

COMPANY REGISTRATION NUMBER: 1263512

TERMRIM CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

31 December 2022

TERMRIM CONSTRUCTION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

Contents

Page

Officers and professional advisers	1
Strategic report	2
Directors' report	4
Independent auditor's report to the members	6
Profit and loss account	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12

TERMRIM CONSTRUCTION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

G C Bird
Ms B J Rockett
S Bateman
J M McGarvey

Company secretary

Ms B J Rockett

Registered office

1 Pellon Place
Dyson Wood Way
Bradley Business Park
Huddersfield
HD2 1GT

Auditor

Wheawill & Sudworth Limited
Chartered Accountants & statutory auditor
35 Westgate
Huddersfield
HD1 1PA

Bankers

National Westminster Bank plc
8 Market Place
Huddersfield
West Yorkshire
HD1 2AL

TERMRIM CONSTRUCTION LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2022

The directors present their report for the financial year ended 31 December 2022.

Principal activity and business review

The principal activity of the company during the year was that of contracting in the construction industry.

The company's major activities included new build, social and extra care housing for housing associations. The company also provides new build, refurbishment and conversion work for social, commercial and private sectors.

Performance and developments during the year

The directors were satisfied with the operating profit achieved during the year.

Principal risks and uncertainties

The company's principal risks are contract overrun, unstable trade suppliers and subcontractors along with the availability of materials due to the current demand. The nature of the company's clientele and payment terms ensures low exposure to credit risk.

Financial instruments

The company's financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no material exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between current accounts and interest bearing deposit accounts.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

The company continues to take advantage of technical advances as they arise.

Financial key performance indicators

The directors monitor tender levels, conversion rates, gross margins and short term liquidity as key indicators of business performance. A regular reporting structure is maintained taking into account current workload projections, contract performance and overheads. Trade debtor pay days are within 28 days consequently allowing trade creditors payment within 45 days to provide adequate working capital facilities.

Outlook

The directors continue to examine opportunities for further development of the business and its efficiencies. The directors have considered the results of the current financial year up to the date of this report and are reasonably confident the company will further enhance shareholder value in 2023.

This report was approved by the board of directors on 24 May 2023 and signed on behalf of the board by:

Ms B J Rockett Company Secretary

TERMRIM CONSTRUCTION LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2022

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

Directors

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

G C Bird

Ms B J Rockett

S Bateman

J M McGarvey

S J Taylor

(Resigned 31 December 2022)

Dividends

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

Disclosure of information in the strategic report

In accordance with Section 414C(11), Companies Act 2006, the following information required to be contained in this report is set out in the company's Strategic Report on page 2: principal activities, business review, future developments, financial risks and research and development.

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. 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 24 May 2023 and signed on behalf of the board by:

Ms B J Rockett Company Secretary

TERMRIM CONSTRUCTION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERMRIM CONSTRUCTION LIMITED

YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Termrim Construction Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, balance sheet, 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 31 December 2022 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.

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.

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.

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.

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: Obtained an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework; Assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur; Ensured whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations; Gained clear understanding of the entity's current activities, the scope of its authorisation and confirmed the effectiveness of its control environment where the entity is a regulated entity; 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.

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.

D M Butterworth

(Senior Statutory Auditor)

For and on behalf of

Wheawill & Sudworth Limited

Chartered Accountants & statutory auditor

35 Westgate

Huddersfield

HD1 1PA

24 May 2023

TERMRIM CONSTRUCTION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Note	£	£
Turnover	4	23,749,861	14,920,737
Cost of sales		(21,310,658)	(13,026,156)
Gross profit		2,439,203	1,894,581
Administrative expenses		(920,446)	(956,365)
Other operating income	5	7,758	—
Operating profit	6	1,526,515	938,216
Other interest receivable and similar income	10	592	333
Profit before taxation		1,527,107	938,549
Tax on profit	11	(291,759)	57,477
Profit for the financial year and total comprehensive income		1,235,348	996,026
Dividends paid and payable	12	(142,000)	(205,350)
Retained earnings at the start of the year		7,600,173	6,809,497
Retained earnings at the end of the year		8,693,521	7,600,173

All the activities of the company are from continuing operations.

