

REGISTERED NUMBER: 02580900 (England and Wales)

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 April 2021**

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX



**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Contents of the Financial Statements
for the Year Ended 30 April 2021**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	8
Income Statement	12
Other Comprehensive Income	13
Balance Sheet	14
Statement of Changes in Equity	15
Notes to the Financial Statements	16
Trading and Profit and Loss Account	22

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Company Information
for the Year Ended 30 April 2021**

DIRECTORS:

B A Adams
S J Cutler
R J Mottram
M Head

SECRETARY:

Mrs L Smith

REGISTERED OFFICE:

61 Charlotte Street
St. Pauls Square
Birmingham
West Midlands
B3 1PX

BUSINESS ADDRESS:

Coombs Road
Halesowen
West Midlands
B62 8AE

REGISTERED NUMBER:

02580900 (England and Wales)

AUDITORS:

Michael Dufty Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Strategic Report
for the Year Ended 30 April 2021**

The directors present their strategic report for the year ended 30 April 2021.

REVIEW OF BUSINESS

The directors consider the key performance indicators of the company to be turnover, gross profit and profit before taxation. Although targets for the reporting year were achieved the current year will be challenging, but there are opportunities that will arise for the company.

Turnover for the year ended 30 April 2021 increased by 2.4% from £118.95 million to £121.76 million. The gross margin has decreased from 10.64% to 10.40% as the company continues to generate significant gross profits.

The profit before tax and dividends for the year is £6.30 million compared to a reported profit of £6.27 million in the prior year.

The company's shareholders' funds have increased to £6.90 million from £6.34 million in 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The company faces a number of risk and uncertainties that may have an impact of its operation or future performance.

The board and management have overall responsibility for risk management and internal control systems. It is important that the board effectively manage risk and opportunities in seeking to achieve the company's objectives.

The risks and uncertainties described below represent those which the directors consider to be most significant in achieving the company's objectives.

- UK economic conditions, the continuing difficult trading conditions could have a detrimental impact on the business.
- Health and safety law, any transgressions could lead to injury to clients or employees, reputational damage, fines and potentially costly compliance procedures.

Whilst uncertainty still remains with COVID-19 the company is in a strong position and has traded through successfully whilst fully observing government guidelines, its resilience supported by a healthy order book. The directors are confident that it has the necessary financial and human resources available to prosper as markets begin to return and lockdown measures ease.

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Strategic Report
for the Year Ended 30 April 2021**

SECTION 172(1) STATEMENT

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is reported for the first time, explains how A. & H. Construction and Developments Plc Directors:

- 1) have engaged with employees, suppliers, customers and others; and
- 2) have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to A. & H. Construction and Development Plc, and the level of information disclosed is consistent with the size and the complexity of the business.

General confirmation of Directors' duties

When making decisions, each Director ensures that he acts in the way he considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) "The likely consequences of any decision in the long term "

The Directors understand the business and the evolving environment in which we operate, including the challenges of delivering high quality projects within budget cost plan. The strategy set by the Board is intended to strengthen our position as a leading construction company while keeping safety and social responsibility fundamental to our business approach.

S172(1) (B) "The interests of the company's employees"

The Directors recognise that A&H Construction employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with customers and suppliers. A&H Construction seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships, which are reviewed and approved by the Board periodically. The Board also reviews and approves A&H Construction approach to suppliers. The businesses continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics.

S172(1) (D) "The impact of the company's operations on the community and the environment"

This aspect is inherent in our strategic ambitions, most notably a review of the significant effects of a development on the environment. The review covers the direct effects and any indirect, secondary, cumulative, short, medium and long-term, permanent and temporary, positive and negative effects of the development.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

The Board periodically reviews and approves its business frameworks to ensure that its high standards are maintained both within A&H Construction and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken and that A&H Construction acts in a way that promote high standards of business conduct.

S172(1) (F) "The need to act fairly as between members of the company"

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Strategic Report
for the Year Ended 30 April 2021**

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

EMPLOYEES

The company is fortunate to have a dedicated and loyal work force whose continuing support and hard work has once again helped to strengthen the business.

SUPPLIER PAYMENT POLICY

The group agrees terms and conditions for its business transactions with suppliers before orders are placed. Payments are then made in accordance with these obligations.

