Company Registration No. 03867792 (England and Wales)

CLEAR LINE MAINTENANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

CLEAR LINE MAINTENANCE LIMITED

COMPANY INFORMATION

Directors	Mr J Mountford Mr P Hebb Mr S Wesley Mr D P Higgins Mr I J Hagan Ms J Grayson
Company number	03867792
Registered office	1 Rawson Spring Way Sheffield S6 1PG
Auditor	Knowles Warwick Audit Services Limited Charlotte House 500 Charlotte Road Sheffield S2 4ER
Bankers	Barclays 1 Churchill Place London E14 5HP

CLEAR LINE MAINTENANCE LIMITED

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CLEAR LINE MAINTENANCE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Review of the business
As one of the UK's leading specialist façade principal contractors, the company provides design, supply, and installation services for the construction of complex façades to significant new build, remediation, and sustainability driven projects as a single source supplier.

Under their single source offering, the company is proud to self-deliver façade construction projects. Each construction process from initial surveying, design, access, dismantling, installation, and quality management of their works are undertaken in-house. The company's specialism is refurbishment, maintenance, and replacement of the facades to any nature of high-rise and high occupancy building, and they supply façade systems that include brickwork, render, rainscreens, insulated panels, curtain walling, windows, atria, and balconies. The company's portfolio of projects includes commercial, residential, healthcare, data storage, and power generating buildings, with services also being provided to select tier-one main contractors, for both remediation and new build works.

Through professional supervision, innovation, and efficiency the company have been able to build a reputation for providing outstanding service, meeting the high demands of health and safety, quality, and timeframes.

Following the company's springboard results following its successful strategic planning during the global pandemic, they have continued to maintain and further enhance their internal processes, with further investment being made into their specialist small works division, and the in-house specialist façade design function to bolster the company's self-delivery offering and on-site quality management, resulting in a marginally reduced turnover but improvements in gross margin.

The strategic plan for the company focuses on three areas:

The continued investment in people, with recruitment taking place in small works coordination, design, project management, and logistical support functions.

Investment in infrastructure, both at head office and on-site, ensuring all employees can deliver the excellent service expected by our customers and to maintain a safe working environment.

Finally, developing and enhancing key long-term relationships with developers, main contractors, consultants, and supply chain partners.

As part of the strategic plan, the company continues to develop as a leading specialist principal contractor and seeks to grow its reputation and recognition, with members of the management team advising industry steering groups and contributing to industry advocacy publications.

The company has specialist knowledge and engineering expertise and also holds close relationships with key developers, whom have agreed to the UK Governments Self Remediation Terms. As a result, the Building Safety Fund continues to provide significant opportunities in respect of the provision of remediation of cladding systems in place in many residential and commercial buildings.

The company continues to strive for greater dominance in the sector of new build, remediation, and sustainability driven façade construction projects as a single source supplier, and to cement our place as a valued and trusted partner to our customers.

Our corporate governance delivers a framework in which we control our activities effectively whilst enabling us to meet the high standard of workmanship and project delivery that have become expected of us. This in turn allows us to assist in the commercial effectiveness of our customers and suppliers and gives us the resources to adapt to our customers' needs as required.

Principal risks and uncertainties

We continue to be happy with our progress but are keen not to lose sight on what are still uncertain industrial and economic conditions. Risk from substantial inflationary increases not only on the cost of materials, but the cost of employment remains high, as do market uncertainties and materials shortages and protracted lead-in times resulting from the ongoing war in Ukraine. Our senior team monitor external market conditions to ensure there are suitable systems in place to identify and mitigate any risks that may arise.

The company has always operated on a prudent basis and with significant cash reserves, and this will remain our policy. We operate with an agile operational structure, meaning the effects of high inflation and the potential economic downturn will be slight, and we will maintain strong operational capability and market leading profitability. As our competitors struggle with the effects of operational cost increases the company is well placed to tender and secure new projects and see through on our commitments.

There continues to be an extremely high demand for competent contractors whom are able to undertake large complex remedial and renovation works. Currently the demand for these works exceeds the number of companies operating in the sector. As a result, the number of tender opportunities remains high, and the company continues to win a significant proportion of these enquiries, with an order book in excess of 12 months. There is strong political drive to invest in the construction industry whilst ensuring improvements in the safety, efficiency, and sustainability of existing buildings.

The principal risk and uncertainty faced by the company remains to be the UK's challenging economic environment, high inflation, rising interest rates and a cost-of-living crisis due to energy costs that will continue to impact the country and influence the level of investment into new commercial developments.

As a company we have always been aware of the potential risks associated with providing credit to clients and we continue to review market conditions to reduce our overall exposure.

