CLANCY CONSULTING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Company Registration No. 03693529 (England and Wales)

CLANCY CONSULTING LIMITED

COMPANY INFORMATION

Directors	Mr S S Chana Mr M Headley Mr B Horne Mr S R Howe Mr N R Orrock Mr G J Scott Mr M K Powers Mr C Acton Miss J C Milligan Mr N K Robson Mrs L E Cunnah
Company number	03693529
Registered office	Dunham Court 2 Dunham Road Altrincham WA14 4NX
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

CLANCY CONSULTING LIMITED

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CLANCY CONSULTING LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

Principal activity and fair review of business

The principal activity of the company continued to that of multi-discipline engineering design, building surveying and advisory services across the built environment. The company has specialist engineering fields including civil, structural, building services and geo-environmental.

In the year turnover decreased by 12% from £14.1m to £12.3m and operating profit decreased by 37.7% from £1.1m to £0.7m. The balance sheet position remained strong over the year with net assets of £2.2m (2020: £2.1m).

Trading conditions remain ever competitive and whilst the availability of qualified staff has improved, the recruitment, and retention of staff remains a key area for the business and the success of doing so will greatly influence performance going forward. Staff training and personal development remains central to growth plans.

See key performance indicators below for further details.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are as follows, along with the financial management objectives and policies:

Liquidity risk

The company manages its cash and borrowing requirements within internal governance limits monitored against KPI's. The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit risk

The company manages credit risk closely and considers that its current policies of credit checks meets its objectives of management exposure to credit risk.

Trade debtors are reviewed on a regular basis and provision made for doubtful debts when necessary.

Coronavirus risk

Management has considered the potential operational challenges posed by COVID 19, including but not restricted to, an assessment of the robustness of the company's supply chain and broader logistic arrangements as well as the impact this might have on going concern. See the going concern accounting policy for further information. Management does not foresee any operational pressures to be caused by the COVID 19 situation or for it to have any material impact on the company.

Non financial risk

The strategic five year plan requires the identification and recruitment of a small number of key staff. The ability and success of such recruitment will dictate how successful the Business will be over the medium term.

Key performance indicators

We consider that our key performance indicators are those that communicate the financial performance of the company as a whole, these being turnover, gross profit, profit before taxation and the strength of the balance sheet.

Other performance indicators

On 1st April 2020 John Mitchell resigned as a Board Director and on 11th June 2021 Michael Hooper resigned as a Board Director.

On behalf of the board

Mrs L E Cunnah
Director

14 October 2021

CLANCY CONSULTING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

This report contains the statutory information disclosed in addition to that set out in the strategic report. Information relating to the principal activity and financial risk management policies, which would otherwise be included in the Directors' Report, is included in the Strategic Report.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £471,552. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S S Chana	
Mr M Headley	
Mr M W Hooper	(Resigned 11 June 2021)
Mr B Horne	
Mr S R Howe	
Mr J A Mitchell	(Resigned 1 April 2020)
Mr N R Orrock	
Mr G J Scott	
Mr M K Powers	
Mr C Acton	
Miss J C Milligan	
Mr N K Robson	
Mrs L E Cunnah	

Future developments

To continue to grow the business and strengthen all branches across the UK with recruitment of staff.

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution proposing that DSG be re-appointed as auditor to the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mrs L E Cunnah
Director

14 October 2021

CLANCY CONSULTING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the annual 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 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.

CLANCY CONSULTING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CLANCY CONSULTING LIMITED

Opinion

We have audited the financial statements of Clancy Consulting Limited (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 contained within the annual report. 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. 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 course of 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 our 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 have 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 and 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 returns; or
- certain disclosures of 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.

Discussions were held with, and enquiries made of, management and those charged with governance with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation.

- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the company and therefore may have a material effect on the financial statements include compliance with quality and environmental systems regulations, health and safety legislation and General Data Protection requirements.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditor's 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.

