REGISTERED NUMBER: SC246704 (Scotland)

# Strategic Report,

# Report of the Directors and

# Financial Statements

# for the Year Ended 28 February 2022

# for

# C Hanlon Facilities Management Ltd

## Contents of the Financial Statements
## for the Year Ended 28 February 2022


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**C Hanlon Facilities Management Ltd**

**Company Information**
**for the Year Ended 28 February 2022**

| | |
|---|---|
| **DIRECTORS:** | Mrs M McVey<br>B Hughes |
| **REGISTERED OFFICE:** | Radleigh House<br>1 Golf Road<br>Clarkston<br>GLASGOW<br>G76 7HU |
| **REGISTERED NUMBER:** | SC246704 (Scotland) |
| **AUDITORS:** | O'Haras Accountants Limited<br>Radleigh House<br>1 Golf Road<br>Clarkston<br>Glasgow<br>G76 7HU |

**Strategic Report**
**for the Year Ended 28 February 2022**

The directors present their strategic report for the year ended 28 February 2022.

The C Hanlon Facilities Management Ltd business is part of the Chanlon Group and primarily delivers repairs, maintenance, medical adaptations, drainage and civil works, M&E services, electrical installation and compliance works, gas servicing, renewables and public sector capital investment works. These services are delivered by in-house labour operatives and an extensive supply-chain to numerous public sector organisations and private sector businesses.

**REVIEW OF BUSINESS**
The Chanlon Group was established in November 2021 with an estimated annual turnover of £8.5 million; the business turnover increase during the 14-month period to circa £17 million.

This growth was in the main due to the AASC contract that the group negotiated with Mears PLC and opportunities that were realised via competitive tendering in the social housing sector, complemented with increased work-streams from existing clients.

The 14- month period also saw a turnaround in several key management positions with departures and recruitment across most of the business units and the addition of a Health and Safety Manager and an HR Manager to assist in modernising the business prior to the introduction of an IT platform and accounting package to aid operational reporting and financial monitoring.

Key relationships have been built with a new supply-chain and material suppliers that have also assisted in the business growth and have permitted the business to stabilise the in-house trade employee numbers and rebalance the in-house/external delivery of work-stream ratio number (70/30 split).

A rebranding exercise has been completed with the new group logo on all PPE and vehicle livery along with the vehicle fleet being modernised with the introduction of 12 new hybrid vehicles that will reduce the group's carbon foot-print.

**STRATEGY**
The Chanlon Group continues to develop and strengthen the relationships with the core clients and also seeks to build and foster new ones as part of a growth strategy. Specific market sectors will be targeted and opportunities to enhance the business will be developed to ensure that the business continues to grow across all services/business areas with the aim of improving the services we offer and the markets in which we operate.

Operational performance will be enhanced through the introduction of a new IT platform and continued employee training that will in turn provide excellent services for clients and a competitive edge for the business going forward, with the primary aim of providing a suitable return for the group.

The Health and Safety of our employees, customers, supply-chain partners and the general public is our number one priority with the aim that everyone arrives and returns home safely. Training and mentoring of managers and operatives continues to ensure compliance and best practice on all Health and Safety matters.

**Strategic Report**
**for the Year Ended 28 February 2022**

**PRINCIPAL RISKS AND UNCERTAINTIES**
- Economic - the continued uncertainty in the UK domestic market (Scotland) with inflationary pressures resulting in higher material prices and increased labour costs could negatively impact group profitability.

- Material availability - the ongoing shortage of key material items coupled with longer lead-in times could negatively impact performance and profitability of the group.

- Credit risk - the group is exposed to the credit risk that some of it customer base may be unable to pay when the debt falls due; failure to receive/collect all monies due will impact the group's cashflow and profitability.

- Government legislation- legislation and regulatory activities are continually monitored to ensure the group is aware of and prepared to ensure compliance and business readiness.

**ON BEHALF OF THE BOARD:**

Mrs M McVey - Director

27 February 2023

**Report of the Directors**
**for the Year Ended 28 February 2022**

The directors present their report with the financial statements of the company for the year ended 28 February 2022.

## DIVIDENDS

No interim dividend was paid on the Ordinary 'B' £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 28 February 2022 will be £86,564.

## DIRECTORS

Mrs M McVey has held office during the whole of the period from 1 March 2021 to the date of this report.

