

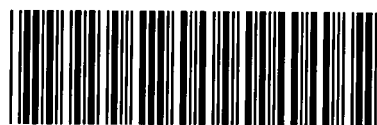
Company Registration No. 07721503 (England and Wales)

**VASCROFT HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**

**KLSA**  
Chartered Accountants

**PKF**  
Member firm of PKF International Ltd

THURSDAY



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COMPANIES HOUSE

# VASCROFT HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr S K Vekaria Mr M S Vekaria
<b>Secretary</b>	Mrs C Vora
<b>Company number</b>	07721503
<b>Registered office</b>	Vascroft Estate 861 Coronation Road Park Royal London NW10 7PT
<b>Auditor</b>	KLSA LLP (Member firm of PKF International Limited) Kalamu House 11 Coldbath Square London EC1R 5HL
<b>Bankers</b>	Barclays Bank Plc Acorn House 36/38 Park Royal Road London NW10 7JA  Bank of India 714-716 Kenton Road Harrow Middlesex HA3 9QX  HSBC Bank Plc Level 6 71 Queen Victoria Street London EC4V 4AY
<b>Solicitors</b>	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW

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# VASCROFT HOLDINGS LIMITED

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# VASCROFT HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The directors present the strategic report for the year ended 31 August 2022.

#### **Business Review**

Turnover for the year ended 31 August 2022 amounted to £43m compared to £48m for the previous year and the operating profit for the year was £7.7m compared to £5.5m in the previous year. The net assets position at the year-end was £41m (2021: £34m). This was in line with the Directors' expectations.

As the group celebrates its 46th year of excellence in construction, the group continues to secure more projects by obtaining new clients and by retaining the business of its key clients. This all has been possible because the group's ethos and driving force of all its stakeholders is to provide excellence. The group's vision, mission and values statements continues to reflect the ever dynamic outlook of the construction industry and are filtered throughout the organisation. The group is committed to its corporate social responsibilities in the heart of all operations and its social, economic and environmental sustainability. We know that if we are to be a true market leader, we need to minimise the impact of our activities on the environment and its surroundings inclusive of the communities that serve these areas. To this end, the group continues to maintain its ISO 9001 and ISO 14001 accreditations.

#### **Financial risk management objectives and policies**

The group uses various financial instruments including loans, cash and various items which arise directly from its operations such as trade debtors, trade creditors and bank loans. The main purpose of these are to raise working capital and carry out business operations.

The main risks arising from these financial instruments are market risk, liquidity risk, cash flow risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

#### **Market risk**

Market risk encompasses two types of risk being interest rate risk and price risk.

#### **Interest rate**

The group finances its operations through a mixture of retained profits and bank overdraft facility. The overdraft bear interest at a floating rate and the interest expense is therefore affected by movements in interest rates.

#### **Price risk**

Price risk mainly arises from the time delay between the start of a tendering process for any materials to when they are actually purchased. This risk is mitigated by factoring inflation rate into tender prices for any project. Any increase in the price of materials is notified to the group by our specialist buyer and suppliers in advance.

#### **Liquidity risk**

The group seeks to manage financial risk by ensuring sufficient liquidity is available through an overdraft facility to meet foreseeable needs at any given point. The directors review weekly cash reports which enable them to plan accordingly for any significant expenditure.

#### **Credit risk**

The principal financial assets are debtors and the principal credit risk arises from these debtors. In order to manage credit risk the directors have introduced a credit checking facility by subscribing to an independent agency. This provides all financial details and trading history needed to consider the risk associated with new clients and especially with fast track projects e.g. restaurants. On larger projects invoices are raised on a monthly basis and collection made accordingly. The group also seeks deposits upfront for some projects.

# VASCROFT HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Key Performance Indicators**

The group's key performance indicators are revenue, gross margin and net assets. These allow the directors and the management to monitor the growth as well as the profitability of the group. Turnover for the year generated from the principal business activities amounted to £43m (2021: £48m) whilst our headline gross margin was £11.2m (2021: £9.2m). The net assets position as at the year-end was £41m (2021: £34m). Our focus remains of not chasing higher turnover levels with compromised margins and as such the performance is in line with the expectations as set by the board. The directors consider these performance indicators to be satisfactory. The group maintains a satisfactory order book that entails all current secured jobs which is used as an indicator of future business activity levels.

The key non-financial performance indicators of the company are timely and quality delivery of the provision of construction services as per agreements with customers, and stakeholder relationships.

The directors are of the belief that the monitoring of the above-mentioned indicators is an effective aspect of business performance review.

