

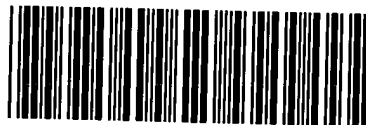
Howard Civil Engineering Limited

Company Registration Number 04656708

Annual Report and Financial Statements

Year ended 31 July 2024

FRIDAY



AE6K3B9D

A07

11/07/2025

#149

COMPANIES HOUSE

Brown Butler
Chartered Accountants
Leeds

Company Information	1
Strategic Report	2 to 3
Directors' Report	4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 8
Profit and Loss Account	9
Balance Sheet	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 to 21

Directors	M T Howard G D Howard P Howard
Company secretary	G Howard
Registered office	Howard House Limewood Approach Leeds LS14 1NG
Company number	04656708
Statutory auditor	Brown Butler Chartered Accountants Leigh House 28-32 St Paul's Street Leeds West Yorkshire LS1 2JT
Bankers	Barclays Bank Plc 2-12 Pinstone Street Sheffield S1 2HN

The directors present their strategic report for the year ended 31 July 2024.

Principal activity

The principal activity of the company is that of the provision of civil engineering services.

Fair review of the business

This strategic report outlines the performance of Howard Civil Engineering Limited for the year ended 31 July 2024. Despite a challenging economic environment, the company delivered a resilient and profitable performance, thereby strengthening its balance sheet. The outlook remains positive, supported by a strong forward order book, internal leadership development, and a focus on sustainable growth.

The company's key financial and other performance indicators during the year were as follows:

- Revenue: Despite a drop in turnover to £30,454,354 (2023: £47,588,554) we increased our gross profit margin to 10% (2023: 6%) which resulted in a gross profit of £3,036,116 (2023: £2,755,008)
- The balance also sheet remains strong, with a 12% uplift in value to £3,282,316 (2023: £2,920,316)

We are satisfied by the underlying position, and particularly the success achieved on driving the quality of the forward order book. The outlook for our future trading remains positive and provides the opportunity to further improvement to the margins from our operations.

Principal risks and uncertainties

The key business risks affecting the company continue to be competition within the marketplace, labour resource availability, and financial considerations.

These risks are actively assessed and reviewed by the directors and the Senior Leadership Team (SLT). We are pleased with the continued development of our SLT, which has been further strengthened through internal promotions. These individuals bring deep knowledge of our values and objectives, ensuring continuity and clarity in our strategic direction. This evolution of leadership supports our ability to respond to market challenges and seize new opportunities.

As mentioned above, we have significantly improved our gross profit margin on sales contracts, reflecting the success of our strategy to focus on quality over quantity. The stabilisation of the rate of inflation and a more favourable economic environment post year-end have further enhanced our confidence in workload and margin potential. This is a positive shift from the pressures experienced in recent years and supports our belief that future reports will reflect continued improvements in profitability.

Our people remain at the heart of our success. The business has maintained strong staff retention, supported by our apprenticeship programme and the work of our dedicated HR and recruitment teams. We continue to ensure that we attract and retain individuals who align with our values and contribute to our collective success.

Operationally, we have implemented new systems such as Fieldview and SharePoint to enhance collaboration, quality control, and process efficiency across the business. Monthly business reports reviewed by the SLT now provide real-time visibility and accountability, further strengthening our governance and performance monitoring.

Financial risks are proactively managed by our experienced finance and commercial directors, supported by robust systems and controls. These include monthly project reviews, management accounts, and cash flow monitoring across short, medium, and long-term horizons. These practices underpin our monthly board meetings and ensure strong financial discipline and management.

Future Developments

We remain optimistic about the future. Howard Civil Engineering remains well positioned for future growth, with a strong forward order book and positive indicators across both the private and public sectors in our areas of operation.

Our pre-construction team continues to lead the business in nurturing existing client relationships while identifying new opportunities. Principal contractor roles remain a core focus, but we are also seeing significant potential in subcontracting on larger, more complex schemes that offer attractive margins and exciting project opportunities.

The housing sector remains subdued, but our strategic decision to reduce exposure in this area has proven effective, with minimal impact on current income streams.

We remain committed to our corporate social responsibility. With over £320,000 donated since 2019, we continue to support those less fortunate through both financial contributions and physical involvement. Our dedicated CSR manager ensures that our efforts are meaningful and aligned with our values.

