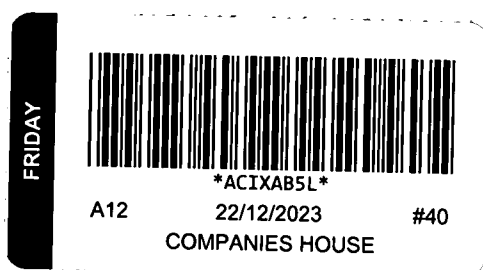


REGISTERED NUMBER: 03163497 (England and Wales)

**Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 March 2023
for
Creditscale Limited**



**Contents of the Consolidated Financial Statements
for the Year Ended 31 March 2023**

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Creditscale Limited

**Company Information
for the Year Ended 31 March 2023**

DIRECTORS:

J Finley
V Finley
J Raistrick
G J Finley

SECRETARY:

J Raistrick

REGISTERED OFFICE:

Whinbank Road
Aycliffe Business Park
NEWTON AYCLIFFE
Co Durham
DL5 6AY

REGISTERED NUMBER:

03163497 (England and Wales)

SENIOR STATUTORY AUDITOR: Kevin Shotton BA BFP FCA

AUDITORS:

Clive Owen LLP
Chartered Accountants
& Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

**Group Strategic Report
for the Year Ended 31 March 2023**

The directors present their strategic report of the company and the group for the year ended 31 March 2023.

The principal activity of the business is that of an investment holding company.

The principal activity of Finley Structures Ltd and S.C.H. Site Services Ltd in the year under review was that of design, detail, supply, fabrication and installation of structural steelwork to the construction industry and its related activities.

REVIEW OF BUSINESS

The results of the group show a pre-tax profit for the year of £1,690,680 (2022: £234,814) and turnover of £28,381,765 (2022: £24,896,799). The gross profit percentage for the period is 13.7% (2022: 7.6%).

The improved margin largely stems from adverse material price increases in the prior year. This has now been rectified with new contracts being negotiated to factor in these material price increases.

The biggest challenges facing the group going forward will be the exceptional rise in utilities. With the risk of utilities we have invested in Solar Panels to reduce the financial impact for 2023 and beyond.

Creditscale Limited was impacted by COVID-19 during 2020/21 due to agreeing rent free periods to tenants who were impacted by the pandemic. Since then, the reducing impact has seen current year profitability increasing.

Finley Structures Ltd is one of the leading structural steelwork contractors with a highly experienced workforce capable of delivering projects from simple frames to complex structures. With factory and offices located in County Durham, the business is well established in the industry delivering in excess of 10,000 tonnes of steel to all market sectors.

S.C.H Site Services Ltd is again well recognised within the industry which offers a combination of structural and secondary steelwork, refurbishments and with site teams that are multi skilled and experienced. With a factory and offices in County Durham, the business manufactures and installs in excess of 5,000 tonnes of steel to all market sectors.

A very positive picture for S.C.H as the lessened impact of COVID has seen sales and profitability continue to increase during the year.

**Group Strategic Report
for the Year Ended 31 March 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

The business performance is subject to a number of risks and uncertainties. The main risks affecting the business are considered to relate to the strength of the construction market, raw material costs and competition in the manufacturing sector. The group's strategy is, where possible, to mitigate the effects of such risks occurring. The directors re-evaluate regularly the ongoing performance of the business. During this financial year the group has successfully maintained ISO9001, ISO14001 and CE Marking. Data is analysed monthly with annual assessments carried out by the respective governing body. In addition monthly management accounts are produced and assessed for:

- Customer base, sales targets achieved/attainable
- Customer satisfaction
- Purchasing - costs of raw materials, quality control
- Manufacturing - valuation of costs, quality of raw materials, quality control, ensure work completed to timescale.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk and liquidity risk. The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management, risk management and internal audit.

Credit risk

The group operates a very strict credit policy which leaves minimal exposure. The operation of this policy requires on-going credit analysis on existing customers and identifying risk, well in advance, regarding potential customers ensuring the correct trading terms, if any, are in place to protect the business.

