

Registration number: 00737922

Coleman & Company Limited

Annual Report and Financial Statements

for the Period from 30 October 2020 to 30 April 2021



Fruition Accountancy LLP
29 Wood Street
Stratford-Upon-Avon
Warwickshire
CV37 6JG

Coleman & Company Limited

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Coleman & Company Limited

Company Information

Directors Mr M A Coleman
Ms L Morris
Mr M A Carless
Mr G Rowe

Company secretary Ms L Morris

Registered office Shady Lane
Great Barr
Birmingham
West Midlands
B44 9ER

Solicitors Gateley plc
One Eleven
Edmund Street
Birmingham
B3 2HJ

Bankers Allied Irish Bank plc
63 Temple Row
Birmingham
B2 5LT

Auditors Fruition Accountancy LLP
29 Wood Street
Stratford-Upon-Avon
Warwickshire
CV37 6JG

Coleman & Company Limited

Strategic Report for the Period from 30 October 2020 to 30 April 2021

The directors present their strategic report for the period from 30 October 2020 to 30 April 2021.

Principal activity

Coleman & Company Limited employ a highly skilled, experienced team and use latest technology, to provide complex demolition and specialised land redevelopment services to high profile companies, public sector organisations and strategic partnerships.

Fair review of the business

The company's financial performance has seen a positive improvement, throughout difficult times; the COVID pandemic, negative impact of the governments protracted exit from the EU and associated cooling in the market.

The directors are pleased to report that, since the successful execution of the transition plan embarked on from March 2020, the company has had a very successful trading period returning a net profit before tax of £342,832. As previously reported, the transition plan was intended to restructure the business to accommodate a reduced level of turnover, trimming staff, surplus plant and overhead requirements accordingly. By the start of this period almost every part of the plan had been accomplished. Sale of the remaining surplus plant was achieved in November 2020, resulting in £43k profit on disposal of fixed assets.

As a result, the company has seen overheads and depreciation cut by an annual equivalent of £1m, bank overdrafts and HP creditors have been repaid, saving a further £40k in interest charges per annum, and the company has a comfortable cash reserve sufficient to fund on going working capital and any future expansions in trade.

The company is now trading at a healthy profit margin which, given the existing pipeline of work, the directors consider to be sustainable.

The company continues to work hard to promote a strong internal culture, with a clear focus on the health and wellbeing of its staff and the importance of nurturing positive working relationships with clients and other stakeholders. The directors believe this underpins confidence in the quality and integrity of the company's work and has therefore been a significant factor in the return to profit.

Coleman & Company Limited

Strategic Report for the Period from 30 October 2020 to 30 April 2021

Outlook

The business strategy has been to build a collaborative partnership relationship with our clients ensuring long term success based on respect, integrity, openness, and fairness, whilst looking to meet and exceed clients' expectations by continually improving the quality of our service. This will be achieved by supporting our clients from the earliest stages of project conception, identifying risk, developing innovative engineered solutions using smart digital technologies, and developing methods of working which mitigate the risk, delivering programme certainty, safety, and quality for clients.

This remains a core strategy of the business and we have this relationship with a number of key, long standing clients. The company is no longer chasing high risk, low margin opportunities. Whilst turnover has been reduced as a result of this strategy, our order books are healthy, accidents and incidents have reduced on site, and staff welfare has improved.

As part of their vision for the future, the directors will place a strong emphasis on simplifying ways of working, with a consistent and relentless focus on quality constantly at the heart of the company's service. The company continues to work nationally throughout the UK and, whilst London remains a main focus, there is a renewed emphasis on our core West Midlands market, in key sectors rail, power and transport, health, office and retail development and residential - private rental and social housing market.

The company continues to develop good relationships with suppliers of sub-contract service to assist in delivery.

The directors will continue to put investment in people's health and safety and wellbeing at the heart of the strategy for the business.

The company has the correct resources to complete the solid and profitable work already secured for 2021-2022. The directors are therefore of the opinion that the company can continue to meet its liabilities, service the secured work and continue to trade profitably into the future.

Key Performance Indicators

The company has developed an internal culture of key performance measures in order to monitor and continually improve management, objectivity and efficiencies at all levels.

The company's key performance indicators during the period were as follows:

Non-Financial KPI's

Targets are set to strive for continued reduction in health and safety incident rates. Incidents are reviewed at business board meeting level together with incident rate statistics, near misses and trend analysis to assist with prevention of future incidents.

