REGISTERED NUMBER: 07210512 (England and Wales)

SOUTH COAST INSULATION SERVICES LIMITED

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

SOUTH COAST INSULATION SERVICES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2022

DIRECTORS:	N M I Gillanders Mrs B C Davis
SECRETARY:	Mrs B C Davis
REGISTERED OFFICE:	Unit 12a I O Centre Stephenson Road Fareham Hants PO15 5RU
REGISTERED NUMBER:	07210512 (England and Wales)
SENIOR STATUTORY AUDITOR:	Paul Underwood
AUDITORS:	Morris Crocker Limited Chartered Accountants Statutory Auditors Station House North Street Havant Hampshire PO9 1QU

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Principal activity

The principal activity of the company is that of sourcing and installing insulation and other energy saving measures to create safer, warmer, more energy efficient homes.

Business Review

During the year to March 2022, the company delivered strong revenue and profit growth, surpassing all KPI's and forecasts. The start of the financial year coincided with a change in regulation to the ECO industry, which required the existing procedures to adapt to the new guidelines. By successfully navigating this change the company was able to grow significantly, utilising the knowledge and skills within the business to access further funding streams.

SCIS Ltd have reinforced the close relationships with both its supplier and customer base, becoming a key stakeholder throughout the supply chain. This has been facilitated by a focus on adding value whilst ensuring suppliers are always paid in full and on time, which has resulted in an effective cashflow and increased cash position.

The company has continued to invest in all growth areas needed to realise future forecasts and has
maintained focus on the business plan whist dealing with the industry requirements.

Financial Key Performance Indicators
Turnover: £33.9m (2021: £19.1m)
Gross profit: £12.5m (2021: £6.2m)
Profit before tax: £8.8m (2021 £3.9m)

Principal Risks And Uncertainties

The directors consider the principal risks that the company face to be:

Sales and Profit Risk
The company operates in a highly competitive industry that is constantly evolving. The business must be able to adapt quickly to new policy changes and meet the growing demand of its supply partners. By expanding its product offering the company has increased its capabilities to meet obligations whilst diversifying risk.

Debt Risk
The company has a relatively small, but loyal, customer base and therefore the loss of a customer could lead to adverse outcomes for profit and cash. This risk is mitigated through appropriate organisational processes, in particular robust client onboarding and credit management controls.

Future Developments of the Company

The company will continue to invest in its people and processes as it grows organically from the strong levels of performance achieved in the year to March 2022. However, the business operates in a competitive market and therefore, alongside organic growth, will be pursuing strategies of growth through acquisition coupled with diversification into complementary markets.

ON BEHALF OF THE BOARD:

N M I Gillanders - Director

23 August 2022

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report with the financial statements of the company for the year ended 31 March 2022.

DIVIDENDS
An interim dividend of £8,530 per share was paid on 31 March 2022. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2022 will be £ 853,000 .

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2021 to the date of this report.

N M I Gillanders
Mrs B C Davis

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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. I n preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Morris Crocker Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

N M I Gillanders - Director

23 August 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH COAST INSULATION SERVICES LIMITED

Opinion
We have audited the financial statements of South Coast Insulation Services Limited (the 'company') for the year ended 31 March 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH COAST INSULATION SERVICES LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH COAST INSULATION SERVICES LIMITED

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

From discussion with management and those charged with governance information about the entity is
documented to assess the activity within the organisation. We discuss management's assessment of risk in respect of irregularities, fraud and going concern.

Based on these discussions and our own assessments we determined that the key risk areas were income recognition in respect of cut off issues, the valuation of WIP and management override concerning the size of the organisation.

We set financial statement materiality level based on the level of profit. As an owner-managed, profit-oriented company, profitability is its primary focus which is why profit was used to determine materiality.

Substantive audit tests were designed after assessing and performing walkthrough tests. The walkthrough
testing confirmed systems and controls which have been designed to act as a preventative measure against fraud and error appear to be operating as documented. Substantive testing tested a sample of the population, representative of the population, to identify errors. The testing did not identify any material misstatements in areas tested.

Audit substantive tests concluded no material errors over the key risk areas of income recognition, valuation of WIP and management override.

The audit considers the organisation is not exposed to material risk of error as a result of assessing laws and regulations that are appropriate to the organisation.

