

COMPANY REGISTRATION NUMBER: 00846751

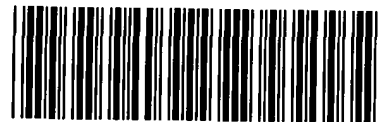
A. & E. Elkins Limited
Financial Statements
30 April 2021

TURPIN BARKER ARMSTRONG

Chartered Certified Accountants & statutory auditor

Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

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23/12/2021

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A. & E. Elkins Limited

Financial Statements

Year ended 30 April 2021

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A. & E. Elkins Limited

Officers and Professional Advisers

The board of directors

G Smith
R A Elkins

Company secretary

Glenis Smith

Registered office

A & E House
Unit 1a Industrial Estate
Juno Way
London
SE14 5RW

Auditor

Turpin Barker Armstrong
Chartered Certified Accountants & statutory auditor
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

A. & E. Elkins Limited

Strategic Report

Year ended 30 April 2021

Introduction

A premier Principal Contractor operating in London and the Southeast, A&E Elkins Ltd was formed in 1963, incorporated in 1965 and has been a family run company ever since. Now in its third generation, we still offer excellence in workmanship, service and value to our extensive portfolio of public and private sector clients. Running our main office in the Southwark area with smaller satellite site offices throughout the three main Boroughs, our works are also carried out from a serviced office in Redbridge and an office in a parade of shops in Eltham. The Borough High Street facilities are still available for meetings with new clients as access to London Bridge Stations is good.

Our original turnover target for the year was £24 million and with the old and new term contracts in place this forecast was well within our reach.

The forecast for 20-21 was strong with an order book circa £120 million, however the Covid-19 Pandemic struck, and we had to shut all our offices from 22nd March until July 2020 when we were allowed to open sites on a staggered basis introducing Covid working restrictions with no internal works. Staff were Furloughed during the shutdown period, and some had their money either paid in full or topped up by us.

It was a slow process trying to get the sites up and running again and with office staff working from home until February / March 2021, when a small amount was allowed back into the offices for limited days of the week.

We however managed to get very near our targets.

During this financial year we have had two contractual issues which could result in legal action, although we currently believe the possibility of an outflow of resources in each case to be remote.

- 1) We were contracted by a school to install a new heating system back in 2018 which was to their specification, design and supplier. The school have had problems with leaking radiators which we have attended to, but they are not accepting our resolution to the problem. We have exchanged legal letters and the situation continues.
- 2) The modular supplier was in financial difficulties and closed with the contract between us being novated to a company the board set up. The hold up with the changeover caused a delay to the supply of the modular homes which therefore cause us contractual issues with our client. These delays have affected the relationship with our client and have asked us to remove the supplier from our supply chain. They will continue to finish the first phase of work and therefore could look to us for costs and loss of profit. This situation continues but we expect to resolve it without a legal battle.

The Directors of the company have taken action as previous years by stopping their remuneration and providing financial support to enable the company to try to ride out the turbulent economic times which are affecting everyone.

We continue to run specialist teams dealing with:

- All Decent homes/ Warm Dry Safe Works/QHIP
- Interior refurbishment and decorations (kitchens, bathrooms, communal areas, etc.);
- Exterior refurbishment and decoration (windows, doors, concrete repairs).
- Electrical works (communal areas, lateral mains, landlords' supplies).

A. & E. Elkins Limited

Strategic Report

Year ended 30 April 2021

- Fire precautions works (doors, sealing, compartmentation).
- Roofing works (tiles, slates, specialist-built membranes).
- Planned and reactive maintenance.
- Modular Homes
- New build extensions

A&E Elkins is committed to legal compliance and quality standards. As such, we operate the following dedicated management policies, procedures and systems:

- Health and Safety (BS OHSAS 18001 (UKAS accredited)).
- Environmental Management (ISO 14001 (UKAS accredited)).
- Quality Assurance (ISO 9001 (UKAS accredited)); and
- *Equal Opportunities and Diversity*

Accreditations

A&E Elkins maintains the following accreditations:

- **BS OHSAS 18001.**
- **ISO 14001.**
- **ISO 9001.**
- **CHAS.**
- Constructionline.
- Safecontractor.
- **EXOR.**
- **FORS.**
- A Member of the NFRC (National Federation of Roofing Contractors).
- Membership of MAC (Mastic Asphalt Council); and
- A Trust Mark Approved Contractor.
- NICEIC
- Gas safe
- PAS 2030
- IFC
- FENSA

Strategic Objectives and Targets

The company aligns its targets, objectives and programmes with the contractual requirements and key performance indicators (KPIs) set by its clients to safeguard existing contracts, and with commonly occurring requirements in business development and procurement opportunities obtained from pre-qualification questionnaire literature. In addition to these external KPIs, we also set our own internal objectives, targets and programmes to foster continual improvement within work practices.

