

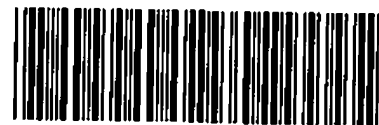
Company registration number NI046471 (Northern Ireland)

**MCKINSTRY SKIP HIRE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



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# **MCKINSTRY SKIP HIRE LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr D McKinstry Mr M McKinstry
<b>Secretary</b>	Mr D McKinstry
<b>Company number</b>	NI046471
<b>Registered office</b>	81-83 Belfast Road Nutt's Corner Crumlin County Antrim BT29 4TL
<b>Auditor</b>	Harbinson Mulholland Centrepont 24 Ormeau Avenue Belfast Co. Antrim Northern Ireland BT2 8HS
<b>Bankers</b>	Bank of Ireland 275-279 Antrim Road Glengormley Antrim BT36 7QN
<b>Solicitors</b>	MacCorkell Legal & Commerical 8-10 Longstone Street Lisburn Antrim BT28 1TP

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# **MCKINSTRY SKIP HIRE LIMITED**

9

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Income statement	8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 25

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# **MCKINSTRY SKIP HIRE LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present the strategic report for the year ended 31 March 2022.

#### **Fair review of the business**

There were no significant changes in the activities of the company during the year.

Turnover increased by 35% to £17.7m (2021: £13.1m), while gross margin has decreased to 10.3% (2021: 14.5%).

Results for the year were in line with expectations.

The directors consider both the results for the year and trading prospects satisfactory.

The balance sheet reflects a strong financial position and this, together with projections prepared, enable the directors to conclude that the company will be profitable and continue to trade as a going concern into the foreseeable future.

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

The company uses various financial instruments including bank loans, overdraft, cash, commercial finance, asset finance and various items, such as trade debtors and trade creditors, that arise directly from the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks which are described in more detail below.

The main risks arising from the company's financial instruments are interest rate risk, credit risk and liquidity risk.

The directors review and agree policies for managing each of these risks, and they are summarised below. These policies have remained unchanged from previous years.

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The company policy throughout the year has been to ensure continuity of funding by matching the source of funds to the intended use of those funds, so that fixed assets are financed out of reserves and through the use of long-term borrowings, with draw down and repayment terms that are spread over a period of years. Short-term flexibility is achieved by overdraft and other funding facilities.

#### Interest rate risk

The company finances its operations through a mixture of retained profits, bank and other borrowings. The company exposure to interest rate fluctuations on its borrowings is managed through annual review of its borrowing requirements and, where appropriate, through use of fixed or floating interest arrangements.

#### Credit risk

The company's principal financial assets are cash and debtors. The credit risk with cash is limited. The principal credit risk arises, therefore, from trade debtors.

In order to manage credit risk the directors assess potential customers based on a mixture of past history, credit references and industry knowledge. Amounts owed are reviewed and followed up on a regular basis.

#### Price and market risk

As the company does not normally make investments, price risk is considered inconsequential.

#### **Key performance indicators**

##### **Financial key performance indicators**

The key performance indicators of the company are turnover and gross margin. Turnover has increased 35% and gross margin has decreased to 10.3% (2021: 14.5%).

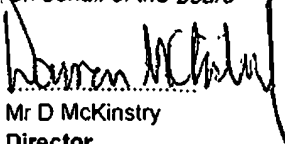
**MCKINSTRY SKIP HIRE LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

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On behalf of the board



Mr D McKinstry  
Director

Date: 21/12/22

# **MCKINSTRY SKIP HIRE LIMITED**

## **DIRECTORS' REPORT**

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

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

### **Principal activities**

The principal activity of the company were waste removal and recycling, skip hire and related activities.

### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £105,000. 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 D McKinstry  
Mr M McKinstry

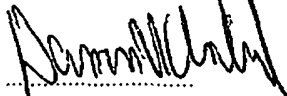
### **Auditor**

In accordance with the company's articles, a resolution proposing that Harbinson Mulholland be reappointed as auditors of the group will be put at a General Meeting.

### **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 auditors are 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 auditors are aware of that information.

On behalf of the board



Mr D McKinstry  
Director

Date: 21/12/22

# **MCKINSTRY SKIP HIRE LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2022**

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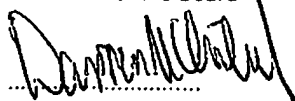
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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 parent company 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;
- 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 group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent 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 group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Mr D McKinstry

Director

21/12/2021

# **MCKINSTRY SKIP HIRE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MCKINSTRY SKIP HIRE LIMITED**

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#### **Opinion**

We have audited the financial statements of McKinstry Skip Hire Limited (the 'company') for the year ended 31 March 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **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.