ON BEHALF OF THE BOARD:



J Raistrick - Director

Date: 21/12/23

**Report of the Directors
for the Year Ended 31 March 2023**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2023.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2023 will be £300,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

J Finley
V Finley
J Raistrick
G J Finley

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


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 group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Clive Owen LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:


.....

J Raistrick - Director

Date: 21/12/22.....

Report of the Independent Auditors to the Members of Creditscale Limited

Opinion

We have audited the financial statements of Creditscale Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Profit and Loss Account, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 March 2023 and of the group's 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 group 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 group's and the parent 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 Group 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 Group 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 Group 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
Creditscale Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 four, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Creditscale Limited

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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, to detect material misstatements in respect of irregularities, including fraud. Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Company. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be around health & safety, product quality, product safety, employment law, company law and taxation law.
- Enquiry of directors and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of directors and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 concealment, collusion, forgery, misrepresentations, or 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
Creditscale Limited**

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.



Kevin Shotton BA BFP FCA (Senior Statutory Auditor)
for and on behalf of Clive Owen LLP
Chartered Accountants
& Statutory Auditors
140 Coniscliffe Road
Darlington
County Durham
DL3 7RT

Date: 21/12/23

**Consolidated
Profit and Loss Account
for the Year Ended 31 March 2023**

	Notes	2023 £	2022 £
TURNOVER	3	28,381,765	24,896,799
Cost of sales		24,494,983	23,000,527
GROSS PROFIT		3,886,782	1,896,272
Administrative expenses		2,331,209	1,821,943
		1,555,573	74,329
Other operating income		199,499	186,989
OPERATING PROFIT	5	1,755,072	261,318
Interest receivable and similar income		1,601	28
		1,756,673	261,346
Interest payable and similar expenses	6	65,993	26,532
PROFIT BEFORE TAXATION		1,690,680	234,814
Tax on profit	7	208,137	32,198
PROFIT FOR THE FINANCIAL YEAR		1,482,543	202,616
Profit attributable to: Owners of the parent		1,482,543	202,616

**Consolidated
Other Comprehensive Income
for the Year Ended 31 March 2023**

Notes	2023 £	2022 £
PROFIT FOR THE YEAR	1,482,543	202,616
OTHER COMPREHENSIVE INCOME		
Deferred tax on revaluations	-	(125,378)
Income tax relating to other comprehensive income	-	-
	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>-</u>	<u>(125,378)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>1,482,543</u></u>	<u><u>77,238</u></u>
Total comprehensive income attributable to: Owners of the parent	<u><u>1,482,543</u></u>	<u><u>77,238</u></u>

The notes form part of these financial statements

Consolidated Balance Sheet
31 March 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Intangible assets	10	(86,214)	(98,009)
Tangible assets	11	6,229,063	4,491,479
Investments	12	-	-
Investment property	13	2,776,799	2,776,799
		<u>8,919,648</u>	<u>7,170,269</u>
CURRENT ASSETS			
Stocks	14	290,280	573,241
Debtors	15	8,157,648	7,244,612
Cash at bank and in hand		844,527	500,234
		<u>9,292,455</u>	<u>8,318,087</u>
CREDITORS			
Amounts falling due within one year	16	6,543,308	6,758,828
NET CURRENT ASSETS		<u>2,749,147</u>	<u>1,559,259</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,668,795	8,729,528
CREDITORS			
Amounts falling due after more than one year	17	(1,923,493)	(426,998)
PROVISIONS FOR LIABILITIES	21	(1,231,198)	(970,969)
NET ASSETS		<u>8,514,104</u>	<u>7,331,561</u>
CAPITAL AND RESERVES			
Called up share capital	22	296	296
Share premium	23	4,409,804	4,409,804
Revaluation reserve	23	2,057,733	2,057,733
Retained earnings	23	2,046,271	863,728
SHAREHOLDERS' FUNDS		<u>8,514,104</u>	<u>7,331,561</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21/12/23 and were signed on its behalf by:



J Raistrick - Director

Company Balance Sheet
31 March 2023

	Notes	2023	2022
		£	£
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	2,446,806	2,466,793
Investments	12	4,436,993	4,436,993
Investment property	13	2,776,799	2,776,799
		<u>9,660,598</u>	<u>9,680,585</u>
CURRENT ASSETS			
Debtors	15	150,862	431,278
Cash at bank		59,220	115,597
		<u>210,082</u>	<u>546,875</u>
CREDITORS			
Amounts falling due within one year	16	1,736,993	2,178,011
NET CURRENT LIABILITIES		<u>(1,526,911)</u>	<u>(1,631,136)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,133,687	8,049,449
CREDITORS			
Amounts falling due after more than one year	17	(268,505)	(347,852)
PROVISIONS FOR LIABILITIES	21	(560,515)	(564,722)
NET ASSETS		<u>7,304,667</u>	<u>7,136,875</u>
CAPITAL AND RESERVES			
Called up share capital	22	296	296
Share premium		4,409,804	4,409,804
Revaluation reserve		2,057,733	2,057,733
Retained earnings		836,834	669,042
SHAREHOLDERS' FUNDS		<u>7,304,667</u>	<u>7,136,875</u>
Company's profit for the financial year		<u>467,792</u>	<u>461,346</u>

The financial statements were approved by the Board of Directors and authorised for issue on 21/12/22 and were signed on its behalf by:



J Raistrick - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 April 2021	296	991,152	4,409,804	2,183,111	7,584,363
Changes in equity					
Dividends	-	(330,040)	-	-	(330,040)
Total comprehensive income	-	202,616	-	(125,378)	77,238
Balance at 31 March 2022	<u>296</u>	<u>863,728</u>	<u>4,409,804</u>	<u>2,057,733</u>	<u>7,331,561</u>
Changes in equity					
Dividends	-	(300,000)	-	-	(300,000)
Total comprehensive income	-	1,482,543	-	-	1,482,543
Balance at 31 March 2023	<u><u>296</u></u>	<u><u>2,046,271</u></u>	<u><u>4,409,804</u></u>	<u><u>2,057,733</u></u>	<u><u>8,514,104</u></u>

The notes form part of these financial statements

**Company Statement of Changes in Equity
for the Year Ended 31 March 2023**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 April 2021	296	537,736	4,409,804	2,183,111	7,130,947
Changes in equity					
Dividends	-	(330,040)	-	-	(330,040)
Total comprehensive income	-	461,346	-	(125,378)	335,968
Balance at 31 March 2022	296	669,042	4,409,804	2,057,733	7,136,875
Changes in equity					
Dividends	-	(300,000)	-	-	(300,000)
Total comprehensive income	-	467,792	-	-	467,792
Balance at 31 March 2023	296	836,834	4,409,804	2,057,733	7,304,667

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	1,288,410	361,895
Interest paid		(48,419)	(17,301)
Interest element of hire purchase payments paid		(17,574)	(9,231)
Tax paid		24,288	(48,662)
Net cash from operating activities		<u>1,246,705</u>	<u>286,701</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(35,969)	(261,955)
Sale of tangible fixed assets		89,723	-
Interest received		1,602	28
Net cash from investing activities		<u>55,356</u>	<u>(261,927)</u>
Cash flows from financing activities			
Loan repayments in year		(121,121)	(1,251,944)
Hire purchase repayments in year		(401,444)	(177,272)
Amount introduced by directors		-	30,180
Amount withdrawn by directors		(32,273)	-
Equity dividends paid		(300,000)	(330,040)
Net cash from financing activities		<u>(854,838)</u>	<u>(1,729,076)</u>
Increase/(decrease) in cash and cash equivalents		<u>447,223</u>	<u>(1,704,302)</u>
Cash and cash equivalents at beginning of year	2	<u>397,304</u>	<u>2,101,606</u>
Cash and cash equivalents at end of year	2	<u><u>844,527</u></u>	<u><u>397,304</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2023 £	2022 £
Profit before taxation	1,690,680	234,814
Depreciation charges	308,409	233,570
Profit on disposal of fixed assets	(11,542)	-
Government grants	-	(4,675)
Finance costs	65,993	26,532
Finance income	(1,601)	(28)
	<u>2,051,939</u>	<u>490,213</u>
Decrease/(increase) in stocks	282,961	(509,425)
Increase in trade and other debtors	(910,943)	(2,881,446)
(Decrease)/increase in trade and other creditors	(135,547)	3,262,553
	<u>1,288,410</u>	<u>361,895</u>
Cash generated from operations	<u><u>1,288,410</u></u>	<u><u>361,895</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2023