Other changes in directors holding office are as follows:

C Hanlon - appointed 17 December 2021
B Hughes - appointed 10 December 2021
S Simcox - appointed 31 January 2022

Mrs H Hanlon , S Simcox and C Hanlon ceased to be directors after 28 February 2022 but prior to the date of this report.

## 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 or she ought to have taken as a director in order to make himself or herself 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 28 February 2022**

**AUDITORS**
The auditors, O'Haras Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mrs M McVey - Director

27 February 2023

**Report of the Independent Auditors to the Members of**
**C Hanlon Facilities Management Ltd**

**Opinion**
We have audited the financial statements of C Hanlon Facilities Management Ltd (the 'company') for the year ended 28 February 2022 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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).

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the opening balance figures, in our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with 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**
**C Hanlon Facilities Management Ltd**

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We gained an understanding of the legal and regulatory framework applicable to the company and the building industry in which it operates. We made enquiries of management as to whether there were any known or suspected instances of non-compliance with laws and regulations or fraud, and reviewed available board minutes for any indication of such matters.
- We gained an understanding of management's internal controls designed to prevent and detect irregularities in their day-to-day operations.
- We considered laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement components. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of relevant third parties.
- We considered how fraud might occur in this company and designed our tests accordingly.
- As in all audits, we also addressed the risk of management override of internal controls, including reviewing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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**
**C Hanlon Facilities Management Ltd**

**Use of our report**

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

John O'Hara CA (Senior Statutory Auditor)
for and on behalf of O'Haras Accountants Limited
Radleigh House
1 Golf Road
Clarkston
Glasgow
G76 7HU

27 February 2023

## Income Statement
## for the Year Ended 28 February 2022

| | Notes | 28/2/22<br>£ | 28/2/21<br>£ |
|---|---|---|---|
| **REVENUE** | | 19,667,595 | 12,286,683 |
| Cost of sales | | 16,642,847 | 9,531,494 |
| **GROSS PROFIT** | | 3,024,748 | 2,755,189 |
| Administrative expenses | | 2,136,282 | 2,143,519 |
| | | 888,466 | 611,670 |
| Other operating income | | 26,558 | 23,100 |
| **OPERATING PROFIT** | 4 | 915,024 | 634,770 |
| Interco loan balance w/o | 5 | 161,332 | - |
| | | 1,076,356 | 634,770 |
| Interest receivable and similar income | | 29 | 401 |
| | | 1,076,385 | 635,171 |
| Interest payable and similar expenses | 6 | 261,566 | 99,110 |
| **PROFIT BEFORE TAXATION** | | 814,819 | 536,061 |
| Tax on profit | 7 | 149,925 | 102,282 |
| **PROFIT FOR THE FINANCIAL YEAR** | | 664,894 | 433,779 |

The notes form part of these financial statements

## Other Comprehensive Income for the Year Ended 28 February 2022

| | Notes | 28/2/22 £ | 28/2/21 £ |
|---|---|---|---|
| **PROFIT FOR THE YEAR** | | 664,894 | 433,779 |
| **OTHER COMPREHENSIVE INCOME** | | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 664,894 | 433,779 |

The notes form part of these financial statements

## Statement of Financial Position
## 28 February 2022

| | Notes | 28/2/22 £ | 28/2/22 £ | 28/2/21 £ | 28/2/21 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Property, plant and equipment | 9 | | 82,161 | | 173,669 |
| Investment property | 10 | | - | | 190,000 |
| | | | 82,161 | | 363,669 |
| **CURRENT ASSETS** | | | | | |
| Inventories | 11 | 651,553 | | 97,584 | |
| Debtors | 12 | 3,587,436 | | 4,144,724 | |
| Cash at bank and in hand | | 668,573 | | 499,835 | |
| | | 4,907,562 | | 4,742,143 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 13 | 2,685,023 | | 594,710 | |
| **NET CURRENT ASSETS** | | | 2,222,539 | | 4,147,433 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 2,304,700 | | 4,511,102 |
| **CREDITORS** | | | | | |
| Amounts falling due after more than one year | 14 | | (69,105) | | (2,853,837) |
| **PROVISIONS FOR LIABILITIES** | 18 | | (167) | | (167) |
| **NET ASSETS** | | | 2,235,428 | | 1,657,098 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 19 | | 155 | | 155 |
| Capital redemption reserve | 20 | | 45 | | 45 |
| Retained earnings | 20 | | 2,235,228 | | 1,656,898 |
| **SHAREHOLDERS' FUNDS** | | | 2,235,428 | | 1,657,098 |