# **MCKINSTRY SKIP HIRE LIMITED**

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

### **TO THE MEMBERS OF MCKINSTRY SKIP HIRE 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 and 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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/or senior management, and from our commercial knowledge and experience of the sector;
- 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, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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; and
- 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 unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

# **MCKINSTRY SKIP HIRE LIMITED**

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

### **TO THE MEMBERS OF MCKINSTRY SKIP HIRE LIMITED**

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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 documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and 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.

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.

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.



**Angela Craigan FCA (Senior Statutory Auditor)**  
**For and on behalf of Harbinson Mulholland**  
**Chartered Accountants**  
**Statutory Auditors**

Centrepont  
24 Ormeau Avenue  
Belfast  
Co. Antrim  
Northern Ireland  
BT2 8HS

21/12/22

# MCKINSTRY SKIP HIRE LIMITED

## INCOME STATEMENT

**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Turnover		17,756,199	13,095,837
Cost of sales		(15,929,211)	(11,196,615)
<b>Gross profit</b>		<b>1,826,988</b>	<b>1,899,222</b>
Administrative expenses		(1,909,904)	(1,678,173)
Other operating income		418,648	268,680
<b>Operating profit</b>	<b>3</b>	<b>335,732</b>	<b>489,729</b>
Interest receivable and similar income	<b>6</b>	1,755	1,266
Interest payable and similar expenses	<b>7</b>	(50,887)	(75,325)
<b>Profit before taxation</b>		<b>286,600</b>	<b>415,670</b>
Tax on profit	<b>8</b>	16,242	(73,258)
<b>Profit for the financial year</b>		<b>302,842</b>	<b>342,412</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# **MCKINSTRY SKIP HIRE LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022**

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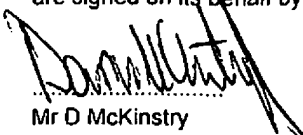
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b><i>Profit for the year</i></b>	<b>302,842</b>	<b>342,412</b>
<b><i>Other comprehensive income</i></b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<b>302,842</b>	<b>342,412</b>
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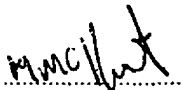
# MCKINSTRY SKIP HIRE LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Goodwill	10		121		7,813
Tangible assets	11		6,620,018		5,846,665
			<u>6,620,139</u>		<u>5,854,478</u>
<b>Current assets</b>					
Stocks	12	166,273		178,269	
Debtors	13	3,721,480		3,039,831	
Cash at bank and in hand		486,125		674,363	
		<u>4,373,878</u>		<u>3,892,463</u>	
<b>Creditors: amounts falling due within one year</b>	14	(3,693,489)		(3,080,101)	
<b>Net current assets</b>			<u>680,389</u>		<u>812,362</u>
<b>Total assets less current liabilities</b>			<u>7,300,528</u>		<u>6,666,840</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(1,013,682)		(804,077)
<b>Provisions for liabilities</b>					
Deferred tax liability	18	513,326		287,084	
		<u>(513,326)</u>		<u>(287,084)</u>	
<b>Net assets</b>			<u><u>5,773,520</u></u>		<u><u>5,575,679</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		100		100
Profit and loss reserves			5,773,420		5,575,579
<b>Total equity</b>			<u><u>5,773,520</u></u>		<u><u>5,575,679</u></u>

The financial statements were approved by the board of directors and authorised for issue on 21/4/22 and are signed on its behalf by:

  
Mr D McKinstry  
Director

  
Mr M McKinstry  
Director

Company Registration No. NI046471

# MCKINSTRY SKIP HIRE LIMITED

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

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2020		100	5,233,167	5,233,267
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	342,412	342,412
Balance at 31 March 2021		100	5,575,579	5,575,679
Year ended 31 March 2022:				
Profit and total comprehensive income for the year		-	302,842	302,842
Dividends	9	-	(105,000)	(105,000)
Balance at 31 March 2022		100	5,773,421	5,773,521

# **MCKINSTRY SKIP HIRE LIMITED**

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

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### **1 Accounting policies**

#### **Company information**

McKinstry Skip Hire Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is 81-83 Belfast Road, Nutt's Corner, Crumlin, County Antrim, BT29 4TL.

#### **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 to include investment 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': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Aldamar Holdings Limited. These consolidated financial statements are available from its registered office, 81-83 Belfast Road, Nutt's Corner, Crumlin, County Antrim, BT29 4TL.

#### **1.2 Going concern**

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

#### **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.

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.

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit *pro-rata on the basis of the carrying amount of each asset in the unit*.

