

Company registration number 06771648 (England and Wales)

**WESTBOURNE CIVIL ENGINEERING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# WESTBOURNE CIVIL ENGINEERING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M N Colgan C D Bithell O M Colgan T Bailes C Colgan N Sheahan J McKelvey A T Colgan	(Appointed 1 July 2022)
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<b>Company number</b>	06771648
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<b>Registered office</b>	237 Chaddock Lane Worsley Manchester M28 1DW
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<b>Auditor</b>	Alexander & Co LLP Centurion House 129 Deansgate Manchester M3 3WR
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# WESTBOURNE CIVIL ENGINEERING LIMITED

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# WESTBOURNE CIVIL ENGINEERING LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### Review of the business

The directors are pleased to report that, following the difficulties experienced during 2020 and 2021, the Company has achieved operating profits for the year ended 31 December 2022 in excess of £3.3m (2021 - £42k loss), although inflationary pressures continued throughout the period and margins remained below pre-pandemic levels.

Turnover has increased by 29.5% to £53.7m (2021 - £41.5m) and careful monitoring and management of margins has resulted in gross margins improving from 11.9% to 14.5%. This is despite multiple inflationary and supply chain pressures, including the post-pandemic demand for building materials, the situation in Ukraine and the removal of the red diesel rebate on fuel.

The company entered the year with a strong Balance Sheet, and the directors are pleased to report that despite the challenges faced, the resilience of the business has further improved during the year, with year-end cash balances of £3.30m (2021 - £2.52m), net current assets of £5.6m (2021 - £3.8m) and net assets of £9.7m (2021 - £8.2m).

New contracts continued to be won during 2022, which has strengthened the order book going into 2023 and beyond. This has given the business the confidence to make further capital investments in plant and vehicles during the year and post year end, with a new plant workshop and training facility building also nearing completion. The directors believe that the ability to attract and retain a high-calibre workforce is central to maintaining the quality of the service which is provided, which in turn makes the business attractive to our clients.

Despite uncertainty surrounding interest rate increases and cost of living pressures, ongoing issues from the pandemic, the situation in Ukraine and the departure of the UK from the EU, the housing market has continued to show resilience. The market fundamentals are solid, supported by historically low unemployment rates and the current imbalance between demand and supply.

#### Principal risks and uncertainties

As in any trading organisation, the directors acknowledge that as well as rewards, there are risks and uncertainties which are constantly monitored. The Company's business is dependent upon the demand for new build housing, which is affected by factors such as credit availability, employment levels, interest rates and consumer confidence.

Despite the uncertainty surrounding interest rate rises and continued cost of living pressures, the new build housing market has continued to show resilience, and there remains an imbalance between demand and supply, with unemployment rates also at historically low levels. The directors are satisfied that the strength of the Balance Sheet, together with careful monitoring and management of margins, places the business in a good position to respond to any macroeconomic changes in the new build housing market.

The continued strength of the construction industry as a whole also presents challenges, with inflationary and supply chain pressures persisting. The company continues to work closely with suppliers and customers to manage these pressures, and the directors are satisfied that the steps being taken will mitigate against these risks.

On behalf of the board

M N Colgan  
**Director**

22 September 2023

# **WESTBOURNE CIVIL ENGINEERING LIMITED**

## **DIRECTORS' REPORT**

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

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

#### **Principal activities**

The principal activity of the company continued to be that of civil engineering groundworks.

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £1,175,000. 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:

M N Colgan  
C D Bithell  
O M Colgan  
T Bailes  
C Colgan  
N Sheahan  
J McKelvey  
A T Colgan

(Appointed 1 July 2022)

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Alexander & Co LLP be reappointed as auditor of the company will be put at a General Meeting.

#### **Statement of directors' responsibilities**

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **WESTBOURNE CIVIL ENGINEERING LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

M N Colgan  
**Director**

22 September 2023

# WESTBOURNE CIVIL ENGINEERING LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WESTBOURNE CIVIL ENGINEERING LIMITED

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#### Opinion

We have audited the financial statements of Westbourne Civil Engineering Limited (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the 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 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 31 December 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 *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.

#### Conclusions relating to going concern

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

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

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

#### Other information

The 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.

#### 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.

# **WESTBOURNE CIVIL ENGINEERING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF WESTBOURNE CIVIL ENGINEERING LIMITED**

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#### **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 directors' report.

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

- 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 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 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Capability of the audit in detecting irregularities, including fraud**

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

Based on our understanding of the company, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the legal and regulatory framework that the company operates in. We considered the extent to which non-compliance might have a material effect on the financial statements. The key laws and regulations we considered in this context included UK Companies Act 2006, employment law, health and safety and tax legislation.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates.

