

Company registration number: 03096602

Steve Hoskin Construction Limited

Financial statements

30 September 2020



Steve Hoskin Construction Limited

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Steve Hoskin Construction Limited

Directors and other information

Directors	Mr S.R. Hoskin Mr N. Hoskin Mrs C. Worden
Company number	03096602
Registered office	Ten Acres Lane St Ive Road Industrial Estate Pensilva Cornwall PL14 5RE
Business address	Ten Acres Lane St Ive Road Industrial Estate Pensilva Cornwall PL14 5RE
Auditor	Dawe Hawken & Dodd 52 Fore Street Callington Cornwall PL17 7AJ

Steve Hoskin Construction Limited

Strategic report Year ended 30 September 2020

The directors present their strategic report for the year ended 30th September 2020.

Principal activity

The principal activity of the company in the year under review continued to be that of civil engineering contractors.

Fair review of the business

The trading profit for the year, after taxation, was £977,187. Retained profits amount to £13,417,120 and the Directors consider the state of the affairs of the Company to be satisfactory in light of the challenges it has met in the economic climate particularly affecting the house building sector of the Construction Industry.

The turnover has reduced from just under £48 million for the year ended 30th September 2019 to just under £42 million for the year ended 30th September 2020, a reduction due to the temporary closure of our sites resulting from the Covid 19 pandemic. The gross profit percentage has increased from 13% to 14%.

Current assets exceeded current liabilities by over £6.3 million at 30th September 2020, showing that there were no liquidity issues, and the distributable reserves of the company total nearly £13.5 million at the year end.

The company's growth strategy had seen turnover increase for six years running up to the year ended 30th September 2016. This growth has now slowed as the directors believe that the company is operating at a level that is maintainable and manageable. There was a slight reduction in turnover due to customers' attempts at reducing margins. The company has retained its core customer base and is well placed to resume its growth in the future.

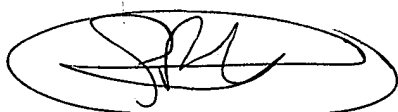
Principal risks and uncertainties

Principal business risks facing the company are believed to be the loss of key personnel and potential changes to the economic climate, which could affect the construction business sector. However, the experience of the directors would be expected to navigate the company through any difficult economic times.

COVID-19

Since the end of the previous financial year, the spread of the Coronavirus, or COVID-19, led to a temporary interruption to the groundworks operation and a continued period of social distancing resulting in changes to some of the working procedures. Whilst there will be a financial impact as a consequence, procedures have been taken to minimise this and to enable the business to continue as a going concern.

This report was approved by the board of directors on 22 June 2021 and signed on behalf of the board by:



Mr S.R. Hoskin
Director

Steve Hoskin Construction Limited

Directors report Year ended 30 September 2020

The directors present their report and the financial statements of the company for the year ended 30 September 2020.

Directors

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

Mr S.R. Hoskin
Mr N. Hoskin
Mrs C. Worden

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Future developments

Future developments are considered in the Strategic Report.

Greenhouse gas emissions and energy consumption

	Unit	2020
Emissions resulting from activities for which the company is responsible	tCO2e	3,752
Emissions resulting from the purchase of electricity by the company for its own use	tCO2e	18
Total emissions	tCO2e	3,770
Total energy consumed	kWh	15,134,851
Annual Turnover	tCO2e/£100,000 Annual Turnover	9.25

Methodologies for energy and emissions calculations

We have followed the 2019 HM Government Environmental Reporting Guidelines and GHG Reporting Protocol - Corporate Standard. The 2020 UK Government's Conversion Factors for Company Reporting have been used to calculate our carbon dioxide emissions. We have used an operational approach to define our boundary and scopes.

The primary source for transport usage and associated emissions are calculated from fuel card records.

All site fuel usage has been included, as it was deemed that the majority of this is used by on-site transport and the primary source of data for this were volumes taken from purchasing records. The electricity usage has been taken directly from supplier invoices.

Principal measures taken to increase energy efficiency

Steve Hoskin Construction is committed to reducing our impact on the environment across all of its operations. We consider energy efficiency and improvements in all of our activities, throughout our construction sites and transport fleet. We are committed to reducing our emissions wherever it may be cost-effective and practicable to do so.