Strategic plans, considered and implemented by the board, are designed to ensure the company maintains the highest standard of business conduct.

The company continues to advance training and professional development programmes for all grades of employees ensuring resilience from the industry skills shortage.

Coleman & Company Limited

Strategic Report for the Period from 30 October 2020 to 30 April 2021

Financial Risk Management

	Target	30 April 2021	29 October 2020
Turnover		£7,088,135	£25,903,795
Gross profit margin	18%	25%	10%
Profit / (Loss) before tax ratio	5%	5%	(8)%

Cost control is a major theme within the business, looking to be efficient and effective driving cost savings throughout the business to increase gross margin and net profitability.

Principal risks and uncertainties

The major risks to the business are considered to include:

Economic risk: Beyond Brexit and the uncertain nature of the UK's future trading relationships, the group is also exposed to state of the economy as a whole. Any recession would likely have an impact on overall profitability.

Safety: The health and safety of the group's employees is the directors' highest priority and there has been much innovation and investment in this area. However, while risks are minimised to the greatest possible extent it remains the case that some of the activity is by its nature high risk.

Environmental risks: The directors mitigate the risk of the group having an adverse effect on the environment through training for staff, carrying out assessments of environmental impact before making business decisions, and continuing with the group's ongoing commitment to replacing older plants with modern, cleaner and more efficient assets.

Competition: The sector is dynamic and in a state of constant evolution, but the directors believe that the group's focus on quality, innovation and on maintaining excellent stakeholder relationships are strong mitigating factors against the risks posed by competitors.

Contingent liabilities: The group experienced a tragic incident on a major contract in 2016. Investigations by external authorities are still underway, but as previously noted the directors do not believe the company is responsible for the cause of the incident. This is based on rigorous independent inquiries and on advice received from the company's professional advisers.

COVID-19: The company is unable to ascertain how long and to what extent, the COVID-19 outbreak will continue to have an impact on its own ability to continue to work or on the wider industry in which it operates. However, since August 2021, the business has been able to trade safely within the COVID Guidelines, and with the ongoing successful rollout of the vaccines the board believes that the risk to the business is now continuing to diminish.

Approved and authorised by the Board on 29 November 2021 and signed on its behalf by:



Mr M A Coleman
Director



Coleman & Company Limited

Directors' Report for the Period from 30 October 2020 to 30 April 2021

The directors present their report and the financial statements for the period from 30 October 2020 to 30 April 2021.

Director of the company

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

Mr M A Coleman

Ms L Morris - Company secretary and director

Mr M A Carless

Mr G Rowe

Financial instruments

Objectives and policies

The company has developed an internal culture of key performance measures in order to monitor and continually improve management, objectivity and efficiencies at all levels.

Strategic plans, considered and implemented by the board, are designed to ensure the Coleman & Company maintain the highest standard of business conduct.

Price risk, credit risk, liquidity risk and cash flow risk

The directors of the group continually monitor the risks and uncertainties facing the company with particular reference to price, liquidity and credit risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

The Group uses various financial instruments which include cash, trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to manage the Group's daily operations.

Currency risk

The Group makes very few transactions in foreign currencies so the exposure to translation and foreign exchange currency risk and do not consider this to have a significant impact on its operations.

Liquidity risk

The Group manages its financial risk by closely monitoring its working capital requirements and ensuring sufficient liquidity is available to meet foreseeable needs. When managing its working capital the Group has utilised its agreed bank overdraft facility where this is considered necessary.

Credit risk

The Group's principal credit risk arises around trade debts. In order to manage credit risk the directors review debt aging on a regular basis to ensure debts are collected are received in line with agreed credit terms.

COVID-19. The group is unable to ascertain how long and to what extent, the COVID-19 outbreak will continue to have an impact on its own ability to continue to work or on the wider industry in which it operates. At present however, the progress with the vaccine programme nationally, is continuing to reduce the risk of further disruption.

Coleman & Company Limited

Directors' Report for the Period from 30 October 2020 to 30 April 2021

Going concern

After making enquiries and preparing integrated Group consolidated profit and loss and cash flow forecasts, with appropriate sensitivity analysis, the Directors have formed a judgement that, as at the date of approving the financial statements, there is a strong expectation that the company has adequate resources for the foreseeable future.

The company will not require any external funding such as overdrafts to meet its day to day working capital requirements, which will be adequately funded from its operating activities and further highlights the company's resilience and financial position.

