

**Company registration number: 1700765**

**BECT Building Contractors Limited**

**Financial statements**

**30 June 2023**

# BECT Building Contractors Limited

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# **BECT Building Contractors Limited**

## **Strategic report Year ended 30 June 2023**

### **Business Strategy and Objectives**

The financial year ended June 2023 continued to target consolidation for the business as a reputable regional contractor in South Wales and the South West. During the year we maintained our focus on delivering a quality service to all our clients with the objective of forging long-term repeat business relationships. In pursuit of this, we have striven to implement operational and commercial improvements and efficiencies through updated and improved business processes. We believe that the improvement in business process coupled with continued investment in technology and our workforce will enable the business to achieve its short to medium term goals and positively pursue opportunities in the future.

### **Review of Business**

This year, despite the continued challenges from an uncertain and volatile economic environment, we delivered another profitable performance in line with the business aspirations. Revenue increased to £62m from £42m in 2022 as a result of a number of larger schemes underway through the year. Whilst gross profit reduced from 7.9% to 6.7%, profit before taxation remained consistent at 4.4%.

Operational and commercial performance at site level remained consistent with good progress continuing to be achieved on our largest schemes, Holburne Park in Bath and Landore Court in Cardiff. In addition to this we successfully achieved Practical Completion at Lisvane & Llanishen Reservoirs' Visitors Centre and secured the £42m Weldale Street Phase 2 scheme which will commence in the Autumn of 2023. Although revenue is projected to reduce to around £50m in the coming year, Weldale Street Phase 2 and other large schemes that are in the pipeline mean we are well placed to trade at levels in line with the medium-term business plan.

### **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's where possible.

### **Principal Risks and Uncertainties**

As a business we continue to work with a range of clients within a variety of sectors and remain successful in securing significant volumes of workload through repeat business relationships. Our order book for the coming period remains very strong with over £85m of work currently 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 robust business processes, reliable income streams and strong long-term relationships.

The following sets out the main financial risks faced by the company and how those risks are mitigated:

#### **Contract delivery risk**

The group has several construction contracts in progress at any point in time and there is a risk that ineffective contract management could result in delay or failure to deliver on contracts.

Contracts in progress are closely controlled by management with monthly reviews comparing performance to budget and timetables. This enables any problems to be identified early and corrective measures to be actioned.

#### **Financial risk management**

Exposure to liquidity and credit risks arise in the normal course of the group's business. Credit risk is attributable to trade debtors, amounts included on the balance sheet are net of any allowances for doubtful debts. Credit risk is reduced by working with a number of blue-chip clients and operating under collaborative forms of contract on most projects.

## **BECT Building Contractors Limited**

### **Strategic report (continued) Year ended 30 June 2023**

#### **Safety risk**

The group's activities are complex and require continuous monitoring of health, safety and environmental risk. Failure to manage these risks could result in injury to employees, sub-contractors, the general public and the environment. This could result in reputation damage and significant liabilities.

Detailed policies and procedures are in place to mitigate such risks and compliance is monitored through inspections and audits.

#### **Key performance indicators**

The success of the business is measured in both financial and non-financial reporting including measurement against a number of key performance indicators.

Financial indicators are reviewed through the preparation of half yearly management accounts that bring together analysis of cost value reconciliation reports on a project by project basis, Reviews take into consideration debtors, creditors, retention, accrual, cash at bank, staffing levels and overhead costs. In addition we review tender schedules, tender/contract awards and pipeline of forthcoming opportunities.

Non-financial reporting includes Corporate Social Responsibility activities, staff retentions, health, safety and environmental indicators.

This report was approved by the board of directors on 26 March 2024 and signed on behalf of the board by:

J T Coombs  
Director

## **BECT Building Contractors Limited**

### **Directors report Year ended 30 June 2023**

The directors present their report and the financial statements of the company for the year ended 30 June 2023.

#### **Directors**

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

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.

**BECT Building Contractors Limited**

**Directors report (continued)  
Year ended 30 June 2023**

**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 26 March 2024 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 2023**

#### **Opinion**

We have audited the financial statements of BECT Building Contractors Limited (the 'company') for the year ended 30 June 2023 which comprise the Profit and loss, Balance sheet, statement of changes in equity 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## **BECT Building Contractors Limited**

### **Independent auditor's report to the members of BECT Building Contractors Limited (continued) Year ended 30 June 2023**

#### **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:



## **BECT Building Contractors Limited**

### **Independent auditor's report to the members of BECT Building Contractors Limited (continued) Year ended 30 June 2023**

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.