Employment of disabled persons

All applications that are received by disabled persons for employment by the company are fairly considered with due regard to their expertise and experience in relation to position applied for. The company is committed to employing disabled persons and should a current employee become disabled, the company will make all attempts to retrain the employee and retain them in a suitable alternative job role.

Steve Hoskin Construction Limited

Directors report (continued) Year ended 30 September 2020

Employee involvement

The company employs in excess of 300 people, many of which have been involved with the company for a considerable period of time. We provide development to our team through a combination of internal and external training programmes, with the aim of ensuring that all staff members fulfil their potential.

Financial instruments

The company's financial instruments are basic instruments comprising of bank balances, cash, trade debtors, trade creditors and finance leases. The company has not entered into any financial instruments to hedge against interest rate or exchange rate risk. The company mitigates any risk to liquidity and cash flow by carefully managing cash, stock and debt levels.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

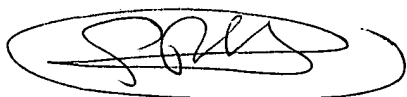
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

This report was approved by the board of directors on 22 June 2021 and signed on behalf of the board by:



Mr S.R. Hoskin
Director

Steve Hoskin Construction Limited

Independent auditor's report to the members of Steve Hoskin Construction Limited Year ended 30 September 2020

Opinion

We have audited the financial statements of Steve Hoskin Construction Limited (the 'company') for the year ended 30 September 2020 which comprise the statement of comprehensive income, statement of financial position, 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 September 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

Steve Hoskin Construction Limited

Independent auditor's report to the members of Steve Hoskin Construction Limited (continued) Year ended 30 September 2020

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.

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.

Steve Hoskin Construction Limited

**Independent auditor's report to the members of
Steve Hoskin Construction Limited (continued)
Year ended 30 September 2020**

- 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.



A M Farr (Senior Statutory Auditor)

For and on behalf of
Dawe Hawken & Dodd
Chartered Certified Accountant and Statutory Auditor
52 Fore Street
Callington
Cornwall
PL17 7AJ

28th June, 2021

Steve Hoskin Construction Limited

**Statement of comprehensive income
Year ended 30 September 2020**

	Note	2020 £	2019 £
Turnover	4	41,913,162	47,923,494
Change in stocks of finished goods and in work in progress		(10,029,647)	(11,928,441)
Other operating income	5	20,886	4,326
		<u>31,904,401</u>	<u>35,999,379</u>
Staff costs	7	(20,268,150)	(23,888,906)
Depreciation and other amounts written off tangible and intangible fixed assets		(1,213,301)	(1,440,787)
Other operating expenses		(9,337,203)	(9,166,606)
Operating profit	6	1,085,747	1,503,080
Interest payable and similar expenses	9	(16,456)	(31,076)
Profit before taxation		1,069,291	1,472,004
Tax on profit	10	(92,102)	(223,796)
Profit after taxation		977,189	1,248,208
Other taxes not shown under the above		(175,822)	(94,154)
Profit for the financial year and total comprehensive income		<u>801,367</u>	<u>1,154,054</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 25 form part of these financial statements.

Steve Hoskin Construction Limited

**Statement of financial position
30 September 2020**

		2020		2019	
	Note	£	£	£	£
Fixed assets					
Intangible assets	12	1,200		1,200	
Tangible assets	13	8,130,689		8,700,033	
			8,131,889		8,701,233
Current assets					
Stocks	14	44,856		43,862	
Debtors	1516	9,653,828		9,230,830	
Cash at bank and in hand		2,578,725		2,426,955	
			12,277,409		11,701,647
Creditors: amounts falling due within one year	18	(5,899,858)		(6,087,406)	
Net current assets			6,377,551		5,614,241
Total assets less current liabilities			14,509,440		14,315,474
Creditors: amounts falling due after more than one year	19	(511,193)		(62,298)	
Provisions for liabilities	21	(581,125)		(405,303)	
Net assets			13,417,122		13,847,873
Capital and reserves					
Called up share capital	25		2		2
Profit and loss account	26		13,417,120		13,847,871
Shareholders funds			13,417,122		13,847,873

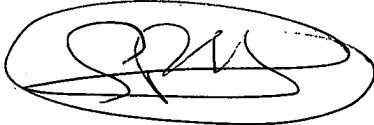
The notes on pages 13 to 25 form part of these financial statements.