### **Outlook and future developments**

The group's strategic focus is to enhance its market position, to invest in and to continue developing its core strengths across the residential, community, and hotel sectors. It has seen challenging conditions predominate across the industry, with competitive pressures impacting on margins and profitability. The group's track record and integrated offer of design, construction, boutique and be-spoke solutions has enabled it to win significant projects.

Our people remain at the heart of our business. They have shown great resilience and dedication during the construction industry's prolonged period of adverse conditions. As we begin to emerge into a period of growth, our employees will be critical to ensuring our success.

### **Vision, mission and values**

Our vision is exciting and ambitious. We aim to target profitable growth, build business within our key markets and with our existing clients, whilst also exploring further opportunities to broaden our client base and pursue new markets. We will also build on our considerable success and expertise to provide a truly integrated service for our clients.

Mission - To be the contractor of choice for all our clients and to continue to build positive relationships to deliver excellence.

Values - The guiding principles behind the growth of Vascroft Contractors Ltd have been to provide quality, value, experience, partnership, service excellence and consistency. Living and working by these principles, is at the heart of our success. Our team of dedicated professionals are enhanced with continuous professional developments through various mediums of training. Coupled with our commitment to putting our clients' needs first, we derive great pleasure in exceeding their expectations.

We strive to offer an unbeatable range of advisory, construction and refurbishment services and thrill at taking on challenges that have defeated others. Providing a truly integrated one stop shop solution for clients, our approach to all of these challenges has remained consistent over the decades.

A team of approximately 100 professionals is also integral to our success. Our staff are undoubtedly our greatest assets. They are committed to putting our customers' needs first and all share a passion for the group. Many of them have been with us for years and they know it's more important to do what's right rather than what's easy. We know it's important to employ the best because, that way, we deliver the best. We provide continuous staff development through training, seminars and exhibitions. This ensures our staff are up to date with current legislation, technological changes and modern methods of construction.

# VASCROFT HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Section 172 statement**

The directors, in good faith and in line with their duties have complied with the requirements of s172 of the Companies Act 2006, in promoting the long-term success of the Company for the benefit of all stakeholders. The following disclosure describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement required under section 414CZA of The Companies Act 2006.

### **Engagement with stakeholders**

The directors consider its shareholders, employees, clients, suppliers, sub-contractors and local communities to be its core stakeholder groups. We are committed to effective engagement with all our stakeholders. We are mindful that success depends on our ability to engage effectively, work together constructively, and to take all stakeholder views into account. We engage regularly with our stakeholders and address matters which concern them.

### **Shareholder**

The group is headed by Vascroft Holdings Ltd. We create value for the Group by generating strong and sustainable results that translate into dividends. We discuss our performance in management meetings. The directors routinely engage with the Group on the performance of the business and develop a clear understanding of their needs and assess their perspectives through regular dialogue.

### **Employees**

In line with Company's ethos, protecting the health, safety and wellbeing of everyone who engages with our business is our number one priority. It continues to be our core focus, and we have sought to promote health and safety awareness updates to our employees and other stakeholders. This has also involved extensive training programs as well as an expansion of our health and safety team. Furthermore, we are committed to a diverse and inclusive work environment and helping our employees gain skills that support their personal ambitions and drive the business forward. The Company recognises the need to ensure effective training for employees and has developed various training programmes inclusive of apprenticeships programmes. All new employees attend a formal induction from our HR team, which includes a presentation on the company's vision, mission and values.

### **Clients**

We aim to develop long-term relationships with our clients by retaining their business as well as obtaining new clients through recommendations and tendering. Our order book remains resilient with secured projects to the value of £51m. Our mission statement is 'to be the contractor of choice for all our clients and to continue to build positive relationships to deliver excellence'. We have a dedicated 'After care' department that specifically provides aftercare support to enhance client experience and ensure our projects are delivered to the highest possible standard.

### **Suppliers and Subcontractors**

Our suppliers and subcontractors are critical to our operations and we take a long-term collaborative approach to working with them. They take pride in representing our brand in the market. In addition to operating tender processes for a fair selection, we also strive to ensure payments are done in a timely manner to our supply chain and have continued doing so throughout the current challenging times.

### **Other information and explanations**

As well as working on community projects such as temples, we also proactively engage with the local communities impacted by our projects to alleviate any concerns they may have. We engage with the local communities close to where we work in a number of ways, including regular project updates through letters and newsletters as well as visits to and from local schools and universities to build engagement. We encourage people to get in touch with us if they have any concerns.