The year end trade creditors expressed as a number of days was 39 (2020: 18).

STRATEGIC PRIORITIES

The board and management of A. & H. Construction & Developments Plc are committed to continue to deliver the reliable, responsible performance which the company has enjoyed over recent years.

OUTLOOK

The company currently has a good order book despite operating in a difficult market. The board are clear about the priorities required for continued development of the business in both the medium and long term and have the proven management capability to deliver.

ON BEHALF OF THE BOARD:



Mrs L Smith - Secretary

11 October 2021

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Report of the Directors
for the Year Ended 30 April 2021**

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of building and maintenance work.

DIVIDENDS

An interim dividend was paid during the year at a rate of £90.00 per share on 30 April 2021 on the ordinary shares. The directors recommend that no final dividend be paid on these shares.

Interim dividends were paid throughout the year at a rate of £3.00 per share on 28 May 2020, £5.00 per share on 7 December 2020 and £24.00 per share on 8 December 2020 on the A preference £1 shares. The directors recommend that no final dividend be paid on these shares.

No dividends were paid on the B preference £1 shares during the year. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 30 April 2021 was £4,532,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2020 to the date of this report.

B A Adams
S J Cutler
R J Mottram
M Head

The director B A Adams has a 100% shareholding in the holding company A&H Construction & Developments (Holdings) Limited.

POLITICAL DONATIONS AND EXPENDITURE

During the year the company paid charitable donations of £nil (2020 £750).

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Report of the Directors
for the Year Ended 30 April 2021**

ENVIRONMENT

The company has used the control approach, whereby the company accounts for 100 percent of the GHG emission (and energy) over which it has control. The report is at group level and includes information of subsidiaries.

The company records information on its Electricity, Fuel, Transport and Water usage across its sites. Emissions calculated as kWh / (tCO₂e) tonnes of carbon dioxide equivalent using Conversion factors listed from the UK Government GHG Conversion Factors for Company Reporting for each of Scope 1, 2 & 3.

We are unable to identify to the full extent Scope 3 emissions outreaching along our supply chain and end uses of the premises constructed.

		2021
Total energy consumption in kWh		1,380,275
		tCO ₂ e
Scope 1	Direct gas	2.65
	Petrol/diesel	257.42
Scope 2	Electricity	37.81
Scope 3	Emission from business travel	50.99
	Water	0.13
		<hr/>
		349.00
		<hr/>
Emission intensity	tCO ₂ e per £1 million of turnover	2.87

We have taken the following measures to improve energy efficiency:

- We are now adding hybrid vehicles to our company car fleet.
- Electric vehicle charging points have been installed at our offices to enable a wider use of hybrid and electric vehicles.
- Motion detector sensors have been installed in the offices to only switch on lights when the area is in use.
- We continue to investigate modern methods of construction in order to further reduce the carbon footprint of our construction projects.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Report of the Directors
for the Year Ended 30 April 2021**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Michael Dufty Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mrs L Smith - Secretary

11 October 2021

**Report of the Independent Auditors to the Members of
A. & H. Construction and Developments
Plc**

Opinion

We have audited the financial statements of A. & H. Construction and Developments Plc (the 'company') for the year ended 30 April 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

**Report of the Independent Auditors to the Members of
A. & H. Construction and Developments
Plc**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

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

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

**Report of the Independent Auditors to the Members of
A. & H. Construction and Developments
Plc**

Auditors' responsibilities for the audit of the financial statements

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

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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations relating to employment and tax legislation, data protection rules, anti-bribery, environmental law and the Health and Safety Executive legislation. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the UK Corporate Governance Code. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fraudulent financial reporting and management bias in accounting estimate. Audit procedures performed by the engagement team included, but were not limited to:

Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

Reading key correspondence with external legal advisors;

Challenging assumptions and judgements made by management in their significant accounting estimates;

Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, unusual words and unusual users.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional omissions, misrepresentations, collusion or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

**Report of the Independent Auditors to the Members of
A. & H. Construction and Developments
Plc**

Use of our report

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

Michael Duffy Partnership Limited.