Andrew Moss BA FCA (Senior Statutory Auditor)
For and on behalf of DSG 14 October 2021

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

CLANCY CONSULTING LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	**3**	12,381,764	14,066,766
Cost of sales		(7,339,096)	(7,488,366)
Gross profit		5,042,668	6,578,400
Administrative expenses		(4,966,809)	(5,507,132)
Other operating income		622,874	50,524
Operating profit	**4**	698,733	1,121,792
Interest receivable and similar income	**8**	-	540
Interest payable and similar expenses	**9**	(32,728)	(33,553)
Profit before taxation		666,005	1,088,779
Tax on profit	**10**	(128,340)	(231,026)
Profit for the financial year		537,665	857,753

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CLANCY CONSULTING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Profit for the year	537,665	857,753
Other comprehensive income	-	-
Total comprehensive income for the year	537,665	857,753

CLANCY CONSULTING LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		524,724		597,950
Investments	14		86,372		86,372
			611,096		684,322
Current assets					
Debtors	17	5,604,248		5,345,122	
Cash at bank and in hand		473,625		77,249	
		6,077,873		5,422,371	
Creditors: amounts falling due within one year	18	(3,336,035)		(3,444,882)	
Net current assets			2,741,838		1,977,489
Total assets less current liabilities			3,352,934		2,661,811
Creditors: amounts falling due after more than one year	19		(1,069,228)		(436,168)
Provisions for liabilities					
Deferred tax liability	21	59,687		67,736	
			(59,687)		(67,736)
Net assets			2,224,019		2,157,907
Capital and reserves					
Called up share capital	23		700,687		700,688
Share premium account	24		338,491		338,491
Revaluation reserve	24		123,594		127,044
Capital redemption reserve	24		175,150		175,150
Profit and loss reserves	24		886,097		816,534
Total equity			2,224,019		2,157,907

The financial statements were approved by the board of directors and authorised for issue on 14 October 2021 and are signed on its behalf by:

Mrs L E Cunnah
Director

Company Registration No. 03693529

CLANCY CONSULTING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019		781,547	144,446	130,494	1,000	1,347,973	2,405,460
Year ended 31 March 2020:							
Profit and total comprehensive income for the year		-	-	-	-	857,753	857,753
Issue of share capital	**23**	93,291	194,045	-	-	-	297,838
Dividends	**11**	-	-	-	-	(856,259)	(856,259)
Redemption of shares	**23**	(174,150)	-	-	-	(536,383)	(721,035)
Transfers		-	-	(3,450)	-	3,450	-
Other movements		-	-	-	174,150	-	174,150
Balance at 31 March 2020		700,688	338,491	127,044	175,150	816,534	2,157,907
Year ended 31 March 2021:							
Profit and total comprehensive income for the year		-	-	-	-	537,665	537,665
Dividends	**11**	-	-	-	-	(471,552)	(471,552)
Redemption of shares	**23**	(1)	-	-	-	-	(1)
Transfers		-	-	(3,450)	-	3,450	-
Balance at 31 March 2021		700,687	338,491	123,594	175,150	886,097	2,224,019

CLANCY CONSULTING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	**27**		1,091,850		1,162,769
Interest paid			(32,728)		(33,553)
Income taxes paid			(223,147)		(220,057)
Net cash inflow from operating activities			835,975		909,159
Investing activities					
Purchase of tangible fixed assets		(75,760)		(173,705)	
Interest received		-		540	
Net cash used in investing activities			(75,760)		(173,165)
Financing activities					
Proceeds from issue of shares		-		93,291	
Premium from issue of shares		-		194,045	
Redemption of shares		(1)		(536,383)	
Issue/(Repayment) of preference shares		(64,590)		26,533	
Loans from ex-directors		(6,415)		321,343	
Repayment of bank loans		924,460		(113,213)	
Dividends paid		(471,552)		(856,259)	
Net cash generated from/(used in) financing activities			381,902		(870,643)
Net increase/(decrease) in cash and cash equivalents			1,142,117		(134,649)
Cash and cash equivalents at beginning of year			(668,492)		(533,843)
Cash and cash equivalents at end of year			473,625		(668,492)
Relating to:					
Cash at bank and in hand			473,625		77,249
Bank overdrafts included in creditors payable within one year			-		(745,741)

1 Accounting policies

Company information

Clancy Consulting Limited is a private company limited by shares incorporated in England and Wales. The registered office is Dunham Court, 2 Dunham Road, Altrincham, WA14 4NX.