Development and performance

The company's key performance indictors include turnover, project gross profit margins, company EBITDA and nonfinancial indicators such as contractors per site and days labour to ensure project delivery. The company focuses on the gross margin of each project on a monthly basis to ensure that it is running as planned and so that timely action can be taken when required.

Key performance indicators

Turnover amounted to £48.5 million (2022: £50.2 million) a 3% decrease on the previous year, a small decrease that demonstrates the success of the company's strategic planning.

Profit before tax was £22.5 million (2022: £15.3 million) an increase of 47% over the previous year, partly due to revenue from on-going projects, efficiency gains, and with significant contributions to profit being made by the final project payments and release of retentions from projects completed during previous financial periods.

The prospects for the forthcoming year remain positive, with several projects being underway, and multiple new awards in the design and planning stages.

On behalf of the board

Mr P Hebb
Director

18 December 2023

CLEAR LINE MAINTENANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities
The principal activity of the company continued to be that of management, design and installation of building facades and curtain walling.

Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final 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 J Mountford
Mr P Hebb
Mr S Wesley
Mr D P Higgins
Mr I J Hagan
Ms J Grayson

Financial instruments
Financial risk
The company operates budgetary and financial reporting procedures, which are supported by key performance indicators to manage credit, liquidity and other financial risk.

Auditor
Knowles Warwick Audit Services Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report
As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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.

Medium-sized companies exemption
This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr P Hebb
Director

18 December 2023

CLEAR LINE MAINTENANCE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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;
- 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.

CLEAR LINE MAINTENANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CLEAR LINE MAINTENANCE LIMITED

Opinion

We have audited the financial statements of Clear Line Maintenance Limited (the 'company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 March 2023 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.

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.

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. 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 followed auditing standards.

We assessed the susceptibility of the company's financial statements to material misstatement, including 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.

In response to the risk of revenue recognition, we;

- Performed analytical procedures to identify unusual transactions; and
- Performed detailed substantive testing across all revenue streams

In response to the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and other relevant parties.

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.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Steven Knowles FCA
Senior Statutory Auditor
For and on behalf of Knowles Warwick Audit Services Limited

18 December 2023

Chartered Accountants
Statutory Auditor

Charlotte House
500 Charlotte Road
Sheffield
S2 4ER

CLEAR LINE MAINTENANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 as restated £
Turnover	**2**	48,571,043	50,237,893
Cost of sales		(22,369,770)	(31,844,242)
Gross profit		26,201,273	18,393,651
Administrative expenses		(3,793,174)	(3,125,993)
Other operating income		4,894	5,440
Operating profit	**3**	22,412,993	15,273,098
Interest receivable and similar income	**6**	105,108	9,076
Interest payable and similar expenses	**7**	(29,509)	(4,203)
Profit before taxation		22,488,592	15,277,971
Tax on profit	**8**	(4,274,687)	(2,892,732)
Profit for the financial year		18,213,905	12,385,239

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

CLEAR LINE MAINTENANCE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023 £	2023 £	2022 as restated £	2022 as restated £
Fixed assets					
Tangible assets	**10**		273,154		334,625
Current assets					
Debtors	**12**	12,983,571		14,411,620	
Cash at bank and in hand		13,704,224		12,593,481	
		26,687,795		27,005,101	
Creditors: amounts falling due within one year	**13**	(13,474,338)		(19,048,173)	
Net current assets			13,213,457		7,956,928
Total assets less current liabilities			13,486,611		8,291,553
Creditors: amounts falling due after more than one year	**14**		(28,472)		(51,993)
Provisions for liabilities					
Provisions	**16**	533,000		533,000	
Deferred tax liability	**17**	67,800		63,126	
			(600,800)		(596,126)
Net assets			12,857,339		7,643,434
Capital and reserves					
Called up share capital	**20**		1		1
Capital redemption reserve			1		1
Profit and loss reserves			12,857,337		7,643,432
Total equity			12,857,339		7,643,434

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 18 December 2023 and are signed on its behalf by:

Mr P Hebb
Director

Company registration number 03867792 (England and Wales)

CLEAR LINE MAINTENANCE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£
As restated for the period ended 31 March 2022:					
Balance at 1 April 2021		1	1	15,799,195	15,799,197
Year ended 31 March 2022:					
Profit and total comprehensive income		-	-	12,385,239	12,385,239
Dividends	**9**	-	-	(250,000)	(250,000)
Contribution to EOT		-	-	(20,291,002)	(20,291,002)
Balance at 31 March 2022		1	1	7,643,432	7,643,434
Year ended 31 March 2023:					
Profit and total comprehensive income		-	-	18,213,905	18,213,905
Contribution to EOT		-	-	(13,000,000)	(13,000,000)
Balance at 31 March 2023		1	1	12,857,337	12,857,339

1 Accounting policies

Company information

Clear Line Maintenance Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Rawson Spring Way, Sheffield, S6 1PG.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Clear Line Holdings Limited for the period ending 31 March 2023. These consolidated financial statements are available from its registered office.