#### 1.5 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.

Tangible fixed assets are initially recorded at purchase cost, together with any incidental costs of acquisition. At each balance sheet date, the carrying amounts of tangible assets are reviewed to determine whether there is an indication that those assets have suffered an impairment loss. Where the carrying value exceeds the estimated recoverable amount (being the greater of fair value less costs to sell and value-in-use), an impairment loss is recognised by writing down the assets cash-generating units to their recoverable amount. An impairment loss is recognised immediately in the profit and loss. Any reversal of a previous impairment loss is similarly recognised immediately in the profit and loss.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	4% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

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.

#### 1.6 Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible 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.



# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

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.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those 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 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 as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

The group 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 group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables 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. Other financial assets classified as fair value through profit or loss are measured at fair value.

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### **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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### **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.

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables 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.

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.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled, or expires.

### 1.10 Equity instruments

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

### 1.11 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 income statement 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### **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 goodwill or 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 income statement, 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 if, and only if, there is 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.

##### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

##### **1.13 Retirement benefits**

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

##### **1.14 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

##### **1.15 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.

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.16 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Going concern**

The directors have prepared budgets and cash flows for a period of at least twelve months from the date of the approval of the financial statements which demonstrate that there is no material uncertainty regarding the company's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the company was unable to continue as a going concern.

##### **Impairment of trade debtors**

The company trades with a large and varied number of customers on credit terms. Some debts due will not be paid through the default of a small number of customers. The company uses estimates based on historical experience and current information in determining the level of debts for which an impairment charge is required. The level of impairment required is reviewed on an ongoing basis. The total amount of trade debtors is £2,180,448 (2021: £2,017,017 ).

##### **Useful lives of Tangible and Intangible Fixed Assets**

Long-lived assets comprising primarily of property, plant and machinery represent a significant portion of total assets. The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of residual values. The directors regularly review these useful lives and change them if necessary to reflect current conditions. In determining these useful lives management consider technological change, patterns of consumption, physical condition and expected economic utilisation of the assets. Changes in the useful lives can have a significant impact on the depreciation charge for the financial year. The net book value of Tangible Fixed Assets subject to depreciation at the financial year end date was £6,620,018 (2021: £5,846,665 ).

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 3 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	146,600	(3,884)
Government grants	(100,439)	(162,921)
Fees payable to the company's auditor for the audit of the company's financial statements	6,500	6,500
Depreciation of owned tangible fixed assets	863,885	731,699
Depreciation of tangible fixed assets held under finance leases	582,898	568,611
Loss/(profit) on disposal of tangible fixed assets	12,145	(80,606)
Amortisation of intangible assets	7,692	7,692
Cost of stocks recognised as an expense	9,380,857	6,135,424
Operating lease charges	118,907	137,740
	<u>          </u>	<u>          </u>

#### 4 Employees

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

	2022	2021
	Number	Number
Administrative staff	21	22
Directors	2	2
Drivers, recycling and maintenance staff	88	77
	<u>          </u>	<u>          </u>
Total	111	101
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	4,950,425	3,785,336
Social security costs	352,606	271,422
Pension costs	100,879	78,351
	<u>          </u>	<u>          </u>
	5,403,910	4,135,109
	<u>          </u>	<u>          </u>

#### 5 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	80,407	80,653
Company pension contributions to defined contribution schemes	27,400	19,200
	<u>          </u>	<u>          </u>
	107,807	99,853
	<u>          </u>	<u>          </u>

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 6 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Other interest income	1,755	1,266
	<u>1,755</u>	<u>1,266</u>

### 7 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	-	960
Interest on finance leases and hire purchase contracts	50,887	74,365
	<u>50,887</u>	<u>75,325</u>

### 8 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	10,220
Adjustments in respect of prior periods	(10,220)	(29,463)
Group tax relief payment receivable	(232,264)	-
Total current tax	<u>(242,484)</u>	<u>(19,243)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>226,242</u>	<u>92,501</u>
Total tax (credit)/charge	<u>(16,242)</u>	<u>73,258</u>

The actual (credit)/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:

	2022 £	2021 £
Profit before taxation	<u>286,600</u>	<u>415,670</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	54,454	78,977
Depreciation on assets not qualifying for tax allowances	(222,533)	(93,301)
Other permanent differences	(73,926)	23,745
Under/(over) provided in prior years	-	(29,463)
Deferred tax	226,242	92,502
Timing differences	(479)	798
Taxation (credit)/charge for the year	<u>(16,242)</u>	<u>73,258</u>