The principal activity of the company is disclosed in the Strategic Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 405(2) of the Companies Act 2006 not to prepare consolidated accounts, on the basis that its subsidiary undertakings are not material for the purpose of giving a true and fair view. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

As part of assessing the potential impact of the ongoing COVID-19 virus situation management has prepared revised financial forecasts for the company based on different scenarios. These forecasts indicate that the company will continue to trade profitably, and generate cash, over the period considered by them in their assessment of the appropriateness of adopting the going concern basis in the preparation of these financial statements. The revised forecasts also demonstrate that the banking facilities in place will remain adequate.

Management has also considered the impact of potential operational challenges posed by COVID-19, including but not restricted to, an assessment of the robustness of their supply chain and broader logistics arrangements. Management has concluded that any operational pressures caused directly by the COVID-19 situation are unlikely to have a material impact on the company. On this basis the directors consider it appropriate to prepare these financial statements on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Over 40 years
Leasehold land and buildings	Over lease life
Fixtures and fittings	15% straight line
Computers	33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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

1.11 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by geographical location		
All income is generated within the UK	12,381,764	14,066,766

	2021	2020
	£	£
Other significant revenue		
Interest income	-	540
Grants received	620,808	-

The directors have taken advantage of the exclusion within Companies Act 2006 and decided not to disclose turnover by business sector as they believe it would be seriously prejudicial to the business.

4 Operating profit

Operating profit for the year is stated after charging/(crediting):	2021 £	2020 £
Government grants	(620,808)	-
Depreciation of owned tangible fixed assets	148,986	163,191
Operating lease charges	587,526	558,616

5 Auditor's remuneration

Fees payable to the company's auditor and associates:	2021 £	2020 £
For audit services		
Audit of the financial statements of the company	10,500	10,500
For other services		
All other non-audit services	12,550	12,550

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Administrative	51	50
Technical	152	151
Total	203	201

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	7,247,621	6,915,388
Social security costs	666,179	712,892
Pension costs	387,523	348,430
	8,301,323	7,976,710

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	1,228,291	1,220,442

7 Directors' remuneration **(Continued)**

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	126,086	117,059

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	540

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	540

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Bank interest	21,945	23,745
Finance cost of preference shares	2,556	4,270
Other interest	4,368	5,538
Other interest on financial liabilities	3,859	-
	32,728	33,553

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	142,475	223,150
Adjustments in respect of prior periods	(6,086)	(17,117)
Total current tax	136,389	206,033

10 Taxation **(Continued)**

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	(10,140)	3,793
Adjustment in respect of prior periods	2,091	21,200
Total deferred tax	(8,049)	24,993
Total tax charge	128,340	231,026

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	666,005	1,088,779
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	126,541	206,868
Tax effect of expenses that are not deductible in determining taxable profit	(2,477)	20,575
Group relief	-	(4,560)
Permanent capital allowances in excess of depreciation	8,271	4,060
Under/(over) provided in prior years	(6,086)	(17,117)
Deferred tax adjustments in respect of prior years	2,091	21,200
Taxation charge for the year	128,340	231,026

11 Dividends

	2021	2020
	£	£
Final paid	471,552	856,259

12 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2020 and 31 March 2021	167,879
Amortisation and impairment	
At 1 April 2020 and 31 March 2021	167,879
Carrying amount	
At 31 March 2021	-
At 31 March 2020	-

