

**Company registration number: 1700765**

**BECT Building Contractors Limited**

**Financial statements**

**30 June 2021**

# **BECT Building Contractors Limited**

## **Contents**

Strategic report

Directors report

Independent auditor's report to the members

Profit and loss

Balance sheet

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

**Strategic report**

**Year ended 30 June 2021**

**Business Strategy and Objectives**

The business continues to target consolidation as a regional contractor delivering construction services over a breadth of sectors in south Wales and south west of England. Excellence in delivering the highest quality services to our clients remains at the forefront of our thinking. In pursuit of this we continue to focus on operational improvements and efficiencies through improved business processes coupled with investment in our staff and workforce.

**Review of Business**

In the year ended 30 June 2021 we delivered a profitable performance in line with expectations despite the challenges from COVID 19. Revenue reduced in line with expectations, impacted by COVID and the delayed start of the Landore Court Project in Cardiff. Whilst gross profit increased from 7.1% to 7.7%, operating profit reduced because of one-off restructuring costs borne by the overhead. Despite this, profit before taxation remained at positive levels of 4%.

Operational and commercial performance at site level remained robust with good progress being made on our two largest ongoing projects being the Parkgate Hotel in Cardiff and Holburne Park in Bath. In addition to this, in the second quarter of the year, we successfully achieved practical completion of the DWP scheme in Treforest and secured the Landore Court project in Cardiff which started in June 2021. These larger projects have enabled us to deliver the recent revenue growth and will allow us to trade at similar levels over the medium term.

**Environmental matters**

The company recognises the importance of its environmental responsibilities and accepts that concern for the environment and all employees is an integral and fundamental part of its corporate business strategy. The company monitors its impact on the environment and endeavours to design and implement policies and processes to reduce any damage that might be caused by the company's activities. Initiatives include the safe disposal of commercial waste, the minimisation of waste going to landfill, reducing energy consumption and the use of renewable resources where possible.

**Principle Risks and Uncertainties**

We continue to operate with a broad range of clients within a variety of work sectors. We remain successful in securing a significant proportion of our workload through repeat business relationships. Our order book for the coming period and beyond remains very strong with over £90m of future work under contract. Despite the relative strength of this position, we remain focused on a sustainable business strategy that reduces risk, eliminates uncertainty and is built on reliable income streams and strong client relationships.

This report was approved by the board of directors on 24 March 2022 and signed on behalf of the board by:

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J T Coombs

Director

# **BECT Building Contractors Limited**

## **Directors report**

**Year ended 30 June 2021**

The directors present their report and the financial statements of the company for the year ended 30 June 2021.

### **Directors**

The directors who served the company during the year were as follows:

J Eventon	Resigned 30/06/2021
J Thomas	Resigned 30/06/2021
J T Coombs	
N A Holmes	
UTC Holdings Limited	

### **Dividends**

Dividends in the year are as note 9 in the financial statements.

### **Future developments**

We continue to work closely with our current client base on our long-term business strategy. This coupled with the strategic selection of new clients that share our company values will enable us to maintain, and build on, our recent financial performance levels. This view and approach are borne out by a strong order book for the coming trading periods.

### **Financial instruments**

The directors are of the opinion that there is no material risk concerning the assessment of the assets, liabilities, financial position and profit and loss of the company.

### **Disclosure of information in the strategic report.**

The company has included a strategic report in the financial statements as required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008.

### **Directors responsibilities statement**

The directors are responsible for preparing the strategic report, directors 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 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

## **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 24 March 2022 and signed on behalf of the board by:

J T Coombs

Director

# **BECT Building Contractors Limited**

## **Independent auditor's report to the members of**

### **BECT Building Contractors Limited**

**Year ended 30 June 2021**

#### **Opinion**

We have audited the financial statements of BECT Building Contractors Limited (the 'company') for the year ended 30 June 2021 which comprise the Profit and loss, Balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements: - give a true and fair view of the state of the company's affairs as at 30 June 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 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. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 has 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 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 the returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as the Health and Safety at Work Act and other areas regulated by the Health and Safety Executive such as the Construction Design and Management Regulations and the Site Waste Management Regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We 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 posting inappropriate journal entries to manipulate financial performance and misappropriation of assets. Audit procedures performed included: \* Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; \* Reviewing the company's accident book and key correspondence arising from it; \* Reviewing key correspondence with the Health and Safety Executive in relation to compliance with laws and regulations; \* Reviewing relevant minutes of management meetings; \* Identifying and reviewing relevant journal entries to ensure that we understood the reasoning behind them and agreed that they were appropriate; \* Selecting a sample of transactions and tracing to documentation to establish that they are bona fide business transactions; and \* Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing. There are inherent limitations in the audit procedures described above. 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. A further description of our responsibilities for the audit of the financial statements is located in the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities) and this description forms part of our auditor's report. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **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 auditors 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.

