

Registered number: 01810549

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**NEPTUNE BUILDING SERVICES LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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## NEPTUNE BUILDING SERVICES LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Mark Hamlin Mark Hanlon Carl Nock Daniel O'Leary John Trueman (resigned 1 April 2021)
<b>Company secretary</b>	Mark Hamlin
<b>Registered number</b>	01810549
<b>Registered office</b>	Neptune Building Services Limited Meadow House 12 Sabre Close Quedgeley Gloucestershire GL2 4NZ
<b>Independent auditors</b>	Randall and Payne LLP Shurdington Road Shurdington Cheltenham Gloucestershire GL51 4GA
<b>Bankers</b>	Lloyds Bank plc Eastgate Street Gloucester Gloucestershire GL1 1NU
<b>Solicitors</b>	Hopson Solicitors 2 Imperial Square Cheltenham Gloucestershire GL50 1QB

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## NEPTUNE BUILDING SERVICES LIMITED

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## NEPTUNE BUILDING SERVICES LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### Introduction

The Directors present their strategic report for the year ended 30 September 2021 for Neptune Building Services Limited.

Following the restructuring of the company in 2020, the business has continued to maintain its current client base whilst attracting new, so developing a comprehensive order book for the year and into the next.

The Directors have sort to mitigate the ongoing effects of COVID and BREXIT which saw increased costs and the reduced availability of materials, and are very optimistic for the future 12 months.

#### Business review

The company's key financial performance indicators were as follows:

	2021	2020
Gross profit percentage	21.13%	15.80%
Profit/(loss) before tax	214,936	229,742
Net assets	1,799,790	1,457,499

#### Principal risks and uncertainties

The Company is subject to competition for its services from competitors, however the directors are confident of the company's ability to win new work as a result of its high standards of service.

The company is also exposed to an element of credit risk and the Company has developed strict credit control guidelines and checks to minimise potential bad debts, however due to the major effects of COVID a long standing reputable contractor has gone into liquidation, but we have been able to successfully trade through and deliver a profitable year.

Health and safety is a risk for the industry. The directors regularly discuss health and safety risks and have ongoing procedures to minimise such risks.

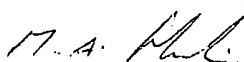
#### Financial risk management objectives and policies

The financial risk management objectives of the company are set by the board of directors with a view to minimising exposure to credit risk, liquidity risk and cash flow risk. The Company does not use derivatives.

#### Future Developments

With the understanding of our clients knowing they are procuring services with a reliable and efficient contractor, we have maintained and continue to grow our client base going into 2022, allowing us to mitigate the financial risks of operating in the current financial climate.

This report was approved by the board on 11 January 2022 and signed on its behalf.



Mark Hamlin  
Director



Daniel O'Leary  
Director



Mark Hanlon  
Director



Carl Nock  
Director

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## NEPTUNE BUILDING SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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The directors present their report and the financial statements for the year ended 30 September 2021.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £664,791 (2020 - £179,752).

Dividends of £322,500 (2020:£990,000) were paid during the period. No final dividend has been recommended by the directors (2020:£nil)

#### Directors

The directors who served during the year were:

Mark Hamlin  
Mark Hanlon  
Carl Nock  
Daniel O'Leary  
John Trueman (resigned 1 April 2021)

#### Strategic Report

The company has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the company's strategic report information required by Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch 7 to be contained in the director's report. It has done so in respect of future developments and research and development activities.

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NEPTUNE BUILDING SERVICES LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

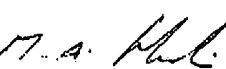
**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

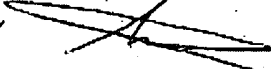
**Auditors**

The auditors, Randall and Payne LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 January 2022 and signed on its behalf.



Mark Hamlin  
Director



Daniel O'Leary  
Director



Mark Hanlon  
Director



Carl Nock  
Director

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## NEPTUNE BUILDING SERVICES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEPTUNE BUILDING SERVICES LIMITED

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#### Opinion

We have audited the financial statements of Neptune Building Services Limited (the 'Company') for the year ended 30 September 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 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 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

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## NEPTUNE BUILDING SERVICES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEPTUNE BUILDING SERVICES LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinion 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 set out on page 2, 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.



