>Gross profit</b>		<b>7,668,472</b>	<b>6,811,905</b>
Administrative expenses		(4,299,722)	(3,554,016)
Other operating income		56,900	52,400
<b>Operating profit</b>	4	<b>3,425,650</b>	<b>3,310,289</b>
Interest receivable and similar income	8	344,334	144,779
Interest payable and similar expenses	9	(9,127)	(153)
Change in market value of investments	10	(726,800)	52,545
<b>Profit before taxation</b>		<b>3,034,057</b>	<b>3,507,460</b>
Tax on profit	11	(663,619)	(516,739)
<b>Profit for the financial year</b>		<b>2,370,438</b>	<b>2,990,721</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# MACKENZIE CONSTRUCTION LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		602,576		563,708
<b>Current assets</b>					
Debtors	15	11,729,696		13,716,684	
Investments	16	12,691,032		11,397,515	
Cash at bank and in hand		6,706,939		4,580,742	
		<u>31,127,667</u>		<u>29,694,941</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(21,428,043)</u>		<u>(21,583,812)</u>	
<b>Net current assets</b>			9,699,624		8,111,129
<b>Total assets less current liabilities</b>			<u>10,302,200</u>		<u>8,674,837</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	19,887		20,499	
		<u>(19,887)</u>		<u>(20,499)</u>	
<b>Net assets</b>			<u>10,282,313</u>		<u>8,654,338</u>
<b>Capital and reserves</b>					
Called up share capital	20	105,000		105,000	
Share premium account	21	5,000		5,000	
Revaluation reserve	22	118,500		118,500	
Profit and loss reserves	23	10,053,813		8,425,838	
<b>Total equity</b>			<u>10,282,313</u>		<u>8,654,338</u>

The financial statements were approved by the board of directors and authorised for issue on 21 December 2023 and are signed on its behalf by:

Mr A M Dalrymple BSc  
Director

Company Registration No. SC073177



# MACKENZIE CONSTRUCTION LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 April 2021</b>		105,000	5,000	118,500	6,242,741	6,471,241
<b>Year ended 31 March 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	2,990,721	2,990,721
Dividends	12	-	-	-	(807,624)	(807,624)
<b>Balance at 31 March 2022</b>		105,000	5,000	118,500	8,425,838	8,654,338
<b>Year ended 31 March 2023:</b>						
Profit and total comprehensive income for the year		-	-	-	2,370,438	2,370,438
Dividends	12	-	-	-	(742,463)	(742,463)
<b>Balance at 31 March 2023</b>		105,000	5,000	118,500	10,053,813	10,282,313

# **MACKENZIE CONSTRUCTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

#### **Company information**

Mackenzie Construction Limited is a private company limited by shares incorporated in Scotland. The registered office is Burnfield Avenue, Thornliebank, Glasgow, United Kingdom, G46 7TL.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of SLM MacKenzie Limited. These consolidated financial statements are available from its registered office, Burnfield Avenue, Thornliebank, Glasgow, G46 7TL.

#### **1.2 Going concern**

The company's going concern assessment considers its principal risks, including the continued level of uncertainty in the global market.

The current and future financial position of the company, including its cash flows and liquidity, has been reviewed by the directors. Following this review, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has strong cash reserves and places no reliance on external debt.

The company's secured pipeline of work and long-term forecast outlook has provided further assurance to the directors regarding its financial position. As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

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

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

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

#### Construction contracts

When the outcome of a construction contract can be estimated reliably, the company shall recognise contract revenue and contract costs associated with the construction contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

The company shall determine the stage of completion of a transaction or contract through performing surveys of the work performed to date.

When the outcome of a construction contract cannot be estimated reliably the company shall recognise revenue only to the extent of contract costs incurred that it is probable will be recovered and the company shall recognise contract costs as an expense in the period in which they occurred.

The company will recognise as an expense immediately any costs whose recovery is not probable. When it is probable that total contract costs will exceed total contract revenue on a construction contract, the expected loss shall be recognised as an expense immediately.

Revenues derived from variation on contracts are recognised only when they have been accepted by the customer.

