

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2021

FOR

DURKIN AND SONS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Cash Flow Statement	13
Notes to the Financial Statements	14

DURKIN AND SONS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2021

DIRECTORS:

M E Durkin
E C Durkin

SECRETARY:

E C Durkin

REGISTERED OFFICE:

Unit 1, Phoenix Trading Estate
Bilton Road
Perivale
Middlesex
UB6 7DZ

REGISTERED NUMBER:

01729334 (England and Wales)

AUDITORS:

Sproull & Co.
Chartered Accountants
Statutory Auditors
First Floor, Jebson House
53-61 High Street
Ruislip
Middlesex
HA4 7BD

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

The directors present their strategic report for the year ended 31st March 2021.

REVIEW OF BUSINESS

2020-21 was again a very challenging period for both Durkin and our clients. However due to our investments in previous years in technology and new equipment, despite an industry wide slump in workload, reflected in our major reduction in turnover, we have maintained our company profitability for the year.

The Directors note continuing uncertainty from our clients in respect of maintenance and capital spend, the effects of Covid-19 and the Regulators review upon our industry. The directors intend to keep the companies' activities under constant evaluation to enable us to respond as effectively as possible.

The directors consider the following Key Performance Indicators (KPIs) to be relevant to the company:

KPI	2021	2020	2019	2018
Turnover	£6,443,424	£13,685,802	£13,259,185	£6,792,313
Gross Profit	£2,235,283	£4,003,577	£2,552,606	1,154,170
Gross Profit Margin	34.69%	29.25%	19.25%	16.99%
Net Profit/(Loss)	£1,339,637	£1,600,840	£775,701	£(416,474)

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors has ultimate responsibility for risk management. This responsibility requires an understanding of the key risks, recognition and oversight of the measures in place to manage and minimise risks and the acceptance of residual risks.

The principal risks faced by the company are as follows:

- Health and Safety: implementing effective management systems and working practices
- Regulatory compliance: complying fully with applicable laws and regulations
- Customer reliance: dependence on, and volatility of, client expenditure in the civil engineering and utility contracting industries
- Project and work package execution: completing contracts to programme requirements
- People management: attracting and retaining skilled personnel

Post Balance Sheet Events

Covid-19 has had a major impact on the company and our clients with workloads decreasing dramatically. The Board of Directors have had to take urgent action to mitigate the detrimental effects upon the business, our staff and our ability to continue to operate in the environment of the general public. A series of measures to enable us to continue, although at a less efficient level, have had to be implemented to ensure the safety of, not only our workforce, but also the general public.

Due to previous investments in IT systems and equipment, the company has safeguarded employees, company management and administration by enabling their work to be undertaken remotely and, wherever possible, from home.

The company has received support from the HMRC Job Retention Scheme to assist in the management of cashflow.

Going Concern

The Board of Directors have undertaken continuous reviews in respect of the impacts of greatly reduced workload and Covid-19 and can confirm that the company has more than adequate cash resources, even in the worst case scenarios considered, to continue to operate and to take advantage of the opportunities now becoming available.

STRATEGIC REPORT
FOR THE YEAR ENDED 31ST MARCH 2021

ON BEHALF OF THE BOARD:

M E Durkin - Director

25th February 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2021

The directors present their report with the financial statements of the company for the year ended 31st March 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of civil engineering and utility contracting.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2020 to the date of this report.

M E Durkin
E C Durkin

Other changes in directors holding office are as follows:

M M Durkin - deceased 30th January 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST MARCH 2021

AUDITORS

Under section 487(2) of the Companies Act 2006, Sproull & Co., Chartered Accountants and Statutory Auditors, are deemed to be reappointed as auditors.