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## NEPTUNE BUILDING SERVICES LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEPTUNE BUILDING SERVICES LIMITED (CONTINUED)

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#### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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:

we obtained an understanding of the legal and regulatory frameworks that are applicable to the Academy. These include but are not limited to compliance with the Companies Act 2006, Financial Reporting Standard applicable in the UK, the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency;

- . we agreed the financial statement disclosures to supporting documentation;
- . we made enquiries of management; and
- . we reviewed board minutes throughout the year

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



Ryan Moore CA (Senior statutory auditor)

for and on behalf of

**Randall and Payne LLP**

Chartered Accountants & Statutory Auditors

Shurdington Road  
Shurdington  
Cheltenham  
Gloucestershire  
GL51 4GA

Date: 11 January 2022

**NEPTUNE BUILDING SERVICES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 <i>restated</i> £
Turnover		10,462,092	12,083,626
Cost of sales		(8,251,527)	(10,174,122)
<b>Gross profit</b>		<u>2,210,565</u>	<u>1,909,504</u>
Administrative expenses		(1,995,629)	(1,672,527)
<b>Operating profit</b>		<u>214,936</u>	<u>236,977</u>
Interest payable and similar expenses		(11,694)	(7,235)
<b>Profit before tax</b>		<u>203,242</u>	<u>229,742</u>
Tax on profit		461,549	(49,990)
<b>Profit for the financial year</b>		<u>664,791</u>	<u>179,752</u>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<u>664,791</u>	<u>179,752</u>

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

**NEPTUNE BUILDING SERVICES LIMITED**  
**REGISTERED NUMBER: 01810549**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £	2020 restated £
<b>Fixed assets</b>			
Tangible assets	12	556,178	606,565
		<u>556,178</u>	<u>606,565</u>
<b>Current assets</b>			
Stocks	14	641,017	799,110
Debtors: amounts falling due after more than one year	15	137,326	106,574
Debtors: amounts falling due within one year	15	1,801,207	1,602,204
Cash at bank and in hand	16	855,935	605,518
		<u>3,435,485</u>	<u>3,113,406</u>
Creditors: amounts falling due within one year	17	(1,875,432)	(1,868,353)
<b>Net current assets</b>		<u>1,560,053</u>	<u>1,245,053</u>
<b>Total assets less current liabilities</b>		<u>2,116,231</u>	<u>1,851,618</u>
Creditors: amounts falling due after more than one year	18	(250,833)	(320,833)
<b>Provisions for liabilities</b>			
Deferred tax	21	(31,338)	(31,157)
Other provisions		(34,270)	(42,129)
		<u>(65,608)</u>	<u>(73,286)</u>
<b>Net assets</b>		<u><u>1,799,790</u></u>	<u><u>1,457,499</u></u>
<b>Capital and reserves</b>			
Called up share capital		45,000	45,000
Capital redemption reserve		255,000	255,000
Profit and loss account		1,499,790	1,157,499
		<u><u>1,799,790</u></u>	<u><u>1,457,499</u></u>

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NEPTUNE BUILDING SERVICES LIMITED  
REGISTERED NUMBER: 01810549

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BALANCE SHEET (CONTINUED)  
AS AT 30 SEPTEMBER 2021

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on

*11 January 2022.*

Mark Hamlin  
Director

*M. Hamlin*

Daniel O'Leary  
Director

*[Signature]*

Mark Hanlon  
Director

*M. Hanlon*

Carl Nock  
Director

*C. Nock*

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

**NEPTUNE BUILDING SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2020	45,000	255,000	1,157,499	1,457,499
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	664,791	664,791
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	664,791	664,791
Dividends: Equity capital	-	-	(322,500)	(322,500)
<b>Total transactions with owners</b>	-	-	(322,500)	(322,500)
<b>At 30 September 2021</b>	<b>45,000</b>	<b>255,000</b>	<b>1,499,790</b>	<b>1,799,790</b>

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

**NEPTUNE BUILDING SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2019	45,000	255,000	1,967,747	2,267,747
<b>Comprehensive income for the year</b>				
Profit for the year restated	-	-	179,752	179,752
<b>Other comprehensive income for the year</b>				
	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	179,752	179,752
Dividends: Equity capital	-	-	(990,000)	(990,000)
<b>Total transactions with owners</b>	-	-	(990,000)	(990,000)
<b>At 30 September 2020 restated</b>	<b>45,000</b>	<b>255,000</b>	<b>1,157,499</b>	<b>1,457,499</b>