TERMRIM CONSTRUCTION LIMITED

BALANCE SHEET

31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	73,209	41,230
Current assets			
Debtors	14	11,790,872	9,747,188
Cash at bank and in hand		2,179,601	2,836,964
		13,970,473	12,584,152
Creditors: amounts falling due within one year	15	(5,322,866)	(5,005,818)
Net current assets		8,647,607	7,578,334
Total assets less current liabilities		8,720,816	7,619,564
Provisions			
Taxation including deferred tax	16	(17,295)	(9,391)
Net assets		8,703,521	7,610,173
Capital and reserves			
Called up share capital	19	10,000	10,000
Profit and loss account	20	8,693,521	7,600,173
Shareholders funds		8,703,521	7,610,173

These financial statements were approved by the board of directors and authorised for issue on 24 May 2023 , and are signed on behalf of the board by:

G C Bird

Director

J M McGarvey

Director

Company registration number: 1263512

TERMRIM CONSTRUCTION LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	1,235,348	996,026
<i>Adjustments for:</i>		
Depreciation of tangible assets	16,377	13,894
Other interest receivable and similar income	(592)	(333)
Tax on profit	291,759	(57,477)
<i>Changes in:</i>		
Trade and other debtors	(2,043,684)	(1,338,574)
Trade and other creditors	88,144	696,474
Cash generated from operations	(412,648)	310,010
Interest received	592	333
Tax (paid)/received	(53,869)	34,948
Net cash (used in)/from operating activities	(465,925)	345,291
Cash flows from investing activities		
Purchase of tangible assets	(48,356)	(3,563)
Net cash used in investing activities	(48,356)	(3,563)
Cash flows from financing activities		
Proceeds from borrowings	(1,082)	(11,271)
Dividends paid	(142,000)	(205,350)
Net cash used in financing activities	(143,082)	(216,621)
Net (decrease)/increase in cash and cash equivalents	(657,363)	125,107
Cash and cash equivalents at beginning of year	2,836,964	2,711,857
Cash and cash equivalents at end of year	2,179,601	2,836,964

TERMRIM CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1 Pellon Place, Dyson Wood Way, Bradley Business Park, Huddersfield, HD2 1GT.

2. Statement of compliance

The financial statements have been prepared in compliance with FRS 102 Section 1A, '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. The financial statements are prepared in sterling, which is the functional currency of the entity and are rounded to the nearest £.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of income and retained earnings.

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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. 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. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of turnover are as follows: **Construction Contracts** When the outcome of a construction contract can be estimated reliably, contract costs and turnover are recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to surveyor valuations. Where the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable. When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision. Where the collectability of an amount already recognised as contract revenue is no longer probable, the uncollectible amount is expensed rather than recognised as an adjustment to the amount of contract revenue. **Rendering of Services** When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Taxation

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, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have not arisen but not reversed by the balance sheet date, except as required by FRS19. Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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:

Plant & Machinery	-	15% reducing balance
Fixtures & Fittings	-	15% reducing balance/33% straight line
Motor Vehicles	-	25% reducing balance

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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

The company contributes to defined contribution pension schemes, the amount charged to the statement of income and retained earnings is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.

Other operating income

Other operating income is recognised on an accruals basis.

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Rendering of services	28,206	9,133
Construction contracts	23,721,655	14,911,604
	<u>23,749,861</u>	<u>14,920,737</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

	2022	2021
	£	£
R&D expenditure credit	7,758	—
	<u>7,758</u>	<u>—</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	16,377	13,894
Operating lease rentals	65,762	81,641
	<u>65,762</u>	<u>81,641</u>

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	8,000	8,230
	<u>8,000</u>	<u>8,230</u>

8. Staff costs

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

	2022	2021
	No.	No.
Direct and contracting	16	15
Directors, management and administration	9	9
	<u>25</u>	<u>24</u>

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

	2022	2021
	£	£
Wages and salaries	1,928,257	1,401,464
Social security costs	146,901	130,826
Other pension costs	50,174	49,508
	<u>2,125,332</u>	<u>1,581,798</u>

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£	£
Remuneration	221,210	257,228
Company contributions to defined contribution pension plans	21,962	25,162
	<u>243,172</u>	<u>282,390</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2022	2021
	No.	No.
Defined contribution plans	5	5
	<u>5</u>	<u>5</u>

Remuneration of the highest paid director in respect of qualifying services:

	2022	2021
	£	£
Aggregate remuneration	102,729	94,094
Company contributions to defined contribution pension plans	6,195	6,748
	<u>108,924</u>	<u>100,842</u>

10. Other interest receivable and similar income

	2022	2021
	£	£
Other interest receivable and similar income	592	333
	<u>592</u>	<u>333</u>

11. Tax on profit

Major components of tax expense/(income)

	2022	2021
	£	£
Current tax:		
UK current tax expense	283,987	54,000
Adjustments in respect of prior periods	(132)	(111,948)
	<u>283,855</u>	<u>(57,948)</u>
Deferred tax:		
Origination and reversal of timing differences	7,904	471
	<u>7,904</u>	<u>471</u>
Tax on profit	<u>291,759</u>	<u>(57,477)</u>

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19 % (2021: 19 %).