Our performance over the period has been consistently excellent and we continually strive to improve in all areas as best practice. For this reason, we operate an extensive knowledge management system which ensures that opportunities to learn for our own experience and the feedback of customers and other stakeholders are maximized. Furthermore, we take every opportunity to benchmark our performance against external standards and industry norms, including comparison with the other partnering contractors.

A. & E. Elkins Limited

Strategic Report

Year ended 30 April 2021

External/Client-Specific KPI Monitoring: Our performance of the partnering contract with one of our clients, a Local Authority ("the Authority"), is demonstrated below, together with the client's evaluation and any applicable benchmarking:

1. **Resident satisfaction** - we objectively determine the quality of communication, courtesy, consideration and success in meeting the expectations of tenants and leaseholders alike. The Authority reviews resident satisfaction forms ahead of quarterly meetings and evaluates against targets and minimum thresholds of 90% and 69% respectively. Our median average is 80%. We have never fallen below the minimum threshold. This external performance monitoring and benchmarking links with our more inclusive, internal customer satisfaction process to meet our own ISO 9001 commitments.
2. **Authority satisfaction** - we are committed to ensuring the best levels of service and workmanship for the Authority. The Authority reviews completed satisfaction forms issued at the end of each project ahead of quarterly meetings and evaluates against targets and minimum thresholds of 90% and 69% respectively. Our median average is 80%. Being flexible, learning quickly from constructive feedback provided by the Authority and benchmarking against larger competitors are keys to our continued success. This external performance monitoring and benchmarking covers internal project management monitoring, auditing and review processes, as well as additional external auditing by such organisations as the National Federation of Roofers, the Mastic Asphalt Council, Institution of Fire Engineers, etc.
3. **Time predictability (internals and externals)** - we are committed to delivering programme works quickly, reliably and to high quality. The Authority measures performance against 10/15 days for internal works and as per programme, with overruns deducting points. Authority targets include 100% on time, with minimum thresholds of 5-day maximum overruns for internals and 3 weeks maximum overruns for externals. Our median average last year was 95%, with some delays and overruns for legitimate reasons ie Rixonway kitchen suppliers caused problems due to bad deliveries which has resulted in them being removed from our supply chain. This year no performance measurement was carried out due to the Covid 19 pandemic. We continue to be quick to identify, assess and tackle issues to best serve the Authority and continually improve and appropriate actions taken.
4. **Local Employment and Training** - we are committed to giving back to the local areas in which we operate, particularly our home borough of Southwark. Given the condition of the economy since 2008, a key plank of our Corporate Social Responsibility strategy is given high quality youth the increasingly rare opportunity to learn a trade or profession. The Authority reviews a quarterly submission regarding personnel employed under the partnering contract either directly or through our supply chain against its criteria for apprenticeship against a target of 1 apprentice/ graduate per £1m of work awarded. Whilst the number of apprentices we employ varies throughout the 5 years of the partnering contract, we have consistently exceeded the Authority's requirements in this regard. In addition, we exceed the basic terms of the KPI by participating in apprenticeship fayres, offering opportunities to older, unemployed persons re-entering work or re-skilling into a new trade/profession. We are committed to paying London Living Wage to all staff and ensuring that our subcontractors do the same.
5. **Value for Money** - we continue to be committed to delivering quality works as efficiently and cost-effectively as possible.
6. **Cleaner, Greener, Safer** - ever increasing standards of health, safety and environmental protection and awareness are a core value to our business. The Authority requires FORS accreditation to bronze level to meet this KPI, which is reviewed annually. We were the first partnering contractor to successfully determine and implement the management changes necessary to meet this standard and are currently looking at improving our accreditation from bronze to silver. Such external standards also combine with our ISO 14001 and BS OHSAS 18001 accredited health, safety and environmental management systems which are audited by a UKAS accredited organisation annually, and all elements of which audited regularly by our internal Compliance department.
7. **Considerate Constructors Scheme (CCS)** - a non-profit making, independent organisation