As a result of the above, our audit procedures performed included:

- Discussions with management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulation and fraud.
- Agreeing financial statements disclosures to underlying supporting documentation and assessing compliance with relevant laws and regulations.
- Testing the appropriateness of journal entries and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.



## **WESTBOURNE CIVIL ENGINEERING LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF WESTBOURNE CIVIL ENGINEERING LIMITED**

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There are inherent limitations in the audit procedures described above. The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK).

We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors of Westbourne Civil Engineering Limited.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

**Gary Kramrisch (Senior Statutory Auditor)**  
**For and on behalf of Alexander & Co LLP**

22 September 2023

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

Centurion House  
129 Deansgate  
Manchester  
M3 3WR

# WESTBOURNE CIVIL ENGINEERING LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	53,733,962	41,491,054
Cost of sales		(45,935,769)	(36,565,832)
<b>Gross profit</b>		<b>7,798,193</b>	<b>4,925,222</b>
Administrative expenses		(4,528,264)	(4,542,414)
Other operating income		49,253	62,666
Exceptional item	4	-	(487,449)
<b>Operating profit/(loss)</b>	5	<b>3,319,182</b>	<b>(41,975)</b>
Interest receivable and similar income	8	953	92
Interest payable and similar expenses	9	(28,357)	(24,721)
<b>Profit/(loss) before taxation</b>		<b>3,291,778</b>	<b>(66,604)</b>
Tax on profit/(loss)	10	(687,506)	3,186
<b>Profit/(loss) for the financial year</b>		<b>2,604,272</b>	<b>(63,418)</b>

The income statement has been prepared on the basis that all operations are continuing operations.

## WESTBOURNE CIVIL ENGINEERING LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2022*

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	2022 £	2021 £
Profit/(loss) for the year	2,604,272	(63,418)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,604,272</u>	<u>(63,418)</u>

# WESTBOURNE CIVIL ENGINEERING LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		4,979,537		4,999,480
<b>Current assets</b>					
Stocks	14	559,946		737,271	
Debtors	15	6,864,006		5,603,402	
Cash at bank and in hand		3,297,114		2,517,905	
			10,721,066		8,858,578
<b>Creditors: amounts falling due within one year</b>	16	(5,138,396)		(5,055,229)	
<b>Net current assets</b>			5,582,670		3,803,349
<b>Total assets less current liabilities</b>			10,562,207		8,802,829
<b>Creditors: amounts falling due after more than one year</b>	17		(277,893)		(80,198)
<b>Provisions for liabilities</b>					
Deferred tax liability	20	617,833		485,422	
			(617,833)		(485,422)
<b>Net assets</b>			9,666,481		8,237,209
<b>Capital and reserves</b>					
Called up share capital	22		100		100
Profit and loss reserves			9,666,381		8,237,109
<b>Total equity</b>			9,666,481		8,237,209

The financial statements were approved by the board of directors and authorised for issue on 22 September 2023 and are signed on its behalf by:

M N Colgan  
Director

Company Registration No. 06771648

# WESTBOURNE CIVIL ENGINEERING LIMITED

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

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 January 2021</b>		100	9,020,527	9,020,627
<b>Year ended 31 December 2021:</b>				
Loss and total comprehensive income for the year		-	(63,418)	(63,418)
Dividends	11	-	(720,000)	(720,000)
<b>Balance at 31 December 2021</b>		100	8,237,109	8,237,209
<b>Year ended 31 December 2022:</b>				
Profit and total comprehensive income for the year		-	2,604,272	2,604,272
Dividends	11	-	(1,175,000)	(1,175,000)
<b>Balance at 31 December 2022</b>		100	9,666,381	9,666,481

# WESTBOURNE CIVIL ENGINEERING LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	2,798,468	2,038,395
Interest paid		(28,357)	(24,721)
Income taxes paid		(222,652)	(183,652)
<b>Net cash inflow from operating activities</b>		<u>2,547,459</u>	<u>1,830,022</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(1,154,311)	(1,505,999)
Proceeds on disposal of tangible fixed assets		537,250	186,729
Interest received		953	92
<b>Net cash used in investing activities</b>		<u>(616,108)</u>	<u>(1,319,178)</u>
<b>Financing activities</b>			
Receipt/(repayment) of bank loans		271,162	(67,045)
Finance leases		(248,304)	(91,205)
Dividends paid		(1,175,000)	(720,000)
<b>Net cash used in financing activities</b>		<u>(1,152,142)</u>	<u>(878,250)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>779,209</u>	<u>(367,406)</u>
Cash and cash equivalents at beginning of year		<u>2,517,905</u>	<u>2,885,311</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>3,297,114</u></u>	<u><u>2,517,905</u></u>

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Westbourne Civil Engineering Limited is a private company limited by shares incorporated in England and Wales. The registered office is 237 Chaddock Lane, Worsley, Manchester, M28 1DW. The company's registered number is 06771648.

