

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
UTILITY SUPPORT SOLUTIONS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2022

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UTILITY SUPPORT SOLUTIONS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTOR:	Mr I McDonald
REGISTERED OFFICE:	Penshaw Way Portobello Industrial Estate Chester le Street Co. Durham DH3 2SA
REGISTERED NUMBER:	07661510 (England and Wales)
AUDITORS:	Momentum Taxation and Accountancy Ltd -Statutory Auditor Harelands Courtyard Offices Moor Road Melsonby Richmond North Yorkshire DL10 5NY

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022

REVIEW OF BUSINESS

The company provides civils and reinstatement works for the utilities, construction and highway maintenance sectors.

During the year the company undertook a restructuring exercise in anticipation of future contracts (now secured).

The turnover decreased in the year to £12.3m from £14.7m in the previous year, a decrease of 16.4%.

Gross profit decreased to £2.5m (20% of turnover) from £3.7m (25% of turnover).

Retained earnings decreased to £3.1m from £3.2m.

Liquidity remains healthy at 221% but has decreased from 233% last year.

PRINCIPAL RISKS AND UNCERTAINTIES

The director does not consider there to be any immediate risks likely to have a significant impact on the short or long term value of the business.

There are no immediately identifiable market risks to the company. Contracts with key customers are in place and ongoing. The director and management team undertake regular reviews including but not limited to operations, customer feedback, cashflow and labour usage.

Operational risks are those of health, safety and environmental (HSE) performance and the company minimises risks through its robust health and safety management and training systems.

The company is exposed to financial risk in common with all other businesses in the current climate. Increases in interest rates, material and fuel prices could all have a detrimental effect. The company seeks to mitigate these by negotiating suitable agreements with both suppliers and customers. As a result, exposure to price rises are being managed.

The company's key focus is on securing fairly priced contracts, developing the workforce and improving operational efficiency.

KEY PERFORMANCE INDICATORS

The company uses the following key performance indicators to review the financial performance:

2022 2021

Turnover £12.3m £14.7m

Gross Profit margin 19.96% 25.26%

Liquidity 221% 233%

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTOR'S STATEMENT OF COMPLIANCE WITH PROMOTING THE SUCCESS OF THE COMPANY

The director of the company must act in accordance with the general duties detailed in section 172 of the UK Companies Act 2006. A director must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole.

Considering the potential consequences that a decision may have on employees, suppliers and other stakeholders is of great importance. Acting with integrity and promoting high standards throughout the business is fundamental to how the company operates.

The director aims to increase the value of the business by maintaining long term relationships and creating opportunities for the employees to fulfil their potential.

ON BEHALF OF THE BOARD:

Mr I McDonald - Director

20 December 2023

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his report with the financial statements of the company for the year ended 31 December 2022.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022

RESEARCH AND DEVELOPMENT

The company undertakes research and development in relation to technical engineering solutions provided and value engineering proposals for their contractors.

FUTURE DEVELOPMENTS

The director and management team are committed to growing the business in a sustainable manner. They continue to invest in plant & machinery and labour to facilitate growth. The focus of the business is on delivering effective and efficient solutions to their customers to maximise profitability.

DIRECTOR

Mr I McDonald held office during the whole of the period from 1 January 2022 to the date of this report.

FINANCIAL INSTRUMENTS

Treasury operations and Financial Instruments

The company manages the liquidity and interest risks associated with the company's activities.

The company has various financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cashflow interest rate risk on floating rate deposits.

Credit risk

Investments of cash surpluses are made through banks approved by the director.

All contractors who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is 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 he 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, Momentum Taxation and Accountancy Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr I McDonald - Director

20 December 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UTILITY SUPPORT SOLUTIONS LIMITED

Qualified Opinion

We have audited the financial statements of Utility Support Solutions Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, Notes to the 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, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of the company's loss 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 qualified 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. The company took advantage of the audit exemption available to them for the year ended 31 December 2021 therefore the comparative figures included in these financial statements have not been audited. We were unable to apply suitable audit procedures to verify the opening balances and therefore we cannot determine whether any adjustments are required.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UTILITY SUPPORT SOLUTIONS LIMITED

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 Director 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 Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, 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.