	31.3.23 £	1.4.22 £
Cash and cash equivalents	844,527	500,234
Bank overdrafts	-	(102,930)
	<u>844,527</u>	<u>397,304</u>

Year ended 31 March 2022

	31.3.22 £	1.4.21 £
Cash and cash equivalents	500,234	2,101,606
Bank overdrafts	(102,930)	-
	<u>397,304</u>	<u>2,101,606</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.22 £	Cash flow £	Other non-cash changes £	At 31.3.23 £
Net cash				
Cash at bank and in hand	500,234	344,293		844,527
Bank overdrafts	(102,930)	102,930		-
	<u>397,304</u>	<u>447,223</u>		<u>844,527</u>
Debt				
Finance leases	(253,445)	401,444	(2,100,000)	(1,952,001)
Debts falling due within 1 year	(122,343)	41,774	-	(80,569)
Debts falling due after 1 year	(347,852)	79,347	-	(268,505)
	<u>(723,640)</u>	<u>522,565</u>	<u>(2,100,000)</u>	<u>(2,301,075)</u>
Total	<u><u>(326,336)</u></u>	<u><u>969,788</u></u>	<u><u>(2,100,000)</u></u>	<u><u>(1,456,548)</u></u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2023**

1. STATUTORY INFORMATION

Creditscale 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 General Information page.

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.

There were no material departures from that standard.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of the acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated on the date control ceases.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102 1.2 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

Long term contracts - The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen. Contract work in progress is stated at costs incurred less those transferred to the profit and loss account after deducting foreseeable losses and payments on account not matched with turnover. Amounts recoverable on contracts are included in trade debtors and represent turnover recognised in excess of payments on account.

Building valuations - The properties owned by the group were revalued in the year ended 31 March 2020, Directors do not deem the value to have materially changed during the current financial year. Therefore no changes have been made to the carrying value within the financial statements.

Bad debt provision - Provisions are made against the company's trade debtors based on historical experience of recoverability. The estimates made could differ to the amount subsequently recovered from these debtors, which impacts on operating results.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents the value of work carried out during the year including amounts not yet invoiced, excluding value added tax.

Income recognition

Income is recognised in relation to the stage of completion of work done.

Rental income is recognised in the period to which it relates.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2021, is being amortised evenly over its estimated useful life of ten years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land	- not provided
Improvements to property	- 10% on reducing balance and 10% on cost
Plant and machinery	- 25% on reducing balance, 10% on reducing balance and 10% on cost
Fixtures and fittings	- 20% on reducing balance, 10% on reducing balance and 10% on cost
Motor vehicles	- 25% on reducing balance

In accordance with FRS 102, no depreciation or amortisation is provided in respect of freehold land. Other tangible fixed assets are held at cost less accumulated depreciation and impairment.

The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise be shown cannot be separately identified or quantified.

Government grants

Revenue based grants have been credited to the profit and loss account in the period to which they relate. Capital based grants are accounted for using the accruals model and have been transferred to a deferred credit and released to the profit and loss account over the useful life of the asset.

Investment property

Investment properties are initially recognised at cost then subsequently remeasured at fair value with any surplus or deficit going through profit and loss.

Stocks

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

Financial instruments

Basic financial instruments are measured at amortised cost with changes in profit and loss.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, 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.