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

**NEPTUNE BUILDING SERVICES LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 restated £
<b>Cash flows from operating activities</b>		
Profit for the financial year	664,791	179,752
<b>Adjustments for:</b>		
Depreciation of tangible assets	71,731	82,319
Loss on disposal of tangible assets	(1,100)	902
Finance Costs	11,694	2,320
Taxation charge	(461,549)	49,990
Decrease in stocks	158,094	247,098
(Increase)/decrease in debtors	(229,255)	725,679
(Increase) in amounts owed by groups	(500)	(21,300)
Increase/(decrease) in creditors	61,184	(778,446)
(Decrease) in provisions	(7,859)	(20,481)
Corporation tax received/(paid)	401,791	(273,266)
<b>Net cash generated from operating activities</b>	<u>669,022</u>	<u>194,567</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(21,345)	(4,615)
Sale of tangible fixed assets	1,100	225
<b>Net cash from investing activities</b>	<u>(20,245)</u>	<u>(4,390)</u>
<b>Cash flows from financing activities</b>		
New secured loans	-	385,000
Repayment of loans	(64,167)	-
Dividends paid	(322,500)	(990,000)
Interest paid	(11,693)	(2,320)
<b>Net cash used in financing activities</b>	<u>(398,360)</u>	<u>(607,320)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	250,417	(417,143)
Cash and cash equivalents at beginning of year	605,518	1,022,661
<b>Cash and cash equivalents at the end of year</b>	<u>855,935</u>	<u>605,518</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	855,935	605,518
	<u>855,935</u>	<u>605,518</u>

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**NEPTUNE BUILDING SERVICES LIMITED**

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



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NEPTUNE BUILDING SERVICES LIMITED

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ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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	At 1 October 2020 £	Cash flows £	At 30 September 2021 £
Cash at bank and in hand	605,518	250,417	855,935
Debt due after 1 year	(320,833)	68,229	(252,604)
Debt due within 1 year	(64,167)	(4,062)	(68,229)
	<u>220,518</u>	<u>314,584</u>	<u>535,102</u>

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

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## NEPTUNE BUILDING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 1. General information

Neptune Building Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Going concern

These financial statements are prepared on the going concern basis. The directors' attentions are focused on cash flow, liquidity and future contracts and upon the company's ability to continue as a going concern. Since emerging from the pandemic with building sites returning to normal the company has seen nearly full recovery of turnover due to measures easing and increasing demand for services, despite on-going supply chain issues due to Brexit.

The company has suffered a bad debt from an established main contractor in the year however this has been provided for in the financial statements and cashflow and budgets going forward are optimistic to continue the success of the business.

The furlough scheme was utilised to a lesser extent this financial year for employees which has helped the company's cashflow.

In order to ensure that the Business maintained the working capital required to trade through the uncertain times the Directors took advantage of additional funding of £385k from the application for a CBIL in the year ended 30 September 2020 where by interest on this loan has now come repayable in these financial statements.

Preparations of forecasts and budgets lead the directors to believe that the company will continue in operational existence for the foreseeable future.

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## NEPTUNE BUILDING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.3 Revenue

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 discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 2.4 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance the the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the prior year the Company received a Coronavirus Business Interruption Loan (CBIL). As part of the scheme the UK Government made Business Interruption payments to the lender to cover the first 12 months of interest payments and any lender-levied fees. During the year the interest payment holiday for the Company ended and interest payments as well as capital repayments have now become payable.

Both these elements above meet the FRS 102 definition of Government Grants and have been accounted for under the requirements of FRS102 Section 24.

##### 2.5 Finance costs

Finance costs are charged to profit or loss 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.

##### 2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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## NEPTUNE BUILDING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.7 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.8 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## NEPTUNE BUILDING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful life.

Depreciation is provided on the following basis:

Freehold property	- Not provided
Plant and machinery	- 25% on reducing balance
Motor vehicles	- 20% on cost
Office equipment	- 33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.10 Stocks

Where there is no contract to provide a service or product but there is ongoing work on that item at the balance sheet date, the value of work done as at the balance sheet date is included as work in progress. It is valued at the lower of cost and net realisable value, together with a proportion of fixed and variable overheads.

##### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## NEPTUNE BUILDING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.14 Provisions for liabilities

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 profit or loss 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.

##### 2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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.

##### 2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### 2.17 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that the total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. Where costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs in the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

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## NEPTUNE BUILDING SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operation leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charges to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received; are charges to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Domestic and contract sales	3,566,436	5,520,588
General Works	3,331,151	2,161,857
Air conditioning	1,025,425	588,971
Electrical department	2,539,080	3,812,210
	<u>10,462,092</u>	<u>12,083,626</u>

All turnover arose within the United Kingdom.