The financial statements were approved by the Board of Directors and authorised for issue on 27 February 2023 and were signed on its behalf by:

Mrs M McVey - Director

## Statement of Changes in Equity
## for the Year Ended 28 February 2022

| | Called up share capital £ | Retained earnings £ | Capital redemption reserve £ | Total equity £ |
|---|---|---|---|---|
| **Balance at 1 March 2020** | 155 | 1,331,918 | 45 | 1,332,118 |
| **Changes in equity** | | | | |
| Dividends | - | (108,799) | - | (108,799) |
| Total comprehensive income | - | 433,779 | - | 433,779 |
| **Balance at 28 February 2021** | 155 | 1,656,898 | 45 | 1,657,098 |
| **Changes in equity** | | | | |
| Dividends | - | (86,564) | - | (86,564) |
| Total comprehensive income | - | 664,894 | - | 664,894 |
| **Balance at 28 February 2022** | 155 | 2,235,228 | 45 | 2,235,428 |

The notes form part of these financial statements

## Statement of Cash Flows
## for the Year Ended 28 February 2022

| | Notes | 28/2/22 £ | 28/2/21 £ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Cash generated from operations | 1 | 505,172 | 518,221 |
| Interest element of hire purchase payments paid | | (261,566) | (99,110) |
| Tax paid | | (89,610) | - |
| Net cash from operating activities | | 153,996 | 419,111 |
| **Cash flows from investing activities** | | | |
| Purchase of tangible fixed assets | | (41,513) | (52,343) |
| Purchase of investment property | | - | (45,000) |
| Sale of tangible fixed assets | | 132,467 | - |
| Sale of investment property | | 45,000 | - |
| Interest received | | 29 | 401 |
| Net cash from investing activities | | 135,983 | (96,942) |
| **Cash flows from financing activities** | | | |
| New loans in year | | - | 50,000 |
| Capital repayments in year | | (38,077) | (8,281) |
| Equity dividends paid | | (86,564) | (108,799) |
| Net cash from financing activities | | (124,641) | (67,080) |
| **Increase in cash and cash equivalents** | | 165,338 | 255,089 |
| **Cash and cash equivalents at beginning of year** | 2 | 499,835 | 244,746 |
| **Cash and cash equivalents at end of year** | 2 | 665,173 | 499,835 |

**Notes to the Statement of Cash Flows**
**for the Year Ended 28 February 2022**

## 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Profit before taxation | 814,819 | 536,061 |
| Depreciation charges | 26,668 | 48,461 |
| Profit on disposal of fixed assets | (26,115) | - |
| Impairment adjustments | 145,000 | - |
| Finance costs | 261,566 | 99,110 |
| Finance income | (29) | (401) |
| | 1,221,909 | 683,231 |
| (Increase)/decrease in inventories | (553,969) | 340,487 |
| Decrease/(increase) in trade and other debtors | 557,288 | (2,152,059) |
| (Decrease)/increase in trade and other creditors | (720,056) | 1,646,562 |
| **Cash generated from operations** | 505,172 | 518,221 |

## 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 28 February 2022**

| | 28.2.22 | 1.3.21 |
|---|---|---|
| | £ | £ |
| Cash and cash equivalents | 668,573 | 499,835 |
| Bank overdrafts | (3,400) | - |
| | 665,173 | 499,835 |

**Year ended 28 February 2021**

| | 28.2.21 | 1.3.20 |
|---|---|---|
| | £ | £ |
| Cash and cash equivalents | 499,835 | 244,746 |

**Notes to the Statement of Cash Flows**
**for the Year Ended 28 February 2022**

## 3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.3.21 | Cash flow | At 28.2.22 |
|---|---|---|---|
| | £ | £ | £ |
| **Net cash** | | | |
| Cash at bank and in hand | 499,835 | 168,738 | 668,573 |
| Bank overdrafts | - | (3,400) | (3,400) |
| | 499,835 | 165,338 | 665,173 |
| **Debt** | | | |
| Finance leases | (84,191) | 38,078 | (46,113) |
| Debts falling due within 1 year | - | (10,800) | (10,800) |
| Debts falling due after 1 year | (50,000) | 10,800 | (39,200) |
| | (134,191) | 38,078 | (96,113) |
| **Total** | 365,644 | 203,416 | 569,060 |

The notes form part of these financial statements

**Notes to the Financial Statements**
**for the Year Ended 28 February 2022**

1. **STATUTORY INFORMATION**

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

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.