Arising solely from the limitation on the scope of our work relating to opening balances, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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 director's remuneration specified by law are not made.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
UTILITY SUPPORT SOLUTIONS LIMITED

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page five, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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:

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management. Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management. We did not identify any key audit matters relating to irregularities, including fraud. We also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the more remote that the non-compliances (eg with laws and regulations) are from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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
UTILITY SUPPORT SOLUTIONS 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.

Peter Cartwright (Senior Statutory Auditor)
for and on behalf of Momentum Taxation and Accountancy Ltd
-Statutory Auditor
Harelands Courtyard Offices
Moor Road
Melsonby
Richmond
North Yorkshire
DL10 5NY

22 December 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021 (Unaudited)
	Notes	£	£
TURNOVER		12,277,023	14,687,336
Cost of sales		<u>9,826,299</u>	<u>10,976,983</u>
GROSS PROFIT		2,450,724	3,710,353
Administrative expenses		<u>2,678,275</u>	<u>2,834,134</u>
		(227,551)	876,219
Other operating income		<u>215,766</u>	<u>11,998</u>
OPERATING (LOSS)/PROFIT	4	(11,785)	888,217
Interest receivable and similar income		<u>51,203</u>	<u>43,370</u>
		39,418	931,587
Interest payable and similar expenses	5	<u>64,388</u>	<u>15,485</u>
(LOSS)/PROFIT BEFORE TAXATION		(24,970)	916,102
Tax on (loss)/profit	6	<u>54,542</u>	<u>38,713</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(79,512)</u>	<u>877,389</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
Notes	£	(Unaudited) £
(LOSS)/PROFIT FOR THE YEAR	(79,512)	877,389
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(79,512)</u>	<u>877,389</u>

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2022

		2022		2021 (Unaudited)	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	7		1,299,146		694,117
CURRENT ASSETS					
Stocks	8	36,827		20,357	
Debtors	9	4,114,666		3,334,067	
Cash at bank and in hand		<u>1,155,720</u>		<u>2,005,718</u>	
		5,307,213		5,360,142	
CREDITORS					
Amounts falling due within one year	10	<u>2,408,097</u>		<u>2,298,930</u>	
NET CURRENT ASSETS			<u>2,899,116</u>		<u>3,061,212</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,198,262		3,755,329
CREDITORS					
Amounts falling due after more than one year	11		(995,539)		(555,055)
PROVISIONS FOR LIABILITIES	15		<u>(86,062)</u>		<u>(4,101)</u>
NET ASSETS			<u><u>3,116,661</u></u>		<u><u>3,196,173</u></u>
CAPITAL AND RESERVES					
Called up share capital	16		100		100
Retained earnings	17		<u>3,116,561</u>		<u>3,196,073</u>
SHAREHOLDERS' FUNDS			<u><u>3,116,661</u></u>		<u><u>3,196,173</u></u>

The financial statements were approved by the director and authorised for issue on 20 December 2023 and were signed by:

Mr I McDonald - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	100	2,318,684	2,318,784
Changes in equity			
Total comprehensive income	-	877,389	877,389
Balance at 31 December 2021	100	3,196,073	3,196,173
Changes in equity			
Total comprehensive income	-	(79,512)	(79,512)
Balance at 31 December 2022	100	3,116,561	3,116,661