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 9 Dividends

	2022 £	2021 £
Final paid	105,000	-

#### 10 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	175,838
<b>Amortisation and impairment</b>	
At 1 April 2021	168,025
Amortisation charged for the year	7,692
At 31 March 2022	175,717
<b>Carrying amount</b>	
At 31 March 2022	121
At 31 March 2021	7,813

#### 11 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 April 2021	2,465,606	5,721,443	225,091	4,086,388	12,498,528
Additions	108,781	1,493,894	104,818	1,027,258	2,734,751
Disposals	-	(1,039,846)	-	(11,360)	(1,051,206)
At 31 March 2022	2,574,387	6,175,491	329,909	5,102,286	14,182,073
<b>Depreciation and impairment</b>					
At 1 April 2021	795,422	3,525,325	125,097	2,206,019	6,651,863
Depreciation charged in the year	130,050	655,865	34,519	626,349	1,446,783
Eliminated in respect of disposals	-	(528,342)	-	(8,249)	(536,591)
At 31 March 2022	925,472	3,652,848	159,616	2,824,119	7,562,055
<b>Carrying amount</b>					
At 31 March 2022	1,648,915	2,522,643	170,293	2,278,167	6,620,018
At 31 March 2021	1,670,184	2,196,118	99,994	1,880,369	5,846,665



# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 11 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and machinery	1,224,695	1,001,020
Motor vehicles	1,184,475	913,336
	<u>2,409,170</u>	<u>1,914,356</u>

### 12 Stocks

	2022 £	2021 £
Stock	<u>166,273</u>	<u>178,269</u>

### 13 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	2,180,448	2,017,017
Corporation tax recoverable	413,429	170,028
Amounts owed by group undertakings	553,839	493,288
Other debtors	263,548	17,327
Prepayments and accrued income	310,216	342,171
	<u>3,721,480</u>	<u>3,039,831</u>

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

	Notes	2022 £	2021 £
Bank loans and overdrafts	16	374,080	449,027
Obligations under finance leases	17	857,931	665,471
Trade creditors		1,959,172	1,546,793
Taxation and social security		94,493	71,413
Other creditors		90,873	84,298
Accruals and deferred income		316,940	263,099
		<u>3,693,489</u>	<u>3,080,101</u>

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 15 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Obligations under finance leases	17	1,013,682	804,077

### 16 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	374,080	449,027
Directors' loans	28,554	27,684
	402,634	467,250
Payable within one year	443,334	507,950

The Bank of Ireland hold the following security in relation to the bank loans and overdrafts:

- a first legal mortgage/charge over the property
- a debenture charging all of the assets and undertakings to the borrower
- an assignment of Norwich Union Life insurance policy on the lives of Mr Darren McKinstry and Mr Mark McKinstry with cover executed for £810,000 at the year end.
- a guarantee and indemnity for Mr Darren McKinstry in the sum of £96,709 counter covered by First Legal Charge over the property at 83 Belfast Road, Crumlin.
- commercial finance agreement to secure overdraft by way of commercial finance guarantee of £50,000.
- fixed charge over land and premises at Mullaghglass Road, Lisburn, County Antrim, BT28 3SN

### 17 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	(857,831)	(665,471)
In two to five years	(1,013,782)	(804,077)
	(1,871,613)	(1,469,548)

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
ACAs	514,125	288,362
Other timing differences	(799)	(1,278)
	<u>513,326</u>	<u>287,084</u>

There were no deferred tax movements in the year.

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

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>100,879</u>	<u>78,351</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 20 Share capital

	2022 £	2021 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

The Ordinary Alphabet shares have been reclassified to Ordinary shares. All shares are entitled full dividend and voting rights, and full rights to a capital distribution upon winding up.

# MCKINSTRY SKIP HIRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 21 Operating lease commitments

##### Lessee

Operating lease payments represent rentals payable by the company in respect of property. Leases are negotiated for an average term of 10 years and rentals are fixed for an average of 5 years.

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

	2022 £	2021 £
Within one year	40,000	40,000
Between two and five years	40,000	80,000
	<u>80,000</u>	<u>120,000</u>

#### 22 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
	-	(19,438)	(40,000)	35,485	(23,953)
	-	(8,246)	(21,838)	19,516	(10,568)
		<u>(27,684)</u>	<u>(61,838)</u>	<u>55,001</u>	<u>(34,521)</u>

#### 23 Ultimate controlling party

The immediate and ultimate parent company is Aldamar Holdings Limited, a company incorporated in Northern Ireland with a registered office address of 81-83 Belfast Road, Nutts Corner, Crumlin, County Antrim, BT29 4TL. Aldamar Holdings Limited draws up group accounts which are available from Companies House, Second Floor The Linenhall, 32-38 Linenhall St, Belfast, BT2 8BG.