**Going concern**
The directors continue to be satisfied that the company has adequate resources to continue in operation for the next 12 months. Consequently, the directors consider it appropriate to prepare the financial statements on a going concern basis.

**Critical accounting judgements and key sources of estimation uncertainty**
Inventories are carried at the lower of cost and net realisable value. Calculation of the net realisable value requires management to use estimates regarding future selling prices and other projections which include a degree of uncertainty.

**Revenue**
Turnover represents the amounts derived from the selling of building services to local authorities and private customers. The company recognises revenue on the sale of services in the reporting period in which the work is completed and approved.

Work that is not fully completed and approved is recognised as work in progress.

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

| | |
|---|---|
| Improvements to property | - not provided |
| Plant and machinery | - 25% on reducing balance |
| Fixtures and fittings | - 25% on reducing balance |
| Motor vehicles | - 25% on reducing balance |

**Government grants**
Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in "other income" within profit or loss in the same period as the related expenditure.

**Investment property**
Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

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

Work in progress is valued at cost, based on the progress of work done at the year end.



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2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 statement of financial position date.

**Deferred tax**

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**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.

**Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. **EMPLOYEES AND DIRECTORS**

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 744,709 | 915,389 |
| Social security costs | 12,579 | 8,000 |
| Other pension costs | 41,594 | 13,861 |
| | 798,882 | 937,250 |

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

| | 28/2/22 | 28/2/21 |
|---|---|---|
| Staff | 80 | 3 |

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Directors' remuneration | 104,827 | 82,615 |
| Directors' pension contributions to money purchase schemes | 1,431 | 1,174 |



continued...

## 4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Depreciation - owned assets | 26,669 | 48,461 |
| Profit on disposal of fixed assets | (26,115) | - |
| Auditors' remuneration | 12,000 | - |

## 5. EXCEPTIONAL ITEMS

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Interco loan balance w/o | 161,332 | - |

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Hire purchase | 7,713 | 4,867 |
| Leasing | 253,853 | 94,243 |
| | 261,566 | 99,110 |

## 7. TAXATION

**Analysis of the tax charge**

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

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 149,925 | 102,282 |
| Tax on profit | 149,925 | 102,282 |

## 8. DIVIDENDS

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Ordinary A shares of £1 each | | |
| Interim | 86,564 | 108,799 |



continued...

## 9. PROPERTY, PLANT AND EQUIPMENT

| | Improvements to property | Plant and machinery | Fixtures and fittings | Motor vehicles | Totals |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **COST** | | | | | |
| At 1 March 2021 | 6,228 | 67,030 | 123,891 | 284,961 | 482,110 |
| Additions | - | - | - | 41,513 | 41,513 |
| Disposals | - | - | (4,073) | (219,324) | (223,397) |
| At 28 February 2022 | 6,228 | 67,030 | 119,818 | 107,150 | 300,226 |
| **DEPRECIATION** | | | | | |
| At 1 March 2021 | - | 33,449 | 82,770 | 192,222 | 308,441 |
| Charge for year | - | 8,395 | 10,281 | 7,993 | 26,669 |
| Eliminated on disposal | - | - | - | (117,045) | (117,045) |
| At 28 February 2022 | - | 41,844 | 93,051 | 83,170 | 218,065 |
| **NET BOOK VALUE** | | | | | |
| At 28 February 2022 | 6,228 | 25,186 | 26,767 | 23,980 | 82,161 |
| At 28 February 2021 | 6,228 | 33,581 | 41,121 | 92,739 | 173,669 |

Included in the fixed assets are assets held under hire purchase contracts. In respect of these leases, deprecation of £12,000 has been charged and the assets have a net book value of £31,928.