The directors are of the view that the forecasts are achievable, despite external factors such as COVID 19. They are therefore satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 29 November 2021 and signed on its behalf by:



.....
Mr M A Coleman
Director

Coleman & Company Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Coleman & Company Limited

Independent Auditor's Report to the Members of Coleman & Company Limited

Opinion

We have audited the financial statements of Coleman & Company Limited (the 'company') for the period from 30 October 2020 to 30 April 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2021 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.

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 director's 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 original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Coleman & Company Limited

Independent Auditor's Report to the Members of Coleman & Company Limited

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 7], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Coleman & Company Limited

Independent Auditor's Report to the Members of Coleman & Company Limited

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 the 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 risk to material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our test included agreeing the financial statements disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel where considered necessary. 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 of 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 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.



Michelle Vincent (Senior Statutory Auditor)

For and on behalf of Fruition Accountancy LLP, Statutory Auditor

29 Wood Street
Stratford-Upon-Avon
Warwickshire
CV37 6JG

29 November 2021

Coleman & Company Limited

Profit and Loss Account for the Period from 30 October 2020 to 30 April 2021

	Note	30 April 2021 £	29 October 2020 £
Turnover	3	7,088,135	25,903,795
Cost of sales		<u>(5,325,090)</u>	<u>(23,430,725)</u>
Gross profit		1,763,045	2,473,070
Administrative expenses		(1,476,108)	(5,171,097)
Other operating income	4	<u>15,926</u>	<u>480,572</u>
Operating profit/(loss)	5	<u>302,863</u>	<u>(2,217,455)</u>
Other interest receivable and similar income	6	48,378	171,928
Interest payable and similar expenses	7	<u>(8,409)</u>	<u>(76,541)</u>
		<u>39,969</u>	<u>95,387</u>
Profit/(loss) before tax		342,832	(2,122,068)
Tax on profit/(loss)	11	<u>160,245</u>	<u>146,028</u>
Profit/(loss) for the financial period		<u><u>503,077</u></u>	<u><u>(1,976,040)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

The notes on pages 15 to 31 form an integral part of these financial statements.

Coleman & Company Limited

Statement of Comprehensive Income for the Period from 30 October 2020 to 30 April 2021

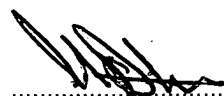
	30 April 2021 £	29 October 2020 £
Profit/(loss) for the period	<u>503,077</u>	<u>(1,976,040)</u>
Total comprehensive income for the period	<u><u>503,077</u></u>	<u><u>(1,976,040)</u></u>

Coleman & Company Limited

(Registration number: 00737922)
Balance Sheet as at 30 April 2021

	Note	30 April 2021 £	29 October 2020 £
Fixed assets			
Tangible assets	13	556,908	1,405,621
Other financial assets	14	31,409	-
		<u>588,317</u>	<u>1,405,621</u>
Current assets			
Stocks	15	3,925	6,602
Debtors	16	6,543,283	6,881,356
Cash at bank and in hand		1,955,642	1,417,017
		<u>8,502,850</u>	<u>8,304,975</u>
Creditors: Amounts falling due within one year	18	<u>(3,191,092)</u>	<u>(4,153,353)</u>
Net current assets		<u>5,311,758</u>	<u>4,151,622</u>
Total assets less current liabilities		<u>5,900,075</u>	<u>5,557,243</u>
Creditors: Amounts falling due after more than one year	18	(175,000)	(175,000)
Provisions for liabilities	19	<u>(28,998)</u>	<u>(189,243)</u>
Net assets		<u>5,696,077</u>	<u>5,193,000</u>
Capital and reserves			
Called up share capital		4,224	4,224
Share premium reserve		22,455	22,455
Profit and loss account		5,669,398	5,166,321
Shareholders' funds		<u>5,696,077</u>	<u>5,193,000</u>

Approved and authorised by the Board on 29 November 2021 and signed on its behalf by:



.....
Mr M A Coleman
Director

Coleman & Company Limited

Statement of Changes in Equity for the Period from 30 October 2020 to 30 April 2021

	Share capital £	Share premium £	Profit and loss account £	Total £
At 30 October 2020	4,224	22,455	5,166,321	5,193,000
Profit for the period	-	-	503,077	503,077
Total comprehensive income	-	-	503,077	503,077
At 30 April 2021	4,224	22,455	5,669,398	5,696,077
	Share capital £	Share premium £	Profit and loss account £	Total £
At 30 April 2019	4,224	22,455	7,142,361	7,169,040
Loss for the period	-	-	(1,976,040)	(1,976,040)
Total comprehensive income	-	-	(1,976,040)	(1,976,040)
At 29 October 2020	4,224	22,455	5,166,321	5,193,000

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Shady Lane
Great Barr
Birmingham
West Midlands
B44 9ER

These financial statements were authorised for issue by the Board on 29 November 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £1.