### **Principal decisions**

We define principal decisions as those that are material to the Company and those that are significant to our stakeholders. The Directors have considered the outcomes from our stakeholder engagement as well as the need to maintain the Company's reputation for high standards of business conduct and to act fairly. As stated above, a significant amount of our workload is undertaken for existing and retained clients. As part of the procurement process for securing these projects there is normally a lot of emphasis on how we engage with our employers, suppliers, sub-contractors and the local communities we work in.

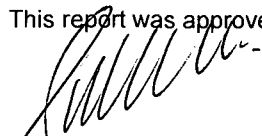
# **VASCROFT HOLDINGS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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



Mr S K Vekaria  
**Director**

3 November 2022

# VASCROFT HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2022

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The directors present their annual report and financial statements for the year ended 31 August 2022.

#### **Principal activities**

The principal activity of the company is that of a holding company.

The principal activity of the group companies during the period was that of carrying out construction activities. It continues to specialise in the construction and refurbishment of high end residential projects, elegant hotels, prestigious restaurants, commercial developments, schools, religious buildings and medical centres.

The group is also involved in the rental of investment properties.

The group has achieved a high profile reputation since inception and aims to maintain this into the next financial year by continuing to provide its excellence in service during these challenging times which face the sector in general. The group stands by its mission as set out in strategic report.

#### **Results and dividends**

The results for the year are set out on page 13.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S K Vekaria

Mr M S Vekaria

#### **Qualifying third party indemnity provisions**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Auditor**

The auditor, KLSA LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Energy and carbon report**

As per the requirements of the Companies (Directors' Report and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which came into force on 1 April 2019, the group is required to present the carbon footprint of its operations and measures introduced to improve efficiency.



# VASCROFT HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

	2022 kWh	2021 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year	980,266	1,021,737
	Metric tonnes	Metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	62.02	65.97
- Fuel consumed for owned transport	69.70	74.15
	131.72	140.12
Scope 2 - indirect emissions		
- Electricity purchased	89.10	90.55
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company	-	-
Total gross emissions	220.82	230.67
<i>Intensity ratio</i>		
Kilogram CO2e per £	0.0052	0.0048

#### *Quantification and reporting methodology*

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

#### *Intensity measurement*

The chosen intensity measurement ratio is total gross emissions in metric Kg CO2e per £ Turnover, the recommended ratio for the sector.

#### **Data Assumptions**

- Assumption made that fleet and company owned vehicles are all medium engine sized.
- Sites excluded in this report are energy consumption controlled by Client.

#### *Measures taken to improve energy efficiency*

We have implemented the policies below for the purpose of increasing energy efficiency.

- LED Lighting and motion sensors for Office usage.
- Upgraded laptops to more energy efficient ones.
- Policy among staff to reduce plug load end of the day.
- Increased availability and encouraged use of video conferencing by introduction of Microsoft Teams.
- Reduce travel costs by using public transport to sites where possible instead of fleet cars.
- Reduced travel costs by reducing number of in person meetings with external stake holders.
- Use of Hybrid cars for site visits.
- Joinery upgraded to Energy efficient Gas heaters.

We are committed to responsible energy management and will practice energy efficiency throughout our organization, wherever it is cost effective. We recognize that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions. Company operates to ISO 14001:2015 Environment Management System and promotes sustainability in built environment design.

# VASCROFT HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

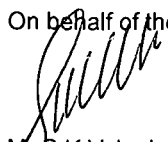
**FOR THE YEAR ENDED 31 AUGUST 2022**

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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr S K Vekaria  
Director

3 November 2022

# **VASCROFT HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 AUGUST 2022**

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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;
- state whether applicable UK 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# VASCROFT HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VASCROFT HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Vascroft Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the group income statement, the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

##### External valuation with material valuation uncertainty

We draw attention to Note 11 and 12 in the financial statements which describes material valuation uncertainty clause in the external valuation report. The property valuation in investment property of £5.66m and property, plant and equipment of £9.75m which cumulatively represents 25% of total assets, is fundamental to the user's understandability of the financial statements as the one of the activity of the group is to lease out its properties for rental income. Our opinion is not modified in respect of this matter.

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

We have nothing to report in this regard.