ON BEHALF OF THE BOARD:

M E Durkin - Director

25th February 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DURKIN AND SONS LIMITED

Opinion

We have audited the financial statements of Durkin and Sons Limited (the 'company') for the year ended 31st March 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DURKIN AND SONS LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' responsibilities for the audit of the financial statements

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

The senior statutory auditor led a discussion with all members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation or error in the calculation of deferred and accrued income leading to the overstatement or understatement of net income;
- Manipulation or error in existence and/or duplication of number of candidates placed on a job leading to overstatement or understatement of net income.

The procedures we carried out to gain sufficient appropriate audit evidence in the above areas included:

- Identifying and assessing the design effectiveness of controls which management has in place to prevent and detect fraud and error;
- Understanding the potential for override of these controls on the financial reporting process, and how those charged with governance address these override potentials;
- Performing tests of controls and substantive testing on appropriate samples;
- Documenting the assumptions and judgements made by management in their significant accounting estimates and challenging these with management;
- Identifying and testing journal entries, in particular those around the year-end, and those involving unusual postings, account combinations or amounts.

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities. In particular, the senior statutory auditor has a number of years' experience in dealing with similar Employment Agency businesses and preparing accounts under FRS 102.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DURKIN AND SONS LIMITED**

Use of our report

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

Michelle Wickwar (Senior Statutory Auditor)
for and on behalf of Sproull & Co.
Chartered Accountants
Statutory Auditors
First Floor, Jebson House
53-61 High Street
Ruislip
Middlesex
HA4 7BD

25th February 2022

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2021**

	Notes	2021 £	2020 £
TURNOVER	4	6,443,424	13,685,802
Cost of sales		<u>4,208,141</u>	<u>9,682,225</u>
GROSS PROFIT		2,235,283	4,003,577
Administrative expenses		<u>1,736,807</u>	<u>2,513,226</u>
		498,476	1,490,351
Other operating income	5	<u>836,119</u>	<u>90,000</u>
OPERATING PROFIT		1,334,595	1,580,351
Interest receivable and similar income		<u>5,042</u>	<u>20,489</u>
PROFIT BEFORE TAXATION	7	1,339,637	1,600,840
Tax on profit	8	<u>252,324</u>	<u>305,169</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,087,313</u>	<u>1,295,671</u>

The notes form part of these financial statements

DURKIN AND SONS LIMITED (REGISTERED NUMBER: 01729334)**BALANCE SHEET**
31ST MARCH 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	9		636,930		842,647
CURRENT ASSETS					
Debtors	10	1,424,934		2,338,407	
Cash at bank and in hand		<u>10,103,933</u>		<u>9,512,940</u>	
		11,528,867		11,851,347	
CREDITORS					
Amounts falling due within one year	11	<u>1,406,397</u>		<u>2,989,964</u>	
NET CURRENT ASSETS			<u>10,122,470</u>		<u>8,861,383</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,759,400		9,704,030
PROVISIONS FOR LIABILITIES	14		<u>49,000</u>		<u>80,943</u>
NET ASSETS			<u>10,710,400</u>		<u>9,623,087</u>
CAPITAL AND RESERVES					
Called up share capital	15		10,000		10,000
Retained earnings			<u>10,700,400</u>		<u>9,613,087</u>
SHAREHOLDERS' FUNDS			<u>10,710,400</u>		<u>9,623,087</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25th February 2022 and were signed on its behalf by:

M E Durkin - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st April 2019	10,000	8,317,416	8,327,416
Changes in equity			
Total comprehensive income	-	1,295,671	1,295,671
Balance at 31st March 2020	10,000	9,613,087	9,623,087
Changes in equity			
Total comprehensive income	-	1,087,313	1,087,313
Balance at 31st March 2021	10,000	10,700,400	10,710,400