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a) (iv), 11.8(b) and 11.8(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CNC Group Holdings Limited as at 30 April 2021 and these financial statements may be obtained from Shady Lane, Great Barr, Birmingham, B44 9ER.

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

Key sources of estimation uncertainty

Long term contracts

Income is recognised based on costs incurred to date as a percentage of the total expected costs on the contract, which is deemed best estimate of the stage of completion of each project. Provisions have been made on contracts where there are disputes, damages or foreseeable losses. Losses are provided in full in the period the foreseeable loss is identified. The carrying amount is £962,816 (2020 -£1,434,781).

Research and development provisions

Provision has been made in the financial statements for the total claim expected to be received relating to research and development expenditure during the year.

Fixed asset depreciation

Fixed assets are depreciated over their useful economic lives to an estimated residual value. Residual values are calculated using the best estimate of our assets value at the end of its useful life.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable excluding value added tax. The following criteria must also be met before revenue is recognised:

Long term contracts

The Group enters into long term contracts and projects and recognises revenue and costs associated with the contract using the percentage of completion method.

Percentage of completion is determined by comparing the proportion of costs incurred for work performed to date against the estimated total costs. Costs incurred for work performed to date do not include costs relating to future activity, such as prepayments. Costs relating to such future activity are recognised as an asset only if it is probable that such costs will be recovered. Where the recovery of such costs is not probable then an expense is recognised immediately.

Management recognise revenue and profits from the start of the project. Costs are included based on best estimate.

Regular contract reviews are performed by seniors and project management support the process.

Where it is probable that contract costs will exceed total contract revenue the expected loss is recognised immediately.

Scrap income

Revenue from scrap income is recognised at the point of sale. However, where scrap forms a material proportion of the total value of a contract the anticipated value of scrap is used in calculating the attributable value of the contract.

Retention Income

Revenue from retentions is recognised as they become payable by the customer.

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Finance income and costs policy

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

Research and development

Research and development expenditure is written off in the year in which it is incurred, unless it meets the criteria for capitalisation.

Where corporation tax losses have been surrendered, research and development credits are treated as grant income and are included in administration costs.

Tax

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Improvements to leasehold property	2% straight line
Plant and machinery	10% - 20% straight line
Office equipment and furniture	10% - 20% straight line

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Computer software	3 years straight line

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell, the impairment loss is recognised immediately in the profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

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Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and loans to and from related parties.

Preference shares are measured at fair value with changes recognised in the profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	30 April 2021 £	29 October 2020 £
Sale of goods	7,044,556	25,834,113
Other revenue	43,579	69,682
	<u>7,088,135</u>	<u>25,903,795</u>

The amount of contract revenue recognised as revenue in the period was £6,916,475 (2020 - £25,020,193).

4 Other operating income

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

	30 April 2021 £	29 October 2020 £
Government grants	<u>15,926</u>	<u>480,572</u>

5 Operating profit/(loss)

Arrived at after charging/(crediting)

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Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

	30 April 2021 £	29 October 2020 £
Depreciation expense	22,434	676,074
Amortisation expense	-	36,024
	<u>-</u>	<u>36,024</u>

6 Other interest receivable and similar income

	30 April 2021 £	29 October 2020 £
Interest income on bank deposits	-	8,549
Other finance income	48,378	163,379
	<u>48,378</u>	<u>171,928</u>

7 Interest payable and similar expenses

	30 April 2021 £	29 October 2020 £
Interest on bank overdrafts and borrowings	447	37,386
Interest on preference shares	4,375	13,117
Interest on obligations under finance leases and hire purchase contracts	-	4,334
Interest expense on other finance liabilities	3,587	21,704
	<u>8,409</u>	<u>76,541</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	30 April 2021 £	29 October 2020 £
Wages and salaries	1,255,665	6,379,024
Social security costs	145,146	692,191
Pension costs, defined contribution scheme	20,701	171,470
	<u>1,421,512</u>	<u>7,242,685</u>

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

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

	30 April 2021 No.	29 October 2020 No.
Production	38	77
Administration and support	16	28
	<u>54</u>	<u>105</u>

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Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