Steve Hoskin Construction Limited

**Statement of financial position (continued)
30 September 2020**

22 June 2021

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



Mr S.R. Hoskin
Director

Company registration number: 03096602

The notes on pages 13 to 25 form part of these financial statements.

Steve Hoskin Construction Limited

**Statement of changes in equity
Year ended 30 September 2020**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 October 2018	2	13,764,305	13,764,307
Profit for the year		1,154,054	1,154,054
Total comprehensive income for the year	-	1,154,054	1,154,054
Dividends paid and payable		(1,070,488)	(1,070,488)
Total investments by and distributions to owners	-	(1,070,488)	(1,070,488)
At 30 September 2019 and 1 October 2019	2	13,847,870	13,847,872
Profit for the year		801,367	801,367
Total comprehensive income for the year	-	801,367	801,367
Dividends paid and payable		(1,232,117)	(1,232,117)
Total investments by and distributions to owners	-	(1,232,117)	(1,232,117)
At 30 September 2020	2	13,417,120	13,417,122

Steve Hoskin Construction Limited

**Statement of cash flows
Year ended 30 September 2020**

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the financial year		801,367	1,154,054
<i>Adjustments for:</i>			
Depreciation of tangible assets		1,213,301	1,440,787
Interest payable and similar expenses		16,456	31,076
Tax on profit		92,102	223,796
Deferred tax		175,822	94,154
<i>Changes in:</i>			
Stocks		(994)	1,939
Trade and other debtors		(334,638)	779,463
Trade and other creditors		(324,387)	(189,657)
Cash generated from operations		1,639,029	3,535,612
Interest paid		(16,456)	(31,076)
Interest received		(20,886)	(4,326)
Tax paid		(101,179)	392,480
Net cash from operating activities		<u>1,500,508</u>	<u>3,892,690</u>
Cash flows from investing activities			
Purchase of tangible assets		(1,172,432)	(1,343,566)
Proceeds from sale of tangible assets		1,200,334	186,617
Cash advances and loans granted		(20,535)	(37,888)
Cash receipts from the repayment of advances and loans		51,398	46,587
Interest received		20,886	4,326
Net cash from/(used in) investing activities		<u>79,651</u>	<u>(1,143,924)</u>
Cash flows from financing activities			
Payment of finance lease liabilities		(325,368)	(432,263)
Equity dividends paid		(1,232,117)	(1,070,488)
Directors' Current Account		(110,146)	(182,252)
Net cash used in financing activities		<u>(1,667,631)</u>	<u>(1,685,003)</u>
Net increase/(decrease) in cash and cash equivalents		(87,472)	1,063,763
Cash and cash equivalents at beginning of year	17	<u>2,426,955</u>	<u>1,363,192</u>
Cash and cash equivalents at end of year	17	<u>2,339,483</u>	<u>2,426,955</u>

Steve Hoskin Construction Limited

Notes to the financial statements Year ended 30 September 2020

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Steve Hoskin Construction Limited, Ten Acres Lane, St Ive Road Industrial Estate, Pensilva, Cornwall, PL14 5RE.

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'. The Triennial review 2017 amendments to the standard have been early adopted.

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 and investment properties measured at fair value through profit or loss.

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

Turnover

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. Revenue for the provision of groundwork services is determined by the value of the work completed, which is determined by the assessment of the company's surveyors at each month end, taking into account the prices agreed for each contract.

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.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Steve Hoskin Construction Limited

Notes to the financial statements (continued)

Year ended 30 September 2020

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

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

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	- 25%	straight line
Fittings fixtures and equipment	- 25%	straight line
Motor vehicles	- 25%	straight line

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.

Steve Hoskin Construction Limited

Notes to the financial statements (continued)

Year ended 30 September 2020

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

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 statement of financial position 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.

Steve Hoskin Construction Limited

Notes to the financial statements (continued)

Year ended 30 September 2020

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:

	2020	2019
	£	£
Construction contracts	40,749,611	47,923,494
Job Retention Scheme Grants	1,163,551	-
	<u>41,913,162</u>	<u>47,923,494</u>

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

Steve Hoskin Construction Limited

**Notes to the financial statements (continued)
Year ended 30 September 2020**

5. Other operating income

	2020	2019
	£	£
Interest receivable	20,886	4,326
	<u>20,886</u>	<u>4,326</u>

6. Operating profit

Operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation of tangible assets	1,213,301	1,440,787
Bad debts	19,000	20,219
Sundry expenses	137,149	228,613
Fees payable for the audit of the financial statements	16,400	16,400
	<u>1,485,850</u>	<u>1,706,019</u>