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	643,705	3,142,597
Tax paid		-	(86,105)
Net cash from operating activities		<u>643,705</u>	<u>3,056,492</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(13,500)	(299,837)
Sale of tangible fixed assets		3,700	-
Interest received		5,042	20,489
Net cash from investing activities		<u>(4,758)</u>	<u>(279,348)</u>
Cash flows from financing activities			
Amount withdrawn by directors		(47,954)	(156,147)
Net cash from financing activities		<u>(47,954)</u>	<u>(156,147)</u>
Increase in cash and cash equivalents		<u>590,993</u>	<u>2,620,997</u>
Cash and cash equivalents at beginning of year	2	9,512,940	6,891,943
Cash and cash equivalents at end of year	2	<u>10,103,933</u>	<u>9,512,940</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH 2021****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021 £	2020 £
Profit before taxation	1,339,637	1,600,840
Depreciation charges	215,634	279,085
Profit on disposal of fixed assets	(117)	-
Interest received	(5,042)	(20,489)
	<u>1,550,112</u>	<u>1,859,436</u>
Decrease in trade and other debtors	913,473	490,822
(Decrease)/increase in trade and other creditors	(1,819,880)	792,339
Cash generated from operations	<u><u>643,705</u></u>	<u><u>3,142,597</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2021

	31.3.21 £	1.4.20 £
Cash and cash equivalents	<u>10,103,933</u>	<u>9,512,940</u>

Year ended 31st March 2020

	31.3.20 £	1.4.19 £
Cash and cash equivalents	<u>9,512,940</u>	<u>6,891,943</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank and in hand	<u>9,512,940</u>	<u>590,993</u>	<u>10,103,933</u>
	<u>9,512,940</u>	<u>590,993</u>	<u>10,103,933</u>
Total	<u><u>9,512,940</u></u>	<u><u>590,993</u></u>	<u><u>10,103,933</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2021

1. STATUTORY INFORMATION

Durkin and Sons Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling which is the functional currency of the company.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

In respect of long term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts and contracts for on-going services is recognised by reference to the stage of completion.

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in the UK.

Tangible fixed assets

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

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The useful economic lives and residual values of the assets are assessed annually and may vary depending on a number of factors such as technological innovations, maintenance and projected disposal values.

Government grants

The company recognises income arising from government grants using the performance model.

Financial instruments

Financial instruments are classified according to the substance of the financial instrument's contractual obligations, as financial assets, financial liabilities or equity instruments.

Financial instruments are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Construction contracts

Amounts recoverable on contracts, including work-in-progress, are shown within debtors, and are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Turnover and related costs are recorded as contract activity progresses. An appropriate proportion of the anticipated contract profit or loss is recognised as the contract activity progresses commensurate with performance and anticipated final outcome. Excess progress payments are included in creditors as payments received on account.

Interest income

Interest income is recognised in profit or loss using the effective interest method.

Employee benefits

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

Termination benefits are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

Provision for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably required settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Equity instruments

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements made by management that have a significant effect on the amounts recognised in the financial statements are described below.

Construction contracts

Recognition of revenue and profit on long term contracts requires management judgement regarding the anticipated final outcome of individual contracts and the portion of works completed at the balance sheet date. Management undertakes detailed reviews on a monthly basis in order to exercise judgement over the outcome of each contract and the associated risks and opportunities.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The useful economic lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as technological innovations, maintenance and projected disposal values.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

5. OTHER OPERATING INCOME

	2021	2020
	£	£
Rents received	265,000	90,000
Government grants	571,119	-
	<u>836,119</u>	<u>90,000</u>

6. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	2,609,990	3,942,766
Social security costs	282,319	499,889
Other pension costs	45,524	78,735
	<u>2,937,833</u>	<u>4,521,390</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**6. EMPLOYEES AND DIRECTORS - continued**

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

	2021	2020
Management	8	10
Administration	4	6
Production	40	97
	<u>52</u>	<u>113</u>

	2021	2020
	£	£
Directors' remuneration	<u>330,854</u>	<u>320,744</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	<u>166,328</u>	<u>160,700</u>

7. PROFIT BEFORE TAXATION

The profit is stated after charging/(crediting):