Sustainability remains a key priority. Our journey to net-zero carbon continues, with clear strategies and actions in place. We recognise the environmental impact of our sector and are working closely with our supply chain to implement measures that reduce our carbon footprint year on year.

The company's strategic focus on quality, leadership and sustainability combined with a strong financial base and a positive market outlook supports continued success in the years ahead.

Approved by the Board on 9/7/25 and signed on its behalf by:



G D Howard
Director

The directors present their annual report and the audited financial statements for the year ended 31 July 2024.

Directors of the company

The directors who held office during the year were as follows:

M T Howard

G D Howard

P Howard

J S Cartwright (resigned 31 December 2023)

Dividends

Interim dividends of £90,112 (2023: £178,476) were paid during the year.

The directors do not propose the payment of a final dividend in respect of the financial year ended 31 July 2024.

Going concern

As the company has adequate financial resources together with contracts and agreements with a number of major customers and suppliers, the directors believe that the company is well placed to manage its business risks successfully. They have no reason to believe that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern. They have, therefore, continued to adopt the going concern basis of accounting in preparing the financial statements.

The company's future plans and exposure to risks are described in the strategic report on pages 2 - 3.

Disclosure of information to the auditors

So far as the directors are aware, there is no information relevant to the audit of which the company's auditors are unaware. The directors have taken the necessary steps to ensure that they themselves are aware of all relevant audit information and made sure that the company's auditors are also aware of that information.

Approved by the Board on 9/7/25 and signed on its behalf by:



G D Howard
Director

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

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

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

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

Opinion

We have audited the financial statements of Howard Civil Engineering Limited (the "company") for the year ended 31 July 2024, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows 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 July 2024 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 of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Continued on next page

Continued from previous page

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Statement of Directors' Responsibilities set out on page 5, 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 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.

Continued on next page

Continued from previous page

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The key laws and regulations we have considered in this context included the Companies Act, pension and tax legislation. In addition, we have considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

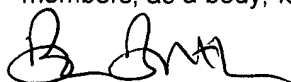
- Using our general commercial and sector experience and through discussions with the directors and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment of the risks that irregularities may occur either as a result of fraud or error.
- We examined the company's regulatory and legal correspondence and discussed with the directors and other management any known or suspected instances of fraud or non-compliance with laws and regulations.
- We communicated and discussed identified laws and regulations and potential fraud risks with all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- In addressing the risk of management override of controls, we tested the appropriateness of journal entries. We also challenged assumptions and judgements made by management in their significant accounting estimates and judgements. We also discussed related party relationships and transactions involving them.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Steven Hornshaw (Senior Statutory Auditor)
For and on behalf of Brown Butler,
Chartered Accountants and Statutory Auditor
Leigh House
28-32 St Paul's Street
Leeds
West Yorkshire
LS1 2JT

Date: 9/7/25

Howard Civil Engineering Limited
Annual Report and Financial Statements
Profit and Loss Account for the year ended 31 July 2024

	Note	2024 £	2023 £
Turnover	3	30,454,354	47,588,554
Cost of sales		<u>(27,418,238)</u>	<u>(44,833,546)</u>
Gross profit		3,036,116	2,755,008
Administrative expenses		<u>(2,544,692)</u>	<u>(2,005,948)</u>
Other operating income	4	<u>150,716</u>	<u>154,477</u>
Operating profit	5	642,140	903,537
Interest receivable and similar income	7	11,420	17,622
Interest payable and similar expenses	8	<u>(52,502)</u>	<u>(71,811)</u>
Profit on ordinary activities before taxation		601,058	849,348
Tax on profit	10	<u>(148,946)</u>	<u>126,140</u>
Profit for the financial year		452,112	975,488
Profit and loss account brought forward		2,920,116	2,123,104
Dividends paid		<u>(90,112)</u>	<u>(178,476)</u>
Profit and loss account carried forward		<u><u>3,282,116</u></u>	<u><u>2,920,116</u></u>

The above results were derived from continuing operations.

There is no other comprehensive income.

