

Howard Civil Engineering Limited

Company Registration Number 04656708

Report and Financial Statements

Period 1 August 2024 to 31 August 2025



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Howard Civil Engineering Limited
Report and Financial Statements
Company Information

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

The directors present their strategic report for the period 1 August 2024 to 31 August 2025.

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 period 1 August 2024 to 31 August 2025 ("2025").

In 2025 the company had a turnover of £30.7m (year ended 31 July 2024: £30.4m) and made a profit before tax of £0.9m (year ended 31 July 2024: £0.6m)

Turnover and the result for the period under review would have been significantly better had it not been for the conclusion of some challenging legacy projects and the delayed start of some high value work. As a result of delayed starts to several secured projects this has deferred circa £10m - £12m of work into the next financial year commencing 1 September 2025.

2025 marked a period of transition and retrenchment. The strategic decision to restructure the commercial function and the exiting of the majority of our housing related work caused an unprecedented shift from securing revenue to focusing on the conclusion of non-profitable work. By focusing on this area, it created a gap in our work pipeline.

However, we are pleased to announce that we have successfully implemented a new commercial department with measurable processes and procedures that has produced positive results on all work commenced in the last 18 months (average Gross Profit in excess of 18%). This also has resulted in the successful conclusion and settlement of the vast majority of our outstanding debtors, meaning going into the next financial year we approach it with no ongoing problem projects and a healthy forecast turnover of £45m.

The delayed start in work has also allowed the company to give pause to its future strategy and to align its cost base accordingly. As a result, the company stripped away a senior management cadre, invested heavily in its commercial and training functions and devolved greater responsibility down its management chains.

The results have been positive with results on all work commenced since 2024 producing a Gross Profit of £3.6m (11.7%) in 2025 despite the costs absorbed in respect of the completion of legacy projects.

The company's key financial and other performance indicators during the period (2024 - year ended 31 July 2024) were as follows:

	Unit	2025	2024
Turnover	£000	30,762	30,454
Gross profit	£000	3,614	3,036
Operating profit	£000	1,048	642
Profit before tax	£000	948	601
Profit for the financial year	£000	889	452
Shareholders' equity	£000	3,920	3,282
Average employees	No.	59	56

We attribute our improved performance in 2025 to disciplined contract selection, robust commercial management, rigorous cost analysis with control & focus on long term value creation.

Management is confident that excellent results will be achieved in respect of turnover and operating profit in 2025/26 and beyond.

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). 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.

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 systems such as Fieldview and SharePoint to enhance collaboration, quality control, and process efficiency across the business. Monthly business reports reviewed by the SLT 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

The company remains well positioned for future growth, with a strong forward order book and positive indicators 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.

We remain committed to our corporate social responsibility. With over £366,000 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 June 2026 and signed on its behalf by:



G D Howard
Director

The directors present their report and the audited financial statements for the period 1 August 2024 to 31 August 2025.

Directors of the company

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

M T Howard
G D Howard
P Howard

Dividends

Interim dividends of £251,503 (2024: £90,112) were paid during the period/year.

The directors do not propose the payment of a final dividend in respect of the financial period.

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 June 2026 and signed on its behalf by:



G D Howard
Director

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

Company law requires the directors to prepare financial statements for each financial period. 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 period 1 August 2024 to 31 August 2025, 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 August 2025 and of its profit for the period 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.

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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 period 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.

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Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, 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:

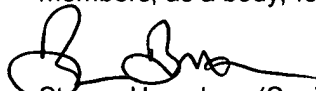
- Using our general commercial and sector experience and through discussions with the directors and other management, we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements as well as those arising from management's own assessment 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

9 June 2026

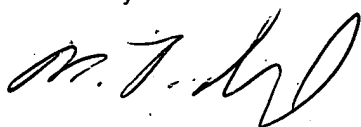
	Note	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Turnover	3	30,762,308	30,454,354
Cost of sales		<u>(27,147,992)</u>	<u>(27,418,238)</u>
Gross profit		3,614,316	3,036,116
Administrative expenses		<u>(2,748,212)</u>	<u>(2,544,692)</u>
Other operating income	4	<u>182,401</u>	<u>150,716</u>
Operating profit	5	1,048,505	642,140
Interest receivable and similar income	7	10,033	11,420
Interest payable and similar expenses	8	<u>(109,935)</u>	<u>(52,502)</u>
Profit on ordinary activities before taxation		948,603	601,058
Tax on profit	10	<u>(59,210)</u>	<u>(148,946)</u>
Profit for the financial period		889,393	452,112
Profit and loss account brought forward		3,282,116	2,920,116
Dividends paid		<u>(251,503)</u>	<u>(90,112)</u>
Profit and loss account carried forward		<u>3,920,006</u>	<u>3,282,116</u>

The above results were derived from continuing operations.

There is no other comprehensive income.