Management assessed there is no going concern risk. The audit undertook a review of budgets, management accounts and the review of board minutes and came to the same conclusion as management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOUTH COAST INSULATION SERVICES LIMITED

Use of our report

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

Paul Underwood (Senior Statutory Auditor)
for and on behalf of Morris Crocker Limited
Chartered Accountants
Statutory Auditors
Station House
North Street
Havant
Hampshire
PO9 1QU

25 August 2022

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
TURNOVER		33,924,655	19,117,262
Cost of sales		21,433,571	12,926,028
GROSS PROFIT		12,491,084	6,191,234
Administrative expenses		3,618,565	2,277,839
		8,872,519	3,913,395
Other operating income		17,699	-
OPERATING PROFIT	4	8,890,218	3,913,395
Interest receivable and similar income		6,047	3,004
		8,896,265	3,916,399
Interest payable and similar expenses	5	38,760	49,122
PROFIT BEFORE TAXATION		8,857,505	3,867,277
Tax on profit	6	1,675,743	750,018
PROFIT FOR THE FINANCIAL YEAR		7,181,762	3,117,259

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		7,181,762	3,117,259
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		7,181,762	3,117,259

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

BALANCE SHEET
31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	8		605,015		198,349
Investments	9		-		25
			605,015		198,374
CURRENT ASSETS					
Stocks	10	3,871,990		2,539,701	
Debtors	11	2,619,007		3,830,933	
Cash at bank and in hand		6,983,183		433,614	
		13,474,180		6,804,248	
CREDITORS					
Amounts falling due within one year	12	2,981,229		2,172,325	
NET CURRENT ASSETS			10,492,951		4,631,923
TOTAL ASSETS LESS CURRENT LIABILITIES			11,097,966		4,830,297
CREDITORS					
Amounts falling due after more than one year	13		(608,413)		(748,651)
PROVISIONS FOR LIABILITIES	16		(103,335)		(24,189)
NET ASSETS			10,386,218		4,057,457
CAPITAL AND RESERVES					
Called up share capital	17		100		100
Retained earnings	18		10,386,118		4,057,357
SHAREHOLDERS' FUNDS			10,386,218		4,057,457

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2022 and were signed on its behalf by:

N M I Gillanders - Director

Mrs B C Davis - Director

The notes form part of these financial statements

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	100	1,163,598	1,163,698
Changes in equity			
Dividends	-	(223,500)	(223,500)
Total comprehensive income	-	3,117,259	3,117,259
Balance at 31 March 2021	100	4,057,357	4,057,457
Changes in equity			
Dividends	-	(853,000)	(853,000)
Total comprehensive income	-	7,181,762	7,181,762
Balance at 31 March 2022	100	10,386,119	10,386,219

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	9,688,715	(165,588)
Interest paid		(29,015)	(43,273)
Interest element of hire purchase payments paid		(9,745)	(5,849)
Tax paid		(1,577,442)	(147,820)
Government grants		17,699	-
Net cash from operating activities		8,090,212	(362,530)
Cash flows from investing activities			
Purchase of tangible fixed assets		(530,629)	(104,085)
Purchase of fixed asset investments		-	(25)
Sale of tangible fixed assets		833	250
Sale of fixed asset investments		25	-
Interest received		6,047	3,004
Net cash from investing activities		(523,724)	(100,856)
Cash flows from financing activities			
New loans in year		-	800,000
Loan repayments in year		(105,620)	(11,114)
Capital repayments in year		(61,223)	(30,616)
Amount withdrawn by directors		2,924	166
Equity dividends paid		(853,000)	(223,500)
Net cash from financing activities		(1,016,919)	534,936
Increase in cash and cash equivalents		6,549,569	71,550
Cash and cash equivalents at beginning of year	2	433,614	362,064
Cash and cash equivalents at end of year	2	6,983,183	433,614

The notes form part of these financial statements

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

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

	2022	2021
	£	£
Profit before taxation	8,857,505	3,867,277
Depreciation charges	119,763	68,456
Loss/(profit) on disposal of fixed assets	3,367	(250)
Capital repayments during the year	61,223	-
Loan repayments during the year	105,620	-
Government grants	(17,699)	-
Finance costs	38,760	49,122
Finance income	(6,047)	(3,004)
	9,162,492	3,981,601
Increase in stocks	(1,332,289)	(1,788,951)
Decrease/(increase) in trade and other debtors	1,211,925	(1,171,531)
Increase/(decrease) in trade and other creditors	646,587	(1,186,707)
Cash generated from operations	9,688,715	(165,588)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2022