# VASCROFT HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF VASCROFT HOLDINGS LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

# VASCROFT HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF VASCROFT HOLDINGS LIMITED

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#### **Extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations**

To identify risks of material misstatement due to any irregularities, including fraud and non-compliance with laws and regulations, we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the parent company and group through discussions with directors and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the operations of the parent company and group financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation and The Building Regulations 2010.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

To address the risk of non-compliance with laws and regulations, we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation (including payroll taxes) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the subsidiary company's license to operate. We identified the following areas as those most likely to have such an effect: Buildings Regulations, 2010 and healthcare and safety legislation regulations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# VASCROFT HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF VASCROFT HOLDINGS LIMITED

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#### Use of our report

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



**Shilpa Chheda (Senior Statutory Auditor)**  
**For and on behalf of KLSA LLP**

3 November 2022

**Chartered Accountants**  
**Statutory Auditor**

Kalamu House  
11 Coldbath Square  
London  
EC1R 5HL

# VASCROFT HOLDINGS LIMITED

## GROUP INCOME STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
Revenue	3	42,515,043	48,190,951
Cost of sales		(31,286,372)	(38,999,077)
<b>Gross profit</b>		<b>11,228,671</b>	<b>9,191,874</b>
Administrative expenses		(3,482,255)	(3,841,207)
Other operating income		33,237	119,641
<b>Operating profit</b>	4	<b>7,779,653</b>	<b>5,470,308</b>
Investment income	8	1,001,319	759,925
Fair value gains and losses on investment properties	12	(100,000)	-
<b>Profit before taxation</b>		<b>8,680,972</b>	<b>6,230,233</b>
Tax on profit	9	(1,431,346)	(1,264,863)
<b>Profit for the financial year</b>		<b>7,249,626</b>	<b>4,965,370</b>

Profit for the financial year is all attributable to the owners of the parent company.



# VASCROFT HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2022

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	2022 £	2021 £
<b>Profit for the year</b>	7,249,626	4,965,370
<b>Other comprehensive income</b>		
Tax relating to other comprehensive income	-	(297,846)
<b>Total comprehensive income for the year</b>	<u>7,249,626</u>	<u>4,667,524</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# VASCROFT HOLDINGS LIMITED

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Goodwill	10		-		137,655
Property, plant and equipment	11		9,777,978		9,892,347
Investment properties	12		5,660,000		5,760,000
			<u>15,437,978</u>		<u>15,790,002</u>
<b>Current assets</b>					
Trade and other receivables falling due after more than one year	15	3,559,223		1,495,667	
Trade and other receivables falling due within one year	15	17,378,509		20,862,514	
Cash and cash equivalents		23,136,543		16,848,719	
		<u>44,074,275</u>		<u>39,206,900</u>	
<b>Current liabilities</b>	16	(9,558,756)		(11,953,548)	
<b>Net current assets</b>			<u>34,515,519</u>		<u>27,253,352</u>
<b>Total assets less current liabilities</b>			49,953,497		43,043,354
<b>Non-current liabilities</b>	17		(160,586)		(688,326)
<b>Provisions for liabilities</b>					
Provisions	18	6,553,143		6,345,913	
Deferred tax liability	19	1,998,334		2,017,307	
		<u>(8,551,477)</u>		<u>(8,363,220)</u>	
<b>Net assets</b>			<u>41,241,434</u>		<u>33,991,808</u>
<b>Equity</b>					
Called up share capital	21		10		10
Revaluation reserve			5,690,542		5,781,042
Merger relief reserve			5,799,991		5,799,991
Retained earnings			29,750,891		22,410,765
<b>Total equity</b>			<u>41,241,434</u>		<u>33,991,808</u>

The financial statements were approved by the board of directors and authorised for issue on 3 November 2022 and are signed on its behalf by:

Mr S K Vekaria  
Director

# VASCROFT HOLDINGS LIMITED

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investment properties	12	9,750,000		9,750,000	
Investments	13	13,800,001		13,800,001	
		<u>23,550,001</u>		<u>23,550,001</u>	
<b>Current assets</b>					
Trade and other receivables	15	2,100,001		1	
Cash and cash equivalents		13,998,477		10,059,827	
		<u>16,098,478</u>		<u>10,059,828</u>	
<b>Current liabilities</b>	16	(2,754,649)		(5,106,945)	
<b>Net current assets</b>		<u>13,343,829</u>		<u>4,952,883</u>	
<b>Total assets less current liabilities</b>		<u>36,893,830</u>		<u>28,502,884</u>	
<b>Provisions for liabilities</b>					
Deferred tax liability	19	1,241,025		1,241,025	
		<u>(1,241,025)</u>		<u>(1,241,025)</u>	
<b>Net assets</b>		<u>35,652,805</u>		<u>27,261,859</u>	
<b>Equity</b>					
Called up share capital	21	10		10	
Merger relief reserve		5,799,991		5,799,991	
Retained earnings		29,852,804		21,461,858	
<b>Total equity</b>		<u>35,652,805</u>		<u>27,261,859</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's profit for the year was £8,390,947 (2021 - £109,358 profit).

