

Strategic Report,
Report of the Directors and
Consolidated Financial Statements
For The Year Ended 31 March 2023
for
Aquilam Group Limited

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For The Year Ended 31 March 2023

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Aquilam Group Limited

Company Information
For The Year Ended 31 March 2023

DIRECTORS:

T H Melvin
H D Melvin
R D Melvin
E Besley

REGISTERED OFFICE:

Aquilam House
7 Darklake View
Plymouth
Devon
PL6 7TL

REGISTERED NUMBER:

11860825 (England and Wales)

AUDITORS:

Bromhead
Chartered Accountants
Statutory Auditors
Harscombe House
1 Darklake View
Plymouth
Devon
PL6 7TL

Strategic Report
For The Year Ended 31 March 2023

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

REVIEW OF THE BUSINESS

During the year the group continued with the delivery of fire safety services.

The group now employs 141 staff, an increase of 42 from the prior year. Whilst revenue growth of 3% was behind the levels generated in previous years, the directors see the investment in people as key for future expansion. Strategic changes were made during the year that the directors expect to significantly enhance revenue growth and contribution margin in future years.

Profitability in the year was impacted by inflationary pressures and steps have been taken to mitigate this going forward. In addition, material non-recurring investments were made in business infrastructure as well as the cost of the strategic changes mentioned above. These factors together resulted in a significant reduction in profitability. The directors are confident these impacts are temporary with profitability strengthening going forward and the business upgraded.

Key performance indicators ("KPIs") and other business measures

Below are shown some key performance indicators for the group

	31-Mar-23	31-Mar-22
Turnover	24,689,509	24,174,467
Contribution Margin*	8,555,282	9,893,464
Contribution Margin %	34.7%	40.9%
Average Number of Employees	141	99
Net Assets	6,372,915	6,388,477

*Contribution margin is calculated as Gross Profit before management/overhead salaries. Gross Profit as presented in the financial statements is shown after deducting a significant element of management/overhead salaries and therefore the directors see Contribution Margin as a more effective KPI.

PRINCIPAL RISKS AND UNCERTAINTIES

Whilst the sector is robust given the legislative and cultural pressure to ensure that buildings and structures provide both a safe and compliant provision for their occupants, the directors are mindful of current economic pressures. It is therefore ever more important that the group continues to provide excellent value for money thereby mitigating some element of this risk.

The group continues to build and strengthen relationships with supply chain, along with expanding the supply chain in order to mitigate risks of supply chain shortages as the group continues to grow.

SUSTAINABILITY

The Aquilam Group continues to take a sustainable approach to all processes, including making a deliberate move towards our goal of having 100% of site waste recycled or disposed of in the most environmentally friendly way. The group aims to support and nurture talent including various sponsorship and work experience schemes, and employing local staff to where contracts are situated. Our commitment to supporting charitable initiatives has continued which is in addition to the volunteering support such as local environment cleaning activities and supporting local food banks and local charities.

ON BEHALF OF THE BOARD:



R D Melvin - Director

Date 7 March 2024

Report of the Directors
For The Year Ended 31 March 2023

The directors present their report with the financial statements of the group for the year ended 31 March 2023.

DIVIDENDS

Interim dividends of £2,500.00 per ordinary A share, £937.50 per ordinary B share, £937.50 per ordinary C share, £3,750.00 per ordinary D share, £3,750.00 per ordinary E share and £3,750.00 per ordinary F share were paid during the year. The directors recommended a final dividend of £nil per share.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

Mr T H Melvin
Mr H D Melvin
Mr R D Melvin

Changes in directors holding office are as follows:

E Besley was appointed as a director after 31 March 2023 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 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 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.

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 groups' 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 company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:



R D Melvin - Director

Date:

7 March 2024

Report of the Independent Auditors to the Members of
Aquilam Group Limited

Opinion

We have audited the financial statements of Aquilam Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Parent Company Balance Sheet, the Group Statement of Changes in Equity, the Parent Company Statement of Changes in Equity, the Group Cash Flow Statement and Notes to the Cash Flow Statement, the Parent Company Cash Flow Statement and Notes to the Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 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 and parent 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 the events or conditions that, individually or collectively, may cast significant doubt on the group and 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 the 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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Report of the Independent Auditors to the Members of
Aquilam Group Limited

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Other matters required to address

This is the first year of audit required by the company and therefore the comparatives are unaudited. Work has been completed to ensure the opening balances are free from material misstatement.