#### **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. The principal accounting policies adopted are set out below.

#### **1.2 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.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Construction contracts are assessed on a contract by contract basis. When the outcome of the contract can be measured reliably, the company recognises both income and costs by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to valuations of work performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. When it is probable that a loss will occur on a contract, this is recognised in full immediately as an onerous contract provision.

#### **1.4 Tangible fixed assets**

Tangible fixed assets 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 property	2% per annum
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% 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 credited or charged to profit or loss.

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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).

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset 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.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

#### 1.7 Cash and cash equivalents

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

#### 1.8 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 statement of financial position 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 measured at transaction price. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

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

Financial assets, other than those held at fair value through profit and loss, 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 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, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

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

### 1.9 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **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 when the company has 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.

#### **1.10 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 fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### **1.11 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.12 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Principal activity	53,733,962	41,491,054
	<u>53,733,962</u>	<u>41,491,054</u>
	2022 £	2021 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	53,733,962	41,491,054
	<u>53,733,962</u>	<u>41,491,054</u>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	953	92
Grants received	20,633	30,210
	<u>20,633</u>	<u>30,210</u>

### 4 Exceptional item

	2022 £	2021 £
<b>Expenditure</b>		
Bad debt	-	487,449
	<u>-</u>	<u>487,449</u>

In the prior year, a customer entered into administration and as a result a trade debtor, amounting to £487,449, was deemed irrecoverable. Full provision was made in the prior year.

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Operating profit/(loss)

	2022 £	2021 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Government grants	(20,633)	(30,210)
Fees payable to the company's auditor for the audit of the company's financial statements	19,950	18,000
Depreciation of owned tangible fixed assets	831,678	772,821
Depreciation of tangible fixed assets held under finance leases	25,853	133,501
Profit on disposal of tangible fixed assets	(220,527)	(57,811)
	<u>          </u>	<u>          </u>

### 6 Employees

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

	2022 Number	2021 Number
Management	8	8
Administration	27	28
Professional	4	4
Production	53	52
	<u>          </u>	<u>          </u>
Total	92	92
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,999,768	4,787,359
Social security costs	593,182	542,952
Pension costs	242,670	252,099
	<u>          </u>	<u>          </u>
	5,835,620	5,582,410
	<u>          </u>	<u>          </u>

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	1,242,497	1,236,370
Company pension contributions to defined contribution schemes	148,209	161,951
	<u>          </u>	<u>          </u>
	1,390,706	1,398,321
	<u>          </u>	<u>          </u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 6 (2021 - 6).

Remuneration disclosed above includes £600,000 paid to the highest paid director (2021 - £541,667).

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Interest on bank deposits	76	92
Other interest income	877	-
	<u>953</u>	<u>92</u>
Total income	<u><u>953</u></u>	<u><u>92</u></u>

### 9 Interest payable and similar expenses

	2022	2021
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	20,320	5,883
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	8,035	18,838
Other interest	2	-
	<u>28,357</u>	<u>24,721</u>
	<u><u>28,357</u></u>	<u><u>24,721</u></u>

### 10 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	554,335	(228,108)
Adjustments in respect of prior periods	760	-
	<u>555,095</u>	<u>(228,108)</u>
Total current tax	<u><u>555,095</u></u>	<u><u>(228,108)</u></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(47,242)	224,922
Changes in tax rates	179,653	-
	<u>132,411</u>	<u>224,922</u>
Total deferred tax	<u><u>132,411</u></u>	<u><u>224,922</u></u>
Total tax charge/(credit)	<u><u>687,506</u></u>	<u><u>(3,186)</u></u>

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 10 Taxation

(Continued)

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

	2022 £	2021 £
Profit/(loss) before taxation	3,291,778	(66,604)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	625,438	(12,655)
Tax effect of expenses that are not deductible in determining taxable profit	10,300	7,386
Permanent capital allowances in excess of depreciation	(130,720)	-
Other reconciling items	2,835	2,083
Effect of change in deferred tax rate	179,653	-
Taxation charge/(credit) for the year	687,506	(3,186)

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%.

