

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
GCC FACILITIES MANAGEMENT PLC**

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FOR THE YEAR ENDED 31 MARCH 2022**

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GCC FACILITIES MANAGEMENT PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022**

DIRECTORS: C M Maclean
G Whittle
S M J Hooley

SECRETARY: C M Maclean

REGISTERED OFFICE: 8-10 High Street
Sutton
Surrey
SM1 1HN

REGISTERED NUMBER: 01203036 (England and Wales)

AUDITORS: Myrus Smith
Chartered Accountants & Statutory Auditor
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their strategic report of the Company and the Group for the year ended 31 March 2022.

GCC's strategic vision is to deliver commercial cleaning and specialist soft facilities management services throughout the UK which meets and goes beyond its customers' requirements and expectations.

The business, like many in the FM sector, has been affected by continuing issues related to staff attraction, partly as a result of the so called, "great resignation". For our industry this is further exacerbated due to the industries utilisation of predetermined existing contracts with fine margins. GCC has always taken a prudent view of cash management and has preserved cash in the business, currently, in excess of £1.5m of free cash, plus it benefits from no external borrowings. Exceptionally this has allowed them to meet the demands of the people gap and attract exciting and highly experienced new talent. This included the appointment of an award winning and highly experienced NED chair in Quarter 4.

Throughout and beyond the pandemic and the Brexit crisis, GCC has continued to invest both in staff and staff development. They have also invested substantial sums in capital equipment. This investment strategy along with its commitment to seeking out and securing a broad customer base means they are well placed to support any volatility in the market. GCC is fortunate that its exemplary service levels allow it to benefit from numerous long standing and sustainable contracts. this along with the relationships that have been developed over many years has meant that when contracts approach termination dates (such contracts tend to always have a 6 month plus "dead stop" date.) there is almost always a forum for a constructive debate and negotiation. As such, where these contacts come up for renewal, GCC approaches the table with limited concern.

Prices are sensitive in this industry, and it is not always possible to manage the price expectations of a client. However GCC's long standing skills and their ability to manage these situations by providing the ability to scale up and down to meet clients' needs as much as possible in a highly flexible speedy way has allowed GCC to weather the economic impact that competitors have not always been able to manage

GCC is specifically looking to raise the profile of its customer base and is now actively targeting larger multi-site brands and investing in new and associated markets. It has successfully commenced this by organic growth and by expanding further still by utilising nationwide mobile units. With its business development plans now in full operation, GCC remains extremely optimistic about the future and continues to build its brand across the country.

GCC continues to be recognised within the industry for customer longevity and consistent solid management support through the development of its staff, systems and processes. It has achieved multiple accreditations including ISO 9001:2008 quality management, ISO 14001 environmental management and was one of the first companies in the UK to transition to ISO45001 occupational health and safety. It is also a corporate member of the British Institute of Cleaning Science and has gained industry specific accreditations such as Safecontractor, Constructionline and Altius. This gives its customers confidence in its underlying processes and systems that aim to deliver an effective, efficient and quality service. GCC is recognised by Plimsoll as one of only 20% of strong performers in the facilities management arena at a time when 28% have been identified as likely to fail. The gap between strong performers and those at risk of failing is widening with 120 companies who were identified as ripe for takeover in 2021 now on the open market. GCC is well positioned to acquire suitably aligned businesses should we be able to identify suitable organisations.

Turnover increased by 24.5% to £10,158,563 (FY2021 £8,157,703) due to temporary site closures during COVID re-opening and new contracts starting. Gross profit increased 35.4% to £3,530,144 (FY2021 £2,607,819). Gross profit margin has increased to 34.8%% (FY 2021 31.9% and FY2020 27.8%).

Administration expenses increased by 33.4%% to £2,961,939 (FY 2021 £2,219,691 FY2020 £2,811,289). This included any one-off charges. Operating profit reduced to £568,205 (FY2021 £678,710 FY2020 £39,469). The cash position has increased by £397,630 during the year to £1,769,939 (FY2021 £1,372,309 FY2020 £1,280,518).