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.

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.

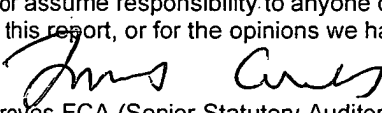
Detecting Irregularities

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. We identified the laws and regulations applicable to the company through discussions with directors and other management and from our commercial knowledge. We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including, Companies Act 2006, Health & Safety at Work Act, Employment Law and data protection. We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by, making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud. Also, considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations. To address the risk of fraud through management bias and override of controls we performed analytical procedures to identify any unusual or unexpected relationships, tested journal entries to identify any unusual transaction and assessed whether judgement and estimates were indicative of potential bias. In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to agreeing financial statement disclosures to underlying supporting documents, reading the minutes of meeting of those charged with governance and enquiring of management as to actual and potential litigation claims. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.


James Alan Groves FCA (Senior Statutory Auditor)

for and on behalf of Bromhead

Chartered Accountants (Statutory Auditor)

Statutory Auditors

Harscombe House

1 Darklake View

Plymouth

Devon

PL6 7TL

Date: 8/3/24

Aquilam Group Limited (Registered number: 11860825)

Consolidated Statement of Comprehensive Income
For The Year Ended 31 March 2023

		31.03.23	31.03.22
	Notes	£	£
TURNOVER	5	24,689,509	24,174,467
Cost of sales		<u>20,170,237</u>	<u>15,520,141</u>
GROSS PROFIT		4,519,272	8,654,326
Administrative expenses		<u>3,837,128</u>	<u>3,006,085</u>
		682,144	5,648,241
Other operating income		<u>2,712</u>	<u>9,091</u>
OPERATING PROFIT	6	684,856	5,657,332
Interest receivable and similar income		<u>1,583</u>	<u>343</u>
		686,439	5,657,675
Interest payable and similar expenses	7	<u>244</u>	<u>103</u>
PROFIT BEFORE TAXATION		686,195	5,657,572
Tax on profit	8	<u>161,757</u>	<u>1,119,622</u>
PROFIT FOR THE FINANCIAL YEAR		524,438	4,537,950
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>524,438</u></u>	<u><u>4,537,950</u></u>

The notes form part of these financial statements

Consolidated Balance Sheet

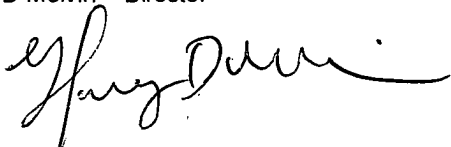
31 March 2023

		31.03.23	31.03.22
	Notes	£	£
FIXED ASSETS			
Intangible assets	10	2,206,834	2,336,648
Tangible assets	11	960,360	813,889
Investments	12	<u>29,565</u>	<u>29,565</u>
		3,196,759	3,180,102
CURRENT ASSETS			
Stock	13	1,018,442	675,446
Debtors	14	7,987,624	6,280,637
Cash at bank and in hand		<u>1,598,231</u>	<u>3,481,097</u>
		10,604,297	10,437,180
CREDITORS			
Amounts falling due within one year	15	<u>7,323,993</u>	<u>7,174,220</u>
NET CURRENT ASSETS		<u>3,280,304</u>	<u>3,262,960</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		6,477,063	6,443,062
CREDITORS			
Amounts falling due after more than one year		-	-
PROVISIONS FOR LIABILITIES	18	<u>104,148</u>	<u>54,585</u>
NET ASSETS		<u><u>6,372,915</u></u>	<u><u>6,388,477</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	300	300
Retained earnings	20	<u>6,372,615</u>	<u>6,388,177</u>
SHAREHOLDERS' FUNDS		<u><u>6,372,915</u></u>	<u><u>6,388,477</u></u>

The financial statements were approved by the Board of Directors on 7 March 2024 and were signed on its behalf by:



R D Melvin – Director



H D Melvin – Director

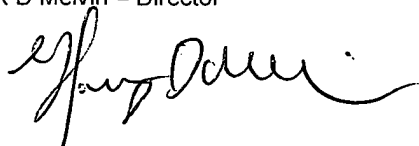
Balance Sheet
31 March 2023

		31.03.23	31.03.22
	Notes	£	£
FIXED ASSETS			
Investments	12	<u>5,939,665</u>	<u>5,939,665</u>
		5,939,665	5,939,665
CURRENT ASSETS			
Debtors	14	670,833	57,491
Cash at bank and in hand		<u>1,789</u>	<u>40,243</u>
		672,622	97,734
CREDITORS			
Amounts falling due within one year	15	<u>1,981,172</u>	<u>2,352,553</u>
NET CURRENT LIABILITIES		<u>(1,308,550)</u>	<u>(2,254,819)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,631,115	3,684,846
CREDITORS			
Amounts falling due after more than one year		-	-
PROVISIONS FOR LIABILITIES		-	-
NET ASSETS		<u>4,631,115</u>	<u>3,684,846</u>
CAPITAL AND RESERVES			
Called up share capital	19	300	300
Retained earnings	20	<u>4,630,815</u>	<u>3,684,546</u>
SHAREHOLDERS' FUNDS		<u>4,631,115</u>	<u>3,684,846</u>

The financial statements were approved by the Board of Directors on 7 March 2024 and were signed on its behalf by:



R D Melvin – Director



H D Melvin – Director

Aquilam Group Limited (Registered number: 11860825)

Consolidated Statement of Changes in Equity
For The Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	300	2,346,507	2,346,807
Changes in equity			
Dividends	-	(496,280)	(496,280)
Total comprehensive income	-	4,537,950	4,537,950
Balance at 31 March 2022	<u>300</u>	<u>6,388,177</u>	<u>6,388,477</u>
Changes in equity			
Dividends	-	(540,000)	(540,000)
Total comprehensive income	-	524,438	524,438
Balance at 31 March 2023	<u>300</u>	<u>6,372,615</u>	<u>6,372,915</u>

The notes form part of these financial statements

Statement of Changes in Equity
For The Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	300	1,075,673	1,075,973
Changes in equity			
Dividends	-	(496,280)	(496,280)
Total comprehensive income	-	<u>3,105,153</u>	<u>3,105,153</u>
Balance at 31 March 2022	<u>300</u>	<u>3,684,546</u>	<u>3,684,846</u>
Changes in equity			
Dividends	-	(540,000)	(540,000)
Total comprehensive income	-	<u>1,486,269</u>	<u>1,486,269</u>
Balance at 31 March 2023	<u>300</u>	<u>4,630,815</u>	<u>4,631,115</u>

Consolidated Cash Flow Statement
For The Year Ended 31 March 2023

		31.03.23	31.03.22
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(650,502)	4,697,582
Tax paid		<u>(831,864)</u>	<u>(714,536)</u>
Net cash from operating activities		<u>(1,482,366)</u>	<u>3,983,046</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(367,620)	(371,828)
Sale of tangible fixed assets		13,705	3,870
Sale of fixed asset investments		-	20,750
Interest received		953	-
Interest paid		<u>-</u>	<u>(239)</u>
Net cash from investing activities		<u>(352,962)</u>	<u>(347,447)</u>
Cash flows from financing activities			
Capital repayments in year		-	(3,600,000)
Amount introduced by directors		492,462	-
Amount withdrawn by directors		-	(66,735)
Equity dividends paid		<u>(540,000)</u>	<u>(496,280)</u>
Net cash from financing activities		<u>(47,538)</u>	<u>(4,163,015)</u>
Decrease in cash and cash equivalents		<u>(1,882,866)</u>	<u>(527,416)</u>
Cash and cash equivalents at beginning of year	2	<u>3,481,097</u>	<u>4,008,513</u>
Cash and cash equivalents at end of year	2	<u><u>1,598,231</u></u>	<u><u>3,481,097</u></u>

Notes to the Consolidated Cash Flow Statement
For The Year Ended 31 March 2023

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

	31.03.23	31.03.22
	£	£
Profit before taxation	686,195	5,657,572
Depreciation charges	337,256	271,867
Loss/(profit) on disposal of fixed assets	-	(20,750)
Finance costs	874	684
Finance income	<u>(1,583)</u>	<u>(343)</u>
	1,022,742	5,909,030
(Increase)/decrease in stocks and work in progress	(342,996)	(525,356)
(Increase)/decrease in trade and other debtors	(1,717,183)	(3,141,067)
Increase/(decrease) in trade and other creditors	<u>386,935</u>	<u>2,454,975</u>
Cash generated from operations	<u>(650,502)</u>	<u>4,697,582</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 2023

	31.03.23	1.4.22
	£	£
Cash and cash equivalents	<u>1,598,231</u>	<u>3,481,097</u>

Year ended 31 March 2022

	31.03.22	1.4.21
	£	(Unaudited)
Cash and cash equivalents	<u>3,481,097</u>	<u>4,008,513</u>

Notes to the Financial Statements
For The Year Ended 31 March 2023

1. STATUTORY INFORMATION

Aquilam Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company 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.