Timothy Robinson BSc FCA (Senior Statutory Auditor)

For and on behalf of

CHP Accountants Limited

Chartered Accountants and Statutory Auditors

Clifton House

Four Elms Road

Cardiff

CF24 1LE

25 March 2022

**BECT Building Contractors Limited****Profit and loss****Year ended 30 June 2021**

	<b>Note</b>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Turnover</b>	<b>3</b>	41,981,129	52,304,820
Cost of sales		( 38,750,765 )	( 48,575,654 )
		<hr/>	<hr/>
<b>Gross profit</b>		3,230,364	3,729,166
Distribution costs		( 49,075 )	( 82,787 )
Administrative expenses		( 1,556,696 )	( 1,258,148 )
Other operating income	<b>4</b>	46,926	247,448
		<hr/>	<hr/>
<b>Operating profit</b>		1,671,519	2,635,679
Other interest receivable and similar income		15	963
		<hr/>	<hr/>
<b>Profit before taxation</b>		1,671,534	2,636,642
Tax on profit	<b>8</b>	( 340,457 )	( 504,119 )
		<hr/>	<hr/>
<b>Profit for the financial year and total comprehensive income</b>		1,331,077	2,132,523
		<hr/>	<hr/>

**BECT Building Contractors Limited****Balance sheet****30 June 2021**

	Note	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10	111,629		101,904	
		<u>          </u>		<u>          </u>	
			111,629		101,904
<b>Current assets</b>					
Debtors	11	8,737,154		9,675,754	
Cash at bank and in hand		5,185,672		1,495,154	
		<u>          </u>		<u>          </u>	
		13,922,826		11,170,908	
<b>Creditors: amounts falling due within one year</b>	12	( 8,369,554)		( 6,597,311)	
		<u>          </u>		<u>          </u>	
<b>Net current assets</b>			5,553,272		4,573,597
			<u>          </u>		<u>          </u>
<b>Total assets less current liabilities</b>			5,664,901		4,675,501
<b>Provisions for liabilities</b>	13	( 21,210)		( 19,362)	
		<u>          </u>		<u>          </u>	
<b>Net assets</b>			5,643,691		4,656,139
			<u>          </u>		<u>          </u>
<b>Capital and reserves</b>					
Called up share capital			48		48
Capital redemption reserve			12		12
Profit and loss account			5,643,631		4,656,079
			<u>          </u>		<u>          </u>
<b>Shareholders funds</b>			5,643,691		4,656,139
			<u>          </u>		<u>          </u>

These financial statements were approved by the board of directors and authorised for issue on 24 March 2022 , and are signed on behalf of the board by:

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J T Coombs

Director

Company registration number: 1700765

**BECT Building Contractors Limited****Statement of changes in equity****Year ended 30 June 2021**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
<b>At 1 July 2019</b>	48	12	3,080,031	3,080,091
Profit for the year			2,132,523	2,132,523
<b>Total comprehensive income for the year</b>	-	-	2,132,523	2,132,523
Dividends paid and payable			( 556,475)	( 556,475)
<b>Total investments by and distributions to owners</b>	-	-	( 556,475)	( 556,475)
<b>At 30 June 2020 and 1 July 2020</b>	48	12	4,656,079	4,656,139
Profit for the year			1,331,077	1,331,077
<b>Total comprehensive income for the year</b>	-	-	1,331,077	1,331,077
Dividends paid and payable			( 343,525)	( 343,525)
<b>Total investments by and distributions to owners</b>	-	-	( 343,525)	( 343,525)
<b>At 30 June 2021</b>	48	12	5,643,631	5,643,691