The Company's liquidity position has increased this year to 2.29:1 (FY2021 2.08:1 FY2020: 1.73:1).

ON BEHALF OF THE BOARD:

Director

30 September 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

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

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2022.

DIRECTORS

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

C M Maclean
G Whittle
S M J Hooley

Other changes in directors holding office are as follows:

R Luckman - resigned 15 December 2021

POLICY ON THE PAYMENT OF CREDITORS

It is the company's policy in respect of the majority of its creditors;

- to settle the terms of payment with those suppliers when agreeing the terms of each transaction
- to ensure that those suppliers are made aware of the terms of payment and
- to abide by the terms of payment.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022**

AUDITORS

The auditors, Myrus Smith, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

C M Maclean - Director

30 September 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCC FACILITIES MANAGEMENT PLC

Opinion

We have audited the financial statements of GCC Facilities Management Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2022 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCC FACILITIES MANAGEMENT PLC

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GCC FACILITIES MANAGEMENT PLC

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- o Enquiry of management and those charged with governance about actual and potential litigation or claims and the identification of non-compliance with laws and regulations.
- o Reviewing minutes of meetings of those charged with governance.
- o Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- o Auditing the risk of management override of controls, including testing journal entries and other adjustments for appropriateness; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- o Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- o Professional scepticism in course of the audit and with audit sampling in material audit areas.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Kevin Fisher BA FCA CTA (Senior Statutory Auditor)
for and on behalf of Myrus Smith
Chartered Accountants & Statutory Auditor
Norman House
8 Burnell Road
Sutton
Surrey
SM1 4BW

30 September 2022

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
TURNOVER		10,158,563	8,157,703
Cost of sales		<u>6,628,419</u>	<u>5,549,884</u>
GROSS PROFIT		3,530,144	2,607,819
Administrative expenses		<u>2,961,939</u>	<u>2,219,691</u>
		568,205	388,128
Other operating income	3	<u>-</u>	<u>290,582</u>
OPERATING PROFIT	5	568,205	678,710
Interest receivable and similar income		<u>1,114</u>	<u>1,771</u>
		569,319	680,481
Interest payable and similar expenses	6	<u>790</u>	<u>3,118</u>
PROFIT BEFORE TAXATION		568,529	677,363
Tax on profit	7	<u>106,930</u>	<u>102,203</u>
PROFIT FOR THE FINANCIAL YEAR		<u>461,599</u>	<u>575,160</u>
Profit attributable to:			
Owners of the parent		<u>461,599</u>	<u>575,160</u>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		461,599	575,160
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>461,599</u>	<u>575,160</u>
Total comprehensive income attributable to: Owners of the parent		<u>461,599</u>	<u>575,160</u>

CONSOLIDATED BALANCE SHEET
31 MARCH 2022

		2022	2021
	Notes	£	£
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	111,151	101,208
Investments	12	-	-
		<u>111,151</u>	<u>101,208</u>
CURRENT ASSETS			
Stocks	13	18,309	9,204
Debtors	14	1,681,225	1,510,847
Cash at bank and in hand		<u>1,769,939</u>	<u>1,372,309</u>
		3,469,473	2,892,360
CREDITORS			
Amounts falling due within one year	15	<u>1,514,886</u>	<u>1,389,429</u>
NET CURRENT ASSETS		<u>1,954,587</u>	<u>1,502,931</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,065,738</u>	<u>1,604,139</u>
CAPITAL AND RESERVES			
Called up share capital	17	65,000	65,000
Retained earnings	18	<u>2,000,738</u>	<u>1,539,139</u>
SHAREHOLDERS' FUNDS		<u>2,065,738</u>	<u>1,604,139</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2022 and were signed on its behalf by:

C M Maclean - Director

COMPANY BALANCE SHEET
31 MARCH 2022

		2022	2021
	Notes	£	£
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	56,324	85,308
Investments	12	<u>1</u>	<u>1</u>
		56,325	85,309
CURRENT ASSETS			
Debtors	14	1,023,215	913,523
Cash at bank and in hand		<u>394,890</u>	<u>1,301,418</u>
		1,418,105	2,214,941
CREDITORS			
Amounts falling due within one year	15	<u>1,262,114</u>	<u>1,942,520</u>
NET CURRENT ASSETS		<u>155,991</u>	<u>272,421</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>212,316</u>	<u>357,730</u>
CAPITAL AND RESERVES			
Called up share capital	17	65,000	65,000
Retained earnings	18	<u>147,316</u>	<u>292,730</u>
SHAREHOLDERS' FUNDS		<u>212,316</u>	<u>357,730</u>
Company's (loss)/profit for the financial year		<u>(145,414)</u>	<u>143,437</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2022 and were signed on its behalf by:

C M Maclean - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	65,000	1,123,979	1,188,979
Changes in equity			
Dividends	-	(160,000)	(160,000)
Total comprehensive income	-	575,160	575,160
Balance at 31 March 2021	65,000	1,539,139	1,604,139
Changes in equity			
Total comprehensive income	-	461,599	461,599
Balance at 31 March 2022	65,000	2,000,738	2,065,738

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	65,000	309,293	374,293
Changes in equity			
Dividends	-	(160,000)	(160,000)
Total comprehensive income	-	143,437	143,437
Balance at 31 March 2021	<u>65,000</u>	<u>292,730</u>	<u>357,730</u>
Changes in equity			
Total comprehensive income	-	(145,414)	(145,414)
Balance at 31 March 2022	<u>65,000</u>	<u>147,316</u>	<u>212,316</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	616,508	8,020
Interest element of hire purchase payments paid		(790)	(3,118)
Tax paid		(102,203)	(32,406)
Net cash from operating activities		<u>513,515</u>	<u>(27,504)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(80,202)	(25,580)
Sale of tangible fixed assets		-	1,952
Interest received		1,114	1,770
Net cash from investing activities		<u>(79,088)</u>	<u>(21,858)</u>
Cash flows from financing activities			
Capital repayments in year		(36,797)	(15,586)
Amount introduced by directors		-	26,157
Equity dividends paid		-	(160,000)
Government grants		-	290,582
Net cash from financing activities		<u>(36,797)</u>	<u>141,153</u>
Increase in cash and cash equivalents		<u>397,630</u>	<u>91,791</u>
Cash and cash equivalents at beginning of year	2	1,372,309	1,280,518
Cash and cash equivalents at end of year	2	<u>1,769,939</u>	<u>1,372,309</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

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

	2022	2021
	£	£
Profit before taxation	568,529	677,363
Depreciation charges	70,259	68,092
Government grants	-	(290,582)
Finance costs	790	3,118
Finance income	(1,114)	(1,771)
	<u>638,464</u>	<u>456,220</u>
Increase in stocks	(9,105)	(9,204)
(Increase)/decrease in trade and other debtors	(170,378)	148,790
Increase/(decrease) in trade and other creditors	<u>157,527</u>	<u>(587,786)</u>
Cash generated from operations	<u>616,508</u>	<u>8,020</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	<u>1,769,939</u>	<u>1,372,309</u>

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>1,372,309</u>	<u>1,280,518</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,372,309</u>	<u>397,630</u>	<u>1,769,939</u>
	<u>1,372,309</u>	<u>397,630</u>	<u>1,769,939</u>
Debt			
Finance leases	<u>(42,307)</u>	<u>36,797</u>	<u>(5,510)</u>
	<u>(42,307)</u>	<u>36,797</u>	<u>(5,510)</u>
Total	<u>1,330,002</u>	<u>434,427</u>	<u>1,764,429</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. STATUTORY INFORMATION

GCC Facilities Management Plc is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Goodwill

Purchased goodwill is amortised on a straight line basis over its estimated useful economic life of ten years as shown in the note to intangible fixed assets.