Reduced disclosure exemptions for parent company

FRS 102 grants qualifying entity exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements as the company is deemed to be a qualifying entity.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a Cash Flow Statement on the basis that it is a qualifying entity and its cash flows are included in the consolidated financial statements of the group. The company is also taking exemption from the disclosure of key management personnel compensation and exemption from disclosure of related party transactions entered into between the company and other members of the Aquilam Group Limited group.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Key sources of estimation uncertainty

In the application of the group's accounting policies, which are described in this note, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historically known factors and experience. Therefore, management do not perceive there to be any critical areas of judgement or key sources of estimation uncertainty in the formulation of the financial statements.

Any estimates and underlying assumptions used by management such as depreciation rates and the useful economic lives of assets are reviewed on an ongoing basis. Any revision deemed to be required to any accounting estimates would be recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if revision affects both current and future periods.

No such changes or amendments are deemed necessary in either this or the prior period.

Revenue recognition

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.

Revenue from the sale of goods, being finished goods, is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on installation 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.

Income is accrued where the provision of goods and services to the third party have occurred but the invoicing of which has not been carried out until after the year end. This is reflected as an asset in the balance sheet of the company.

Notes to the Financial Statements-continued
For The Year Ended 31 March 2023

Tax

Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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.

Goodwill is being amortised evenly over their estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold land and property	2% on cost
Improvements to property	20% on cost and 30 years straight line
Plant and machinery	25% on cost
Fixtures and fittings	25% on cost
Motor vehicles	25% on cost
Office equipment	25% on cost

Stocks and work in progress

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises of direct materials and, where applicable, labour costs and overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Work in progress is calculated based on the expected profit margins for each contract or project and comparing the amounts invoiced to costs incurred to date. Positive work in progress is shown as an asset and negative work in progress is reflected within other creditors.

Pension costs and other post-retirement benefits

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

Accrued expenses

Expenditure is accrued where the provision of goods and services from a third party have been received but the invoicing of which has not occurred. This is reflected as a creditor in the balance sheet of the company.

Financial instruments

Classification

The company holds the following financial instruments:

- Short- term trade and other debtors and creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

Notes to the Financial Statements
For The Year Ended 31 March 2023

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS 102. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

3. EMPLOYEES AND DIRECTORS

	Group		Company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Wages and salaries	4,716,832	3,193,560	-	-
Social security costs	540,939	296,349	-	-
Other pension costs	94,519	49,051	-	-
	<u>5,352,290</u>	<u>3,538,960</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	31.03.23	31.03.22	31.03.23	31.03.22
Directors	3	3	3	3
Direct Labour	83	55	-	-
Direct Management	12	9	-	-
Back office	43	32	-	-
	<u>141</u>	<u>99</u>	<u>3</u>	<u>3</u>

4. DIRECTORS' EMOLUMENTS

	Group		Company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Directors' remuneration	27,180	26,520	-	-
Directors' pension contributions to money purchase scheme	-	-	-	-

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

Money purchase schemes – Group and company

- -

Notes to the Financial Statements
For The Year Ended 31 March 2023

5. REVENUE

Group	31.03.23	31.03.22
	£	£
Turnover	<u>24,689,509</u>	<u>24,174,467</u>

All turnover recognised above is in respect of the rendering of fire services.