Amounts recoverable on contracts are included in debtors. These are stated as turnover recognised less any progress payments made on the contracts, after provision has been made for any foreseeable losses.

### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on valuation
Fixtures and fittings	25% on cost
Computers	33% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### **Short term investments**

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

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Accounting for construction contracts

The company estimates the outcome of its construction contracts. This is measured by surveys performed at regular points throughout the year and calculates the stage of completion as a percentage of total contract revenue.

Estimated total contract costs are based on management's detailed budgets and projections. Where management judge that the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable.

### 3 Turnover and other revenue

Turnover represents the value of contracted work carried out during the year excluding Value Added Tax and is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

	2023	2022
	£	£
<b>Other revenue</b>		
Interest income	91,926	28,743
Dividends received	252,408	116,036
Grants received	56,900	22,000
	<u>          </u>	<u>          </u>

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(56,900)	(22,000)
Depreciation of owned tangible fixed assets	68,962	70,592
Operating lease charges	7,992	678
	<u>7,992</u>	<u>678</u>

### 5 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	50,500	32,500
	<u>50,500</u>	<u>32,500</u>
<b>For other services</b>		
Taxation compliance services	8,000	7,000
Other taxation services	3,000	2,500
All other non-audit services	750	625
	<u>11,750</u>	<u>10,125</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Weekly	163	191
Monthly	107	87
	<u>107</u>	<u>87</u>
Total	270	278
	<u>270</u>	<u>278</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	12,948,808	12,234,791
Social security costs	1,478,693	1,257,796
Pension costs	230,979	226,942
	<u>14,658,480</u>	<u>13,719,529</u>



# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	797,751	458,748
Company pension contributions to defined contribution schemes	13,950	7,500
	<u>811,701</u>	<u>466,248</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2022 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	342,400	298,911
Company pension contributions to defined contribution schemes	3,450	3,300
	<u>345,850</u>	<u>302,211</u>

### 8 Interest receivable and similar income

	2023 £	2022 £
<b>Interest income</b>		
Interest on bank deposits	-	2,574
Other interest income	91,926	26,169
	<u>91,926</u>	<u>28,743</u>
Total interest revenue	91,926	28,743
<b>Other income from investments</b>		
Dividends received	252,408	116,036
	<u>252,408</u>	<u>116,036</u>
Total income	<u>344,334</u>	<u>144,779</u>

### 9 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and loans	9,127	-
Other interest	-	153
	<u>9,127</u>	<u>153</u>

### 10 Change in market value of investments

	2023 £	2022 £
<b>Fair value (losses)/gains on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	(726,800)	52,545
	<u>(726,800)</u>	<u>52,545</u>

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 11 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	664,231	489,182
Adjustments in respect of prior periods	-	12,290
	<u>664,231</u>	<u>501,472</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(612)	15,267
	<u>(612)</u>	<u>15,267</u>
<b>Total tax charge</b>	<u>663,619</u>	<u>516,739</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	<u>3,034,057</u>	<u>3,507,460</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	576,471	666,417
Tax effect of expenses that are not deductible in determining taxable profit	119,135	3,563
Tax effect of income not taxable in determining taxable profit	-	(26,969)
Adjustments in respect of prior years	-	12,290
Fixed asset differences	(2,110)	5,250
Remeasurement of deferred tax for changes in tax rates	(14)	4,787
Adjustments to brought forward values	-	382
Exempt ABGH distributions	(29,311)	(12,403)
Additional deduction for R&D expenditure	(552)	(108,226)
Movement in deferred tax not recognised	-	(28,352)
	<u>663,619</u>	<u>516,739</u>
<b>Taxation charge for the year</b>	<u>663,619</u>	<u>516,739</u>

### 12 Dividends

	2023 £	2022 £
Final paid	<u>742,463</u>	<u>807,624</u>

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2022	500,000	140,833	114,066	-	754,899
Additions	-	25,750	63,497	19,507	108,754
Disposals	-	(28,945)	(28,625)	-	(57,570)
At 31 March 2023	500,000	137,638	148,938	19,507	806,083
<b>Depreciation and impairment</b>					
At 1 April 2022	24,167	90,821	76,203	-	191,191
Depreciation charged in the year	10,000	23,634	33,093	2,235	68,962
Eliminated in respect of disposals	-	(28,945)	(27,701)	-	(56,646)
At 31 March 2023	34,167	85,510	81,595	2,235	203,507
<b>Carrying amount</b>					
At 31 March 2023	465,833	52,128	67,343	17,272	602,576
At 31 March 2022	475,833	50,012	37,863	-	563,708

The property owned by the company was externally valued in October 2019 by Stephen Craig, MRICS of Graham + Sibbald (Chartered Surveyors) on the basis of the current market value of the freehold interest in the property.