The financial statements were approved by the board of directors and authorised for issue on 3 November 2022 and are signed on its behalf by:



Mr S K Vekaria  
Director

Company Registration No. 07721503

# VASCROFT HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2022

	Share capital £	Revaluation reserve £	Merger relief reserve £	Retained earnings £	Total £
<b>Balance at 1 September 2020</b>	10	6,259,888	5,799,991	17,264,395	29,324,284
<b>Year ended 31 August 2021:</b>					
Profit for the year	-	-	-	4,965,370	4,965,370
Other comprehensive income:					
Tax relating to other comprehensive income	-	(297,846)	-	-	(297,846)
Total comprehensive income for the year	-	(297,846)	-	4,965,370	4,667,524
Transfers	-	(181,000)	-	181,000	-
<b>Balance at 31 August 2021</b>	10	5,781,042	5,799,991	22,410,765	33,991,808
<b>Year ended 31 August 2022:</b>					
Profit and total comprehensive income for the year	-	-	-	7,249,626	7,249,626
Transfers	-	(90,500)	-	90,500	-
<b>Balance at 31 August 2022</b>	10	5,690,542	5,799,991	29,750,891	41,241,434

Included in the profit and loss reserves are undistributable reserves (net of deferred tax) amounting to £3,330,302 (2021: £3,405,302).

# VASCROFT HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2022

	Share capital £	Merger relief reserve £	Retained earnings £	Total £
<b>Balance at 1 September 2020</b>	10	5,799,991	21,352,500	27,152,501
<b>Year ended 31 August 2021:</b>				
Profit and total comprehensive income for the year	-	-	109,358	109,358
<b>Balance at 31 August 2021</b>	10	5,799,991	21,461,858	27,261,859
<b>Year ended 31 August 2022:</b>				
Profit and total comprehensive income for the year	-	-	8,390,946	8,390,946
<b>Balance at 31 August 2022</b>	10	5,799,991	29,852,804	35,652,805

# VASCROFT HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	9,832,389		5,877,322	
Income taxes paid		(1,392,080)		(365,479)	
<b>Net cash inflow from operating activities</b>		<b>8,440,309</b>		<b>5,511,843</b>	
<b>Investing activities</b>					
Purchase of property, plant and equipment		(106,804)		(4,523)	
Proceeds on disposal of property, plant and equipment		3,000		-	
Loans made		(7,250,000)		(10,700,000)	
Receipts arising from loans made		4,200,000		2,000,000	
Interest received		1,001,319		759,925	
<b>Net cash used in investing activities</b>		<b>(2,152,485)</b>		<b>(7,944,598)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,287,824</b>		<b>(2,432,755)</b>	
Cash and cash equivalents at beginning of year		16,848,719		19,281,474	
<b>Cash and cash equivalents at end of year</b>		<b>23,136,543</b>		<b>16,848,719</b>	

# VASCROFT HOLDINGS LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	28		(1,909,908)		79,003
Income taxes paid			(95,517)		(83,280)
<b>Net cash outflow from operating activities</b>			<b>(2,005,425)</b>		<b>(4,277)</b>
<b>Investing activities</b>					
Loans made		(2,100,000)		-	
Interest received		44,075		63,000	
Dividends received		8,000,000		-	
<b>Net cash generated from investing activities</b>			<b>5,944,075</b>		<b>63,000</b>
<b>Net increase in cash and cash equivalents</b>			<b>3,938,650</b>		<b>58,723</b>
Cash and cash equivalents at beginning of year			10,059,827		10,001,104
<b>Cash and cash equivalents at end of year</b>			<b>13,998,477</b>		<b>10,059,827</b>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

##### Company information

Vascroft Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Vascroft Estate, 861 Coronation Road, Park Royal, London, NW10 7PT.

The group consists of Vascroft Holdings Limited and all of its subsidiaries.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries are accounted for at cost less impairment.

##### 1.3 Basis of consolidation

The consolidated financial statements incorporate those of Vascroft Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 August 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

##### 1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.



# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.5 Revenue

Turnover is recognised to the extent that it is possible that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxed. The following criteria must also be met before turnover is recognised:

##### Rendering of services

In respect of long-term contracts, turnover represents the value of the work done in the year, including estimates of amounts not invoiced and is recognised by reference to the stage of completion of each contract, once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to the balance sheet date of each project.