Goodwill purchased after 1 April 2010 is amortised on a straight line basis over its estimated useful economic life of three years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Fixtures, fittings and office equipment	- 15% on reducing balance
Computer equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

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

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

Pension costs and other post-retirement benefits

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

3. OTHER OPERATING INCOME

	2022 £	2021 £
Government grants	<u>-</u>	<u>290,582</u>

4. EMPLOYEES AND DIRECTORS

	2022 £	2021 £
Wages and salaries	3,198,198	2,623,106
Social security costs	271,607	162,557
Other pension costs	<u>72,612</u>	<u>79,422</u>
	<u>3,542,417</u>	<u>2,865,085</u>

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

	2022	2021
Management,sales,admin and cleaning	<u>272</u>	<u>249</u>

	2022 £	2021 £
Directors' remuneration	757,669	364,025
Directors' pension contributions to money purchase schemes	<u>27,845</u>	<u>43,347</u>

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

	2022	2021
Money purchase schemes	<u>3</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	2022 £	2021 £
Emoluments etc	610,693	174,345
Pension contributions to money purchase schemes	<u>22,562</u>	<u>1,850</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

5. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	52,325	37,402
Depreciation - assets on hire purchase contracts	17,934	30,744
Auditors' remuneration	8,700	9,450
Auditors' remuneration for non audit work	2,050	1,300
Other operating lease rentals	<u>223,254</u>	<u>278,542</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Hire purchase interest	<u>790</u>	<u>3,118</u>

7. TAXATION**Analysis of the tax charge**

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	<u>106,930</u>	<u>102,203</u>
Tax on profit	<u>106,930</u>	<u>102,203</u>

Reconciliation of total tax charge included in profit and loss

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

	2022	2021
	£	£
Profit before tax	<u>568,529</u>	<u>677,363</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	108,021	128,699
Effects of:		
Expenses/(income) not deductible for tax purposes	1,174	(16,306)
Capital allowances in excess of depreciation	(2,265)	-
Depreciation in excess of Capital Allowances previous year	-	7,631
Tax losses brought forward	-	(17,821)
Total tax charge	<u>106,930</u>	<u>102,203</u>

8. INDIVIDUAL INCOME STATEMENT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

9. DIVIDENDS

	2022 £	2021 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>160,000</u>

10. INTANGIBLE FIXED ASSETS

Group

COST

At 1 April 2021
and 31 March 2022Goodwill
£399,578

AMORTISATION

At 1 April 2021
and 31 March 2022399,578

NET BOOK VALUE

At 31 March 2022

-

At 31 March 2021

-

Company

COST

At 1 April 2021
and 31 March 2022Goodwill
£374,530

AMORTISATION

At 1 April 2021
and 31 March 2022374,530

NET BOOK VALUE

At 31 March 2022

-

At 31 March 2021

-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

11. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures, fittings and office equipment £	Computer equipment £	Totals £
COST				
At 1 April 2021	98,162	160,750	199,123	458,035
Additions	-	-	80,202	80,202
At 31 March 2022	<u>98,162</u>	<u>160,750</u>	<u>279,325</u>	<u>538,237</u>
DEPRECIATION				
At 1 April 2021	79,305	136,889	140,633	356,827
Charge for year	18,269	4,781	47,209	70,259
At 31 March 2022	<u>97,574</u>	<u>141,670</u>	<u>187,842</u>	<u>427,086</u>
NET BOOK VALUE				
At 31 March 2022	<u>588</u>	<u>19,080</u>	<u>91,483</u>	<u>111,151</u>
At 31 March 2021	<u>18,857</u>	<u>23,861</u>	<u>58,490</u>	<u>101,208</u>

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

	Plant and machinery £
COST	
At 1 April 2021 and 31 March 2022	<u>92,232</u>
DEPRECIATION	
At 1 April 2021	74,298
Charge for year	17,934
At 31 March 2022	<u>92,232</u>
NET BOOK VALUE	
At 31 March 2022	-
At 31 March 2021	<u>17,934</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