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

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

3. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below:

	2023	2022
	£	£
United Kingdom	28,381,765	24,896,799
	<u>28,381,765</u>	<u>24,896,799</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

4. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	3,751,143	3,462,126
Social security costs	399,640	306,228
Other pension costs	78,520	66,117
	<u>4,229,303</u>	<u>3,834,471</u>

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

	2023	2022
Employees	105	101
Directors	4	4
	<u>109</u>	<u>105</u>

	2023	2022
	£	£
Directors' remuneration	133,580	32,801
Directors' pension contributions to money purchase schemes	1,321	-
	<u>134,901</u>	<u>32,801</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Other operating leases	21,555	4,305
Depreciation - owned assets	193,789	164,873
Depreciation - assets on hire purchase contracts	126,415	80,492
Profit on disposal of fixed assets	(11,542)	-
Goodwill amortisation	(11,795)	(11,795)
Auditors' remuneration	33,227	31,000
	<u>308,649</u>	<u>268,875</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Bank interest	37,421	1,050
Bank loan interest	10,998	16,251
Hire purchase	17,574	9,231
	<u>65,993</u>	<u>26,532</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

7. TAXATION

Analysis of the tax charge

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

	2023 £	2022 £
Current tax:		
UK corporation tax	-	27,199
Prior year tax	(52,092)	(131,378)
Total current tax	(52,092)	(104,179)
Deferred tax	260,229	136,377
Tax on profit	<u>208,137</u>	<u>32,198</u>

Reconciliation of total tax charge included in profit and loss

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

	2023 £	2022 £
Profit before tax	<u>1,690,680</u>	<u>234,814</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	321,229	44,615
Effects of:		
Expenses not deductible for tax purposes	(10,908)	12,269
Income not taxable for tax purposes	-	(962)
Capital allowances in excess of depreciation	(50,092)	-
Adjustments to tax charge in respect of previous periods	(52,092)	(131,378)
Impact of change in tax rate	-	107,654
Total tax charge	<u>208,137</u>	<u>32,198</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 31 March 2023.

	Gross £	2022 Tax £	Net £
Deferred tax	<u>(125,378)</u>	<u>-</u>	<u>(125,378)</u>

8. INDIVIDUAL PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

9. DIVIDENDS

	2023 £	2022 £
Interim	<u>300,000</u>	<u>330,040</u>

10. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 April 2022
and 31 March 2023(117,949)

AMORTISATION

At 1 April 2022
Amortisation for year(19,940)(11,795)

At 31 March 2023

(31,735)

NET BOOK VALUE

At 31 March 2023

(86,214)

At 31 March 2022

(98,009)

11. TANGIBLE FIXED ASSETS

Group

	Freehold land £	Improvements to property £	Plant and machinery £
COST			
At 1 April 2022	2,347,649	214,604	1,958,464
Additions	-	-	2,126,674
Disposals	-	(38,105)	(253,245)
At 31 March 2023	<u>2,347,649</u>	<u>176,499</u>	<u>3,831,893</u>
DEPRECIATION			
At 1 April 2022	-	32,153	282,578
Charge for year	-	18,932	245,583
Eliminated on disposal	-	(31,674)	(186,599)
At 31 March 2023	<u>-</u>	<u>19,411</u>	<u>341,562</u>
NET BOOK VALUE			
At 31 March 2023	<u>2,347,649</u>	<u>157,088</u>	<u>3,490,331</u>
At 31 March 2022	<u>2,347,649</u>	<u>182,451</u>	<u>1,675,886</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

11. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 April 2022	205,044	230,034	4,955,795
Additions	7,995	1,300	2,135,969
Disposals	(5,291)	(21,000)	(317,641)
At 31 March 2023	207,748	210,334	6,774,123
DEPRECIATION			
At 1 April 2022	72,929	76,656	464,316
Charge for year	14,650	41,039	320,204
Eliminated on disposal	(2,990)	(18,197)	(239,460)
At 31 March 2023	84,589	99,498	545,060
NET BOOK VALUE			
At 31 March 2023	123,159	110,836	6,229,063
At 31 March 2022	132,115	153,378	4,491,479