Full provision is made for losses estimated by the directors on all contracts in the year in which the loss is first foreseen. Such estimates are based upon the directors' experience and relevant professional advice.

Turnover in respect of rental income from investment properties is recognised on straight line basis over the period of the lease.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is recognised on receipt as per contractual terms.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

#### 1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% on Building valuation (Straight line)
Plant and equipment	10% on Reducing balance
Fixtures and fittings	15% on Reducing balance
Motor vehicles	25% on Reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### 1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

(Continued)

#### 1.9 Non-current investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issues together with the fair value of any additional consideration paid.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.10 Impairment of non-current assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Cash and cash equivalents

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

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

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

##### **1.13 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

##### **1.14 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.15 Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

(Continued)

#### 1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to the future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.17 Retirement benefits

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in the accruals as a liability in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

#### 1.18 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.19 Finance cost

Finance cost are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### **2 Judgements and key sources of estimation uncertainty**

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

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

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Debtor recoverability***

Where outstanding customer debt from 31 August 2021 has still to be wholly or partially recovered by the date of the approval of these financial statements, management have exercised judgment in providing for any bad or doubtful debt. Management has individually considered each outstanding remaining debt in terms of payment history, the status of the current commercial relationship and any future committed business in reaching their decision of the appropriate level of provision to make for each customer.

#### ***Rendering of services and loss-making contracts***

In respect of long-term contracts, turnover represents the value of the work done in the year, including estimates of amounts not invoiced and is recognised by reference to the stage of completion of each contract, once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to the Statement of Financial Position date on each project.

Full provision is made for losses estimated by the directors on all contracts in the year in which the loss is first foreseen. Such estimates are based upon the directors' experience and relevant professional advice.

#### ***Useful life of Property, Plant and Equipment***

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

#### ***Valuation of properties***

Investment properties and revalued freehold properties are carried at fair value and revalued amounts respectively. Fair value is ascertained through review of a number of factors and information flows, including market knowledge, recent market movements, recent sales of similar properties, historical experience and rent levels and flows of cash for the respective investment property. There is an inevitable degree of judgement involved and value can only be reliably tested ultimately in the market itself. Given the property market knowledge and expertise of the directors valuations are carried out by a mixture of external independent valuers and internal specialists.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 3 Revenue

An analysis of the group's revenue is as follows:

	2022 £	2021 £
<b>Revenue analysed by class of business</b>		
Property construction	42,326,940	48,021,442
Rental income	188,103	169,509
	<u>42,515,043</u>	<u>48,190,951</u>

	2022 £	2021 £
<b>Other significant revenue</b>		
Interest income	1,001,319	759,925
Grants received	-	48,152
Rent receivable	23,101	-
Other income	10,136	10,882
Fair value loss on investment properties	(100,000)	-
	<u>(100,000)</u>	<u>-</u>

#### 4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	6	946
Government grants	-	(48,152)
Depreciation of owned property, plant and equipment	208,068	211,911
Loss on disposal of property, plant and equipment	10,105	-
Amortisation of intangible assets	137,655	825,913
	<u>355,834</u>	<u>1,090,624</u>

#### 5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	17,000	17,000
	<u>17,000</u>	<u>17,000</u>
<b>For other services</b>		
All other non-audit services	6,770	3,000
	<u>6,770</u>	<u>3,000</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Production staff	25	31	-	-
Administrative staff	35	35	-	-
Managerial staff	2	2	2	2
Total	62	68	2	2

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	3,645,117	3,696,231	-	-
Social security costs	153,627	144,266	-	-
Pension costs	252,253	305,148	-	-
	4,050,997	4,145,645	-	-

#### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	444,836	389,383
Company pension contributions to defined contribution schemes	40,000	20,000
	484,836	409,383

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	258,500	251,667



# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 8 Investment income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	44,075	63,000
Other interest income	957,244	696,925
Total income	<u>1,001,319</u>	<u>759,925</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>44,075</u>	<u>63,000</u>
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### 9 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>1,450,319</u>	<u>1,092,073</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(18,973)</u>	<u>172,790</u>
Total tax charge	<u>1,431,346</u>	<u>1,264,863</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	<u>8,680,972</u>	<u>6,230,233</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,649,385	1,183,744
Tax effect of expenses that are not deductible in determining taxable profit	71,242	183,084
Permanent capital allowances in excess of depreciation	(4,580)	13,518
Research and development tax credit	(259,640)	(288,015)
Deferred tax	(18,973)	172,790
Effect of super tax deduction	(6,088)	(258)
Taxation charge	<u>1,431,346</u>	<u>1,264,863</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 9 Taxation