A. & E. Elkins Limited

Strategic Report

Year ended 30 April 2021

founded in 1997 by the construction industry to improve its image. As a registered member, we ensure that all proposed major projects are registered with the scheme. The Authority measures performance against a target score of 35 and above, with a minimum score of 25. Our median average last year was 37, with some peaks and troughs. This year no performance measurement was carried out due to the Covid 19 pandemic. We have never fallen below the minimum score. We continue initiatives driving up scores from previous standards. We have been successful in winning a silver award for one of our sites, which was presented at the National Awards ceremony to our site manager.

8. **Contract management** - we manage our contracts to minimise default notices. The Authority measures performance against a target of 0 default notices, with a maximum number of 5 in any given year. Our median average is 0 per year, with each being fully investigated, remedial actions determined, followed up and reviewed thoroughly.

Internal KPI Performance Monitoring: Illustrative examples include:

- **Health, Safety and Environment** - zero RIDDORs; reduction of warnings given on site; speed of incident investigation, follow up and close out, competence standards, comparative site audit scores, no toolbox talks given, % reduction in land fill waste and energy consumption.
- **Quality** - number of snags, speed of snagging, workmanship, courtesy, professional manner, internal audit scores.
- **Delivery** - right first time, delivery just in time, no programme delays, accuracy of programmes;
- **Financials** - speed of valuations, managing surveys and orders, accuracy of financial forecasting, speed of tenders;
- **Customer satisfaction** - customer satisfaction forms returned, customer satisfaction scores, number of complaints, speed of complaints resolution, value of compensation paid, number of commendations, staff courtesy.
- **Recruitment and Retention** - reputation as an employer, zero/minimal staff turnover; combined staff competence.
- **Equalities and Diversity** - promoting increased diversity in the 9 protected characteristics, effective monitoring.
- **Training and Development** - courses attended, continued competence standards.
- **Apprenticeships and Mentoring** - number of apprentices, final pass rates, mentor appraisal feedback,
- **Collaborative Working** - number of community initiatives, investment and outreach projects, charitable funds raised.
- **Team Cohesion and Morale** - number of team building exercises, number and quality of staff suggestions
- **Procurement and Supply Chain** - number of non-attendances, number of delays, value for money, resilience of supply chain.
- **Business Development and Marketing** - opportunities vetted, stage one and two submission, success rate, tenders submitted, price competitiveness, market knowledge of brand, reputation as a Principal Contractor, industry awards (such as gold standard in the National Federation of Roofing Contractors);
- **Accreditations and standards** - maintaining ISO 9001, ISO 14001, BS OHSAS 18001, Exor, FORS, NICEIC, PAS 2030, IFC, Fensa, Gas safe

Business Development and Procurement

Business development and procurement is performed by a combined team, with functions distributed according to the nature of the opportunity. For larger opportunities engaging the public procurement regulations in full force, a larger project team is assembled. Opportunity documentation is evaluated by the team once received, and appropriate responsibilities assigned. Regular project meetings are

A. & E. Elkins Limited

Strategic Report

Year ended 30 April 2021

convened until the full submission is completed, polished and submitted. Results from tender/PQQ processes are followed up by the team for review in order to tailor future submissions more effectively to client requirements. Should the company be successful in winning an opportunity, the appropriate contract management meetings will be convened to determine how best to proceed.

Newsletters are emailed to our staff giving them the update on existing and new contracts along with job updates and vacancies.

Mailshots and newsletters are also sent to new and existing clients.

To best comply with the requirements of the CDM Regulations 2015, ISO 9001 and industry best practice, the company maintains an Approved Supplier List; evaluated by Constructionline on our behalf in line with PAS91 to best meet procurement best practice.