	Note	31 August 2025 £	31 July 2024 £
Fixed assets			
Tangible fixed assets	11	703,060	776,947
Current assets			
Debtors	12	8,414,203	9,753,509
Cash at bank and in hand		<u>2,203,528</u>	<u>1,578,291</u>
		10,617,731	11,331,800
Creditors: Amounts falling due within one year	14	<u>(6,985,853)</u>	<u>(8,331,637)</u>
Net current assets		<u>3,631,878</u>	<u>3,000,163</u>
Total assets less current liabilities		4,334,938	3,777,110
Creditors: Amounts falling due after more than one year	14	<u>(414,732)</u>	<u>(494,794)</u>
Net assets		<u><u>3,920,206</u></u>	<u><u>3,282,316</u></u>
Capital and reserves			
Called up share capital	16	200	200
Profit and loss account	17	<u>3,920,006</u>	<u>3,282,116</u>
		<u><u>3,920,206</u></u>	<u><u>3,282,316</u></u>

These financial statements were approved and authorised for issue by the Board on 9 June 2026 and signed on its behalf by:



M T Howard
Director

Howard Civil Engineering Limited
Report and Financial Statements
Statement of Cash Flows for the period 1 August 2024 to 31 August 2025

		Period 1 August 2024 to 31 August 2025	Year ended 31 July 2024
	Note	£	£
Cash flows from operating activities			
Profit for the period		889,393	452,112
Adjustments to cash flows from non-cash items			
Depreciation	5	73,887	68,204
Interest received	7	(10,033)	(11,420)
Interest paid	8	109,935	52,502
Taxation	10	59,210	148,946
		<u>1,122,392</u>	<u>710,344</u>
Working capital adjustments			
Decrease/(increase) in trade and other debtors	12	1,339,306	(998,562)
Decrease in trade and other creditors	14	<u>(1,029,976)</u>	<u>(2,850,120)</u>
Cash generated from/(absorbed by) operations		1,431,722	(3,138,338)
Taxation (paid)/received		<u>(82,747)</u>	<u>3,352</u>
Net cash flow from operating activities		1,348,975	(3,134,986)
Cash flows from investing activities			
Interest received	7	10,033	11,420
Cash flows from financing activities			
Interest paid	8	(109,935)	(52,502)
Proceeds from bank borrowing draw downs		-	543,900
Repayment of bank borrowing		(108,916)	(82,377)
Proceeds from other borrowing draw downs		-	1,287,107
Repayment of other borrowing		(263,417)	(525,000)
Dividends paid		<u>(251,503)</u>	<u>(90,112)</u>
Net cash flows from financing activities		<u>(733,771)</u>	<u>1,081,016</u>
Net increase/(decrease) in cash and cash equivalents		625,237	(2,042,550)
Cash and cash equivalents at 1 August 2024		<u>1,578,291</u>	<u>3,620,841</u>
Cash and cash equivalents at 31 August 2025		<u><u>2,203,528</u></u>	<u><u>1,578,291</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

The length of the reporting period has been extended by one month and covers the period 1 August 2024 to 31 August 2025. As a result the comparative amounts presented in the financial statements, including the related notes, are not entirely comparable. The decision to extend the accounting period was taken for commercial reasons.

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 periods 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 £3,181,460 (2024: £6,014,279).

Turnover

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

Revenue is recognised as contract activity progresses 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, 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 period from continuing operations is as follows:

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Building and civil engineering services - all UK	<u>30,762,308</u>	<u>30,454,354</u>

4 Other operating income

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

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Grants received	69,355	41,012
Rent receivable	<u>113,046</u>	<u>109,704</u>
	<u>182,401</u>	<u>150,716</u>

5 Operating profit

Operating profit is stated after charging:

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Depreciation of tangible fixed assets	73,887	68,204
Operating lease charges	119,117	121,820
Auditor's remuneration	<u>23,000</u>	<u>18,000</u>

6 Auditor's remuneration

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Audit of the financial statements	<u>23,000</u>	<u>18,000</u>

7 Interest receivable and similar income

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Bank interest receivable	<u>10,033</u>	<u>11,420</u>

8 Interest payable and similar charges

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Bank loan interest	46,456	3,794
Other loan interest	58,843	48,708
Interest payable on loans from group undertakings	<u>4,636</u>	<u>-</u>
	<u>109,935</u>	<u>52,502</u>

9 Staff costs

Employee costs, including directors, during the period:

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Wages and salaries	2,477,434	2,223,009
Social security costs	266,641	231,909
Other pension costs	<u>65,802</u>	<u>54,532</u>
	<u>2,809,877</u>	<u>2,509,450</u>

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

	Period 1 August 2024 to 31 August 2025 No.	Year ended 31 July 2024 No.
Production	43	30
Administration	16	26
	<u>59</u>	<u>56</u>

10 Tax on profit

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Current taxation		
UK corporation tax	231,920	175,651
UK corporation tax adjustment to prior periods	(172,710)	(8,681)
	<u>59,210</u>	<u>166,970</u>
Deferred taxation		
Origination and reversal of timing differences	-	(18,024)
Tax on profit	<u>59,210</u>	<u>148,946</u>

The tax charge for the period is lower than (2024: lower than) the effective rate of corporation tax in the UK of 25% (2024: 25%).