	31.3.22	1.4.21
	£	£
Cash and cash equivalents	6,983,183	433,614

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	433,614	362,064

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.4.21	Cash flow	At 31.3.22
	£	£	£
Net cash			
Cash at bank and in hand	433,614	6,549,569	6,983,183
	433,614	6,549,569	6,983,183
Debt			
Finance leases	(49,463)	(50,501)	(99,964)
Debts falling due within 1 year	(104,751)	(60,076)	(164,827)
Debts falling due after 1 year	(727,213)	166,411	(560,802)
	(881,427)	55,834	(825,593)
Total	(447,813)	6,605,403	6,157,590

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. **STATUTORY INFORMATION**

South Coast Insulation Services Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Revenue
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company, the revenue can be reliably measured and the revenue can be matched in the same period the service was rendered to the customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised in the financial year ended 31 March 2021. From the financial year ended 31 March 2022, these are recognised separately in other income.

Included within turnover is government grant income totalling £nil (2021: £40,195). This is made up of Coronavirus Job Retention Scheme income totalling £nil (2021: £25,962) and Coronavirus Business Interruption Loan income totalling £nil (2021: £14,233).

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

Plant and machinery	-	15% on cost
Fixtures and fittings	-	20% on cost
Motor vehicles	-	25% on cost
Computer equipment	-	33% on cost

The measurement basis for the gross carrying amount of tangible fixed assets is cost less depreciation less any identified impairment.

Investments in associates
Investments in associate undertakings are recognised at cost.

Stocks
Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

 continued...

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

2. **ACCOUNTING POLICIES - continued**

Financial instruments
The company only enters into basic financial instruments transactions that result in the recognition of
financial assets and liabilities like trade and other accounts receivable and payable, loans from banks
and other third parties and loans to related parties and investments in non-puttable ordinary shares.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand, deposits with banks and other
short-term highly liquid investments and bank overdrafts. In the balance sheet, bank overdrafts are
shown within borrowings or current liabilities.

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

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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

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

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

continued...

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	3,372,168	1,961,089
Social security costs	158,539	89,194
Other pension costs	25,774	13,118
	3,556,481	2,063,401

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

	2022	2021
Employees	87	50

	2022	2021
	£	£
Directors' remuneration	86,537	50,223

4. OPERATING PROFIT

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

	2022	2021
	£	£
Hire of plant and machinery	256,088	126,303
Other operating leases	129,489	78,235
Depreciation - owned assets	119,762	68,456
Loss/(profit) on disposal of fixed assets	3,367	(250)
Health and Safety	21,035	12,977
Auditor's Remuneration	20,000	9,000

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	5,764	604
Bank loan interest	13,084	42,669
Loan interest	10,167	-
Hire purchase interest	9,745	5,849
	38,760	49,122

6. TAXATION

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

	2022	2021
	£	£
Current tax:		
UK corporation tax	1,596,597	725,829
Deferred tax	79,146	24,189
Tax on profit	1,675,743	750,018

continued...

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	£	£
Profit before tax	8,857,505	3,867,277
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,682,926	734,783
Effects of:		
Expenses not deductible for tax purposes	4,502	12,501
Capital allowances in excess of depreciation	(89,156)	(22,025)
Adjustments to tax charge in respect of previous periods	(2,315)	-
Profits and gains from non-trading loan relationships	-	570
Deferred tax	79,146	24,189
Loss/(profit) on disposal of fixed assets	640	-
Total tax charge	1,675,743	750,018

Finance (No. 2) Act 2015 was substantively enacted on 26 October 2015 and reduced the main rate of corporation tax in the UK to 19% from 1 April 2017.

Finance Bill 2021 was substantively enacted on 24 May 2021 so from 1 April 2023 the main rate of corporation tax in the UK will increase to 25% for businesses with profits over £250,000, with a marginal rate between that and profits under £50,000, which will continue to be taxed at 19%.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been substantively enacted at the balance sheet date.

7. DIVIDENDS

	2022	2021
	£	£
Ordinary shares of £1 each		
Interim	853,000	223,500

continued...

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2021	92,939	32,332	319,702	39,207	484,180
Additions	71,460	336,048	113,280	9,841	530,629
Disposals	-	-	(39,150)	-	(39,150)
At 31 March 2022	164,399	368,380	393,832	49,048	975,659
DEPRECIATION					
At 1 April 2021	81,401	17,772	157,221	29,438	285,832
Charge for year	11,789	13,949	83,555	10,469	119,762
Eliminated on disposal	-	-	(34,950)	-	(34,950)
At 31 March 2022	93,190	31,721	205,826	39,907	370,644
NET BOOK VALUE					
At 31 March 2022	71,209	336,659	188,006	9,141	605,015
At 31 March 2021	11,538	14,560	162,481	9,769	198,348

Assets included within Motor Vehicles with a net book value of £135,809 (2021: £70,030) were held under hire purchase contracts.