7. Staff costs

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

	2020	2019
Total staff	328	337
	<u>328</u>	<u>337</u>

The aggregate payroll costs incurred during the year were:

	2020	2019
	£	£
Wages and salaries	20,208,150	23,828,906
Other pension costs	60,000	60,000
	<u>20,268,150</u>	<u>23,888,906</u>

Steve Hoskin Construction Limited

**Notes to the financial statements (continued)
Year ended 30 September 2020**

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	1,191,912	1,216,206
Company contributions to pension schemes in respect of qualifying services	60,000	60,000
	<u>1,251,912</u>	<u>1,276,206</u>

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

	2020	2019
	Number	Number
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid directors in respect of qualifying services:

	2020	2019
	£	£
Aggregate remuneration	812,374	841,202
Company contributions to pension plans in respect of qualifying services	10,000	10,000
	<u>822,374</u>	<u>851,202</u>

9. Interest payable and similar expenses

	2020	2019
	£	£
Other loans made to the company:		
Finance leases and hire purchase contracts	16,456	31,076
	<u>16,456</u>	<u>31,076</u>

Steve Hoskin Construction Limited

**Notes to the financial statements (continued)
Year ended 30 September 2020**

10. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	92,102	223,796
Tax on profit	<u>92,102</u>	<u>223,796</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%).

	2020	2019
	£	£
Profit before taxation	1,069,291	1,472,004
Profit multiplied by rate of tax	203,165	279,681
Effect of expenses not deductible for tax purposes	22,562	38,269
Effect of capital allowances and depreciation	(133,625)	(94,154)
Tax on profit	<u>92,102</u>	<u>223,796</u>

11. Dividends

Equity dividends

	2020	2019
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	1,232,117	1,070,488
	<u>1,232,117</u>	<u>1,070,488</u>

Steve Hoskin Construction Limited

Notes to the financial statements (continued)
Year ended 30 September 2020

12. Intangible assets

	Patents, trademarks & licences £	Total £
Cost		
At 1 October 2019 and 30 September 2020	1,200	1,200
Amortisation		
At 1 October 2019 and 30 September 2020	-	-
Carrying amount		
At 30 September 2020	1,200	1,200
At 30 September 2019	1,200	1,200

13. Tangible assets

	Freehold and leasehold properties £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2019	1,314,318	10,051,106	372,598	2,717,908	14,455,930
Additions	110,568	610,430	7,033	774,911	1,502,942
Disposals	-	(460,015)	-	(1,119,159)	(1,579,174)
At 30 September 2020	<u>1,424,886</u>	<u>10,201,521</u>	<u>379,631</u>	<u>2,373,660</u>	<u>14,379,698</u>
Depreciation					
At 1 October 2019	-	4,469,433	233,698	1,052,766	5,755,897
Charge for the year	-	790,802	29,225	393,274	1,213,301
Disposals	-	(281,600)	-	(438,589)	(720,189)
At 30 September 2020	<u>-</u>	<u>4,978,635</u>	<u>262,923</u>	<u>1,007,451</u>	<u>6,249,009</u>
Carrying amount					
At 30 September 2020	<u>1,424,886</u>	<u>5,222,886</u>	<u>116,708</u>	<u>1,366,209</u>	<u>8,130,689</u>
At 30 September 2019	<u>1,314,318</u>	<u>5,581,673</u>	<u>138,900</u>	<u>1,665,142</u>	<u>8,700,033</u>

14. Stocks

	2020 £	2019 £
Raw materials and consumables	<u>44,856</u>	<u>43,862</u>

Steve Hoskin Construction Limited

**Notes to the financial statements (continued)
Year ended 30 September 2020**

15. Debtors	2020	2019
	£	£
Trade debtors	8,451,247	8,223,263
Short-term loans	17,608	48,471
Prepayments and accrued income	13,841	51,716
Other debtors	1,171,132	907,380
	<u>9,653,828</u>	<u>9,230,830</u>
16. Debtors		
Debtors include amounts of £- (2019: £-) falling due after more than one year.		
17. Cash and cash equivalents	2020	2019
	£	£
Cash at bank and in hand	2,578,725	2,426,955
Bank overdrafts	(239,242)	-
	<u>2,339,483</u>	<u>2,426,955</u>
18. Creditors: amounts falling due within one year	2020	2019
	£	£
Bank loans and overdrafts	239,242	-
Trade creditors	4,620,462	4,648,321
Accruals and deferred income	841,998	1,138,525
Obligations under finance leases	198,156	300,560
	<u>5,899,858</u>	<u>6,087,406</u>
19. Creditors: amounts falling due after more than one year	2020	2019
	£	£
Obligations under finance leases	<u>511,193</u>	<u>62,298</u>

