

ACRE INDUSTRIAL SERVICES LTD
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

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FOR THE YEAR ENDED 30 JUNE 2022**

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ACRE INDUSTRIAL SERVICES LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022**

DIRECTOR: James William Price

SECRETARY: Linda Price

REGISTERED OFFICE: Fulwood Estate
Linwood Moss Road
Houston By Johnstone
Renfrewshire
PA6 7BJ

REGISTERED NUMBER: SC117639 (Scotland)

AUDITORS: Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The director presents his strategic report for the year ended 30 June 2022.

REVIEW OF BUSINESS

The company operates a wide range of financial and non-financial key performance indicators to monitor and direct the performance of the business. They include asset utilisation, labour efficiency and health and safety performance. The company retained its ISO 9001:2015 certification throughout the period.

		2022	2021
	£	£	
Turnover		6,166,407	5,691,748
Profit before tax		1,561,128	1,633,135
Net Assets		7,265,446	6,048,092

PRINCIPAL RISKS AND UNCERTAINTIES

The company considers the principal risks facing the business to include the dynamic competitive and regulatory environment as well as cost pressures experienced by certain customers.

These risks and uncertainties are monitored proactively by both the Board and Senior Management Team with the company taking appropriate actions as necessary.

The company continues to monitor the impact of the ongoing uncertainties surrounding the cost of living crisis and it is confident that measures taken over the last 12 months are sufficient to counter any impact which the business may experience.

DEVELOPMENT AND PERFORMANCE

The company continued to expand and enhance its service offerings during the year and this continuing focus on targeted growth with key accounts ensured that the business was able to trade in a sufficiently robust manner throughout the year, defending its position with key accounts and continuing to win new opportunities.

As a result of the prudent and responsible way in which the company is run it has been able to fund its ongoing investment and expansion plans from its own resources, whilst continuing to generate significant free cash flows.

Having won several, new long term contracts and having been successful in the renewal of others the company continues to be well placed to both weather these ongoing challenges arising in the wider economy and continues to be able to exploit new opportunities as they arise.

OTHER MATTERS

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control. Going forward the business remains in a good place to react to any changes in the market and we will continue with our policy of focussing on day to day business.

ON BEHALF OF THE BOARD:

James William Price - Director

8 June 2023

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 JUNE 2022**

The director presents his report with the financial statements of the company for the year ended 30 June 2022.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of industrial cleaning services.

DIVIDENDS

No interim dividend was paid during the year. The director recommends a final dividend of £9 per share.

The total distribution of dividends for the year ended 30 June 2022 will be £ 180,000 .

FUTURE DEVELOPMENTS

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

DIRECTOR

James William Price held office during the whole of the period from 1 July 2021 to the date of this report.

CHARITABLE DONATIONS

The company donated £2,980 to charitable causes in the current year.

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.

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 JUNE 2022**

AUDITORS

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

James William Price - Director

8 June 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACRE INDUSTRIAL SERVICES LTD

Opinion

We have audited the financial statements of Acre Industrial Services Ltd (the 'company') for the year ended 30 June 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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.

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACRE INDUSTRIAL SERVICES LTD**

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ACRE INDUSTRIAL SERVICES LTD

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, and determined that the most significant are those that relate to the form and content of the financial statements such as the accounting policies and the UK Companies Act 2006.

We assessed how the company is complying with these frameworks by observing the oversight of those charged with governance, the culture of honesty and ethical behaviours and a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by making an assessment of the key fraud risks to the company, and the manner in which such risks may occur in practice, based on our previous knowledge of the company, as well as an assessment of the current business environment.

Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Where the risk was considered higher, we performed audit procedures to address each identified fraud risk, including management override of controls. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error. We evaluated the design and operational effectiveness of controls put in place to address the risks identified, or that otherwise prevent, deter and detect fraud.

In addition, our audit procedures included enquiring of management concerning actual and potential litigation and claims, and performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. We addressed the fraud risk in relation to revenue recognition by testing completeness and cut off of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards.

As with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance, and cannot be expected to detect non-compliance with all laws and regulations.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ACRE INDUSTRIAL SERVICES LTD**

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.