The differences are reconciled below:

	Period 1 August 2024 to 31 August 2025 £	Year ended 31 July 2024 £
Profit before tax	<u>948,603</u>	<u>601,058</u>
Corporation tax at standard rate	237,151	150,265
Expenses not deductible for tax purposes	6,469	13,814
Decrease in UK current tax from adjustment for prior periods	(172,710)	(8,681)
Origination and reversal of timing differences not provided	<u>(11,700)</u>	<u>(6,452)</u>
Total tax charge	<u>59,210</u>	<u>148,946</u>

11 Tangible fixed assets

	Freehold land and buildings £	Short leasehold property £	Total £
Cost			
At 1 August 2024	<u>485,563</u>	<u>548,424</u>	<u>1,033,987</u>
At 31 August 2025	<u>485,563</u>	<u>548,424</u>	<u>1,033,987</u>
Depreciation			
At 1 August 2024	92,513	164,527	257,040
Charge for the period	<u>14,475</u>	<u>59,412</u>	<u>73,887</u>
At 31 August 2025	<u>106,988</u>	<u>223,939</u>	<u>330,927</u>
Net book value			
At 31 July 2024	<u>393,050</u>	<u>383,897</u>	<u>776,947</u>
At 31 August 2025	<u>378,575</u>	<u>324,485</u>	<u>703,060</u>

12 Debtors

	31 August 2025 £	31 July 2024 £
Trade debtors	1,277,023	1,791,289
Amounts recoverable on contracts	3,181,460	6,014,279
Other debtors	3,795,039	1,880,241
Prepayments	<u>160,681</u>	<u>67,700</u>
	<u>8,414,203</u>	<u>9,753,509</u>

13 Cash and cash equivalents

	31 August 2025 £	31 July 2024 £
Cash at bank	<u>2,203,528</u>	<u>1,578,291</u>

14 Creditors:

Amounts falling due within one year

	31 August 2025 £	31 July 2024 £
Bank loans	85,067	113,921
Other loans	732,967	996,384
Trade creditors	5,597,447	6,356,063
Social security and other taxes	58,291	49,118
Other creditors	184,272	407,254
Corporation tax	238,213	261,750
Accruals	89,596	147,147
	<u>6,985,853</u>	<u>8,331,637</u>
Amounts falling due after more than one year		
Bank loans	<u>414,732</u>	<u>494,794</u>

15 Security

A bank loan of £495,170 (2024: £543,900) is secured by a legal charge over the company's freehold land and buildings.

Other loans totalling £324,634 (2024: £289,873) are secured by a legal charge over the assets of a connected company.

16 Share capital

Allotted, called up and fully paid shares

	31 August 2025		31 July 2024	
	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.

17 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.

18 Leasing commitments

Operating leases

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

	31 August 2025 £	31 July 2024 £
Within one year	139,677	121,128
Between one and five years	515,847	480,000
After five years	40,000	170,000
	<u>695,524</u>	<u>771,128</u>

19 Changes in net debt

	At 1 August 2024 £	Cash Flows £	Non-cash changes Other changes £	At 31 August 2025 £
Long-term borrowings	(494,794)	13,301	66,761	(414,732)
Short-term borrowings	<u>(1,110,305)</u>	<u>359,032</u>	<u>(66,761)</u>	<u>(818,034)</u>
Total liabilities	(1,605,099)	372,333	-	(1,232,766)
Cash and cash equivalents	1,578,291	625,237	-	2,203,528
Total net debt	<u>(26,808)</u>	<u>997,570</u>	<u>-</u>	<u>970,762</u>

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £65,802 (2024: £54,532).

21 Related party transactions

During the period there were advances to directors totalling £nil (2024: £43,674) and repayments from directors totalling £56,799 (2024: £10,000) in respect of loans with the company. At the balance sheet date of the current period the amount due to directors was £nil. At the balance sheet date of the prior year the amount due from directors was £56,799.

The loans were interest free and repayable on demand.

Income from related parties:

	Other related parties £
2025	
Sale of goods	<u>2,384,516</u>
Amounts receivable from related party	<u>3,342</u>

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

Expenditure with related parties:

	Other related parties £
2025	
Purchase of goods	<u>5,383,303</u>
Amounts payable to related party	<u>2,502,420</u>

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

Loans to related parties:

	Other related parties £
2025	
At start of period	1,461,944
Advanced	3,107,918
Repaid	<u>(980,795)</u>
At end of period	<u>3,589,067</u>

	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>

Loans from related parties:

	Other related parties £
2025	
At start of period	996,384
Repaid	<u>(263,417)</u>
At end of period	<u>732,967</u>
	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>