**BECT Building Contractors Limited**

**Independent auditor's report to the members of  
BECT Building Contractors Limited (continued)  
Year ended 30 June 2023**

**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

**BECT Building Contractors Limited**

**Profit and loss  
Year ended 30 June 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>4</b>	61,693,666	41,770,101
Cost of sales		(57,554,089)	(38,472,946)
<b>Gross profit</b>		<u>4,139,577</u>	<u>3,297,155</u>
Distribution costs		(69,609)	(68,418)
Administrative expenses		(1,365,293)	(1,210,993)
<b>Operating profit</b>	<b>5</b>	<u>2,704,675</u>	<u>2,017,744</u>
Gain on financial assets at fair value through profit or loss		24,452	-
Other interest receivable and similar income	<b>9</b>	11,028	3,488
Interest payable and similar expenses	<b>10</b>	-	(110,741)
<b>Profit before taxation</b>		<u>2,740,155</u>	<u>1,910,491</u>
Tax on profit	<b>11</b>	(604,171)	(409,535)
<b>Profit for the financial year and total comprehensive income</b>		<u><u>2,135,984</u></u>	<u><u>1,500,956</u></u>

The notes on pages 13 to 23 form part of these financial statements.

**BECT Building Contractors Limited**

**Balance sheet  
30 June 2023**

		2023		2022	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13	121,588		128,971	
			121,588		128,971
<b>Current assets</b>					
Debtors	14	13,479,491		11,159,141	
Investments	15	842,762		567,601	
Cash at bank and in hand		2,237,308		2,872,908	
		16,559,561		14,599,650	
<b>Creditors: amounts falling due within one year</b>	16	(9,916,042)		(8,803,069)	
<b>Net current assets</b>			6,643,519		5,796,581
<b>Total assets less current liabilities</b>			6,765,107		5,925,552
<b>Provisions for liabilities</b>	17		(30,432)		(24,505)
<b>Net assets</b>			6,734,675		5,901,047
 <b>Capital and reserves</b>					
Called up share capital	21		48		48
Capital redemption reserve			12		12
Profit and loss account			6,734,615		5,900,987
<b>Shareholders funds</b>			6,734,675		5,901,047

The notes on pages 13 to 23 form part of these financial statements.

**BECT Building Contractors Limited**

**Balance sheet (continued)**  
**30 June 2023**

These financial statements were approved by the board of directors and authorised for issue on 26 March 2024, and are signed on behalf of the board by:

J T Coombs  
Director

N A Holmes  
Director

Company registration number: 1700765

**The notes on pages 13 to 23 form part of these financial statements.**

**BECT Building Contractors Limited**

**Statement of changes in equity  
Year ended 30 June 2023**

	Called up share capital	Capital redemption reserve	Profit and loss account	<b>Total</b>
	£	£	£	£
<b>At 1 July 2021</b>	48	12	5,643,631	5,643,691
Profit for the year			1,500,956	1,500,956
<b>Total comprehensive income for the year</b>	-	-	1,500,956	1,500,956
Dividends paid and payable			(1,243,600)	(1,243,600)
<b>Total investments by and distributions to owners</b>	-	-	(1,243,600)	(1,243,600)
<b>At 30 June 2022 and 1 July 2022</b>	48	12	5,900,987	5,901,047
Profit for the year			2,135,984	2,135,984
<b>Total comprehensive income for the year</b>	-	-	2,135,984	2,135,984
Dividends paid and payable			(1,302,356)	(1,302,356)
<b>Total investments by and distributions to owners</b>	-	-	(1,302,356)	(1,302,356)
<b>At 30 June 2023</b>	48	12	6,734,615	6,734,675

## **BECT Building Contractors Limited**

### **Notes to the financial statements Year ended 30 June 2023**

#### **1. General information**

The company is a private company limited by shares, registered in United Kingdom. The address of the registered office is Unit 22 Waterside Business Park, Lamby Way, Rumney, Cardiff, CF3 2ET.

The principal activity of the company continues to be building contractors.