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NEPTUNE BUILDING SERVICES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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5. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Hire of plant and machinery	96,176	103,660
Loss/(profit) on disposal of fixed assets	(1,100)	902
Other operating lease rentals	85,140	61,455
Depreciation- owned assets	71,731	82,318
	<u>71,731</u>	<u>82,318</u>

6. Auditors' remuneration

	2021	2020
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,744	9,400
	<u>8,744</u>	<u>9,400</u>

Fees payable to the Company's auditor and its associates in respect of:

Other non-Audit services	750	5,870
Research and Development tax services	43,538	-
	<u>44,288</u>	<u>5,870</u>



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**NEPTUNE BUILDING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	2,884,522	2,885,271
Social security costs	251,419	289,549
Cost of defined contribution scheme	243,943	198,800
	<u>3,379,884</u>	<u>3,373,620</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Directors	5	5
Office staff	23	24
Operatives	52	54
	<u>80</u>	<u>83</u>

**8. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	304,184	213,858
Company contributions to defined contribution pension schemes	51,926	43,093
	<u>356,110</u>	<u>256,951</u>

During the year retirement benefits were accruing to 5 directors (2020 - 5 in respect of money purchase schemes).

The highest paid director received remuneration of £82,226 (2020 - £65,037).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,764 (2020 - £10,627).

During the year the Company reimbursed 2 Directors a total of £1,770 in respect of travel expenses incurred (2020 - £NIL).

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**NEPTUNE BUILDING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**9. Interest payable and similar expenses**

	2021 £	2020 <i>restated</i> £
Bank interest payable	11,694	7,235
	<u>11,694</u>	<u>7,235</u>

**10. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	(461,730)	59,939
	<u>(461,730)</u>	<u>59,939</u>
<b>Total current tax</b>	<u>(461,730)</u>	<u>59,939</u>
<b>Deferred tax</b>		
Deferred Tax	181	(9,949)
<b>Total deferred tax</b>	<u>181</u>	<u>(9,949)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(461,549)</u>	<u>49,990</u>

# NEPTUNE BUILDING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 10. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%) as set out below:

	2021 £	2020 £
Profit on ordinary activities before tax	203,242	229,742
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	38,616	42,717
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	856	2,437
Depreciation in excess of capital allowances	13,629	14,785
Deferred tax charge	181	(9,949)
Other tax adjustments	209	-
Capital allowances	(4,373)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge in the current year	(169,208)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge in relation to prior years	(232,522)	-
Adjustment in relation to prior periods	(108,937)	-
Total tax charge for the year	(461,549)	49,990

#### Factors that may affect future tax charges

There are no factors which the Directors consider may materially affect future tax charges.

### 11. Dividends

	2021 £	2020 £
Ordinary shares of £1 each interim	322,500	990,000
	322,500	990,000

**NEPTUNE BUILDING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**12. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 October 2020	426,691	92,878	372,962	149,438	1,041,969
Additions	-	1,585	15,000	4,759	21,344
Disposals	-	-	(17,383)	-	(17,383)
At 30 September 2021	426,691	94,463	370,579	154,197	1,045,930
<b>Depreciation</b>					
At 1 October 2020	-	81,633	214,588	139,183	435,404
Charge for the year on owned assets	-	3,029	60,096	8,606	71,731
Disposals	-	-	(17,383)	-	(17,383)
At 30 September 2021	-	84,662	257,301	147,789	489,752
<b>Net book value</b>					
At 30 September 2021	426,691	9,801	113,278	6,408	556,178
At 30 September 2020	426,691	11,246	158,373	10,255	606,565

As at 30 September 2021, depreciation on the freehold property has not been charged as the Directors consider that the current market value of the property is in excess of its cost value. The Directors have therefore adopted a true and fair override which is supported by a recent independent valuation of the property.

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	426,691	426,691
	<u>426,691</u>	<u>426,691</u>

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**NEPTUNE BUILDING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**13. Government Grants**

During the year Government grants were received under the Coronavirus job retention scheme for the amount of £41,325 (2020 - £472,269). The company received a bank loan in the prior year under the Corona virus business interruption scheme, amounting to £385,000. For the first 12 months of this loan the interest payments on the loan were covered by the Government however interest has now become payable during the year.