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 April 2022	766,024	46,882	812,906
Additions	2,100,000	-	2,100,000
At 31 March 2023	2,866,024	46,882	2,912,906
DEPRECIATION			
At 1 April 2022	112,200	25,989	138,189
Charge for year	120,630	5,785	126,415
At 31 March 2023	232,830	31,774	264,604
NET BOOK VALUE			
At 31 March 2023	2,633,194	15,108	2,648,302
At 31 March 2022	653,824	20,893	674,717

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

11. TANGIBLE FIXED ASSETS - continued

Company

	Freehold land £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2022 and 31 March 2023	2,280,000	168,326	182,745	2,631,071
DEPRECIATION				
At 1 April 2022	-	97,292	66,986	164,278
Charge for year	-	8,411	11,576	19,987
At 31 March 2023	-	105,703	78,562	184,265
NET BOOK VALUE				
At 31 March 2023	2,280,000	62,623	104,183	2,446,806
At 31 March 2022	2,280,000	71,034	115,759	2,466,793

12. FIXED ASSET INVESTMENTS

Company

	Unlisted investments £
COST	
At 1 April 2022 and 31 March 2023	4,436,993
NET BOOK VALUE	
At 31 March 2023	4,436,993
At 31 March 2022	4,436,993

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Finley Holdings Ltd

Registered office: Finley Whinbank Road, Aycliffe Business Park, Newton Aycliffe, England, DL5 6AY

Nature of business: Dormant Company

Class of shares:	%
Ordinary	holding 100.00

Finley Structures Ltd

Registered office: Whinbank Road, Aycliffe Ind Est, Newton Aycliffe, Co Durham, DL5 6AY

Nature of business: Design and installation of structural steel work

Class of shares:	%
Ordinary	holding 100.00

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 202312. **FIXED ASSET INVESTMENTS - continued****S.C.H Site Services Ltd**

Registered office: Building 12/G 655(X2), Beaumont Way, Aycliffe Business Park, Newton Aycliffe, England, DL5 6SN

Nature of business: Design and installation of structural steelwork

Class of shares:	%
Ordinary	holding 100.00

13. **INVESTMENT PROPERTY****Group**Total
£**FAIR VALUE**At 1 April 2022
and 31 March 2023

2,776,799

NET BOOK VALUE

At 31 March 2023

2,776,799

At 31 March 2022

2,776,799

The directors have considered this valuation as at 31 March 2023 and do not consider that this is materially different to the fair value at that date.

CompanyTotal
£**FAIR VALUE**At 1 April 2022
and 31 March 2023

2,776,799

NET BOOK VALUE

At 31 March 2023

2,776,799

At 31 March 2022

2,776,799

Fair value at 31 March 2023 is represented by:

	£
Valuation in 2013	44,190
Valuation in 2016	199,827
Valuation in 2020	1,171,423
Cost	1,361,359
	2,776,799

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

13. INVESTMENT PROPERTY - continued**Company**

If investment property had not been revalued it would have been included at the following historical cost:

	2023	2022
	£	£
Cost	<u>1,361,359</u>	<u>1,361,359</u>

Investment property was valued on an open market basis on 5 November 2019 by Lambert Smith Hampton.