6. OPERATING PROFIT

Group

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

	31.03.23	31.03.22
	£	£
Depreciation – owned assets	207,444	142,053
Loss/(profit) on disposal of fixed assets	-	(20,750)
Auditors' remuneration	<u>15,876</u>	<u>15,120</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Group		Company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Corporation tax interest	<u>244</u>	<u>103</u>	<u>-</u>	<u>-</u>
	<u>244</u>	<u>103</u>	<u>-</u>	<u>-</u>

8. TAXATION

Group

Analysis of the tax charge

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

	31.03.23	31.03.22
	£	£
Current tax:		
UK corporation tax	<u>112,194</u>	<u>1,084,057</u>
Total current tax	112,194	1,084,057
Deferred tax	<u>49,563</u>	<u>35,565</u>
Tax on profit	<u>161,757</u>	<u>1,119,622</u>

The differences are reconciled below:

	31.03.23	31.03.22
	£	£
Profit before tax	<u>686,195</u>	<u>5,657,572</u>
Corporation tax at standard rate 19% (2022: 19%)	130,377	1,074,939
Effect of expenses not deductible in determining taxable profit	29,780	31,064
Effect of deferred tax movement	49,563	35,565
Effect of capital allowances and depreciation	(48,969)	(21,946)
Effect of unused losses carried forwards	<u>1,006</u>	<u>-</u>
Tax on profit	<u>161,757</u>	<u>1,119,622</u>

Notes to the Financial Statements – continued
For The Year Ended 31 March 2023

9. DIVIDENDS

Company and Group

31.03.23 31.03.22

	£	£
Ordinary shares of £1 each		
Interim	540,000	496,280

10. INTANGIBLE FIXED ASSETS

Group

Goodwill Totals

	£	£
COST		
At 1 April 2022	2,596,276	2,596,276
Additions	-	-
Disposals	-	-
At 31 March 2023	<u>2,596,276</u>	<u>2,596,276</u>
DEPRECIATION		
At 1 April 2022	259,628	259,628
Charge for year	129,814	129,814
Eliminated on disposals	-	-
At 31 March 2023	<u>389,442</u>	<u>389,442</u>
NET BOOK VALUE		
At 31 March 2023	<u>2,206,834</u>	<u>2,206,834</u>
At 31 March 2022	<u>2,336,648</u>	<u>2,336,648</u>

11. TANGIBLE FIXED ASSETS

Group

	Land & buildings £	Office Equipment £	Improve't to Property £	Plant and machinery £	Fixtures and Fittings £	Motor Vehicles £	Totals £
COST							
At 1 April 2022	393,893	168,700	402,518	28,238	90,223	129,873	1,213,445
Additions	-	63,180	-	18,472	6,668	279,300	367,620
Disposals	-	(10,947)	-	-	(6,608)	-	(17,555)
At 31 March 2023	<u>393,893</u>	<u>220,933</u>	<u>402,518</u>	<u>46,710</u>	<u>90,283</u>	<u>409,173</u>	<u>1,563,510</u>
DEPRECIATION							
At 1 April 2022	27,920	70,033	187,989	11,172	39,287	63,155	399,556
Charge for year	5,878	45,625	39,388	9,288	19,274	87,992	207,445
Eliminated on disposals	-	(684)	-	-	(3,167)	-	(3,851)
At 31 March 2023	<u>33,798</u>	<u>114,974</u>	<u>227,376</u>	<u>20,460</u>	<u>55,394</u>	<u>151,148</u>	<u>603,150</u>
NET BOOK VALUE							
At 31 March 2023	<u>360,095</u>	<u>105,959</u>	<u>175,141</u>	<u>26,250</u>	<u>34,889</u>	<u>258,026</u>	<u>960,360</u>
At 31 March 2022	<u>365,973</u>	<u>98,667</u>	<u>214,529</u>	<u>17,066</u>	<u>50,936</u>	<u>66,718</u>	<u>813,889</u>

Notes to the Financial Statements - continued
For The Year Ended 31 March 2023

12. FIXED ASSET INVESTMENTS
Company

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

Subsidiaries

Ventro Holdings Limited

Nature of business: Holding company

	%
Class of shares:	holding
Ordinary A	100.00
Ordinary B	100.00
Ordinary C	100.00
Ordinary D	100.00
Ordinary E	100.00
Ordinary F	100.00

Ventro Ltd Limited

Nature of business: Fire service activities

	%
Class of shares:	holding
Ordinary A	100.00
Ordinary B	100.00
Ordinary C	100.00

Ventro Fire Compliance Limited

Nature of business: Fire service activities

	%
Class of shares:	holding
Ordinary	100.00

All of the above companies have the registered office of:

Aquilam House, 7 Darklake View, Estover, Plymouth, PL6 7TL

Group

The balance of £29,565 reflects the stamp duty paid on the share acquisition.