Land and buildings are carried at valuation. If land and buildings were measured using the cost model, the carrying amounts would have been approximately £352,800 (2022 - £361,200), being cost £420,000 (2022 - £420,000) and depreciation £67,200 (2022 - £58,800).

### 14 Construction contracts

	2023	2022
	£	£
<b>Contracts in progress at the reporting date</b>		
Gross amounts owed by contract customers included in debtors	5,685,418	7,148,617

### 15 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	5,107,337	5,816,036
Gross amounts owed by contract customers	5,685,418	7,148,617
Other debtors	159,187	151,848
Prepayments and accrued income	606,010	450,183
	11,557,952	13,566,684

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 15 Debtors (Continued)

	2023 £	2022 £
Amounts falling due after more than one year:		
Other debtors	171,744	150,000
<b>Total debtors</b>	<b>11,729,696</b>	<b>13,716,684</b>

### 16 Current asset investments

	2023 £	2022 £
Listed investments	12,691,032	11,397,515

### 17 Creditors: amounts falling due within one year

	2023 £	2022 £
Payments received on account	2,609,846	177,083
Trade creditors	10,451,866	14,390,209
Amounts owed to group undertakings	771,215	836,376
Corporation tax	828,796	463,085
Other taxation and social security	2,779,170	2,451,348
Other creditors	336,716	36,151
Accruals and deferred income	3,650,434	3,229,560
	<b>21,428,043</b>	<b>21,583,812</b>

The bank holds a floating charge over the assets and undertakings of the company and a standard security over the property at Burnfield Avenue, Thornliebank, Glasgow.

### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
<b>Balances:</b>		
Accelerated capital allowances	27,582	20,499
Short term timing differences	(7,695)	-
	<b>19,887</b>	<b>20,499</b>

# MACKENZIE CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 18 Deferred taxation (Continued)

<b>Movements in the year:</b>	<b>2023</b>
	<b>£</b>
Liability at 1 April 2022	20,499
Credit to profit or loss	(612)
Liability at 31 March 2023	<u>19,887</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 19 Retirement benefit schemes

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>230,979</u>	<u>226,942</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 20 Share capital

	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>	<u>105,000</u>

### 21 Share premium account

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At the beginning and end of the year	<u>5,000</u>	<u>5,000</u>

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

### 22 Revaluation reserve

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
At the beginning and end of the year	<u>118,500</u>	<u>118,500</u>

This reserve records the movement in the fair value of the land and buildings.

## MACKENZIE CONSTRUCTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 23 Profit and loss reserves

	2023 £	2022 £
At the beginning of the year	8,425,838	6,242,741
Profit for the year	2,370,438	2,990,721
Dividends declared and paid in the year	(742,463)	(807,624)
At the end of the year	<u>10,053,813</u>	<u>8,425,838</u>

#### 24 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	<u>3,998</u>	<u>-</u>

#### 25 Directors' transactions

During the prior year, a loan was advanced to a director of the company. The balance owed to the company at the current year end is £171,744 (2022 - £150,000) and this is shown within debtors due after one year in the financial statements. The loan bears interest at 2% per annum, and is repayable by 19 January 2027.

#### 26 Ultimate controlling party

The ultimate parent undertaking is SLM Mackenzie Limited, a company registered in Scotland. The results of the company are consolidated within the group accounts of SLM Mackenzie Limited. These accounts are available from that company's registered office at Burnfield Avenue, Thornliebank, Glasgow, G46 7TL.

The ultimate controlling party is deemed to be A Dalrymple BSc, through his shareholdings and directorship in the parent company, SLM Mackenzie Limited.

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