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	11	776,947	845,151
Current assets			
Debtors	12	9,753,509	8,754,947
Cash at bank and in hand		<u>1,578,291</u>	<u>3,620,841</u>
		11,331,800	12,375,788
Creditors: Amounts falling due within one year	14	<u>(8,331,637)</u>	<u>(10,217,784)</u>
Net current assets		<u>3,000,163</u>	<u>2,158,004</u>
Total assets less current liabilities		3,777,110	3,003,155
Creditors: Amounts falling due after more than one year	14	(494,794)	(64,815)
Provisions for liabilities	16	<u>-</u>	<u>(18,024)</u>
Net assets		<u>3,282,316</u>	<u>2,920,316</u>
Capital and reserves			
Called up share capital	17	200	200
Profit and loss account	18	<u>3,282,116</u>	<u>2,920,116</u>
		<u>3,282,316</u>	<u>2,920,316</u>

These financial statements were approved and authorised for issue by the Board on 9/7/25 and signed on its behalf by:



G D Howard
Director

Howard Civil Engineering Limited
Annual Report and Financial Statements
Statement of Cash Flows for the year ended 31 July 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Profit for the year		452,112	975,488
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	68,204	65,356
Interest received	7	(11,420)	(17,622)
Interest paid	8	52,502	71,811
Taxation	10	<u>148,946</u>	<u>(126,140)</u>
		710,344	968,893
Working capital adjustments			
Increase in trade and other debtors	12	(998,562)	(166,254)
(Decrease)/increase in trade and other creditors	14	<u>(2,850,120)</u>	<u>1,419,711</u>
Cash (absorbed by)/generated from operations		(3,138,338)	2,222,350
Taxation received		<u>-</u>	<u>58,912</u>
Net cash flow from operating activities		(3,138,338)	2,281,262
Cash flows from investing activities			
Interest received	7	11,420	17,622
Acquisitions of tangible fixed assets	11	<u>-</u>	<u>(42,687)</u>
Net cash flows from investing activities		11,420	(25,065)
Cash flows from financing activities			
Interest paid	8	(49,150)	(71,811)
Proceeds from bank borrowing draw downs		543,900	-
Repayment of bank borrowing		(82,377)	(760,649)
Proceeds from other borrowing draw downs		1,287,107	25,917
Repayment of other borrowing		(525,000)	-
Dividends paid		<u>(90,112)</u>	<u>(178,476)</u>
Net cash flows from financing activities		<u>1,084,368</u>	<u>(985,019)</u>
Net (decrease)/increase in cash and cash equivalents		(2,042,550)	1,271,178
Cash and cash equivalents at 1 August 2023		<u>3,620,841</u>	<u>2,349,663</u>
Cash and cash equivalents at 31 July 2024		<u><u>1,578,291</u></u>	<u><u>3,620,841</u></u>

1 General information

Howard Civil Engineering Limited is a private company limited by shares and incorporated in England and Wales under company number 04656708.

The address of its registered office and principal place of business is:

Howard House
Limewood Approach
Leeds
LS14 1NG
England

2 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The presentation currency is £ sterling and the financial statements have been rounded to the nearest £1.

Going concern

The financial statements have been prepared on the going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessment in determining that this is the appropriate basis of preparation of the financial statements. After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and within the next financial year and the amounts reported for revenue and expenses during the year. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have the most significant effect on amounts recognised in the financial statements relate to the calculation of amounts recoverable on contracts ("AROC") which is included in current assets at the balance sheet date.

The calculation of AROC requires the management to estimate future revenue and costs in order to establish a stage of completion for contracts in progress at the balance sheet date. The management relies on the judgement of experts and project budgets and forecasts in order to arrive at the figures reported in the financial statements. The carrying amount is £6,014,279 (2023: £4,280,266).

Turnover

Turnover represents revenue receivable for goods and services provided during the year, net of value added tax.

Revenue is recognised as contract activity progress in relation to contracted obligations that are performed gradually over time. Uncompleted contracts at the balance sheet date are brought into account by reference to the fair value of the work performed at that date and are described in the financial statements as amounts recoverable on contracts within current assets.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Pension contributions

The company has a defined contribution pension scheme. The pension costs charged to the profit and loss account are the contributions payable in respect of the accounting period.