13. STOCKS

	Group		Company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Stocks	178,456	96,968	-	-
Work In Progress	839,986	578,478	-	-
	<u>1,018,442</u>	<u>675,446</u>	<u>-</u>	<u>-</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Trade debtors	5,857,482	4,573,405	-	1,248
Amounts owed by group undertakings	-	-	440,147	-
Other debtors	1,159,797	403,455	230,686	56,243
Prepayments and accrued income	970,345	1,303,777	-	-
	<u>7,987,624</u>	<u>6,280,637</u>	<u>670,833</u>	<u>57,491</u>

Notes to the Financial Statements - continued
For The Year Ended 31 March 2023

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Trade creditor	2,720,871	1,723,577	-	-
Corporation tax	194,463	962,856	-	-
Social security and other taxes	160,901	147,822	-	-
VAT	620,851	1,076,153	-	-
Amounts owed to group undertakings	-	-	302,364	936,802
Other creditors	3,626,907	3,263,812	1,678,808	1,415,751
	<u>7,323,993</u>	<u>7,174,220</u>	<u>1,981,172</u>	<u>2,352,553</u>

16. SECURED DEBTS

The following secured debts are included	Group		Company	
within creditors:	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Loan notes	<u>1,410,000</u>	<u>1,410,000</u>	<u>1,410,000</u>	<u>1,410,000</u>

These debts are secured by a fixed charge over the land and a floating charge over the undertaking of the company.

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

**Non-cancellable
Operating leases**

	Group		Company	
	31.03.23	31.03.22	31.03.23	31.03.22
	£	£	£	£
Within one year	166,421	145,004	-	-
Between one and five years	128,529	113,040	-	-
In more than five years	-	-	-	-
	<u>294,950</u>	<u>258,044</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
For The Year Ended 31 March 2023

18. PROVISIONS FOR LIABILITIES

Group	31.03.23	31.03.22
	£	£
Deferred tax provision	<u>104,148</u>	<u>54,585</u>
		Deferred Tax
		£
Balance at 1 April 2022		54,585
Accelerated capital allowances		<u>49,563</u>
Balance at 31 March 2023		<u>104,148</u>

19. CALLED UP SHARE CAPITAL
Company

Allotted, issued and fully paid:
Number:

	Class:	Nominal value	31.03.23	31.03.22
			£	£
36	Ordinary A	£1	36	36
96	Ordinary B	£1	96	96
96	Ordinary C	£1	96	96
24	Ordinary D	£1	24	24
24	Ordinary E	£1	24	24
24	Ordinary F	£1	24	24
			<u>300</u>	<u>300</u>

20. RESERVES

	Group Retained earnings	Company Retained earnings
	£	£
At 1 April 2022	6,388,177	3,684,546
Profit for the year	524,438	1,486,269
Dividends	<u>(540,000)</u>	<u>(540,000)</u>
At 31 March 2023	<u>6,372,615</u>	<u>4,630,815</u>

Notes to the Financial Statements - continued
For The Year Ended 31 March 2023

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Group

The following advances and credits to directors subsisted during the years ended 31 March 2023 and 31 March 2022:

	31.3.23	31.3.22
	£	£
T H Melvin		
Balance outstanding at start of year	2,384	(16,220)
Amounts advanced	-	115,484
Amounts repaid	(2,384)	(96,880)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	2,384
R D Melvin		
Balance outstanding at start of year	3,434	(225)
Amounts advanced	-	101,189
Amounts repaid	(3,434)	(97,530)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	3,434
H D Melvin		
Balance outstanding at start of year	2,177	(12,980)
Amounts advanced	-	90,937
Amounts repaid	(2,177)	(75,780)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	2,177

These loans have interest charged at the HMRC official rate of 2% and are repayable on demand.

22. RELATED PARTY DISCLOSURES

Company

The company has taken advantage of the exemption in FRS 102 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group.

Each of the directors: H Melvin, R Melvin and T Melvin are each owed £235,000 by way of loan notes (2022: £235,000 each). Additionally: D Melvin, J Melvin and K Melvin, who are shareholders and wives of the directors, are each owed £235,000 by way of loan notes (2022: £235,000 each)

Group

Key management personnel.

The directors do not consider any employees other than directors, whose remuneration is disclosed in note 4, to be key management personnel within the definition of FRS102.

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr T H Melvin, Mr H D Melvin and Mr R D Melvin as directors.