Human Resources and Staffing

This function is performed by a combined team for payroll, recruitment and personnel matters. All relevant policies, procedures and handbooks are constantly reviewed. All pending changes in legislative requirements are identified through competent advisor services. The company's staffing requirements have changed during the year; with 63 employees at the beginning of the year and 73 now due to natural wastage and reduced workload. Projections for the forthcoming year indicate staff requirements remaining consistent at this level now with the need for some additional staff as the new contracts commence.

Community and Charitable Initiatives

The company is heavily involved with giving extra value to the communities which it serves. On each project awarded by the Authority, a budget is made available for investing in regeneration above and beyond what is specified by the Authority; with emphasis placed on sustainable, enduring value for the community. Furthermore, we support numerous local charities through sponsored events and other fundraising, including Freddie Farmer; Homes for Heroes; Scarlett's Fund, Peckham Pride Basketball Team, Docklands FC, Ongar Juniors, The M.S. Society, The British Heart Foundation. Pecan Foodbank, Linkage Southwark,

This report was approved by Ray Elkins on behalf of the Board of Directors of A&E Elkins Limited on the following date:

Signature:



Date: 14.12.2021

A. & E. Elkins Limited

Directors' Report

Year ended 30 April 2021

The directors present their report and the financial statements of the company for the year ended 30 April 2021.

Directors

The directors who served the company during the year were as follows:

G Smith
R A Elkins

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Disclosure of information in the strategic report

The strategic report on pages 2 to 6 contains:

- a) a fair review of the company's business, and
- b) a description of the principal risks and uncertainties facing the company.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' 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 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 judgments 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.

A. & E. Elkins Limited

Directors' Report *(continued)*

Year ended 30 April 2021

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 14.12.2021 and signed on behalf of the board by:

Glenis Smith
Company Secretary



Registered office:
A & E House
Unit 1a Industrial Estate
Juno Way
London
SE14 5RW

A. & E. Elkins Limited

Independent Auditor's Report to the Members of A. & E. Elkins Limited

Year ended 30 April 2021

Opinion

We have audited the financial statements of A. & E. Elkins Limited (the 'company') for the year ended 30 April 2021 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, 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 FRS 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

A. & E. Elkins Limited

Independent Auditor's Report to the Members of A. & E. Elkins Limited *(continued)*

Year ended 30 April 2021

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

A. & E. Elkins Limited

Independent Auditor's Report to the Members of A. & E. Elkins Limited (continued)

Year ended 30 April 2021

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:

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and UK tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified as a result of performing the above included the following:

A. & E. Elkins Limited

Independent Auditor's Report to the Members of A. & E. Elkins Limited *(continued)*

Year ended 30 April 2021

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- obtaining an understanding of any provisions and holding discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, considering the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

A. & E. Elkins Limited

Independent Auditor's Report to the Members of A. & E. Elkins Limited (continued)

Year ended 30 April 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Martin C Armstrong FCCA FABRP FIPA MBA (Senior Statutory Auditor)

For and on behalf of
Turpin Barker Armstrong
Chartered Certified Accountants & statutory auditor
Allen House
1 Westmead Road
Sutton
Surrey
SM1 4LA

19 DECEMBER 2021

A. & E. Elkins Limited
Statement of Income and Retained Earnings
Year ended 30 April 2021

	Note	2021 £	2020 £
Turnover	4	23,114,909	21,503,807
Cost of sales		21,629,318	19,958,093
Gross profit		1,485,591	1,545,714
Administrative expenses		1,621,524	1,573,933
Other operating income	5	211,150	111,864
Operating profit	6	75,217	83,645
Other interest receivable and similar income	9	122	1,166
Interest payable and similar expenses	10	-	113
Profit before taxation		75,339	84,698
Tax on profit	11	12,688	22,800
Profit for the financial year and total comprehensive income		62,651	61,898
Dividends paid and payable	12	(292,500)	(360,000)
Retained earnings at the start of the year		1,568,390	1,866,492
Retained earnings at the end of the year		1,338,541	1,568,390

All the activities of the company are from continuing operations.

The notes on pages 17 to 24 form part of these financial statements.