14. STOCKS

	Group	
	2023	2022
	£	£
Stocks	<u>290,280</u>	<u>573,241</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors	6,892,746	4,897,594	12,969	8,000
Other debtors	875,189	1,316,613	117,042	121,305
Directors' current accounts	2,093	-	-	-
Prepayments and accrued income	387,620	1,030,405	20,851	301,973
	<u>8,157,648</u>	<u>7,244,612</u>	<u>150,862</u>	<u>431,278</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans and overdrafts (see note 18)	80,569	225,273	80,569	122,343
Hire purchase contracts (see note 19)	297,013	174,299	-	-
Trade creditors	4,703,121	4,973,350	25,502	928
Amounts owed to group undertakings	-	-	1,462,164	1,870,690
Corporation tax	-	27,804	-	27,199
Taxation and social security	168,613	191,196	48,985	32,655
Other creditors	8,845	8,263	-	-
Directors' current accounts	-	30,180	-	30,040
Accruals and deferred income	1,285,147	1,128,463	119,773	94,156
	<u>6,543,308</u>	<u>6,758,828</u>	<u>1,736,993</u>	<u>2,178,011</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans (see note 18)	268,505	347,852	268,505	347,852
Hire purchase contracts (see note 19)	1,654,988	79,146	-	-
	<u>1,923,493</u>	<u>426,998</u>	<u>268,505</u>	<u>347,852</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	102,930	-	-
Bank loans	80,569	122,343	80,569	122,343
	<u>80,569</u>	<u>225,273</u>	<u>80,569</u>	<u>122,343</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	78,699	79,470	78,699	79,470
	<u>78,699</u>	<u>79,470</u>	<u>78,699</u>	<u>79,470</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	163,617	180,433	163,617	180,433
	<u>163,617</u>	<u>180,433</u>	<u>163,617</u>	<u>180,433</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	26,189	87,949	26,189	87,949
	<u>26,189</u>	<u>87,949</u>	<u>26,189</u>	<u>87,949</u>

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group	Hire purchase contracts	
	2023	2022
	£	£
Net obligations repayable:		
Within one year	297,013	174,299
Between one and five years	1,050,104	79,146
In more than five years	604,884	-
	<u>1,952,001</u>	<u>253,445</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

19. LEASING AGREEMENTS - continued

Group	Non-cancellable operating leases	
	2023	2022
	£	£
Within one year	23,184	32,403
Between one and five years	16,327	31,388
	<u>39,511</u>	<u>63,791</u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	349,074	470,195	349,074	470,195
Hire purchase contracts	1,952,001	253,445	-	-
	<u>2,301,075</u>	<u>723,640</u>	<u>349,074</u>	<u>470,195</u>

Hire purchase contracts are secured on the assets which they relate.

Bank loans are secured with a fixed and floating charge over the assets of the business.

A cross guarantee exists between Creditscale Limited, Finley Structures Ltd, Finley Leisure Ltd and S.C.H. Site Services Ltd dated 11 May 2011 in favour of HSBC Bank plc. All these companies are part of the group.

21. PROVISIONS FOR LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Deferred tax	<u>1,231,198</u>	<u>970,969</u>	<u>560,515</u>	<u>564,722</u>

Group	Deferred tax
	£
Balance at 1 April 2022	970,969
Charge to Profit and Loss Account during year	260,229
Balance at 31 March 2023	<u>1,231,198</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023

21. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Balance at 1 April 2022	564,722
Accelerated Capital Allowance	(4,207)
Balance at 31 March 2023	<u>560,515</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
100	Ordinary	£0.01	<u>296</u>	<u>296</u>

23. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2022	863,728	4,409,804	2,057,733	7,331,265
Profit for the year	1,482,543			1,482,543
Dividends	(300,000)			(300,000)
At 31 March 2023	<u>2,046,271</u>	<u>4,409,804</u>	<u>2,057,733</u>	<u>8,513,808</u>

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 April 2022	669,042	4,409,804	2,057,733	7,136,579
Profit for the year	467,792			467,792
Dividends	(300,000)			(300,000)
At 31 March 2023	<u>836,834</u>	<u>4,409,804</u>	<u>2,057,733</u>	<u>7,304,371</u>

Retained earnings includes all current and prior period profits and losses less any distributions made.

Revaluation reserve includes all current and prior period gains and losses on revaluation of the property including any associated deferred tax.

Share premium represents consideration given on issue of share capital above par value.

Creditscale Limited (Registered number: 03163497)

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2023**

24. RELATED PARTY DISCLOSURES

Entities with control, joint control or significant influence over the entity

	2023	2022
	£	£
Sales	-	96,009
Purchases	-	36,882
Management charge income	6,484	12,770
Amount due from related party	461,972	652,818
Amount due to related party	-	335