9 Directors' remuneration

The directors' remuneration for the period was as follows:

	30 April 2021 £	29 October 2020 £
Remuneration	328,304	719,871
Contributions paid to money purchase schemes	9,709	42,549
Compensation for loss of office	-	87,500
	<u>338,013</u>	<u>849,920</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	30 April 2021 No.	29 October 2020 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	30 April 2021 £	29 October 2020 £
Remuneration	110,502	210,006
Company contributions to money purchase pension schemes	<u>506</u>	<u>1,972</u>

10 Auditors' remuneration

	30 April 2021 £	29 October 2020 £
Audit of the financial statements	<u>14,473</u>	<u>36,950</u>

11 Taxation

Tax charged/(credited) in the income statement

	30 April 2021 £	29 October 2020 £
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(160,245)</u>	<u>(146,028)</u>

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	30 April 2021 £	29 October 2020 £
Profit/(loss) before tax	<u>342,832</u>	<u>(2,122,068)</u>
Corporation tax at standard rate	65,138	(403,193)
Effect of expense not deductible in determining taxable profit (tax loss)	4,845	10,199
Effect of tax losses	(228,726)	-
Deferred tax expense relating to changes in tax rates or laws	-	48,497
Tax decrease from effect of capital allowances and depreciation	(590)	-
Tax increase from effect of unrelieved tax losses carried forward	-	210,754
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>(912)</u>	<u>(12,285)</u>
Total tax credit	<u>(160,245)</u>	<u>(146,028)</u>

Deferred tax

Deferred tax assets and liabilities

30 April 2021	Liability £
Accelerated capital allowances	<u>28,988</u>
29 October 2020	Liability £
Accelerated capital allowances	<u>189,243</u>

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Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

12 Intangible assets

	Other intangible assets £	Total £
Cost or valuation		
At 30 October 2020	108,072	108,072
At 30 April 2021	108,072	108,072
Amortisation		
At 30 October 2020	108,072	108,072
At 30 April 2021	108,072	108,072
Carrying amount		
At 30 April 2021	-	-

13 Tangible assets

	Long leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Total £
Cost or valuation					
At 30 October 2020	634,785	352,646	4,306,568	192,111	5,486,110
Additions	-	810	-	13,254	14,064
Disposals	-	(184,117)	(3,960,527)	-	(4,144,644)
At 30 April 2021	634,785	169,339	346,041	205,365	1,355,530
Depreciation					
At 30 October 2020	225,179	342,835	3,378,829	133,646	4,080,489
Charge for the period	5,320	1,438	2,631	13,045	22,434
Eliminated on disposal	-	(183,990)	(3,120,311)	-	(3,304,301)
At 30 April 2021	230,499	160,283	261,149	146,691	798,622
Carrying amount					
At 30 April 2021	404,286	9,056	84,892	58,674	556,908
At 29 October 2020	409,606	9,811	927,739	58,465	1,405,621

Included within the net book value of land and buildings above is £404,285 (2020 - £409,605) in respect of long leasehold land and buildings.

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Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

14 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
Additions	31,409	31,409
At 30 April 2021	31,409	31,409
Impairment		
Carrying amount		
At 30 April 2021	31,409	31,409

15 Stocks

	30 April 2021 £	29 October 2020 £
Other inventories	3,925	6,602

16 Debtors

	Note	30 April 2021 £	29 October 2020 £
Trade debtors		138,889	209,101
Amounts owed by related parties	25	4,748,014	4,297,306
Other debtors		49,024	136,714
Prepayments		308,666	540,639
Gross amount due from customers for contract work		1,294,676	1,592,122
Income tax asset	11	4,014	105,474
		6,543,283	6,881,356
Less non-current portion		(4,000,001)	(3,570,158)
		2,543,282	3,311,198

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Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

Details of non-current trade and other debtors

£4,000,001 (2020 -£3,570,158) of amounts owed by group undertakings is classified as non current.

Amounts owed by group undertakings due after more than a year and within a year are unsecured. Interest is charged on amounts due after more than a year at a rate of 3% above Bank of England base rate.