Robert MacLaren ACA FCCA (Senior Statutory Auditor)
for and on behalf of Michael Duffy Partnership Limited
Statutory Auditors
59-61 Charlotte Street
St Pauls Square
Birmingham
West Midlands
B3 1PX

11 October 2021

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Income Statement
for the Year Ended 30 April 2021**

	Notes	2021 £	2020 £
TURNOVER		121,759,537	118,945,328
Cost of sales		109,091,621	106,278,723
GROSS PROFIT		12,667,916	12,666,605
Administrative expenses		6,423,255	6,539,600
		6,244,661	6,127,005
Other operating income		30,000	38,233
OPERATING PROFIT	4	6,274,661	6,165,238
Interest receivable and similar income		25,407	104,226
PROFIT BEFORE TAXATION		6,300,068	6,269,464
Tax on profit	5	1,204,956	1,261,515
PROFIT FOR THE FINANCIAL YEAR		5,095,112	5,007,949

The notes form part of these financial statements

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Other Comprehensive Income
for the Year Ended 30 April 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		5,095,112	5,007,949
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,095,112</u>	<u>5,007,949</u>

The notes form part of these financial statements

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC (REGISTERED NUMBER: 02580900)**

**Balance Sheet
30 April 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	7	349,859	502,649
CURRENT ASSETS			
Stocks	8	3,287,113	3,191,467
Debtors	9	25,094,863	17,443,931
Cash at bank		27,866,285	21,082,433
		<u>56,248,261</u>	<u>41,717,831</u>
CREDITORS			
Amounts falling due within one year	10	<u>49,689,226</u>	<u>35,853,012</u>
NET CURRENT ASSETS		<u>6,559,035</u>	<u>5,864,819</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,908,894</u>	<u>6,367,468</u>
PROVISIONS FOR LIABILITIES	11	<u>6,019</u>	<u>27,705</u>
NET ASSETS		<u><u>6,902,875</u></u>	<u><u>6,339,763</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	52,000	52,000
Retained earnings	13	<u>6,850,875</u>	<u>6,287,763</u>
SHAREHOLDERS' FUNDS		<u><u>6,902,875</u></u>	<u><u>6,339,763</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 October 2021 and were signed on its behalf by:



B A Adams - Director

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Statement of Changes in Equity
for the Year Ended 30 April 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2019	52,000	5,784,314	5,836,314
Changes in equity			
Dividends	-	(4,504,500)	(4,504,500)
Total comprehensive income	-	5,007,949	5,007,949
Balance at 30 April 2020	<u>52,000</u>	<u>6,287,763</u>	<u>6,339,763</u>
Changes in equity			
Dividends	-	(4,532,000)	(4,532,000)
Total comprehensive income	-	5,095,112	5,095,112
Balance at 30 April 2021	<u><u>52,000</u></u>	<u><u>6,850,875</u></u>	<u><u>6,902,875</u></u>

The notes form part of these financial statements

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Notes to the Financial Statements
for the Year Ended 30 April 2021**

1. STATUTORY INFORMATION

A. & H. Construction and Developments Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Government grants

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Stocks

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

Long term contracts are stated at net cost less foreseeable losses less any applicable payments on account. The amount recorded as turnover in respect of long term contracts is ascertained by reference to the value of the work carried out to date. Attributable profit is recognised as the difference between recorded turnover and related costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

Turnover and revenue recognition

Turnover comprises the fair value of the consideration received or receivable, net of value added tax.

Turnover is recognised as follows:

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 balance sheet date. This is normally measured by surveys of work performed to date. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	6,375,767	6,144,856
Social security costs	802,375	784,258
Other pension costs	152,102	155,775
	<u>7,330,244</u>	<u>7,084,889</u>

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

	2021	2020
Production staff	33	37
Office and management	34	34
	<u>67</u>	<u>71</u>

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

3. EMPLOYEES AND DIRECTORS - continued

	2021 £	2020 £
Directors' remuneration	<u>2,208,375</u>	<u>1,979,032</u>

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

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	<u>732,600</u>	<u>682,600</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2021 £	2020 £
Plant hire	2,004,498	1,879,509
Other operating leases	5,099	5,315
Depreciation - owned assets	220,494	243,506
Loss on disposal of fixed assets	-	4,323
Auditors' remuneration	17,950	17,950
Operating leases - land and buildings	22,000	22,000
Auditors remuneration non-audit	<u>2,979</u>	<u>3,229</u>

5. TAXATION

Analysis of the tax charge

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

	2021 £	2020 £
Current tax:		
UK corporation tax	1,226,642	1,247,743
Deferred tax	<u>(21,686)</u>	<u>13,772</u>
Tax on profit	<u>1,204,956</u>	<u>1,261,515</u>

UK corporation tax has been charged at 19% (2020 - 19%).

