

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022
FOR
CARNEY CONTRACTS LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2022**

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CARNEY CONTRACTS LIMITED

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

DIRECTORS:

G C Findlay
Ms L Bell
W Brotherston

SECRETARY:

Mrs H Findlay

REGISTERED OFFICE:

Mayfield Industrial Estate
Galston Road
Hurlford
KILMARNOCK
Ayrshire
KA1 5EX

REGISTERED NUMBER:

SC281069 (Scotland)

AUDITORS:

Galbraith Pritchards
Chartered Accountants and Statutory Auditor
20 Barns Street
Ayr
Ayrshire
KA7 1XA

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

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

REVIEW OF BUSINESS

The principal activity of the company in the year under review was civil engineering contractors.

During the financial year, the business continued to expand its existing operations with turnover and operating profit denoting improvement over the prior year.

The directors are satisfied with the financial performance.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have assessed the risks the company is exposed to as stated below:

Competitive Risk : The company is reliant on major house builders for contracts which are subject to periodic review. To mitigate the risk Carney Contracts provides a high level of customer service at all times and is in continuous contact with customers to ensure all their needs are met. Carney Contracts also retains a competitive pricing policy for all services provided and continually invests in plant and employees to optimise value within its operations and ensure quality of performance and customer experience is maximised.

Credit Risk is the risk that one party to a financial instruction will cause a financial loss for that other party by failing to discharge an obligation. Carney Contracts mitigates this risk by only granting these terms to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity Risk is the risk that the entity will encounter difficulty in meeting obligations associated with the financial liabilities. Carney Contracts mitigates liquidity risk by managing cash generation of its operations and by having credit facilities in place.

Health and Safety Risk is the risk that Carney Contracts' operations pose a risk to the health or safety of its employees, suppliers, customers or the general public. Carney Contracts mitigates this risk by maintaining a regime which (i) requires all operations to be conducted in accordance with high standards of health and safety; and (ii) maintains a high level of awareness among all people involved of potential dangers and the appropriate methods of mitigating them. To support this Carney Contracts employs an independent Health & Safety Consultant who regularly monitors and audits all of the company's operations.

FUTURE DEVELOPMENTS

The directors will seek to maintain the profitability and the market share of the company.

SIGNED BY ORDER OF THE DIRECTOR:

Mrs H Findlay - Secretary

15 November 2022

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

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

DIVIDENDS

An interim dividend of £492,000 per share was paid on 31 March 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2022 will be £ 492,000 .

FUTURE DEVELOPMENTS

The directors will seek to maintain the profitability and the market share of the company.

DIRECTORS

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

G C Findlay
Ms L Bell
W Brotherston

COVID 19

Covid 19 is one of the most significant economic events for the UK, and at this date its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. However, no company should be expected to predict the unknowable factors or all possible future implications for its business and this is particularly the case in relation to Covid 19.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

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

SIGNED BY ORDER OF THE DIRECTOR:

Mrs H Findlay - Secretary

15 November 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARNEY CONTRACTS LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the 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 Auditors' 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARNEY CONTRACTS LIMITED

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 Report of the Directors.

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

- adequate accounting records have not been kept, 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 three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and, enquiries with management. 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. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARNEY CONTRACTS LIMITED

Use of our report

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

Alistair Campbell (Senior Statutory Auditor)
for and on behalf of Galbraith Pritchards
Chartered Accountants and Statutory Auditor
20 Barns Street
Ayr
Ayrshire
KA7 1XA

15 November 2022

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

	Notes	31/3/22 £	£	31/3/21 £	£
TURNOVER			15,677,722		10,938,572
Cost of sales			<u>6,711,945</u>		<u>4,620,995</u>
GROSS PROFIT			8,965,777		6,317,577
Distribution costs		-		3,450	
Administrative expenses		<u>7,954,079</u>		<u>6,843,262</u>	
			<u>7,954,079</u>		<u>6,846,712</u>
			1,011,698		(529,135)
Other operating income			<u>44,460</u>		<u>784,130</u>
OPERATING PROFIT	4		1,056,158		254,995
Interest receivable and similar income			<u>93</u>		<u>139</u>
			1,056,251		255,134
Interest payable and similar expenses	5		<u>90,768</u>		<u>87,855</u>
PROFIT BEFORE TAXATION			965,483		167,279
Tax on profit	6		<u>42,973</u>		<u>33,756</u>
PROFIT FOR THE FINANCIAL YEAR			<u>922,510</u>		<u>133,523</u>

The notes form part of these financial statements

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

	Notes	31/3/22 £	31/3/21 £
PROFIT FOR THE YEAR		922,510	133,523
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>922,510</u>	<u>133,523</u>