### 11 Dividends

	2022 £	2021 £
Ordinary dividends paid	1,175,000	720,000

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Tangible fixed assets

	Freehold property	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	1,272,644	6,000,363	418,732	2,718,858	10,410,597
Additions	471,046	77,109	44,609	561,547	1,154,311
Disposals	-	(1,091,112)	-	(75,139)	(1,166,251)
At 31 December 2022	1,743,690	4,986,360	463,341	3,205,266	10,398,657
<b>Depreciation and impairment</b>					
At 1 January 2022	170,957	3,822,586	253,791	1,163,783	5,411,117
Depreciation charged in the year	14,299	373,914	49,854	419,464	857,531
Eliminated in respect of disposals	-	(789,060)	-	(60,468)	(849,528)
At 31 December 2022	185,256	3,407,440	303,645	1,522,779	5,419,120
<b>Carrying amount</b>					
At 31 December 2022	1,558,434	1,578,920	159,696	1,682,487	4,979,537
At 31 December 2021	1,101,687	2,177,777	164,941	1,555,075	4,999,480

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and machinery	-	69,655
Motor vehicles	327,228	828,572
	327,228	898,227

Freehold property with a carrying amount of £1,558,434 (2021 - £1,101,687) has been pledged to secure borrowings of the company.

### 13 Construction contracts

When the outcome of the contract can be measured reliably, the company recognises both income and costs by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to valuations of work performed. Contract revenue totalling £53,733,962 (2021 - £41,491,054) was recognised in the period.

### 14 Stocks

	2022 £	2021 £
Finished goods and goods for resale	559,946	737,271

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 15 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	6,058,765	4,663,595
Corporation tax recoverable	-	228,108
Other debtors	529,205	483,646
Prepayments and accrued income	276,036	228,053
	<u>6,864,006</u>	<u>5,603,402</u>

### 16 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Bank loans	18	145,424	71,957
Obligations under finance leases	19	190,888	439,192
Trade creditors		3,895,087	4,082,003
Corporation tax		104,335	-
Other taxation and social security		183,305	190,879
Other creditors		330,239	51,390
Accruals and deferred income		289,118	219,808
		<u>5,138,396</u>	<u>5,055,229</u>

Obligations under finance leases are secured on the assets they relate to.

### 17 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Bank loans and overdrafts	18	<u>277,893</u>	<u>80,198</u>

### 18 Loans and overdrafts

	2022	2021
	£	£
Bank loans	<u>423,317</u>	<u>152,155</u>
Payable within one year	145,424	71,957
Payable after one year	<u>277,893</u>	<u>80,198</u>

The bank loans are secured by a charge over the freehold property of the company and are repayable over 5 years with interest payable at 3% over base rate.



# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 19 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	196,783	445,031
Less: future finance charges	(5,895)	(5,839)
	<u>190,888</u>	<u>439,192</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
ACAs	<u>617,833</u>	<u>485,422</u>

### 21 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>242,670</u>	<u>252,099</u>

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 22 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# WESTBOURNE CIVIL ENGINEERING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 23 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	1,390,706	1,398,320

#### Transactions with related parties

The directors' loan balances, included within other creditors, were £267,664 (2021 - £10,577). During the year under review dividends totalling £763,750 (2021 - £468,000) were paid to the directors.

### 24 Ultimate controlling party

In the opinion of the directors, the company is controlled by the director, M N Colgan, by virtue of his shareholding in the company.

### 25 Cash generated from operations

	2022 £	2021 £
Profit/(loss) for the year after tax	2,604,272	(63,418)
<b>Adjustments for:</b>		
Taxation charged/(credited)	687,506	(3,186)
Finance costs	28,357	24,721
Investment income	(953)	(92)
Gain on disposal of tangible fixed assets	(220,527)	(57,811)
Depreciation and impairment of tangible fixed assets	857,531	906,322
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	177,325	(513,071)
(Increase)/decrease in debtors	(1,488,712)	754,348
Increase in creditors	153,669	990,582
<b>Cash generated from operations</b>	<b>2,798,468</b>	<b>2,038,395</b>

## WESTBOURNE CIVIL ENGINEERING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Analysis of changes in net funds

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	2,517,905	779,209	3,297,114
Borrowings excluding overdrafts	(152,155)	(271,162)	(423,317)
Obligations under finance leases	(439,192)	248,304	(190,888)
	<u>1,926,558</u>	<u>756,351</u>	<u>2,682,909</u>

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