**BECT Building Contractors Limited****Statement of cash flows****Year ended 30 June 2021**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,331,077	2,132,523
<i>Adjustments for:</i>		
Depreciation of tangible assets	24,525	27,065
Other interest receivable and similar income	( 15)	( 963)
Tax on profit	340,457	504,119
Accrued expenses/(income)	4,100	( 3,256)
<i>Changes in:</i>		
Trade and other debtors	938,600	( 5,916,672)
Trade and other creditors	1,936,229	1,213,818
Cash generated from operations	4,574,973	( 2,043,366)
Interest received	15	963
Tax paid	( 506,695)	( 177,842)
Net cash from/(used in) operating activities	4,068,293	( 2,220,245)
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	( 34,250)	( 13,584)
Net cash used in investing activities	( 34,250)	( 13,584)
<b>Cash flows from financing activities</b>		
Equity dividends paid	( 343,525)	( 556,475)
Net cash used in financing activities	( 343,525)	( 556,475)
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,690,518	( 2,790,304)
<b>Cash and cash equivalents at beginning of year</b>	1,495,154	4,285,458
<b>Cash and cash equivalents at end of year</b>	5,185,672	1,495,154



# **BECT Building Contractors Limited**

## **Notes to the financial statements**

**Year ended 30 June 2021**

### **1. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

### **2. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

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

#### **Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Where the outcome of construction contracts can be reliably estimated, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity as at the period end.

Where the outcome of construction contracts cannot be estimated reliably, revenue is recognised to the extent of contract costs incurred where it is probable these will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

The entity uses the percentage of completion method to determine the amounts to be recognised in the period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred for work performed to date do not include costs relating to future activity, such as for materials or prepayments.

## **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

## **Tangible assets**

tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

## **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	15 % reducing balance
Fittings fixtures and equipment	-	15 % reducing balance
Motor vehicles	-	25 % reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

## **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

## **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

## Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

## Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

## 3. Turnover

Turnover arises from:

	2021	2020
	£	£
Construction contracts	41,981,129	52,304,820

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

#### 4. Other operating income

	2021	2020
	£	£
HMRC Coronavirus Job Retention Scheme	46,926	247,448
	<hr/>	<hr/>

#### 5. Auditors remuneration

	2021	2020
	£	£
<b>Fees payable to CHP Accountants Limited</b>		
Fees payable for the audit of the financial statements	12,000	11,900
	<hr/>	<hr/>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	3,250	4,030
	<hr/>	<hr/>

#### 6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
Production staff	38	56
Administrative staff	18	10
	<hr/>	<hr/>
	56	66
	<hr/>	<hr/>

The aggregate payroll costs incurred during the year were:

	2021	2020
	£	£
Wages and salaries	2,636,295	2,582,027
Social security costs	20,240	16,974
Other pension costs	294,800	52,653
	<hr/>	<hr/>
	2,951,335	2,651,654
	<hr/>	<hr/>

## 7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	59,678	11,457
Company contributions to pension schemes in respect of qualifying services	80,000	-
	<u>139,678</u>	<u>11,457</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	Number	Number
Defined contribution plans	2	-
	<u>2</u>	<u>-</u>

## 8. Tax on profit

### Major components of tax expense

	2021	2020
	£	£
<b>Current tax:</b>		
UK current tax expense	338,609	506,681
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,848	( 2,562)
<b>Tax on profit</b>	<u>340,457</u>	<u>504,119</u>

### Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00 % (2020: 19.00%).

	2021	2020
	£	£
Profit before taxation	1,671,534	2,636,642
Profit multiplied by rate of tax	<u>317,591</u>	<u>500,962</u>
Effect of expenses not deductible for tax purposes	22,866	3,157
<b>Tax on profit</b>	<u>340,457</u>	<u>504,119</u>

## 9. Dividends

### Equity dividends

	2021	2020
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	343,525	556,475

## 10. Tangible assets

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2020	10,915	93,027	191,377	295,319
Additions	-	34,250	-	34,250
<b>At 30 June 2021</b>	<b>10,915</b>	<b>127,277</b>	<b>191,377</b>	<b>329,569</b>
<b>Depreciation</b>				
At 1 July 2020	10,915	52,950	129,550	193,415
Charge for the year	-	9,068	15,457	24,525
<b>At 30 June 2021</b>	<b>10,915</b>	<b>62,018</b>	<b>145,007</b>	<b>217,940</b>
<b>Carrying amount</b>				
<b>At 30 June 2021</b>	<b>-</b>	<b>65,259</b>	<b>46,370</b>	<b>111,629</b>
At 30 June 2020	-	40,077	61,827	101,904