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

5. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Profit before tax	6,300,068	6,269,464
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,197,013	1,191,198
Effects of:		
Expenses not deductible for tax purposes	7,943	66,312
Capital allowances in excess of depreciation	-	(9,767)
Depreciation in excess of capital allowances	21,686	-
Deferred tax movement	(21,686)	13,772
Total tax charge	1,204,956	1,261,515

6. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim - ordinary shares	4,500,000	4,500,000
A Preference shares of £1 each		
Interim - A preference shares	32,000	4,500
	4,532,000	4,504,500

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 May 2020	386,300	334,044	1,065,514	1,785,858
Additions	-	609	67,095	67,704
Disposals	-	-	(195,872)	(195,872)
At 30 April 2021	386,300	334,653	936,737	1,657,690
DEPRECIATION				
At 1 May 2020	295,807	294,873	692,529	1,283,209
Charge for year	34,857	12,470	173,167	220,494
Eliminated on disposal	-	-	(195,872)	(195,872)
At 30 April 2021	330,664	307,343	669,824	1,307,831
NET BOOK VALUE				
At 30 April 2021	55,636	27,310	266,913	349,859
At 30 April 2020	90,493	39,171	372,985	502,649

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

8. STOCKS

	2021 £	2020 £
Net costs less foreseeable losses	3,287,113	3,191,467

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Amounts recoverable on contract	22,289,363	14,799,429
Other debtors	5,594	8,170
Owed by related parties	2,217,732	2,211,541
Prepayments	582,174	424,791
	<u>25,094,863</u>	<u>17,443,931</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	24,188,047	16,211,328
Corporation tax	545,438	598,962
Social security and other taxes	3,963,466	1,046,299
Owed to group undertakings	16,282,679	13,454,792
Directors' current accounts	1,200,087	1,285,321
Accrued expenses	3,509,509	3,256,310
	<u>49,689,226</u>	<u>35,853,012</u>

11. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	6,019	27,705
		Deferred tax
		£
Balance at 1 May 2020		27,705
Provided during year		(21,686)
Balance at 30 April 2021		<u>6,019</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
50,000	Ordinary	£1	50,000	50,000
1,000	A Preference	£1	1,000	1,000
1,000	B Preference	£1	1,000	1,000
			<u>52,000</u>	<u>52,000</u>

**A. & H. CONSTRUCTION AND DEVELOPMENTS
PLC**

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2021**

12. CALLED UP SHARE CAPITAL - continued

The ordinary shares carry the voting rights and the right to participate in a dividend. The A and B preference shares carry no voting rights, have the right to participate in a dividend and rank prior to the ordinary shares if the company is subject to any winding up procedures.

13. RESERVES

	Retained earnings £
At 1 May 2020	6,287,763
Profit for the year	5,095,112
Dividends	(4,532,000)
	<hr/>
At 30 April 2021	<u>6,850,875</u>

14. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of A&H Construction and Developments (Holdings) Limited, a company registered in England.

15. RELATED PARTY DISCLOSURES

The company is exempt from disclosing inter-group transactions and balances in accordance with Financial Reporting Standard 102 Section 33.1A.

At the balance sheet date the company was owed £333,461 (2020 - £327,270) by St Kenelm Properties Plc a company in which the director, B Adams, has a controlling interest.

At the balance sheet date the company was owed £439 (2020 - £439) by G & F Properties Limited a company in which the directors have a controlling interest.

At the balance sheet date the company was owed £1,883,832 (2020 - £1,883,832) by Corbesley Properties Limited a company in which the director, B Adams, has a controlling interest.

At the balance sheet date the company was owed £nil (2020 - £nil) by BAA Management Limited a company in which the director, B Adams, has a controlling interest.

On 30 April 2021 the balance receivable of £31,235 (2020 - £311,975) from BAA Management Limited was written off as it was deemed not collectable.

16. ULTIMATE CONTROLLING PARTY

The company was controlled throughout the current and previous year by a director, B A Adams, by virtue of his 100% shareholding in the company's parent company, A&H Construction and Development (Holdings) Limited.