13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2020	230,000	493,315	443,271	1,390,149	7,000	2,563,735
Additions	-	5,364	1,713	42,583	26,100	75,760
At 31 March 2021	230,000	498,679	444,984	1,432,732	33,100	2,639,495
Depreciation and impairment						
At 1 April 2020	29,356	293,159	377,876	1,258,394	7,000	1,965,785
Depreciation charged in the year	5,750	54,494	13,561	72,571	2,610	148,986
At 31 March 2021	35,106	347,653	391,437	1,330,965	9,610	2,114,771
Carrying amount						
At 31 March 2021	194,894	151,026	53,547	101,767	23,490	524,724
At 31 March 2020	200,644	200,156	65,395	131,755	-	597,950

The freehold property was valued as at 31 March 2021 by the directors based on a 2014 valuation by Robertson Simpson Ltd & Chadwick Property Consultants, Chartered Surveyors, on an open market value with vacant possession basis.

If land and buildings were measured using the cost model, the carrying amounts would have been as follows:

13 Tangible fixed assets **(Continued)**

	2021 £	2020 £
Cost	115,000	115,000
Accumulated depreciation	(41,400)	(39,100)
Carrying value	73,600	75,900

14 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	15	10,000	10,000
Investments in joint ventures	16	76,372	76,372
		86,372	86,372

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Baldock Quick Partnership Limited	England	Dormant	Ordinary	100.00
Saba & Clancy Engineering Consultancy LLC	Oman	Dormant	Ordinary	65.00

Saba & Clancy Engineering Consultancy LLC registered address is P O Box 408, Postal Code 115, Sultanate of Oman. The company holds 65% of the shares in its own name, but under the terms of its agreement with the other shareholder, it has agreed to fund the entire cost of the shares and effectively has 100% beneficial ownership.

Baldock Quick Partnership Limited has the same registered address as Clancy Consulting Limited.

The subsidiaries have not been consolidated as at 31 March 2021 (2020: same) as they are not considered to be material and hence the company has taken advantage of exemption not to consolidate under section 405(2) of the Companies Act 2006.

16 Joint ventures

Details of the company's joint ventures at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Interest held	% Held Direct
C & G Building Consultancy India Private Limited	India	Consulting Engineering Advice	Ordinary	50.00

16 Joint ventures **(Continued)**

The registered address for this entity is Survey No. 1000, Devidayal Road, Mulund West, Mumbai.

17 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	4,006,893	3,803,626
Amounts recoverable on contracts	1,387,795	1,348,125
Other debtors	14,820	27,990
Prepayments and accrued income	194,740	165,381
	5,604,248	5,345,122

18 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	20	315,265	812,725
Other borrowings	20	18,224	64,590
Trade creditors		521,236	610,557
Amounts owed to group undertakings		27,049	30,321
Corporation tax		136,389	223,150
Other taxation and social security		867,026	817,012
Other creditors		391,338	336,542
Accruals and deferred income		1,059,508	549,985
		3,336,035	3,444,882

Other borrowings relate to preference shares and premium payable on preference shares.

19 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	20	816,667	140,488
Other borrowings	20	36,449	54,673
Other creditors		216,112	241,007
		1,069,228	436,168

Other borrowings relate to preference shares and premium payable on preference shares.

20 Loans and overdrafts

	2021	2020
	£	£
Bank loans	1,131,932	207,472
Bank overdrafts	-	745,741
Preference shares	54,673	119,263
	1,186,605	1,072,476
Payable within one year	333,489	877,315
Payable after one year	853,116	195,161

The bank borrowing is secured by a debenture dated 24 June 1999 and a legal charge over the freehold land and buildings.