Kirsty Mackie (Senior Statutory Auditor)
for and on behalf of Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

8 June 2023

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	30/6/22 £	30/6/21 £
TURNOVER		6,166,407	5,691,748
Cost of sales		<u>(3,685,967)</u>	<u>(3,202,662)</u>
GROSS PROFIT		2,480,440	2,489,086
Distribution costs		(86,604)	(48,106)
Administrative expenses		<u>(832,608)</u>	<u>(808,685)</u>
		1,561,228	1,632,295
Other operating income		<u>-</u>	<u>840</u>
OPERATING PROFIT		1,561,228	1,633,135
Amounts written off investments	4	<u>(100)</u>	<u>-</u>
PROFIT BEFORE TAXATION	5	1,561,128	1,633,135
Tax on profit	6	<u>(163,774)</u>	<u>(400,031)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,397,354</u>	<u>1,233,104</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	30/6/22 £	30/6/21 £
PROFIT FOR THE YEAR		1,397,354	1,233,104
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>1,397,354</u>	<u>1,233,104</u>

ACRE INDUSTRIAL SERVICES LTD (REGISTERED NUMBER: SC117639)

**BALANCE SHEET
30 JUNE 2022**

	Notes	30/6/22 £	£	30/6/21 £	£
FIXED ASSETS					
Tangible assets	8		1,165,336		1,300,539
Investments	9		<u>-</u>		<u>100</u>
			1,165,336		1,300,639
CURRENT ASSETS					
Stocks	10		-		9,640
Debtors	11		5,934,756		5,139,515
Cash at bank and in hand			<u>1,638,831</u>		<u>677,973</u>
			7,573,587		5,827,128
CREDITORS					
Amounts falling due within one year	12		<u>1,259,767</u>		<u>742,893</u>
NET CURRENT ASSETS			<u>6,313,820</u>		<u>5,084,235</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			7,479,156		6,384,874
PROVISIONS FOR LIABILITIES	13		<u>213,710</u>		<u>336,782</u>
NET ASSETS			<u>7,265,446</u>		<u>6,048,092</u>
CAPITAL AND RESERVES					
Called up share capital	14		20,000		20,000
Retained earnings	15		<u>7,245,446</u>		<u>6,028,092</u>
SHAREHOLDERS' FUNDS			<u>7,265,446</u>		<u>6,048,092</u>

The financial statements were approved by the director and authorised for issue on 8 June 2023 and were signed by:

James William Price - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2020	20,000	4,994,988	5,014,988
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	1,233,104	1,233,104
Balance at 30 June 2021	20,000	6,028,092	6,048,092
Changes in equity			
Dividends	-	(180,000)	(180,000)
Total comprehensive income	-	1,397,354	1,397,354
Balance at 30 June 2022	20,000	7,245,446	7,265,446

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. STATUTORY INFORMATION

Acre Industrial Services Ltd is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The nature of the Company's operations and its principal activities are set out in the Directors Report on 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.

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 £.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company 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.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows.

Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Consideration is given to the point at which the Company is entitled to receive the income, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Financial instruments

The Company 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 Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with 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 debtors and cash and bank balances, are initially measured at transaction price including transactions 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.

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 Company 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 and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022**

2. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES - continued**Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3. EMPLOYEES AND DIRECTORS

	30/6/22	30/6/21
	£	£
Wages and salaries	1,801,566	1,615,733
Social security costs	137,095	118,651
Other pension costs	112,181	107,492
	<u>2,050,842</u>	<u>1,841,876</u>

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

	30/6/22	30/6/21
Monthly staff	8	10
Weekly staff	37	41
	<u>45</u>	<u>51</u>

	30/6/22	30/6/21
	£	£
Director's remuneration	9,000	9,000
Director's pension contributions to money purchase schemes	<u>40,000</u>	<u>40,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

4. AMOUNTS WRITTEN OFF INVESTMENTS

	30/6/22	30/6/21
	£	£
Amounts w/o invs	<u>100</u>	<u>-</u>

5. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	30/6/22	30/6/21
	£	£
Hire of plant and machinery	308,867	133,846
Other operating leases	104,109	90,000
Depreciation - owned assets	327,963	339,328
Loss/(profit) on disposal of fixed assets	72,070	(13,000)
Auditors' remuneration	9,625	8,650
Auditors' remuneration for non audit work	<u>1,375</u>	<u>4,906</u>

6. TAXATION**Analysis of the tax charge**

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

	30/6/22	30/6/21
	£	£
Current tax:		
UK corporation tax	301,507	262,841
Adjustment in respect of prior years	<u>(14,661)</u>	<u>3,206</u>
Total current tax	<u>286,846</u>	<u>266,047</u>
Deferred tax:		
Origination and reversal of timing differences	(69,380)	68,840
Changes in tax rates	(53,692)	65,087
Adjustments in respect of prior years	<u>-</u>	<u>57</u>
Total deferred tax	<u>(123,072)</u>	<u>133,984</u>
Tax on profit	<u>163,774</u>	<u>400,031</u>

UK corporation tax has been charged at 19% (2021 - 19%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

6. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

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

	30/6/22 £	30/6/21 £
Profit before tax	<u>1,561,128</u>	<u>1,633,135</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	296,614	310,296
Effects of:		
Expenses not deductible for tax purposes	(2,712)	371
Adjustments to tax charge in respect of previous periods	(14,661)	3,206
Deferred tax adjustments in respect of prior years	(113,066)	57
Fixed asset differences	-	4,493
Adjustments to rate of deferred tax	<u>(2,401)</u>	<u>81,608</u>
Total tax charge	<u>163,774</u>	<u>400,031</u>

7. DIVIDENDS

	30/6/22 £	30/6/21 £
Ordinary shares of £1 each		
Final	<u>180,000</u>	<u>200,000</u>

8. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 July 2021	284,798	533,502	165,620	5,044,423	6,028,343
Additions	-	181,875	-	128,872	310,747
Disposals	<u>(11,250)</u>	<u>(46,193)</u>	<u>(96,382)</u>	<u>(2,206,359)</u>	<u>(2,360,184)</u>
At 30 June 2022	<u>273,548</u>	<u>669,184</u>	<u>69,238</u>	<u>2,966,936</u>	<u>3,978,906</u>
DEPRECIATION					
At 1 July 2021	264,181	521,641	165,620	3,776,362	4,727,804
Charge for year	601	11,721	-	315,641	327,963
Eliminated on disposal	<u>(11,250)</u>	<u>(46,193)</u>	<u>(96,382)</u>	<u>(2,088,372)</u>	<u>(2,242,197)</u>
At 30 June 2022	<u>253,532</u>	<u>487,169</u>	<u>69,238</u>	<u>2,003,631</u>	<u>2,813,570</u>
NET BOOK VALUE					
At 30 June 2022	<u>20,016</u>	<u>182,015</u>	<u>-</u>	<u>963,305</u>	<u>1,165,336</u>
At 30 June 2021	<u>20,617</u>	<u>11,861</u>	<u>-</u>	<u>1,268,061</u>	<u>1,300,539</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2021	100
Impairments	(100)
At 30 June 2022	-
NET BOOK VALUE	
At 30 June 2022	-
At 30 June 2021	100

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

Acre Rental Income Limited

Registered office: Fulwood Estates, Linwood Moss Road, Houston by Johnstone, Renfrewshire, PA6 7BJ

Nature of business: Dissolved

	%
Class of shares:	holding
Ordinary	100.00

Acre Rental Income Limited was dissolved on 4 January 2022.

10. STOCKS

	30/6/22	30/6/21
	£	£
Raw materials	-	9,640

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/22	30/6/21
	£	£
Trade debtors	1,091,641	918,058
Amounts owed by group undertakings	3,920,990	3,256,000
Amounts owed by related parties	849,546	874,265
Prepayments and accrued income	72,579	91,192
	<u>5,934,756</u>	<u>5,139,515</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/22	30/6/21
	£	£
Trade creditors	619,781	186,059
Amounts owed to related parties	58,139	-
Tax	301,534	284,368
Social security and other taxes	229,117	189,366
Other creditors	-	9,776
Accruals and deferred income	51,196	73,324
	<u>1,259,767</u>	<u>742,893</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

13. PROVISIONS FOR LIABILITIES

	30/6/22	30/6/21
	£	£
Deferred tax	<u>213,710</u>	<u>336,782</u>
		Deferred tax
		£
Balance at 1 July 2021		336,782
Originating and reversal of timing differences		(69,380)
Effect of changes in tax rates		<u>(53,692)</u>
Balance at 30 June 2022		<u>213,710</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30/6/22	30/6/21
			£	£
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>

15. RESERVES

	Retained earnings
	£
At 1 July 2021	6,028,092
Profit for the year	1,397,354
Dividends	<u>(180,000)</u>
At 30 June 2022	<u>7,245,446</u>

16. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2022

16. RELATED PARTY DISCLOSURES - continued**Transactions with related parties**

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

		Costs recharged to related parties		Rental payments to related parties	
		2022	2021	2022	2021
£	£	£	£		
Acre Property Services Limited		<u>5,035</u>	<u>147,597</u>	<u>100,000</u>	<u>90,000</u>

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Acre Property Services Limited	<u>58,139</u>	<u>-</u>
Amounts due from related parties		
	2022	2021
	£	£
Acre Property Services Limited	-	36,826
Acre Eco Services Limited	<u>849,546</u>	<u>837,439</u>
	<u>849,546</u>	<u>874,265</u>

All related parties are under the common control of James William Price.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is James William Price.

The company's immediate and ultimate parent undertaking is Acre (Holdings) Limited, whose registered office is at Fullwood Estate, Linwood Moss Road, Houston by Johnstone, Renfrewshire, PA7 7BJ.

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.