Taxation

The tax expense for the period comprises current tax and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only 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. If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing differences. The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income). Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Dividends

Dividends are recognised as a liability in the period in which the shareholder's right to receive payment has been established.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives. The annual rates and methods of depreciation are as follows:-

Asset class	Depreciation method and rate
Land	No depreciation is provided on land
Freehold buildings	5% straight line
Short leasehold property	Straight line over the life of the lease

Impairment of fixed assets

At the balance sheet date, if there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the profit and loss account.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are initially measured at transaction price and are subsequently stated at cost less appropriate allowances for estimated irrecoverable amounts.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Creditors

Trade and other short term creditors are measured at transaction price. Other financial liabilities which are basic financial instruments, including bank loans, are measured initially at the present value of cash payable to settle the liabilities (including interest) and are subsequently measured at amortised cost using the effective interest method.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2024 £	2023 £
Building and civil engineering services - all UK	<u>30,454,354</u>	<u>47,588,554</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2024 £	2023 £
Grants received	41,012	44,773
Rent receivable	<u>109,704</u>	<u>109,704</u>
	<u>150,716</u>	<u>154,477</u>

5 Operating profit

Operating profit is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets	68,204	65,356
Operating lease charges	121,820	123,015
Auditor's remuneration	<u>18,000</u>	<u>20,500</u>

6 Auditor's remuneration

	2024 £	2023 £
Audit of the financial statements	<u>18,000</u>	<u>20,500</u>

7 Interest receivable and similar income

	2024 £	2023 £
Bank interest receivable	<u>11,420</u>	<u>17,622</u>

8 Interest payable and similar charges

	2024 £	2023 £
Bank loan interest	3,794	11,487
Other loan interest	<u>48,708</u>	<u>60,324</u>
	<u>52,502</u>	<u>71,811</u>

9 Staff costs

Employee costs, including directors, during the year:

	2024 £	2023 £
Wages and salaries	2,223,009	2,525,286
Social security costs	231,909	199,590
Other pension costs	<u>54,532</u>	<u>34,014</u>
	<u>2,509,450</u>	<u>2,758,890</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2024 No.	2023 No.
Production	30	28
Administration	<u>26</u>	<u>24</u>
	<u>56</u>	<u>52</u>

10 Tax on profit

	2024 £	2023 £
Current taxation		
UK corporation tax	175,651	91,428
UK corporation tax adjustment to prior periods	<u>(8,681)</u>	<u>(232,921)</u>
	166,970	(141,493)
Deferred taxation		
Origination and reversal of timing differences	<u>(18,024)</u>	<u>15,353</u>
Tax on profit	<u>148,946</u>	<u>(126,140)</u>

The tax charge for the year is higher than (2023: lower than) the effective rate of corporation tax in the UK of 25% (2023: 21%).

The differences are reconciled below:

	2024 £	2023 £
Profit before tax	<u>601,058</u>	<u>849,348</u>
Corporation tax at standard rate	150,265	178,363
Expenses not deductible for tax purposes	13,814	15,614
Effect of tax losses	-	(109,217)
UK deferred tax expense relating to changes in tax rates or laws	-	15,353
Decrease in UK current tax from adjustment for prior periods	(8,681)	(232,921)
Origination and reversal of timing differences	<u>(6,452)</u>	<u>6,668</u>
Total tax charge/(credit)	<u>148,946</u>	<u>(126,140)</u>

11 Tangible fixed assets

	Freehold land and buildings £	Short leasehold property £	Total £
Cost			
At 1 August 2023	<u>485,563</u>	<u>548,424</u>	<u>1,033,987</u>
At 31 July 2024	<u>485,563</u>	<u>548,424</u>	<u>1,033,987</u>
Depreciation			
At 1 August 2023	79,152	109,684	188,836
Charge for the year	<u>13,361</u>	<u>54,843</u>	<u>68,204</u>
At 31 July 2024	<u>92,513</u>	<u>164,527</u>	<u>257,040</u>
Net book value			
At 31 July 2023	<u>406,411</u>	<u>438,740</u>	<u>845,151</u>
At 31 July 2024	<u>393,050</u>	<u>383,897</u>	<u>776,947</u>

12 Debtors

	2024 £	2023 £
Trade debtors	1,791,289	2,296,725
Amounts recoverable on contracts	6,014,279	4,280,266
Other debtors	1,880,241	2,076,149
Prepayments	67,700	101,807
	<u>9,753,509</u>	<u>8,754,947</u>

13 Cash and cash equivalents

	2024 £	2023 £
Cash at bank	<u>1,578,291</u>	<u>3,620,841</u>

14 Creditors:

Amounts falling due within one year

	2024 £	2023 £
Bank loans	113,921	55,556
Other loans	996,384	261,098
Trade creditors	6,356,063	8,776,515
Social security and other taxes	49,118	76,018
Other creditors	407,254	574,614
Corporation tax	261,750	91,428
Accruals	147,147	382,555
	<u>8,331,637</u>	<u>10,217,784</u>
Amounts falling due after more than one year		
Bank loans	<u>494,794</u>	<u>64,815</u>

15 Security

Bank loans totalling £543,900 (2023: £nil) are secured by a legal charge over the freehold land and buildings.