Steve Hoskin Construction Limited

Notes to the financial statements (continued)
Year ended 30 September 2020

20. Obligations under finance leases

Company lessee

The total future minimum lease payments under finance lease agreements are as follows:

	2020	2019
	£	£
Not later than 1 year	211,473	305,919
Later than 1 year and not later than 5 years	550,506	64,896
	<u>761,979</u>	<u>370,815</u>
Less: future finance charges	(52,630)	(7,957)
Present value of minimum lease payments	<u><u>709,349</u></u>	<u><u>362,858</u></u>

21. Provisions

	Deferred tax (note 22)	Total
	£	£
At 1 October 2019	405,303	405,303
Additions	175,822	175,822
At 30 September 2020	<u><u>581,125</u></u>	<u><u>581,125</u></u>

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions (note 21)	<u><u>581,125</u></u>	<u><u>405,303</u></u>

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

	2020	2019
	£	£
Accelerated capital allowances	<u><u>581,125</u></u>	<u><u>405,303</u></u>

23. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £60,000 (2019: £60,000).

Steve Hoskin Construction Limited

**Notes to the financial statements (continued)
Year ended 30 September 2020**

24. Financial instruments

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

	2020	2019
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	8,863,984	8,529,347
Other debtors	279,421	200,138
Cash at bank and in hand	2,339,483	2,426,955
Corporation Tax	510,423	501,346
	11,993,311	11,657,786
	11,993,311	11,657,786
Financial liabilities measured at amortised cost		
Trade creditors	5,462,460	5,786,847
Finance lease obligations	198,156	300,560
	5,660,616	6,087,407
	5,660,616	6,087,407

The company holds the following financial instruments:
short term trade and other debtors and creditors cash and bank balances

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

	2020		2019	
	No	£	No	£
Ordinary A shares of £ 1.00 each	1	1	1	1
Ordinary B shares of £ 0.50 each	1	0.50	1	0.50
Ordinary C shares of £ 0.50 each	1	0.50	1	0.50
	3	2	3	2
	3	2	3	2

26. Reserves

Profit and loss account:
This reserve records retained earnings and accumulated losses.

Steve Hoskin Construction Limited

Notes to the financial statements (continued)
Year ended 30 September 2020

27. Analysis of changes in net debt

	At 1 October 2019	Cash flows	At 30 September 2020
	£	£	£
Cash and cash equivalents	2,426,955	151,770	2,578,725
Bank overdrafts	-	(239,242)	(239,242)
Debt due within one year	(300,560)	102,404	(198,156)
Debt due after one year	(62,298)	(448,895)	(511,193)
	<u>2,064,097</u>	<u>(433,963)</u>	<u>1,630,134</u>

28. Directors advances, credits and guarantees

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

2020				
	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr S.R. Hoskin	149,547	410,520	(298,883)	261,184
Mr N. Hoskin	2,120	3,426	(4,917)	629
	<u>151,667</u>	<u>413,946</u>	<u>(303,800)</u>	<u>261,813</u>
2019				
	Balance brought forward	Advances /(credits) to the directors	Amounts repaid	Balance o/standing
	£	£	£	£
Mr S.R. Hoskin	(30,585)	762,143	(582,011)	149,547
Mr N. Hoskin	-	2,120	-	2,120
	<u>(30,585)</u>	<u>764,263</u>	<u>(582,011)</u>	<u>151,667</u>

Steve Hoskin Construction Limited

**Notes to the financial statements (continued)
Year ended 30 September 2020**

29. Related party transactions

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

	Transaction value		Balance owed by/(owed to)	
	2020	2019	2020	2019
	£	£	£	£
Groundfix Limited	982,480	407,594	482,213	18,327
Groundfix Limited	<u>(1,356,254)</u>	<u>(2,726,079)</u>	<u>(261,583)</u>	<u>(403,369)</u>

Companies related by common control.