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021	Liabilities 2020
Balances:	£	£
Accelerated capital allowances	37,837	45,886
Revaluations	21,850	21,850
	59,687	67,736

	2021
Movements in the year:	£
Liability at 1 April 2020	67,736
Credit to profit or loss	(10,140)
Effect of change in tax rate - profit or loss	2,091
Liability at 31 March 2021	59,687

22 Retirement benefit schemes

	2021	2020
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	387,523	348,430

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

A month's contribution of £69,685 (2020: £60,124) was outstanding at the year end date.

23 Share capital

	2021	2020
	£	**£**
Ordinary share capital		
Issued and fully paid		
644,000 A Ordinary Redeemable Convertible of £1 each	644,000	644,000
56,675 B Ordinary class of £1 each	56,675	56,675
12 C Ordinary class of £1 each	12	13
	700,687	700,688
Preference share capital		
Authorised		
17,751 (2020: 43,068) Preference shares of £1 each	17,751	43,068
	43,068	43,068

23 Share capital **(Continued)**

During the year 40,000 A ordinary shares were transferred from/to existing A Shareholders, at a premium of £2.08 per share.

During the year 1 C ordinary share was redeemed, at nominal value.

On a director's retirement, A ordinary shares can be converted to preference shares and are redeemable in instalments by the company, and any C ordinary shares are redeemed at par.

Voting Rights
The A and B ordinary shares all have voting rights equal to one vote per share. The C ordinary shares have no voting rights and are only entitled to a return of their nominal value in the event of a return of assets by the company.

Cumulative Redeemable Preference shares
The preference shares issued are redeemable in 10 half yearly instalments. The shares attract dividends of 2% above the bank base rate on the redemption value of the shares.

At the balance sheet date there were 17,751 of these shares outstanding, redeemable at a premium of £2.08 per share. The total obligation to redeem preference shares amount to £54,673 which is included in other borrowings in Note 18 and 19.

On winding up, retained profits remaining for distribution will be paid to preference shareholders up to a maximum amount paid up in priority to ordinary shareholders.

Preference shares do not carry any voting rights.

24 Reserves

Share premium
The share premium reserve contains the premium arising on issue of equity shares.

Revaluation reserve
The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date.

Equity reserve
The profit and loss reserve represents cumulative profits or losses net of dividends and other adjustments.

Capital redemption reserve
The capital redemption reserve relates to own shares arising in the connection of shares which have been bought or sold by employees and/or directors of the company.

25 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	355,326	393,232
Between two and five years	450,947	907,403
	806,273	1,300,635

26 Related party transactions

Transactions with related parties

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

During the year, total dividends of £410,400 (2020: £798,333) were paid to directors.

The company was not under the control of any one person during the current or previous years as there was no majority shareholding and no director has a controlling interest in the shares of the parent company.

Two of the trading premises are owned by pension schemes in which certain of the directors are trustees and beneficiaries. The properties are let to the company under the terms of leases that expire in April 2023 and March 2021. The annual rent charged to the company of £163,000 (2020: £163,000) in Altrincham and £42,000 (2020: £42,000) respectively, represent a commercial charge for the property and at the balance sheet date nil remained outstanding.

An amount of £nil (2020: £nil) is due from Advent Global Limited; which has common directors.

The company is exempt from disclosing transactions with group companies that are wholly owned within the same group.

Remuneration for key personnel is disclosed in Note 7.

27 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	537,665	857,753
Adjustments for:		
Taxation charged	128,340	231,026
Finance costs	32,728	33,553
Investment income	-	(540)
Depreciation and impairment of tangible fixed assets	148,986	163,191
Impairment of investments	-	35,900
Movements in working capital:		
Increase in debtors	(259,128)	(353,248)
Increase in creditors	503,259	195,134
Cash generated from operations	1,091,850	1,162,769

28 Analysis of changes in net debt

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	77,249	396,376	473,625
Bank overdrafts	(745,741)	745,741	-
	(668,492)	1,142,117	473,625
Borrowings excluding overdrafts	(326,735)	(859,870)	(1,186,605)
	(995,227)	282,247	(712,980)

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