CARNEY CONTRACTS LIMITED (REGISTERED NUMBER: SC281069)**BALANCE SHEET
31 MARCH 2022**

	Notes	31/3/22 £	£	31/3/21 £	£
FIXED ASSETS					
Intangible assets	8		22,950		30,600
Tangible assets	9		<u>3,747,270</u>		<u>3,182,457</u>
			3,770,220		3,213,057
CURRENT ASSETS					
Stocks	10	1,286,596		532,116	
Debtors	11	776,335		809,165	
Cash at bank and in hand		<u>2,230,159</u>		<u>1,357,661</u>	
		4,293,090		2,698,942	
CREDITORS					
Amounts falling due within one year	12	<u>3,521,391</u>		<u>2,483,401</u>	
NET CURRENT ASSETS			<u>771,699</u>		<u>215,541</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,541,919		3,428,598
CREDITORS					
Amounts falling due after more than one year	13		(1,475,373)		(897,755)
PROVISIONS FOR LIABILITIES	17		<u>(431,296)</u>		<u>(326,103)</u>
NET ASSETS			<u><u>2,635,250</u></u>		<u><u>2,204,740</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		1		1
Retained earnings	19		<u>2,635,249</u>		<u>2,204,739</u>
SHAREHOLDERS' FUNDS			<u><u>2,635,250</u></u>		<u><u>2,204,740</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 November 2022 and were signed on its behalf by:

G C Findlay - Director

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	1	2,417,116	2,417,117
Changes in equity			
Dividends	-	(345,900)	(345,900)
Total comprehensive income	-	133,523	133,523
Balance at 31 March 2021	1	2,204,739	2,204,740
Changes in equity			
Dividends	-	(492,000)	(492,000)
Total comprehensive income	-	922,510	922,510
Balance at 31 March 2022	1	2,635,249	2,635,250

The notes form part of these financial statements

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

		31/3/22	31/3/21
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	1,730,056	1,527,880
Interest paid		(11,800)	(8,902)
Interest element of hire purchase payments paid		(78,968)	(78,953)
Tax paid		(61,365)	(65,017)
Net cash from operating activities		<u>1,577,923</u>	<u>1,375,008</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,784,623)	(217,771)
Sale of tangible fixed assets		691,606	77,051
Interest received		93	139
Net cash from investing activities		<u>(1,092,924)</u>	<u>(140,581)</u>
Cash flows from financing activities			
New loans in year		-	250,000
Capital repayments in year		879,669	(610,143)
Amount withdrawn by directors		(170)	357
Equity dividends paid		(492,000)	(345,900)
Net cash from financing activities		<u>387,499</u>	<u>(705,686)</u>
Increase in cash and cash equivalents		<u>872,498</u>	<u>528,741</u>
Cash and cash equivalents at beginning of year	2	1,357,661	828,920
Cash and cash equivalents at end of year	2	<u><u>2,230,159</u></u>	<u><u>1,357,661</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**
1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31/3/22	31/3/21
	£	£
Profit before taxation	965,483	167,279
Depreciation charges	348,916	390,562
Loss/(profit) on disposal of fixed assets	186,939	(7,249)
Finance costs	90,768	87,855
Finance income	(93)	(139)
	<u>1,592,013</u>	<u>638,308</u>
(Increase)/decrease in stocks	(754,480)	515,244
Decrease in trade and other debtors	94,415	250,363
Increase in trade and other creditors	<u>798,108</u>	<u>123,965</u>
Cash generated from operations	<u>1,730,056</u>	<u>1,527,880</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 March 2022

	31/3/22	1/4/21
	£	£
Cash and cash equivalents	<u>2,230,159</u>	<u>1,357,661</u>

Year ended 31 March 2021

	31/3/21	1/4/20
	£	£
Cash and cash equivalents	<u>1,357,661</u>	<u>828,920</u>

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

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/21 £	Cash flow £	At 31/3/22 £
Net cash			
Cash at bank and in hand	<u>1,357,661</u>	<u>872,498</u>	<u>2,230,159</u>
	<u>1,357,661</u>	<u>872,498</u>	<u>2,230,159</u>
Debt			
Finance leases	(1,257,918)	(977,207)	(2,235,125)
Debts falling due within 1 year	(97,138)	3,859	(93,279)
Debts falling due after 1 year	<u>(261,829)</u>	<u>93,678</u>	<u>(168,151)</u>
	<u>(1,616,885)</u>	<u>(879,670)</u>	<u>(2,496,555)</u>
Total	<u><u>(259,224)</u></u>	<u><u>(7,172)</u></u>	<u><u>(266,396)</u></u>

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

1. STATUTORY INFORMATION

Carney Contracts Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

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

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

Covid 19 is one of the most significant economic events for the UK, and at this date its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. However, no company should be expected to predict the unknowable factors or all possible future implications for its business and this is particularly the case in relation to Covid 19.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

AMORTISATION

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 5% Straight line

INTANGIBLE ASSETS

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

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

2. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

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

Plant and machinery	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

Depreciation is not provided on Land & Buildings as they are maintained to such a standard that their value is not impaired by the passage of time.