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 represents amounts receivable for services net of VAT and trade discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1 Accounting policies **(Continued)**

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:

Land and buildings Leasehold	5% Straight line
Plant, machinery and equipment	30% Reducing balance
Fixtures and fittings	25% Straight line
Motor vehicles	30% 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.

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). 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.

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.

1.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

1 Accounting policies **(Continued)**

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. .

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 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 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.

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.

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.

1 Accounting policies **(Continued)**

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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company 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 company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 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 profit and loss account 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.

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 profit and loss account, 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.

1.11 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

1.12 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.

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

1.13 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 balance sheet 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 Accounting policies (Continued)

1.14 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.

2 Turnover and other revenue

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

	2023	2022
	£	£
Turnover analysed by class of business		
Sales from trading activities	48,571,043	50,237,893

	2023	2022
	£	£
Other revenue		
Interest income	105,108	9,076
Grants received	4,894	5,440

3 Operating profit

	2023	2022
Operating profit for the year is stated after charging/(crediting):	£	£
Government grants	(4,894)	(5,440)
Fees payable to the company's auditor for the audit of the company's financial statements	14,000	14,000
Depreciation of owned tangible fixed assets	21,653	31,070
Depreciation of tangible fixed assets held under finance leases	39,818	56,882
Operating lease charges	317,692	344,768

4 Employees

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

	2023	2022
	Number	Number
Directors	6	6
Direct	37	38
Administration	7	8
Total	50	52

4 Employees (Continued)

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	2,208,908	1,880,487
Social security costs	236,930	182,627
Pension costs	157,329	114,264
	2,603,167	2,177,378

5 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	526,103	429,202
Company pension contributions to defined contribution schemes	122,947	85,410
	649,050	514,612

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2022 - 6).

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

	2023	2022
	£	£
Remuneration for qualifying services	127,000	111,575
Company pension contributions to defined contribution schemes	76,667	39,999

6 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	89,844	7,668
Other interest income	15,264	1,408
Total income	105,108	9,076

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on finance leases and hire purchase contracts	2,368	4,203
Other interest	27,141	-
	29,509	4,203

8 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	4,270,013	2,880,069
Adjustments in respect of prior periods	-	(6,751)
Total current tax	4,270,013	2,873,318
Deferred tax		
Origination and reversal of timing differences	4,674	19,414
Total tax charge	4,274,687	2,892,732

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:

	2023	2022
	£	£
Profit before taxation	22,488,592	15,277,971
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	4,272,832	2,902,814
Tax effect of expenses that are not deductible in determining taxable profit	16,234	24,187
Group relief	(18,972)	-
Research and development tax credit	-	(6,751)
Capital allowances	(81)	(46,932)
Deferred tax	4,674	19,414
Taxation charge for the year	4,274,687	2,892,732

9 Dividends

	2023	2022
	£	£
Interim paid	-	250,000

10 Tangible fixed assets

	Land and buildings Leasehold	Plant, machinery and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2022 and 31 March 2023	276,574	186,700	164,517	119,506	747,297
Depreciation and impairment					
At 1 April 2022	87,823	97,894	158,975	67,980	412,672
Depreciation charged in the year	13,829	26,642	5,542	15,458	61,471
At 31 March 2023	101,652	124,536	164,517	83,438	474,143
Carrying amount					
At 31 March 2023	174,922	62,164	-	36,068	273,154
At 31 March 2022	188,751	88,806	5,542	51,526	334,625

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

	2023	2022
	£	£
Plant, machinery and equipment	58,800	84,000
Motor vehicles	34,106	48,724
	92,906	132,724

11 Construction contracts

	2023	2022
	£	£
Contracts in progress at the reporting date		
Gross amounts owed by contract customers included in debtors	7,639,177	8,473,082

As at 31 March 2023, retentions held by customers for contract work amounted to £2,523,477 (2022 - £4,375,534)

At 31 March 2023, amounts of £437,138 (2022 - £3,401,483) included in trade and other receivables and arising from construction contracts are due for settlement after more than 12 months.