	2021	2020
	£	£
Hire of plant and machinery	133,331	705,485
Other operating leases	321,130	358,980
Depreciation - owned assets	215,634	279,085
Profit on disposal of fixed assets	(117)	-
Auditors' remuneration	9,250	9,250
Auditors' remuneration - taxation advisory services	<u>3,395</u>	<u>4,429</u>

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

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	284,267	297,252
Deferred tax	(31,943)	7,917
Tax on profit	<u>252,324</u>	<u>305,169</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**8. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

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

	2021 £	2020 £
Profit before tax	<u>1,339,637</u>	<u>1,600,840</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	254,531	304,160
Effects of:		
Expenses not deductible for tax purposes	473	1,009
Capital allowances in excess of depreciation	-	(7,917)
Depreciation in excess of capital allowances	29,286	-
Profit on disposal of fixed assets	(23)	-
Deferred tax	(31,943)	7,917
Total tax charge	<u>252,324</u>	<u>305,169</u>

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st April 2020	2,435,637	40,785	1,326,399	3,802,821
Additions	-	-	13,500	13,500
Disposals	-	-	(33,300)	(33,300)
At 31st March 2021	<u>2,435,637</u>	<u>40,785</u>	<u>1,306,599</u>	<u>3,783,021</u>
DEPRECIATION				
At 1st April 2020	2,000,677	40,278	919,219	2,960,174
Charge for year	111,623	125	103,886	215,634
Eliminated on disposal	-	-	(29,717)	(29,717)
At 31st March 2021	<u>2,112,300</u>	<u>40,403</u>	<u>993,388</u>	<u>3,146,091</u>
NET BOOK VALUE				
At 31st March 2021	<u>323,337</u>	<u>382</u>	<u>313,211</u>	<u>636,930</u>
At 31st March 2020	<u>434,960</u>	<u>507</u>	<u>407,180</u>	<u>842,647</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	1,044,721	2,194,886
Other debtors	81,331	48,220
Prepayments and accrued income	298,882	95,301
	<u>1,424,934</u>	<u>2,338,407</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	162,796	798,177
Taxation	581,519	297,252
Social security and other taxes	194,305	786,249
Other creditors	223,395	251,214
Directors' current accounts	24,527	72,481
Accruals	219,855	784,591
	<u>1,406,397</u>	<u>2,989,964</u>

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	97,500	97,500
Between one and five years	97,500	195,000
	<u>195,000</u>	<u>292,500</u>

The operating lease commitments relate to the properties from which the business uses in its trade. These operating leases are subject to periodic rent reviews, though break clauses are available as these reviews fall due.

The operating lease commitments shown above are the total amounts payable up to each break clause.

13. FINANCIAL INSTRUMENTS**Categorisation of financial instruments**

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>11,229,985</u>	<u>11,756,046</u>
Financial liabilities measured at amortised cost	<u>606,046</u>	<u>1,833,982</u>

Financial assets measured at amortised cost comprises cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprises trade creditors, accrued expenses and other creditors.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2021**14. PROVISIONS FOR LIABILITIES**

	2021	2020
	£	£
Deferred tax		
Deferred tax	80,943	73,026
Deferred taxation movement	(31,943)	7,917
	<u>49,000</u>	<u>80,943</u>
		Deferred tax
		£
Balance at 1st April 2020		80,943
Provided during year		(31,943)
Balance at 31st March 2021		<u>49,000</u>

15. CALLED UP SHARE CAPITAL

Allotted and issued:				
Number:	Class:	Nominal value:	2021	2020
			£	£
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>

16. PENSION COMMITMENTS

The company operates a defined contribution scheme. During the year the company contributed £45,524 (2020: £78,735). There were no outstanding contributions at the reporting date (2020: £Nil).

17. ULTIMATE CONTROLLING PARTY

M E Durkin and E C Durkin have ultimate control of the company by virtue of their 100% ownership of the company's share capital.

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.