A review of impairment is carried out at each reporting date. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

STOCKS

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

HIRE PURCHASE AND LEASING COMMITMENTS

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

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

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

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

FINANCIAL INSTRUMENTS

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

3. EMPLOYEES AND DIRECTORS

	31/3/22	31/3/21
	£	£
Wages and salaries	5,176,175	4,487,510
Social security costs	525,392	446,717
Other pension costs	146,749	133,319
	<u>5,848,316</u>	<u>5,067,546</u>

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

3. EMPLOYEES AND DIRECTORS - continued

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

	31/3/22	31/3/21
Management & Administration	6	6
Construction Staff	<u>136</u>	<u>124</u>
	<u>142</u>	<u>130</u>

	31/3/22	31/3/21
	£	£
Directors' remuneration	336,695	279,822
Directors' pension contributions to money purchase schemes	<u>8,468</u>	<u>9,295</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	31/3/22	31/3/21
	£	£
Emoluments etc	131,200	118,878
Pension contributions to money purchase schemes	<u>3,410</u>	<u>3,867</u>

4. OPERATING PROFIT

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

	31/3/22	31/3/21
	£	£
Hire of plant and machinery	385,571	463,640
Depreciation - owned assets	76,891	83,084
Depreciation - assets on hire purchase contracts	264,374	299,828
Loss/(profit) on disposal of fixed assets	186,939	(7,249)
Goodwill amortisation	7,650	7,650
Auditors' remuneration	<u>17,145</u>	<u>17,595</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/3/22	31/3/21
	£	£
Bank interest	1,057	241
Bank loan interest	10,743	8,661
Hire purchase interest	<u>78,968</u>	<u>78,953</u>
	<u>90,768</u>	<u>87,855</u>

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

6. TAXATION

Analysis of the tax charge

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

	31/3/22 £	31/3/21 £
Current tax:		
UK corporation tax	(62,220)	62,017
Deferred tax	105,193	(28,261)
Tax on profit	<u>42,973</u>	<u>33,756</u>

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

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

	31/3/22 £	31/3/21 £
Profit before tax	<u>965,483</u>	<u>167,279</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	183,442	31,783
Effects of:		
Expenses not deductible for tax purposes	-	1,076
Capital allowances in excess of depreciation	(227,995)	-
Depreciation in excess of capital allowances	-	29,158
Utilisation of tax losses	44,553	-
Adjustments to tax charge in respect of previous periods	(636)	-
Deferred tax	105,193	(28,261)
Corporation tax refund due	(61,584)	-
Total tax charge	<u>42,973</u>	<u>33,756</u>

7. DIVIDENDS

	31/3/22 £	31/3/21 £
Ordinary share of £1		
Interim	<u>492,000</u>	<u>345,900</u>

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

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2021 and 31 March 2022	<u>153,000</u>
AMORTISATION	
At 1 April 2021	122,400
Amortisation for year	<u>7,650</u>
At 31 March 2022	<u>130,050</u>
NET BOOK VALUE	
At 31 March 2022	<u>22,950</u>
At 31 March 2021	<u>30,600</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2021	747,375	2,376,505	49,579
Additions	-	1,207,718	-
Disposals	-	(1,013,616)	-
At 31 March 2022	<u>747,375</u>	<u>2,570,607</u>	<u>49,579</u>
DEPRECIATION			
At 1 April 2021	-	638,572	15,629
Charge for year	-	140,136	12,394
Eliminated on disposal	-	(277,283)	-
At 31 March 2022	<u>-</u>	<u>501,425</u>	<u>28,023</u>
NET BOOK VALUE			
At 31 March 2022	<u>747,375</u>	<u>2,069,182</u>	<u>21,556</u>
At 31 March 2021	<u>747,375</u>	<u>1,737,933</u>	<u>33,950</u>