	2022	2021
	£	£
Profit on ordinary activities before taxation	1,527,107	938,549
Profit on ordinary activities by rate of tax	290,150	178,324
Adjustment to tax charge in respect of prior periods	(132)	(111,948)
Effect of expenses not deductible for tax purposes	94	–
Effect of capital allowances and depreciation	(266)	(166)
Rounding on tax charge	16	131
Effect of change in tax rate on deferred tax opening position	(2,254)	–
Effect of change in tax rate on deferred tax closing position	4,151	2,254
Additional deduction for R&D expenditure	–	(70,555)
Group relief	–	(55,517)
Tax on profit	291,759	(57,477)

12. Dividends

	2022	2021
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	142,000	205,350

13. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2022	64,183	152,649	32,657	249,489
Additions	–	48,356	–	48,356
At 31 December 2022	64,183	201,005	32,657	297,845
Depreciation				
At 1 January 2022	59,676	132,398	16,185	208,259
Charge for the year	687	11,586	4,104	16,377
At 31 December 2022	60,363	143,984	20,289	224,636
Carrying amount				
At 31 December 2022	3,820	57,021	12,368	73,209
At 31 December 2021	4,507	20,251	16,472	41,230

14. Debtors

	2022	2021
	£	£
Amounts owed by group undertakings	9,484,762	8,529,317
Amounts owed by customers on construction contracts	2,024,674	978,131
Prepayments and accrued income	186,201	138,475
Other debtors	95,235	101,265
	11,790,872	9,747,188

The debtors above include the following amounts repayable on demand but recoverable after more than one year:

	2022	2021
	£	£
Amounts due from group undertakings	9,484,762	8,529,317
	-----	-----

15. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	2,325,225	2,354,301
Accruals and deferred income	177,020	134,955
Corporation tax	276,228	54,000
Social security and other taxes	75,088	50,125
Amounts owed to customers on construction contracts	2,451,485	2,393,535
Director loan accounts	17,820	18,902
	-----	-----
	5,322,866	5,005,818
	-----	-----

16. Provisions

	Deferred tax (note 17) £
At 1 January 2022	9,391
Additions	7,904

At 31 December 2022	17,295

17. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2022	2021
	£	£
Included in provisions (note 16)	17,295	9,391
	-----	-----

The deferred tax account consists of the tax effect of timing differences in respect of:

	2022	2021
	£	£
Accelerated capital allowances	18,302	10,308
Pension plan obligations	(1,007)	(917)
	-----	-----
	17,295	9,391
	-----	-----

There is no expiry date on timing differences.

18. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution pension plans was £ 28,212 (2021: £ 24,346).

19. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £ 1 each	10,000	10,000	10,000	10,000

20. Reserves

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

21. Analysis of changes in net debt

	At 1 Jan 2022	Cash flows	At 31 Dec 2022
	£	£	£
Cash at bank and in hand	2,836,964	(657,363)	2,179,601
Debt due within one year	(18,902)	1,082	(17,820)
	2,818,062	(656,281)	2,161,781

22. Operating leases

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

	2022	2021
	£	£
Not later than 1 year	—	23,469
Later than 1 year and not later than 5 years	—	13,000
	—	36,469

23. Contingencies

The company is party to a composite guarantee and debenture with other group companies in relation to group borrowings.

24. Related party transactions

Included in creditors are directors' loan accounts at 31 December 2022 of £17,820 (2021: £18,902). These are unsecured, repayable on demand and are currently interest free. Included in debtors are amounts due from group companies totalling £9,484,762 (2021: £8,529,317). These loans are unsecured, repayable on demand and are currently interest free.

25. Controlling party

The direct parent company is Patrick Construction Group Limited. The ultimate parent company is Patrick Construction (Holdings) Limited

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.