A. & E. Elkins Limited
Statement of Financial Position

30 April 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	112,729	114,220
Current assets			
Debtors	14	4,587,174	3,215,050
Cash at bank and in hand		<u>4,413,977</u>	<u>2,549,852</u>
		9,001,151	5,764,902
Creditors: amounts falling due within one year	15	<u>7,745,339</u>	<u>4,280,732</u>
Net current assets		1,255,812	1,484,170
Total assets less current liabilities		1,368,541	1,598,390
Net assets		<u>1,368,541</u>	<u>1,598,390</u>
Capital and reserves			
Called up share capital	18	30,000	30,000
Profit and loss account	19	<u>1,338,541</u>	<u>1,568,390</u>
Shareholders funds		<u>1,368,541</u>	<u>1,598,390</u>

These financial statements were approved by the board of directors and authorised for issue on 14.12.2021, and are signed on behalf of the board by:

G Smith
Director



R A Elkins
Director



Company registration number: 00846751

The notes on pages 17 to 24 form part of these financial statements.

A. & E. Elkins Limited

Statement of Cash Flows

Year ended 30 April 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	62,651	61,898
<i>Adjustments for:</i>		
Depreciation of tangible assets	44,474	37,796
Government grant income	(211,150)	(111,864)
Other interest receivable and similar income	(122)	(1,166)
Interest payable and similar expenses	–	113
(Gains)/loss on disposal of tangible assets	(16,901)	4,196
Tax on profit	12,688	22,800
Accrued expenses	2,238,228	389,895
<i>Changes in:</i>		
Trade and other debtors	(1,372,124)	387,467
Trade and other creditors	1,014,910	(465,662)
Cash generated from operations	1,772,654	325,473
Interest paid	–	(113)
Interest received	122	1,166
Tax paid	(22,798)	(26,123)
Net cash from operating activities	1,749,978	300,403
Cash flows from investing activities		
Purchase of tangible assets	(69,083)	(14,322)
Proceeds from sale of tangible assets	43,001	5,584
Net cash used in investing activities	(26,082)	(8,738)
Cash flows from financing activities		
Proceeds from borrowings	221,579	(81,729)
Government grant income	211,150	111,864
Dividends paid	(292,500)	(360,000)
Net cash from/(used in) financing activities	140,229	(329,865)
Net increase/(decrease) in cash and cash equivalents	1,864,125	(38,200)
Cash and cash equivalents at beginning of year	2,549,852	2,588,052
Cash and cash equivalents at end of year	4,413,977	2,549,852

The notes on pages 17 to 24 form part of these financial statements.

A. & E. Elkins Limited
Notes to the Financial Statements
Year ended 30 April 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is A & E House, Unit 1a Industrial Estate, Juno Way, London, SE14 5RW.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

These financial statements have been prepared on a Going Concern basis despite the "Covid-19" pandemic prevalent at the date of signing having caused global financial uncertainty. The directors are satisfied that the company is taking appropriate measures to safeguard its future and are confident that, due to historic policies of profit retention and careful cost management, the company will be able to meet its liabilities as they fall due for a period of at least 12 months following the date of signing of these financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods or provision of services, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity as at the period end.

A. & E. Elkins Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured 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 difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

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

Leasehold Improvements	-	Straight line over life of lease
Plant & Machinery	-	15% reducing balance
Fixtures & Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance
Equipment	-	25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. 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.

A. & E. Elkins Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

A. & E. Elkins Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

3. Accounting policies *(continued)*

Defined contribution plans *(continued)*

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2021 £	2020 £
Construction contracts	<u>23,114,909</u>	<u>21,503,807</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2021 £	2020 £
Government grant income	<u>211,150</u>	<u>111,864</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021 £	2020 £
Depreciation of tangible assets	44,475	37,796
(Gains)/loss on disposal of tangible assets	(16,901)	4,186
Impairment of trade debtors	<u>68,370</u>	<u>22,202</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>40,000</u>	<u>40,000</u>

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021 No.	2020 No.
Number of directors	2	2
Number of administrative staff	10	11
Number of direct staff	<u>57</u>	<u>54</u>
	<u>69</u>	<u>67</u>

A. & E. Elkins Limited
Notes to the Financial Statements (continued)
Year ended 30 April 2021

8. Staff costs (continued)

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	3,401,590	2,991,499
Social security costs	40,619	36,007
Other pension costs	52,712	61,969
	<u>3,494,921</u>	<u>3,089,475</u>