17 Cash and cash equivalents

	30 April 2021 £	29 October 2020 £
Cash on hand	91	62
Cash at bank	754,697	616,081
Short-term deposits	1,200,854	800,874
	<u>1,955,642</u>	<u>1,417,017</u>

18 Creditors

	Note	30 April 2021 £	29 October 2020 £
Due within one year			
Trade creditors		1,802,146	1,585,290
Amounts due to related parties	25	-	176,667
Social security and other taxes		639,218	1,048,387
Outstanding defined contribution pension costs		12,014	14,829
Other payables		26,381	263,051
Accruals		463,473	907,788
Gross amount due to customers for contract work		<u>247,860</u>	<u>157,341</u>
		<u>3,191,092</u>	<u>4,153,353</u>
Due after one year			
Loans and borrowings	22	<u>175,000</u>	<u>175,000</u>

Amounts owed by group undertakings due after more than a year and within a year are unsecured.

19 Provisions for liabilities

	Deferred tax £	Total £
At 30 October 2020	189,243	189,243
Increase (decrease) in existing provisions	<u>(160,245)</u>	<u>(160,245)</u>
At 30 April 2021	<u>28,998</u>	<u>28,998</u>

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

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 £20,701 (2020 - £171,470).

Contributions totalling £12,014 (2020 - £14,829) were payable to the scheme at the end of the period and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	30 April 2021		29 October 2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4,224</u>	<u>4,224</u>	<u>4,224</u>	<u>4,224</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:
voting rights and rights to distribution and capital.

22 Loans and borrowings

	30 April 2021	29 October 2020
	£	£
Non-current loans and borrowings		
Redeemable preference shares	<u>175,000</u>	<u>175,000</u>

In April 2017 the company issues 5% preference shares that the company is obliged to redeem between April 2024 and April 2029. Shares are redeemable in minimum multiples of £35,000 at an amount equal to the issue price plus 10% of the issue price.

Preference shares carry no voting rights.

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

23 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	30 April 2021 £	29 October 2020 £
Not later than one year	453,378	462,437
Later than one year and not later than five years	1,626,437	1,633,842
Later than five years	<u>1,066,667</u>	<u>1,266,905</u>
	<u>3,146,482</u>	<u>3,363,184</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £232,724 (2020 - £788,192).

24 Contingent liabilities

As noted in the previous financial statements the company experienced an incident on a major contract.

Causation of the incident is still not known, and the matter continues to be investigated by the appropriate authorities. The company continues to co-operate fully with all involved.

Based upon rigorous inquiries undertaken by independent specialists and on professional advice, the directors do not believe the company is responsible for the cause of the incident.

It is totally impracticable for the directors to provide any estimate of financial liability, if any, arising from the matter, and the likely timescale for it to be settled. However, the directors are confident that comprehensive insurance arrangements, with adequate limits of indemnity, exist to cover the financial consequences should any liability attach.

At the period end the company had committed to surety for performance bonds on contracts in the sum of £137,804 (31 October 2020: £383,070).

The total amount of guarantees not included in the balance sheet is £1,925,334 (2020: £2,046,073). The company has provided an unlimited guarantee in favour of Allied Irish Bank Plc covering liabilities of CNC Group Holdings Limited and Coleman Remediation Services Limited. The bank has secured this debt with an unlimited debenture over all assets of the company.

25 Related party transactions

The company has claimed the exemption available under section 33.1A of FRS 102 from disclosing transactions entered into between wholly owned members of the CNC Group Holdings Limited group.

Coleman & Company Limited

Notes to the Financial Statements for the Period from 30 October 2020 to 30 April 2021

Transactions with directors

	At 30 October 2020 £	Advances to directors £	At 30 April 2021 £
2021			
Mr M A Coleman			
Directors loan	22,109	11,248	33,357
	<u>22,109</u>	<u>11,248</u>	<u>33,357</u>
	At 30 April 2019 £	Advances to directors £	At 29 October 2020 £
2020			
Mr M A Coleman			
Directors loan	18,050	4,059	22,109
	<u>18,050</u>	<u>4,059</u>	<u>22,109</u>

Summary of transactions with other related parties

Skelligs Site Services Limited and Skelligs Retreat Limited

Skelligs Site Services Limited and Skelligs Retreat Limited are companies registered in the Republic of Ireland which are owned by M A Coleman, director. During the period the company purchased services totalling £11,886 (2020: £55,832) from Skelligs Site Services Limited and Skelligs Retreat Limited. At the balance sheet date amounts of £132,112 (2020: £125,115) were owed to the company.

26 Parent and ultimate parent undertaking

The company's immediate parent is CNC Group Holdings Limited, incorporated in England & Wales.

The most senior parent entity producing publicly available financial statements is CNC Group Holdings Limited. These financial statements are available upon request from Companies House, Crown Way, Cardiff, CF14 3UZ

The ultimate controlling party is M A Coleman.