12 Debtors

	2023	2022
Amounts falling due within one year:	**£**	**£**
Trade debtors	3,706,345	3,822,579
Gross amounts owed by contract customers	7,639,177	8,473,082
Corporation tax recoverable	-	688,573
Amounts owed by group undertakings	976,529	982,131
Other debtors	489,409	354,662
Prepayments and accrued income	172,111	90,593
	12,983,571	14,411,620

13 Creditors: amounts falling due within one year

		2023	2022
	Notes	**£**	**£**
Obligations under finance leases	**15**	19,270	95,767
Trade creditors		1,593,833	3,731,731
Amounts owed to group undertakings		402,203	399,619
Corporation tax		2,960,595	1,629,081
Other taxation and social security		1,177,129	886,875
Deferred income	**18**	4,000	7,490,866
Other creditors		7,080,604	4,518,250
Accruals and deferred income		236,704	295,984
		13,474,338	19,048,173

14 Creditors: amounts falling due after more than one year

		2023	2022
	Notes	**£**	**£**
Obligations under finance leases	**15**	-	19,270
Deferred income	**18**	28,472	32,723
		28,472	51,993

15 Finance lease obligations

	2023	2022
Future minimum lease payments due under finance leases:	**£**	**£**
Within one year	19,362	98,133
In two to five years	-	19,362
	19,362	117,495
Less: future finance charges	(92)	(2,458)
	19,270	115,037

15 Finance lease obligations **(Continued)**

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 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

16 Provisions for liabilities

	2023	2022
	£	£
Provision for remedial work	533,000	533,000

Movements on provisions:

	£
At 1 April 2022 and 31 March 2023	533,000

The remedial works provision accounts for potential repair works to be performed on projects that have been completed or in progress where issues have arisen. The provision is calculated based upon the expected labour and material costs required to perform the remedial works.

17 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 2023	Liabilities 2022
Balances:	£	£
Accelerated capital allowances	67,800	63,126

	2023
Movements in the year:	£
Liability at 1 April 2022	63,126
Charge to profit or loss	4,674
Liability at 31 March 2023	67,800

18 Deferred income

	2023	2022
	£	£
Arising from government grants	32,472	37,367
Other deferred income	-	7,486,222
	32,472	7,523,589

Deferred income is included in the financial statements as follows:		
Current liabilities	4,000	7,490,866
Non-current liabilities	28,472	32,723
	32,472	7,523,589

In previous years the company received grant funding to assist in the growth of the business. At the year end all grant conditions had been met and the balance includec in other creditors is to be released in line with the depreciation of assets it was used to purchase.

19 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	157,329	114,264

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

20 Share capital

	2023	2022	2023	2022
Ordinary share capital	**Number**	**Number**	£	£
Issued and fully paid				
Ordinary share of £1 each	1	1	1	1

The company has one class of ordinary share with no fixed right to income. Each ordinary share has full voting rights and rights to dividends and capital distributions (including on winding up).

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	46,940	145,572
Between two and five years	-	46,402
	46,940	191,974

22 Events after the reporting date

There are no post balance sheet events that the directors feel should be brought to the attention of the shareholders.

23 Related party transactions

Transactions with related parties

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

	Rent paid to	
	2023	2022
	£	£
Key management personnel	112,662	112,662

The following amounts were outstanding at the reporting end date:

	2023	2022
Amounts due to related parties	£	£
Group entities	402,203	399,619
Key management personnel	7,011,680	5,034,429

All amounts outstanding at the balance sheet date are unsecured and will be settled by cash. No interest is charged in respect of outstanding amounts.

No guarantees have been given to or received from related parties.

23 Related party transactions **(Continued)**

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2023 £	2022 £
Entities with control, joint control or significant influence over the company	976,529	982,131
Other related parties	492,045	956,660

All amounts outstanding at the balance sheet date are unsecured and will be settled by cash. No interest is charged in respect of outstanding amounts.

No guarantees have been given to or received from related parties.

24 Directors' transactions

Loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Interest charged £	Amounts repaid £	Closing balance £
Director's loan	2.00	601,738	6,807	(600,000)	8,545
		601,738	6,807	(600,000)	8,545

Loans to directors accrue interest at 2% per annum and are repayable on demand.

25 Ultimate controlling party

The company is a wholly owned subsidiary of Clear Line Holdings Limited, a company registered in England & Wales under company number 08149507.

The company is under the ultimate control of Clear Line Employee Ownership Trust.

The results of the company are consolidated into the group accounts of Clear Line Holdings Limited.

26 Prior period adjustment

Reconciliation of changes in equity

	Notes	1 April 2021 £	31 March 2022 £
Adjustments to prior year			
Contibution made to EOT	1	-	(20,291,002)
Equity as previously reported		15,799,197	27,934,436
Equity as adjusted		15,799,197	7,643,434

Analysis of the effect upon equity

Profit and loss reserves	-	(20,291,002)

Notes to reconciliation

Formation of Employee Ownership Trust

In the previous accounting period, Clear Line Employee Ownership Trust was created and acquired shares in Clear Line Holdings Limited, the parent company of Clear Line Maintenance Limited. The contribution made to the Employee Ownership Trust was initially treated as a loan between Clear Line Maintenance and the Trust. A prior year adjustment has been made to show this transaction as being a contribution to the Trust and as a result, retained earnings for the prior period has reduced.