(Continued)

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on: Revaluation of property	-	297,846

### 10 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 September 2021 and 31 August 2022	8,259,133
<b>Amortisation and impairment</b>	
At 1 September 2021	8,121,478
Amortisation charged for the year	137,655
At 31 August 2022	8,259,133
<b>Carrying amount</b>	
At 31 August 2022	-
At 31 August 2021	137,655

The company had no intangible fixed assets at 31 August 2022 or 31 August 2021.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 11 Property, plant and equipment

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 September 2021	9,750,000	474,130	145,881	361,758	10,731,769
Additions	-	51,743	29,272	25,789	106,804
Disposals	-	(32,075)	-	(18,705)	(50,780)
At 31 August 2022	9,750,000	493,798	175,153	368,842	10,787,793
<b>Depreciation and impairment</b>					
At 1 September 2021	270,000	234,450	99,437	235,535	839,422
Depreciation charged in the year	135,000	29,142	11,359	32,567	208,068
Eliminated in respect of disposals	-	(21,323)	-	(16,352)	(37,675)
At 31 August 2022	405,000	242,269	110,796	251,750	1,009,815
<b>Carrying amount</b>					
At 31 August 2022	9,345,000	251,529	64,357	117,092	9,777,978
At 31 August 2021	9,480,000	239,680	46,444	126,223	9,892,347

The company had no property, plant and equipment at 31 August 2022 or 31 August 2021.

The investment property was valued during the year at £9,750,000 by Bellevue Mortgages, RICS on 10 September 2021 on a fair value basis. The desktop valuation was performed as an addendum to the previous full valuation performed on 30 June 2020. The previous valuation has been recognised on the basis of 'material valuation uncertainty' which was as per RICS guidance due to the impact of COVID-19 on the real estate and hence this uncertainty has been brought forward in the current valuation. The directors consider that these valuations remain appropriate as at 31 August 2022.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2022 £	2021 £
<b>Group</b>		
Cost	3,225,000	3,225,000
Accumulated depreciation	(133,500)	(89,000)
Carrying value	3,091,500	3,136,000

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 12 Investment property

	Group 2022 £	Company 2022 £
<b>Fair value</b>		
At 1 September 2021 and 31 August 2022	5,760,000	9,750,000
Net gains or losses through fair value adjustments	(100,000)	-
At 31 August 2022	<u>5,660,000</u>	<u>9,750,000</u>

The investment property was valued during the year at £5,660,000 by Bellevue Mortlakes, RICS on 10 September 2021 on a fair value basis. The desktop valuation was performed as an addendum to the previous full valuation performed on 30 June 2020. The previous valuation has been recognised on the basis of 'material valuation uncertainty' which was as per RICS guidance due to the impact of COVID-19 on the real estate and hence this uncertainty has been brought forward in the current valuation. The directors consider that these valuations remain appropriate as at 31 August 2022.

#### 13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	13,800,001	13,800,001

#### Movements in non-current investments

Company	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 September 2021 and 31 August 2022	13,800,001
<b>Carrying amount</b>	
At 31 August 2022	<u>13,800,001</u>
At 31 August 2021	<u>13,800,001</u>

#### 14 Subsidiaries

Details of the company's subsidiaries at 31 August 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Vascroft Estates Limited	England and Wales	Property rental	Ordinary	100.00
Vascroft Contractors Limited	England and Wales	Building contractors	Ordinary	100.00

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 15 Trade and other receivables

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade receivables	2,159,211	4,346,754	-	-
Gross amounts owed by contract customers	1,832,041	3,317,480	-	-
Other receivables	13,039,503	12,787,711	2,100,001	1
Prepayments and accrued income	347,754	410,569	-	-
	<u>17,378,509</u>	<u>20,862,514</u>	<u>2,100,001</u>	<u>1</u>
<b>Amounts falling due after more than one year:</b>				
Other receivables	<u>3,559,223</u>	<u>1,495,667</u>	<u>-</u>	<u>-</u>
<b>Total debtors</b>	<u>20,937,732</u>	<u>22,358,181</u>	<u>2,100,001</u>	<u>1</u>

Included in other receivables are the following:

- short-term advances on commercial terms amounting to £12,500,000 (2021: £10,700,000) which are secured against debenture on the assets of the borrowing company.
- short-term loan advanced to the director of the group at HMRC official rate of interest.
- short-term loan advanced to the shareholder, SAV Trust, at HMRC official rate of interest.