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022	2021 (Unaudited)
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	1	(186,575)	1,055,857
Interest paid		(1,369)	(1,224)
Interest element of hire purchase payments paid		(63,019)	(14,261)
Tax paid		(144,566)	(30,001)
Net cash from operating activities		<u>(395,529)</u>	<u>1,010,371</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(202,294)	(86,641)
Sale of tangible fixed assets		84,000	38,000
Interest received		51,203	43,370
Net cash from investing activities		<u>(67,091)</u>	<u>(5,271)</u>
Cash flows from financing activities			
Loan repayments in year		(9,761)	(4,999)
Capital repayments in year		(330,840)	(15,720)
Amount withdrawn by directors		(46,777)	(573,248)
Net cash from financing activities		<u>(387,378)</u>	<u>(593,967)</u>
(Decrease)/increase in cash and cash equivalents		<u>(849,998)</u>	<u>411,133</u>
Cash and cash equivalents at beginning of year	2	2,005,718	1,594,585
Cash and cash equivalents at end of year	2	<u>1,155,720</u>	<u>2,005,718</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021 (Unaudited)
	£	£
(Loss)/profit before taxation	(24,970)	916,102
Depreciation charges	438,031	234,074
Profit on disposal of fixed assets	(13,406)	(26)
Finance costs	64,388	15,485
Finance income	<u>(51,203)</u>	<u>(43,370)</u>
	412,840	1,122,265
Increase in stocks	(16,470)	(3,268)
(Increase)/decrease in trade and other debtors	(733,822)	559,349
Increase/(decrease) in trade and other creditors	<u>150,877</u>	<u>(622,489)</u>
Cash generated from operations	<u>(186,575)</u>	<u>1,055,857</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 December 2022

	31/12/22	1/1/22
	£	£
Cash and cash equivalents	<u>1,155,720</u>	<u>2,005,718</u>

Year ended 31 December 2021

	31/12/21	1/1/21
	(Unaudited)	
	£	£
Cash and cash equivalents	<u>2,005,718</u>	<u>1,594,585</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1/1/22 £	Cash flow £	Other non-cash changes £	At 31/12/22 £
Net cash				
Cash at bank and in hand	2,005,718	(849,998)		1,155,720
	<u>2,005,718</u>	<u>(849,998)</u>		<u>1,155,720</u>
Debt				
Finance leases	(716,491)	330,840	-	(1,297,011)
Debts falling due within 1 year	(10,000)	239	-	(9,761)
Debts falling due after 1 year	(35,001)	9,522	-	(25,479)
	<u>(761,492)</u>	<u>340,601</u>	<u>-</u>	<u>(1,332,251)</u>
Total	<u>1,244,226</u>	<u>(509,397)</u>	<u>-</u>	<u>(176,531)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. STATUTORY INFORMATION

Utility Support Solutions 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

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.

Turnover

Turnover represents revenue recognised by the company in respect of service contracts when the company obtains the right to the consideration and includes amounts received in relation to compensation and settlements from customers.

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 reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost and 33% on reducing balance

Stocks

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

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 operating 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 and the effective interest method is used to apportion those payments.

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.

3. EMPLOYEES AND DIRECTORS

	2022	2021 (Unaudited)
	£	£
Wages and salaries	3,011,618	2,547,056
Social security costs	303,756	239,684
Other pension costs	86,716	72,244
	<u>3,402,090</u>	<u>2,858,984</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

3. EMPLOYEES AND DIRECTORS - continued

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

	2022	2021 (Unaudited)
Admin staff	17	12
Site staff	77	66
Director	<u>1</u>	<u>1</u>
	<u>95</u>	<u>79</u>

	2022	2021 (Unaudited)
	£	£
Director's remuneration	<u>30,000</u>	<u>30,000</u>

4. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging/(crediting):

	2022	2021 (Unaudited)
	£	£
Hire of plant and machinery	744,269	834,084
Depreciation - owned assets	438,031	234,072
Profit on disposal of fixed assets	(13,406)	(26)
Auditors' remuneration	<u>8,000</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021 (Unaudited)
	£	£
Bank loan interest	1,250	1,224
Late payment interest	119	-
Hire purchase	<u>63,019</u>	<u>14,261</u>
	<u>64,388</u>	<u>15,485</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