#### **2. 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'.

#### **3. 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.

The entity has taken advantage of the following disclosure exemption in preparing these financial statements as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ; The requirements of section 7 Statement of Cash Flows.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, is in the period of the revision and future periods where the revision affects both current and future periods.

##### **Retentions**

In the construction industry it is a common feature of construction contracts for the customer to retain part of the contract fee over a maintenance period pending the satisfactory completion of any remedial work required by the contractor. Retentions are included within debtors and turnover. Provisions for remedial work is included within accruals.

## **BECT Building Contractors Limited**

### **Notes to the financial statements (continued) Year ended 30 June 2023**

#### **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 cost are recognised by reference to the stage of completion of the contract activity at the end of the reporting period.

If the outcome of construction contracts cannot be reliably estimated, 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.



## BECT Building Contractors Limited

### Notes to the financial statements (continued) Year ended 30 June 2023

#### 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.

#### 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.

## BECT Building Contractors Limited

### Notes to the financial statements (continued) Year ended 30 June 2023

#### 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 are 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.

#### 4. Turnover

Turnover arises from:

	2023	2022
	£	£
Construction contracts	61,693,666	41,770,101

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

**BECT Building Contractors Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2023**

**5. Operating profit**

Operating profit is stated after charging/(crediting):

	<b>2023</b>	2022
	£	£
Depreciation of tangible assets	26,377	21,654
(Gain)/loss on disposal of tangible assets	-	113
Operating lease rentals	-	3,603
Fees payable for the audit of the financial statements	22,500	16,000
Hire of plant and machinery	1,368,899	832,817
Hire of office equipment	6,588	15,691
	<u>                    </u>	<u>                    </u>

**6. Auditors remuneration**

	<b>2023</b>	2022
	£	£
<b>Fees payable to CHP Accountants Limited</b>		
Fees payable for the audit of the financial statements	22,500	16,000
	<u>                    </u>	<u>                    </u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	3,606	590
	<u>                    </u>	<u>                    </u>

**7. Staff costs**

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

	<b>2023</b>	2022
Construction staff	55	49
Management and administrative staff	15	15
	<u>                    </u>	<u>                    </u>
	70	64
	<u>                    </u>	<u>                    </u>

The aggregate payroll costs incurred during the year were:

	<b>2023</b>	2022
	£	£
Wages and salaries	2,880,818	2,500,190
Social security costs	310,070	270,395
Other pension costs	489,234	312,739
	<u>                    </u>	<u>                    </u>
	3,680,122	3,083,324
	<u>                    </u>	<u>                    </u>

**BECT Building Contractors Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2023**

**8. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

	<b>2023</b>	2022
	<b>£</b>	£
Remuneration	25,140	28,391
Company contributions to pension schemes in respect of qualifying services	120,000	80,000
	<u>145,140</u>	<u>108,391</u>

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

	<b>2023</b>	2022
	<b>Number</b>	Number
Defined contribution plans	<u>2</u>	<u>2</u>

**9. Other interest receivable and similar income**

	<b>2023</b>	2022
	<b>£</b>	£
Bank deposits	10,318	8
Gain on fair value adjustment of financial assets at fair value through profit or loss	24,452	-
Other interest receivable and similar income	710	3,480
	<u>35,480</u>	<u>3,488</u>

**10. Interest payable and similar expenses**

	<b>2023</b>	2022
	<b>£</b>	£
Loss on fair value adjustment of financial assets at fair value through profit or loss	-	110,681
Other interest payable and similar expenses	-	60
	<u>-</u>	<u>110,741</u>

**BECT Building Contractors Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2023**

**11. Tax on profit**

**Major components of tax expense**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	598,244	406,240
	<u>          </u>	<u>          </u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	5,927	3,295
	<u>          </u>	<u>          </u>
<b>Tax on profit</b>	<u>604,171</u>	<u>409,535</u>

**Reconciliation of tax expense**

The tax assessed on the profit for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%).