## 11. Debtors

	2021	2020
	£	£
Trade debtors	3,909,322	6,209,987
Amounts owed by group undertakings	4,455,486	3,052,536
Amounts owed by customers on construction contracts	124,217	19,787
Directors loan accounts	42,765	-
Prepayments and accrued income	28,527	19,369
Other debtors	176,837	374,075
	<b>8,737,154</b>	<b>9,675,754</b>

## 12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	5,007,633	5,150,946
Accruals and deferred income	20,560	16,460
Social security and other taxes	1,825,148	604,052
Construction contracts credit balances	1,499,159	800,909
Other creditors	17,054	24,944
	<u>8,369,554</u>	<u>6,597,311</u>

The following charges are registered with Barclays Bank PLC

( a ) Debenture dated 26 September 1989 over all the company's assets

( b ) Debenture and cross guarantee dated 25 June 2019 between Bect Building Contractors Limited and UTC Holdings Limited .

( c ) Fixed and floating charge over all the property and undertaking dated 25 June 2019.

( d ) Fixed and floating charge over credit balances dated 3 July 2020.

## 13. Provisions

	Deferred tax (note 14)	Total
	£	£
At 1 July 2020	19,362	19,362
Additions	1,848	1,848
<b>At 30 June 2021</b>	<u>21,210</u>	<u>21,210</u>

## 14. Deferred tax

The deferred tax included in the Balance sheet is as follows:

	2021	2020
	£	£
Included in provisions (note 13)	21,210	19,362

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	21,210	19,362



## 15. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021	2020
	£	£
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	3,909,322	6,209,987
Other debtors	4,827,832	3,465,767
Cash at bank and in hand	5,185,672	1,495,154
	<u>13,922,826</u>	<u>11,170,908</u>
	<u>                    </u>	<u>                    </u>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	5,007,633	5,150,946
Other creditors	3,361,921	1,446,365
	<u>8,369,554</u>	<u>6,597,311</u>
	<u>                    </u>	<u>                    </u>

## 16. Operating leases

### The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	£	£
Not later than 1 year	48,705	14,060
Later than 1 year and not later than 5 years	248,459	36,974
	<u>297,164</u>	<u>51,034</u>
	<u>                    </u>	<u>                    </u>

## 17. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

### 2021

	Balance brought forward	Advances /(credits) to the directors	Balance o/standing
	£	£	£
J T Coombs	-	21,008	21,008
N A Holmes	-	21,758	21,758
	<hr/>	<hr/>	<hr/>
	-	42,766	42,766

### 2020

	Balance brought forward	Advances /(credits) to the directors	Balance o/standing
	£	£	£
J T Coombs	-	-	-
N A Holmes	-	-	-
	<hr/>	<hr/>	<hr/>

## 18. Related party transactions

UTC Holdings Limited is the Parent Company

Included in the financial statements for the year are Site Management fees of £280,734 and Management expenses of £394,266 paid to the parent company.

Propco Developments (Lamby Way) Limited is a 60% subsidiary of UTC Holdings Limited.

Net revenue of £354,283 was derived from work done for Propco Developments (Lamby Way) Limited during the year ended 30 June 2021. At the year end trade debtors included an amount of £88,345 due from Propco Developments (Lamby Way) Limited.

Included in Debtors - Amounts owed by customers on construction contracts is £18,918 relating to Propco Developments (Lamby Way) Limited.

Included in Creditors - Construction contracts credit balances is £63,323 relating to Propco Developments (Lamby Way) Limited.

## **19. Controlling party**

The company is controlled by UTC Holdings Limited , a company situated in the United Kingdom who owns all the issued share capital of BECT Building Contractors Limited .

The directors regard UTC Group Limited, a company registered in the United Kingdom as the group's ultimate parent since 6 April 2021.

The ultimate controlling parties are J T & S Coombs, N A & Z Holmes, J D & R Pugh.

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.