6. TAXATION

Analysis of the tax charge

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

	2022	2021 (Unaudited)
	£	£
Current tax:		
UK corporation tax	(27,419)	38,713
Deferred tax	<u>81,961</u>	<u>-</u>
Tax on (loss)/profit	<u>54,542</u>	<u>38,713</u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2022	723,727	33,140	252,463	25,237	1,034,567
Additions	961,796	80	150,913	865	1,113,654
Disposals	<u>(84,000)</u>	<u>-</u>	<u>(13,500)</u>	<u>-</u>	<u>(97,500)</u>
At 31 December 2022	<u>1,601,523</u>	<u>33,220</u>	<u>389,876</u>	<u>26,102</u>	<u>2,050,721</u>
DEPRECIATION					
At 1 January 2022	188,936	29,435	111,386	10,693	340,450
Charge for year	358,397	946	71,099	7,589	438,031
Eliminated on disposal	<u>(21,000)</u>	<u>-</u>	<u>(5,906)</u>	<u>-</u>	<u>(26,906)</u>
At 31 December 2022	<u>526,333</u>	<u>30,381</u>	<u>176,579</u>	<u>18,282</u>	<u>751,575</u>
NET BOOK VALUE					
At 31 December 2022	<u>1,075,190</u>	<u>2,839</u>	<u>213,297</u>	<u>7,820</u>	<u>1,299,146</u>
At 31 December 2021	<u>534,791</u>	<u>3,705</u>	<u>141,077</u>	<u>14,544</u>	<u>694,117</u>

8. STOCKS

	2022	2021 (Unaudited)
	£	£
Stocks	<u>36,827</u>	<u>20,357</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 (Unaudited)
	£	£
Trade debtors	55,539	78,160
Amounts recoverable on contract	920,150	714,779
Other debtors	2,408,396	1,816,311
Directors' current accounts	620,025	573,248
Prepayments	110,556	151,569
	<u>4,114,666</u>	<u>3,334,067</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 (Unaudited)
	£	£
Other loans (see note 12)	9,761	10,000
Hire purchase contracts (see note 13)	326,951	196,437
Trade creditors	850,217	412,139
Tax	174,381	346,366
Social security and other taxes	92,176	99,908
Net wages	38,645	34,398
VAT	748,053	1,071,754
Other creditors	6,000	-
Pension fund	21,040	15,332
Life cover	2,554	2,497
Accrued expenses	138,319	110,099
	<u>2,408,097</u>	<u>2,298,930</u>

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

	2022	2021 (Unaudited)
	£	£
Other loans (see note 12)	25,479	35,001
Hire purchase contracts (see note 13)	970,060	520,054
	<u>995,539</u>	<u>555,055</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

12. LOANS

An analysis of the maturity of loans is given below:

	2022	2021 (Unaudited)
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>9,761</u>	<u>10,000</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>25,479</u>	<u>35,001</u>

13. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2022	2021 (Unaudited)
	£	£
Net obligations repayable:		
Within one year	326,951	196,437
Between one and five years	<u>970,060</u>	<u>520,054</u>
	<u>1,297,011</u>	<u>716,491</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021 (Unaudited)
	£	£
Hire purchase contracts	<u>1,297,011</u>	<u>716,491</u>

Hire purchase liabilities are secured upon the assets to which they relate.

Lloyds Bank plc hold a fixed and floating charge dated 14th June 2016, over all the property and undertaking of the company. This charge includes a negative pledge.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

15. PROVISIONS FOR LIABILITIES

	2022	2021 (Unaudited)
	£	£
Deferred tax		
Accelerated capital allowances	302,842	4,101
Tax losses carried forward	(216,780)	-
	<u>86,062</u>	<u>4,101</u>
		Deferred tax
		£
Balance at 1 January 2022		4,101
Charge to Income Statement during year		<u>81,961</u>
Balance at 31 December 2022		<u>86,062</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2022	2021
			£	£
100	ordinary	1	<u>100</u>	<u>100</u>

17. RESERVES

	Retained earnings
	£
At 1 January 2022	3,196,073
Deficit for the year	<u>(79,512)</u>
At 31 December 2022	<u>3,116,561</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

18. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2022 and 31 December 2021:

	2022	2021 (Unaudited)
	£	£
Mr I McDonald		
Balance outstanding at start of year	573,248	-
Amounts advanced	46,777	573,248
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>620,025</u>	<u>573,248</u>

19. RELATED PARTY DISCLOSURES

Other related parties

	2022	2021 (Unaudited)
	£	£
Transfers	651,712	(347,645)
Amount due from related party	<u>2,020,774</u>	<u>1,369,062</u>

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