**14. Stocks**

	2021 £	2020 £
Long term contract balances	641,017	799,110
	<u>641,017</u>	<u>799,110</u>

Long term contract balances consist of:

	2021 £	2020 £
Amounts recoverable under contracts	641,017	799,110
	<u>641,017</u>	<u>799,110</u>

**15. Debtors**

	2021 £	2020 £
Due after more than one year		
Trade debtors (retentions)	137,326	106,574
	<u>137,326</u>	<u>106,574</u>

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**NEPTUNE BUILDING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**15. Debtors (continued)**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	1,083,872	1,394,597
Amounts owed by group undertakings	21,800	21,300
Other debtors	90,218	-
Prepayments	203,587	186,307
Tax recoverable	401,730	-
	<u>1,801,207</u>	<u>1,602,204</u>

**16. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	855,935	605,518
	<u>855,935</u>	<u>605,518</u>

**17. Creditors: Amounts falling due within one year**

	2021 £	2020 £
CBIL Loan	70,000	64,167
Trade creditors	1,531,460	1,374,714
Corporation tax	-	59,939
Other taxation and social security	95,054	218,139
Other creditors including payments received on account	32,051	97,391
Accruals	146,867	54,003
	<u>1,875,432</u>	<u>1,868,353</u>

**NEPTUNE BUILDING SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**18. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
CBIL Loan	250,833	320,833
	<u>250,833</u>	<u>320,833</u>

**19. Loans**

Analysis of the maturity of loans is given below:

	2021 £	2020 <i>restated</i> £
<b>Amounts falling due within one year</b>		
CBIL Loan	70,000	64,167
	<u>70,000</u>	<u>64,167</u>
<b>Amounts falling due 1-2 years</b>		
CBIL Loan	70,000	70,008
	<u>70,000</u>	<u>70,008</u>
<b>Amounts falling due 2-5 years</b>		
CBIL Loan	180,833	209,992
	<u>180,833</u>	<u>209,992</u>
<b>Amounts falling due after more than 5 years</b>		
CBIL Loan	-	40,833
	<u>-</u>	<u>40,833</u>
	<u>320,833</u>	<u>385,000</u>

The above borrowings represent a Coronavirus Business Interruption Loan (CBIL) from the Company's bankers. The loan is secured by fixed and floating charges over the undertaking and all property and assets. Repayment of the loan began 7 months from the date of drawdown and the interest rate on the loan is base rate (2020: 0.1%) plus 2.44%.

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**NEPTUNE BUILDING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**20. Financial instruments**

	2021 £	2020 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<u>855,935</u>	<u>605,518</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

**21. Deferred taxation**

	2021 £
At beginning of year	(31,157)
Charged to profit or loss	(181)
<b>At end of year</b>	<u><u>(31,338)</u></u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Balance brought forward	(31,157)	(41,106)
Accelerated capital allowances	(181)	9,949
	<u><u>(31,338)</u></u>	<u><u>(31,157)</u></u>



# NEPTUNE BUILDING SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 22. Provisions

	Remedial work provision £
At 1 October 2020	42,129
Charged to profit or loss	(7,859)
At 30 September 2021	<u>34,270</u>

### 23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
45,000 (2020 - 45,000) Ordinary shares of £1.00 each	<u>45,000</u>	<u>45,000</u>

### 24. Contingent liabilities

Neptune Building services Limited has given a secured guarantee to Neptune Building Services (Holdings) Limited's loan note holders, should Neptune Building Services (Holdings) Limited default on the repayments under the loan notes. While there is no indication that a claim will be made under the guarantee, and therefore any future claim cannot be quantified, the loan notes which are due to be repaid within seven years totalled £2,947,500 at the balance sheet date.

### 25. Charges

There is a fixed charge over the Company's freehold property and a floating charge over the assets of the Company.

### 26. Commitments under operating leases

At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	67,174	52,456
Later than 1 year and not later than 5 years	53,835	34,712
	<u>121,009</u>	<u>87,168</u>

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**NEPTUNE BUILDING SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**27. Director's advances, credits and guarantees**

During the year interest free loans were made to the Directors' of the company totalling £nil (2020 - £600,000) which were repaid prior to the year end.

**28. Ultimate Parent Company**

Neptune Building Services Limited became a wholly owned subsidiary of Neptune Building Services (Holdings) Limited during the prior year.

Neptune Building Services (Holdings) Limited is regarded by the directors as being the company's ultimate parent company.