9. Other interest receivable and similar income

	2021	2020
	£	£
Interest on cash and cash equivalents	<u>122</u>	<u>1,166</u>

10. Interest payable and similar expenses

	2021	2020
	£	£
Interest on banks loans and overdrafts	<u>-</u>	<u>113</u>

11. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	12,688	22,798
Adjustments in respect of prior periods	-	2
Total current tax	<u>12,688</u>	<u>22,800</u>
Tax on profit	<u>12,688</u>	<u>22,800</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit on ordinary activities before taxation	75,339	84,698
Profit on ordinary activities by rate of tax	14,314	16,093
Adjustment to tax charge in respect of prior periods	-	2
Effect of expenses not deductible for tax purposes	10	1,911
Effect of capital allowances and depreciation	(1,636)	4,794
Tax on profit	<u>12,688</u>	<u>22,800</u>

A. & E. Elkins Limited

Notes to the Financial Statements (continued)

Year ended 30 April 2021

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2021 £	2020 £
Equity dividends on ordinary shares	<u>292,500</u>	<u>360,000</u>

13. Tangible assets

	Leasehold Improvements £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 May 2020	53,441	88,142	40,705	218,177	91,463	491,928
Additions	—	—	400	68,683	—	69,083
Disposals	—	—	—	(93,861)	—	(93,861)
At 30 Apr 2021	<u>53,441</u>	<u>88,142</u>	<u>41,105</u>	<u>192,999</u>	<u>91,463</u>	<u>467,150</u>
Depreciation						
At 1 May 2020	42,708	85,089	26,575	146,564	76,772	377,708
Charge for the year	5,344	343	2,180	32,935	3,672	44,474
Disposals	—	—	—	(67,761)	—	(67,761)
At 30 Apr 2021	<u>48,052</u>	<u>85,432</u>	<u>28,755</u>	<u>111,738</u>	<u>80,444</u>	<u>354,421</u>
Carrying amount						
At 30 Apr 2021	<u>5,389</u>	<u>2,710</u>	<u>12,350</u>	<u>81,261</u>	<u>11,019</u>	<u>112,729</u>
At 30 Apr 2020	<u>10,733</u>	<u>3,053</u>	<u>14,130</u>	<u>71,613</u>	<u>14,691</u>	<u>114,220</u>

14. Debtors

	2021 £	2020 £
Trade debtors	1,683,381	1,189,899
Prepayments and accrued income	2,885,027	2,006,385
Other debtors	18,766	18,766
	<u>4,587,174</u>	<u>3,215,050</u>

A. & E. Elkins Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

15. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	250,000	–
Trade creditors	2,182,699	1,379,717
Accruals and deferred income	4,595,068	2,358,840
Corporation tax	12,688	22,798
Social security and other taxes	668,538	461,802
Director loan accounts	16,182	44,603
Other creditors	20,164	14,972
	<u>7,745,339</u>	<u>4,280,732</u>

16. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £52,712 (2020: £61,969).

17. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021 £	2020 £
Recognised in other operating income:		
Government grants recognised directly in income	<u>211,150</u>	<u>111,864</u>

18. Called up share capital

Issued, called up and fully paid

	2021		2020
	No.	£	No.
Ordinary shares of £1 each	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>

19. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

20. Analysis of changes in net debt

	At 1 May 2020 £	Cash flows £	At 30 Apr 2021 £
Cash at bank and in hand	2,549,852	1,864,125	4,413,977
Debt due within one year	(44,603)	(221,579)	(266,182)
	<u>2,505,249</u>	<u>1,642,546</u>	<u>4,147,795</u>

A. & E. Elkins Limited

Notes to the Financial Statements *(continued)*

Year ended 30 April 2021

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	45,485	-
Later than 1 year and not later than 5 years	-	136,649
	<u>45,485</u>	<u>136,649</u>

22. Related party transactions

The company was under the control of Mr R A Elkins throughout the current and previous year. Mr R A Elkins is the managing director and majority shareholder. As at 30th April 2021 R A Elkins, a director, was owed £15,937 by the company (2020 - £41,935) and G Smith, a director, was owed £245 by the company (2020 - £2,668). During the year the directors received aggregate dividends of £9.75 per share (2020 - £12.00).