## 10. INVESTMENT PROPERTY

| | Total |
|---|---|
| | £ |
| **FAIR VALUE** | |
| At 1 March 2021 | 190,000 |
| Disposals | (45,000) |
| Impairments | (145,000) |
| At 28 February 2022 | - |
| **NET BOOK VALUE** | |
| At 28 February 2022 | - |
| At 28 February 2021 | 190,000 |

## 11. INVENTORIES

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Stocks | - | 40,619 |
| Work-in-progress | 651,553 | 56,965 |
| | 651,553 | 97,584 |



continued...

## 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Trade debtors | 2,526,086 | 3,302,833 |
| Construction Labour Ltd | - | 39,818 |
| C Hanlon Consultancy Ltd | - | 701,000 |
| Chanlon Group Ltd | 1,050,000 | - |
| Prepayments | 11,350 | 101,073 |
| | 3,587,436 | 4,144,724 |

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts (see note 15) | 14,200 | - |
| Hire purchase contracts (see note 16) | 16,208 | 41,898 |
| Trade creditors | 1,513,027 | 163,830 |
| Tax | 160,527 | 100,212 |
| Social security and other taxes | 85,479 | 9,609 |
| VAT | 51,390 | 72,003 |
| Other creditors | 630,000 | 43,000 |
| Directors' current accounts | 794 | 794 |
| Accrued expenses | 213,398 | 163,364 |
| | 2,685,023 | 594,710 |

## 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Bank loans (see note 15) | 39,200 | 50,000 |
| Hire purchase contracts (see note 16) | 29,905 | 42,293 |
| ICHS Ltd | - | 24,000 |
| C H Drainage Ltd | - | 608,388 |
| Power Pest Scotland Ltd | - | 6,000 |
| IFFRS Ltd | - | 495,145 |
| C H All Trade Ltd | - | 1,604,011 |
| C Hanlon Gas Servicing Ltd | - | 24,000 |
| | 69,105 | 2,853,837 |

## 15. LOANS

An analysis of the maturity of loans is given below:

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | 3,400 | - |
| Bank loans | 10,800 | - |
| | 14,200 | - |



continued...

## 15. LOANS - continued

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Amounts falling due between one and two years: | | |
| Bank loans - 1-2 years | 10,800 | - |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | 28,400 | 50,000 |

## 16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Net obligations repayable: | | |
| Within one year | 16,208 | 41,898 |
| Between one and five years | 29,905 | 42,293 |
| | 46,113 | 84,191 |

## 17. SECURED DEBTS

C Hanlon Consultancy Limited holds a floating charge over all property or undertaking of the company.

## 18. PROVISIONS FOR LIABILITIES

| | 28/2/22 | 28/2/21 |
|---|---|---|
| | £ | £ |
| Deferred tax | 167 | 167 |

| | Deferred tax |
|---|---|
| | £ |
| Balance at 1 March 2021 | 167 |
| Balance at 28 February 2022 | 167 |

## 19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 28/2/22 | 28/2/21 |
|---|---|---|---|---|
| | | | £ | £ |
| 75 | Ordinary A | £1 | 75 | 75 |
| (28/2/21 - 100 ) | | | | |
| 80 | Ordinary B | £1 | 80 | 80 |
| | | | 155 | 155 |



continued...

## 20. RESERVES

| | Retained earnings £ | Capital redemption reserve £ | Totals £ |
|---|---|---|---|
| At 1 March 2021 | 1,656,898 | 45 | 1,656,943 |
| Profit for the year | 664,894 | | 664,894 |
| Dividends | (86,564) | | (86,564) |
| At 28 February 2022 | 2,235,228 | 45 | 2,235,273 |

## 21. ULTIMATE PARENT COMPANY

Chanlon Group Limited is regarded by the directors as being the company's ultimate parent company.

## 22. RELATED PARTY DISCLOSURES

**Entities with control, joint control or significant influence over the entity**

| | 28/2/22 £ | 28/2/21 £ |
|---|---|---|
| Amount due to related party | 1,075,000 | - |

**Entities over which the entity has control, joint control or significant influence**

| | 28/2/22 £ | 28/2/21 £ |
|---|---|---|
| Amount due from related party | 117,560 | 740,818 |
| Amount due to related party | 922,506 | 2,761,543 |
| Recognised bad or doubtful debts due from related parties | 117,560 | - |

## 23. ULTIMATE CONTROLLING PARTY

At the year end, the ultimate controlling party was Chris Hanlon. After the year end, it changed to Selcap Limited