Other loans totalling £289,873 (2023: £261,098) are secured by a legal charge over the assets of a connected company.

16 Provisions

	Deferred tax £	Total £
At 1 August 2023	18,024	18,024
Decrease in existing provisions	<u>(18,024)</u>	<u>(18,024)</u>
At 31 July 2024	<u>-</u>	<u>-</u>

Analysis of deferred tax is as follows:

2023	£
Capital allowances in excess of depreciation	<u>18,024</u>

17 Share capital

Allotted, called up and fully paid shares

	2024		2023	
	No.	£	No.	£
'A' Ordinary shares of £1 each	120	120	120	120
'B' Ordinary shares of £1 each	20	20	20	20
'C' Ordinary shares of £1 each	20	20	20	20
'D' Ordinary shares of £1 each	20	20	20	20
'E' Ordinary shares of £1 each	20	20	20	20
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All shares rank pari passu in all respects. The directors have the power to vote variable rates of dividends on the different classes of shares.

18 Capital and reserves

Called-up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses.

19 Leasing commitments

Operating leases

The total of future minimum operating lease payments is as follows:

	2024 £	2023 £
Within one year	121,128	123,605
Between one and five years	480,000	481,128
After five years	170,000	290,000
	<u>771,128</u>	<u>894,733</u>

20 Analysis of changes in net cash

	At 1 August 2023	Cash Flows	Non-cash changes	At 31 July 2024
	£	£	Other changes £	£
Long-term borrowings	(64,815)	(485,535)	55,556	(494,794)
Short-term borrowings	<u>(316,654)</u>	<u>(738,095)</u>	<u>(55,556)</u>	<u>(1,110,305)</u>
Total liabilities	(381,469)	(1,223,630)	-	(1,605,099)
Cash and cash equivalents	3,620,841	(2,042,550)	-	1,578,291
Total net cash	<u>3,239,372</u>	<u>(3,266,180)</u>	<u>-</u>	<u>(26,808)</u>

21 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £54,532 (2023: £34,014).

22 Related party transactions

During the year there were advances to directors totalling £43,674 (2023: £40,873) and repayments from directors totalling £10,000 (2023: £2,888) in respect of loans with the company. At the balance sheet date of the current year the amount due from directors was £56,799. At the balance sheet date of the prior year the amount due from directors was £23,125.

The loans were interest free and repayable on demand.

Other related parties shown below relate to companies under common control.

Income from related parties:

	Other related parties £
2024	
Sale of goods	<u>435,808</u>
Amounts receivable from related party	<u>244,274</u>

	Other related parties £
2023	
Sale of goods	<u>1,113,658</u>
Amounts receivable from related party	<u>855,870</u>

Expenditure with related parties:

	Other related parties £
2024	
Purchase of goods	<u>3,704,860</u>
Amounts payable to related party	<u>2,711,177</u>

	Other related parties £
2023	
Purchase of goods	<u>5,355,402</u>
Amounts payable to related party	<u>2,449,967</u>

Loans to related parties:

	Other related parties £
2024	
At start of year	1,367,196
Advanced	1,096,211
Repaid	<u>(1,001,463)</u>
At end of year	<u>1,461,944</u>

	Other related parties £
2023	
At start of year	2,072,268
Advanced	1,676,884
Repaid	<u>(2,381,956)</u>
At end of year	<u>1,367,196</u>

Loans from related parties:

	Other related parties £
2024	
At start of year	261,098
Advanced	1,287,107
Repaid	<u>(551,821)</u>
At end of year	<u>996,384</u>
2023	
At start of year	722,504
Advanced	53,148
Repaid	<u>(514,554)</u>
At end of year	<u>261,098</u>