Included in non-current other receivable is a loan advanced on commercial terms amounting to £3,000,000 (2021: Nil) which is secured against debenture on the assets of the borrowing company.

### 16 Current liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade payables	2,462,379	2,299,256	-	-
Amounts owed to group undertakings	-	-	2,662,945	5,011,428
Corporation tax payable	900,319	842,080	91,704	95,517
Other taxation and social security	756,693	1,428,104	-	-
Accruals and deferred income	5,439,365	7,384,108	-	-
	<u>9,558,756</u>	<u>11,953,548</u>	<u>2,754,649</u>	<u>5,106,945</u>

### 17 Non-current liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade payables	<u>160,586</u>	<u>688,326</u>	<u>-</u>	<u>-</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 18 Provisions for liabilities

	Group 2022 £	2021 £	Company 2022 £	2021 £
Provision for contract losses	<u>6,553,143</u>	<u>6,345,913</u>	<u>-</u>	<u>-</u>

Movements on provisions:

Group	Provision for contract losses £
At 1 September 2021	6,345,913
Additional provisions in the year	580,000
Reversal of provision	<u>(372,770)</u>
At 31 August 2022	<u>6,553,143</u>

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	107,703	101,676
Revaluations	<u>1,890,631</u>	<u>1,915,631</u>
	<u>1,998,334</u>	<u>2,017,307</u>
Company	Liabilities 2022 £	Liabilities 2021 £
Revaluations	<u>1,241,025</u>	<u>1,241,025</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 19 Deferred taxation (Continued)

	Group 2022 £	Company 2022 £
<b>Movements in the year:</b>		
Liability at 1 September 2021	2,017,307	1,241,025
Credit to profit or loss	(43,973)	-
Effect of change in tax rate - profit or loss	25,000	-
Liability at 31 August 2022	<u>1,998,334</u>	<u>1,241,025</u>

### 20 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>252,253</u>	<u>305,148</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 21 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>	<u>10</u>	<u>10</u>

### 22 Reserves

#### Revaluation Reserve

The revaluation reserve includes all revaluation surpluses of freehold property for current and prior periods.

#### Merger Reserve

The merger relief reserve arises on the acquisition of subsidiaries.

#### Profit & loss account

The profit and loss account includes all current and prior period retained profit and losses.

### 23 Operating lease commitments

The group and the company had no commitments under the non-cancellable operating leases as at the reporting date.

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	699,583	659,781

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales		Purchases	
	2022	2021	2022	2021
	£	£	£	£
<b>Group</b>				
Entities over which the group has control, joint control or significant influence	46,563	-	40,900	-
Key management personnel	28,587	1,607	-	-
Other related parties	10,357	2,419	-	-

### 25 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Short-term loan	2.00	-	1,150,000	1,150,000
		-	1,150,000	1,150,000

### 26 Controlling party

The ultimate controlling party is considered to be the SAV Trust.



# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 27 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	7,249,626	4,965,370
<b>Adjustments for:</b>		
Taxation charged	1,431,346	1,264,863
Investment income	(1,001,319)	(759,925)
Loss on disposal of property, plant and equipment	10,105	-
Fair value loss on investment properties	100,000	-
Amortisation and impairment of intangible assets	137,655	825,913
Depreciation and impairment of property, plant and equipment	208,068	211,911
Increase in provisions	207,230	731,539
<b>Movements in working capital:</b>		
Decrease in trade and other receivables	4,470,449	163,971
Decrease in trade and other payables	(2,980,771)	(1,526,320)
<b>Cash generated from operations</b>	<u>9,832,389</u>	<u>5,877,322</u>

### 28 Cash (absorbed by)/generated from operations - company

	2022 £	2021 £
Profit for the year after tax	8,390,946	109,358
<b>Adjustments for:</b>		
Taxation charged	91,704	393,363
Investment income	(8,044,075)	(63,000)
<b>Movements in working capital:</b>		
Decrease in trade and other payables	(2,348,483)	(360,718)
<b>Cash (absorbed by)/generated from operations</b>	<u>(1,909,908)</u>	<u>79,003</u>

### 29 Analysis of changes in net funds - group

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash at bank and in hand	<u>16,848,719</u>	<u>6,287,824</u>	<u>23,136,543</u>

# VASCROFT HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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### 30 Analysis of changes in net funds - company

	1 September 2021 £	Cash flows £	31 August 2022 £
Cash at bank and in hand	10,059,827	3,938,650	13,998,477