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

9. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2021	1,338,469	22,338	4,534,266
Additions	576,905	-	1,784,623
Disposals	(428,323)	-	(1,441,939)
At 31 March 2022	<u>1,487,051</u>	<u>22,338</u>	<u>4,876,950</u>
DEPRECIATION			
At 1 April 2021	681,332	16,276	1,351,809
Charge for year	187,220	1,515	341,265
Eliminated on disposal	(286,111)	-	(563,394)
At 31 March 2022	<u>582,441</u>	<u>17,791</u>	<u>1,129,680</u>
NET BOOK VALUE			
At 31 March 2022	<u>904,610</u>	<u>4,547</u>	<u>3,747,270</u>
At 31 March 2021	<u>657,137</u>	<u>6,062</u>	<u>3,182,457</u>

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 April 2021	1,793,512	942,676	2,736,188
Additions	1,196,445	576,905	1,773,350
Disposals	(922,578)	(258,168)	(1,180,746)
Transfer to ownership	(76,500)	(155,297)	(231,797)
At 31 March 2022	<u>1,990,879</u>	<u>1,106,116</u>	<u>3,096,995</u>
DEPRECIATION			
At 1 April 2021	374,479	379,573	754,052
Charge for year	108,419	155,955	264,374
Eliminated on disposal	(258,498)	(168,563)	(427,061)
Transfer to ownership	(4,978)	(82,208)	(87,186)
At 31 March 2022	<u>219,422</u>	<u>284,757</u>	<u>504,179</u>
NET BOOK VALUE			
At 31 March 2022	<u>1,771,457</u>	<u>821,359</u>	<u>2,592,816</u>
At 31 March 2021	<u>1,419,033</u>	<u>563,103</u>	<u>1,982,136</u>

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

10. STOCKS

	31/3/22	31/3/21
	£	£
Stocks	92,786	75,123
Work-in-progress	1,193,810	456,993
	<u>1,286,596</u>	<u>532,116</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/22	31/3/21
	£	£
Trade debtors	449,034	557,783
Other debtors	36,771	132,891
Tax	61,585	-
VAT	228,945	118,491
	<u>776,335</u>	<u>809,165</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/22	31/3/21
	£	£
Bank loans and overdrafts (see note 14)	93,279	97,138
Hire purchase contracts (see note 15)	927,903	621,992
Trade creditors	2,042,730	1,360,351
Tax	-	62,000
Social security and other taxes	244,135	205,121
Other creditors	11,461	5,250
Directors' current accounts	215	385
Accrued expenses	201,668	131,164
	<u>3,521,391</u>	<u>2,483,401</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/3/22	31/3/21
	£	£
Bank loans (see note 14)	168,151	261,829
Hire purchase contracts (see note 15)	1,307,222	635,926
	<u>1,475,373</u>	<u>897,755</u>

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

14. LOANS

An analysis of the maturity of loans is given below:

	31/3/22 £	31/3/21 £
Amounts falling due within one year or on demand:		
Bank loans	<u>93,279</u>	<u>97,138</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>168,151</u>	<u>261,829</u>

15. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31/3/22 £	31/3/21 £
Net obligations repayable:		
Within one year	927,903	621,992
Between one and five years	<u>1,307,222</u>	<u>635,926</u>
	<u>2,235,125</u>	<u>1,257,918</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	31/3/22 £	31/3/21 £
Bank loans	261,430	358,967
Hire purchase contracts	<u>2,235,125</u>	<u>1,257,918</u>
	<u>2,496,555</u>	<u>1,616,885</u>

Bank Borrowings are secured by standard securities over 19 Ashgrove Road Kilwinning, Mayfield Industrial Estate Hurlford and a Bond & Floating Charge over the company assets

17. PROVISIONS FOR LIABILITIES

	31/3/22 £	31/3/21 £
Deferred tax	<u>431,296</u>	<u>326,103</u>

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

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 April 2021	326,103
Provided during year	<u>105,193</u>
Balance at 31 March 2022	<u>431,296</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31/3/22 £	31/3/21 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

19. RESERVES

	Retained earnings £
At 1 April 2021	2,204,739
Profit for the year	922,510
Dividends	<u>(492,000)</u>
At 31 March 2022	<u>2,635,249</u>

20. RELATED PARTY DISCLOSURES

During the period the company provided goods and services to Avante Scaffolding Limited (a company of which both Mr Brotherston and Mr Findlay are Directors and Shareholders) amounting to £28,461 (2021: £25,837). At the balance sheet date the amount owed by Avante Scaffolding Limited included in Debtors amounted to £304,166 (2021 : £403,651).

During the period the company acquired goods and services from Carney Plant Hire (a business controlled by Mr Findlay) amounting to £15,000 (2021:£15,000). At the balance sheet date the amount due and shown under Trade Debtors amounted to £162,253 (2021:£262,255).

21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is G C Findlay.

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