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit before taxation	2,740,155	1,910,491
	<u>          </u>	<u>          </u>
Profit multiplied by rate of tax	561,732	362,993
Effect of expenses not deductible for tax purposes	35,144	46,542
Effect of change in deferred tax rate	7,295	-
	<u>          </u>	<u>          </u>
Tax on profit	<u>604,171</u>	<u>409,535</u>

**12. Dividends**

**Equity dividends**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	1,302,356	1,243,600
	<u>          </u>	<u>          </u>

**BECT Building Contractors Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2023**

**13. Tangible assets**

	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1 July 2022	10,916	136,825	182,890	330,631
Additions	-	18,994	-	18,994
<b>At 30 June 2023</b>	<u>10,916</u>	<u>155,819</u>	<u>182,890</u>	<u>349,625</u>
<b>Depreciation</b>				
At 1 July 2022	10,916	72,567	118,177	201,660
Charge for the year	-	10,199	16,178	26,377
<b>At 30 June 2023</b>	<u>10,916</u>	<u>82,766</u>	<u>134,355</u>	<u>228,037</u>
<b>Carrying amount</b>				
<b>At 30 June 2023</b>	<u>-</u>	<u>73,053</u>	<u>48,535</u>	<u>121,588</u>
At 30 June 2022	<u>-</u>	<u>64,258</u>	<u>64,713</u>	<u>128,971</u>

**14. Debtors**

	<b>2023</b>	2022
	£	£
Trade debtors	8,340,507	6,544,652
Amounts owed by group undertakings	4,463,356	4,455,486
Amounts owed by customers on construction contracts	459,487	114,848
Prepayments and accrued income	21,141	39,155
Other debtors	195,000	5,000
	<u>13,479,491</u>	<u>11,159,141</u>

**15. Investments**

	<b>2023</b>	2022
	£	£
Other investments	<u>842,762</u>	<u>567,601</u>

**BECT Building Contractors Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2023**

**16. Creditors: amounts falling due within one year**

	<b>2023</b>	2022
	£	£
Trade creditors	5,392,838	4,083,099
Accruals and deferred income	655,762	588,530
Social security and other taxes	1,271,046	677,123
Construction contract credit balances	2,592,920	3,454,317
Other creditors	3,476	-
	<u>9,916,042</u>	<u>8,803,069</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.

**17. Provisions**

	Deferred tax (note 18)	<b>Total</b>
	£	£
At 1 July 2022	24,505	24,505
Charges against provisions	5,927	5,927
<b>At 30 June 2023</b>	<u>30,432</u>	<u>30,432</u>

**18. Deferred tax**

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

	<b>2023</b>	2022
	£	£
Included in provisions (note 17)	<u>30,432</u>	<u>24,505</u>

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

	<b>2023</b>	2022
	£	£
Accelerated capital allowances	<u>30,432</u>	<u>24,505</u>

**19. Employee benefits**

The amount recognised in profit or loss in relation to defined contribution plans was £489,234 (2022:£312,739).

**BECT Building Contractors Limited**

**Notes to the financial statements (continued)**  
**Year ended 30 June 2023**

**20. Financial instruments**

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

	<b>2023</b>	<b>2022</b>
	£	£
<b>Financial assets measured at fair value through profit or loss</b>		
Listed investments	842,762	567,601
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	8,340,507	6,544,652
Other debtors	5,138,984	4,614,489
Cash at bank and in hand	2,237,308	2,872,908
	15,716,799	14,032,049
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	5,392,838	4,083,099
Other creditors	4,523,204	4,719,970
	9,916,042	8,803,069

**21. Called up share capital**  
**Issued, called up and fully paid**

	<b>2023</b>		<b>2022</b>	
	No	£	No	£
Ordinary shares of £ 1.00 each	48	48	48	48
	48	48	48	48

The shares rank pari passu in all respects.



## BECT Building Contractors Limited

### Notes to the financial statements (continued) Year ended 30 June 2023

#### 22. Operating leases

##### The company as lessee

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

	2023	2022
	£	£
Not later than 1 year	34,446	40,770
Later than 1 year and not later than 5 years	132,000	133,182
Later than 5 years	85,250	118,250
	<u>251,696</u>	<u>292,202</u>

#### 23. 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 regards UTC Group Limited, a company registered in the United Kingdom as the group's ultimate parent since 6 April 2021. The address of the registered office is Unit 22 Waterside Business Park, Lamby Way, Cardiff CF3 2ET. The ultimate controlling parties are J T & S Coombs, N A & Z Holmes, J D & R Pugh.

#### 24. Related Parties

Included in other debtors is a loan of £190,000 advanced to Propco Developments Limited which is controlled by the spouse of J T Coombs, director of this entity who is also a director of Propco Developments Limited. No interest has been charged on this loan.