9. FIXED ASSET INVESTMENTS

	Interest in associate £
COST	
At 1 April 2021	25
Disposals	(25)
At 31 March 2022	-
NET BOOK VALUE	
At 31 March 2022	-
At 31 March 2021	25

10. STOCKS

	2022 £	2021 £
Stocks	-	6,170
Work-in-progress	3,871,990	2,533,531
	3,871,990	2,539,701

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SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	1,624,970	2,098,391
Loan - Supply Life	37,476	12,529
Other debtors	130,000	46,009
EDF Retention	30,357	172,153
VAT	222,488	425,648
Prepayments	573,716	1,076,203
	2,619,007	3,830,933

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 14)	164,827	104,751
Hire purchase contracts (see note 15)	52,353	28,025
Trade creditors	1,215,662	818,692
American Express Card	7,374	991
Corporation tax	902,301	725,829
Social security and other taxes	81,768	23,488
Other creditors	-	45,480
Pensions Contribution unpaid	5,376	6,626
Directors' current accounts	5,377	203
Accrued expenses	546,191	418,240
	2,981,229	2,172,325

Included in the bank loans and overdrafts balance is £706,667 (2021: £800,000) in relation to a Coronavirus Business Interruption Loan, this loan is a secured debt against the assets of the company. The hire purchase assets are secured against those agreements.

The Coronavirus Business Interruption Loan accrues interest at 0% for the first 12 months, then 3.05% p.a. for the fixed period of 60 months and then 3.05% per annum over the Bank's base rate.

The bank loan accrues interest at 5.13% per annum for a fixed period of 36 months, and then 5.71% per year over the Bank's base rate.

As the loans are based on fixed rates, and then dependent on the base rate, they are unaffected by the Interest Rate Benchmark reform.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 14)	560,802	727,213
Hire purchase contracts (see note 15)	47,611	21,438
	608,413	748,651

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SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

14. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Bank loans	164,827	104,751
Amounts falling due between one and two years:		
Bank loans - 1-2 years	174,135	166,411
Amounts falling due between two and five years:		
Bank loans - 2-5 years	386,667	494,135
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	-	66,667

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2022	2021
	£	£
Net obligations repayable:		
Within one year	52,353	28,025
Between one and five years	47,611	21,438
	99,964	49,463

	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	101,472	84,560
Between one and five years	202,944	147,980
	304,416	232,540

16. PROVISIONS FOR LIABILITIES

	2022	2021
	£	£
Deferred tax	103,335	24,189

continued...

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

16. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 April 2021	24,189
Accelerated capital allowances	79,146
Balance at 31 March 2022	103,335

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
100	Ordinary	£1	100	100

The ordinary shares each carry one voting right.

18. **RESERVES**

	Retained earnings £
At 1 April 2021	4,057,356
Profit for the year	7,181,762
Dividends	(853,000)
At 31 March 2022	10,386,118

19. **PENSION COMMITMENTS**

Pension commitments at the year end included in the balance sheet total £5,376 (2021: £6,626).

The amount of pension commitments that are not reflected in the balance sheet is £nil (2021: £nil).

The amount of pension commitments that relate to past directors is £nil (2021: £nil).

20. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The directors have provided a guarantee for the bank loan. The balance outstanding at the year end was 2022: £20,546 (2021: £32,372).

The directors have not had to make any payments to fulfill the bank loan.

21. **RELATED PARTY DISCLOSURES**

During the year the company recharged staff costs of £23,000 (2021: £169,592) from South Coast Installation Services Limited to Instacoat South Limited, being a company with a shared director. At the 2022 year end £nil (2021: £nil) balance was due from Instacoat South Limited.

At the 2022 year end £37,476 (2021: £12,324) was due from Supplylife Group Limited, being a company where Nic Gillanders, a director of South Coast Insulation Services Limited, holds significant influence. During the year £nil (2021: £43,898) of the balance due from Supplylife Group Limited was written off and is included within bad debts.

continued...

SOUTH COAST INSULATION SERVICES LIMITED (REGISTERED NUMBER: 07210512)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2022

22. **INTEREST RATE BENCHMARK REFORM**

The company are unaffected by the Interest Rate Benchmark Reform.