11. TANGIBLE FIXED ASSETS - continued

Company

	Plant and machinery £	Fixtures, fittings and office equipment £	Computer equipment £	Totals £
COST				
At 1 April 2021	98,162	160,750	171,862	430,774
Additions	-	-	22,740	22,740
At 31 March 2022	<u>98,162</u>	<u>160,750</u>	<u>194,602</u>	<u>453,514</u>
DEPRECIATION				
At 1 April 2021	79,305	136,889	129,272	345,466
Charge for year	18,269	4,781	28,674	51,724
At 31 March 2022	<u>97,574</u>	<u>141,670</u>	<u>157,946</u>	<u>397,190</u>
NET BOOK VALUE				
At 31 March 2022	<u>588</u>	<u>19,080</u>	<u>36,656</u>	<u>56,324</u>
At 31 March 2021	<u>18,857</u>	<u>23,861</u>	<u>42,590</u>	<u>85,308</u>

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

	Plant and machinery £
COST	
At 1 April 2021 and 31 March 2022	<u>92,232</u>
DEPRECIATION	
At 1 April 2021	74,298
Charge for year	17,934
At 31 March 2022	<u>92,232</u>
NET BOOK VALUE	
At 31 March 2022	-
At 31 March 2021	<u>17,934</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

12. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertaking
£

COST

At 1 April 2021
and 31 March 20221

NET BOOK VALUE

At 31 March 2022
At 31 March 202111

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

Subsidiary

GCC Direct Limited

Registered office: United Kingdom
Nature of business: Cleaning services

Class of shares:	%
Ordinary	holding 100.00

	2022	2021
	£	£
Aggregate capital and reserves	1,853,423	1,246,410
Profit for the year	<u>607,013</u>	<u>431,723</u>

13. STOCKS

Group

	2022	2021
	£	£
Stocks	<u>18,309</u>	<u>9,204</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	1,517,990	1,255,240	874,689	692,276
Amounts owed by group undertakings	-	-	24,230	-
Other debtors	71,931	159,982	32,992	127,242
Directors' loan accounts	50,000	50,000	50,000	50,000
Prepayments and accrued income	41,304	45,625	41,304	44,005
	<u>1,681,225</u>	<u>1,510,847</u>	<u>1,023,215</u>	<u>913,523</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Hire purchase contracts (see note 16)	5,510	42,307	5,510	42,307
Trade creditors	425,146	394,306	414,267	391,143
Tax	106,930	102,203	-	1,010
Social security and other taxes	647,941	341,211	524,179	295,556
Other creditors	17,183	40,237	9,982	30,012
Intercompany account	-	-	-	947,652
Accruals and deferred income	312,176	469,165	308,176	234,840
	<u>1,514,886</u>	<u>1,389,429</u>	<u>1,262,114</u>	<u>1,942,520</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£	£
Gross obligations repayable:		
Within one year	<u>5,464</u>	<u>43,850</u>
Finance charges repayable:		
Within one year	<u>(46)</u>	<u>1,543</u>
Net obligations repayable:		
Within one year	<u>5,510</u>	<u>42,307</u>

Company

	Hire purchase contracts	
	2022	2021
	£	£
Gross obligations repayable:		
Within one year	<u>5,464</u>	<u>43,850</u>
Finance charges repayable:		
Within one year	<u>(46)</u>	<u>1,543</u>
Net obligations repayable:		
Within one year	<u>5,510</u>	<u>42,307</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

16. LEASING AGREEMENTS - continued

Group

	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	278,846	121,407
Between one and five years	356,637	343,237
In more than five years	28,750	-
	<u>664,233</u>	<u>464,644</u>

Company

	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	278,846	121,407
Between one and five years	356,637	343,237
In more than five years	28,750	-
	<u>664,233</u>	<u>464,644</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
65,000	Ordinary	£1	<u>65,000</u>	<u>65,000</u>

18. RESERVES

Group

	Retained earnings £
At 1 April 2021	1,539,139
Profit for the year	461,599
At 31 March 2022	<u>2,000,738</u>

Company

	Retained earnings £
At 1 April 2021	292,730
Deficit for the year	(145,414)
At 31 March 2022	<u>147,316</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

19. RELATED PARTY DISCLOSURES

Details of related party transactions occurring during the year are as follows:

Related party	Details	Amount £	Balance £
2022			
C A Maclean	Loan from the company	-	50,000
2021			
C A Maclean	Loan from the company	-	50,000

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.