

TROY CENTRAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

TROY CENTRAL LIMITED

COMPANY INFORMATION

DIRECTORS	Mr W C Troy Mrs J H Troy Mr C Hufford Mr P G Hayton
REGISTERED NUMBER	07742209
REGISTERED OFFICE	St Johns Place Bury St Edmunds Suffolk IP33 1SW
INDEPENDENT AUDITORS	Waltons Clark Whitehill Limited Chartered Accountants & Statutory Auditors Maritime House Harbour Walk The Marina Hartlepool TS24 0UX

TROY CENTRAL LIMITED

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TROY CENTRAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the group during the year was that of building contractors.

RESULTS AND DIVIDENDS

TROY CENTRAL LIMITED Financial Accounts 2021-08-31

The profit for the year, after taxation, amounted to £2,443,311 (2020 - £1,589,140).

During the year dividends of £3,075,000 were paid.

DIRECTORS

The directors who served during the year were:

Mr W C Troy
Mrs J H Troy
Mr J Frankiewicz (resigned 31 December 2021)
Mr C Hufford
Mr P G Hayton

FUTURE DEVELOPMENTS

The group continues to create stability through established clients, whilst pursuing opportunities within other key sectors to enhance the customer base.

TROY CENTRAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021**

MATTERS COVERED IN THE STRATEGIC REPORT

The business review, principal risks and uncertainties and key financial indicators are included in the strategic report.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

AUDITORS

The auditors, Waltons Clark Whitehill Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Mr W C Troy
Director

Date: 23 February 2022

TROY CENTRAL LIMITED

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

BUSINESS REVIEW

The results for the year have exceeded expectations and are considered satisfactory by the directors given the challenges and uncertainty presented in 2021 by Covid-19. The company has worked with a number of new clients during the year whilst maintaining good relationships with existing clients.

The company achieved a record turnover of £32.3m, a 54% increase on 2020. In addition the company has recorded a net profit before tax of 9.4% which matches 2020 and improves on the 2019 results.

Our established client portfolio creates stability and allows us to continue to further pursue opportunities with other key sector clients.

The directors authorised the dividends as outlined on page 24 at a level they consider a fair reward to shareholders, whilst retaining sufficient funding to support the growth plans of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

Due to the current work profile, the directors consider any changes in strategy for our key clients to be a principal risk to the company. The risks that the company faces are mitigated, as far as possible, by fulfilling contracts for a greater number of clients.

The ongoing impact of Covid-19 is an underlying risk, primarily due to having sufficient labour to complete works on time. We have regular conversations with site management and subcontractors to ensure we have sufficient labour to complete works. Brexit and Covid-19 have caused supply chain delays for goods and materials. This is managed in conjunction with the clients by having sufficient lead times prior to works commencing and buying within the UK where possible.

With regards to cash flow, we work to arrange favourable payment terms with new clients and maintain a strong bank position to ensure all liabilities can be met as they fall due. Post year end trading has been good and future cashflow is looking strong.

TROY CENTRAL LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider the key financial performance indicators when assessing the performance of the company. The KPIs used by the directors in the current market conditions are the control of overheads and costs.

Key performance indicators	2021	2020	2019	2018	2017
Sales	£32.3m	£21.0m	£25.0m	£23.3m	£21.7m
Gross profit %	16.5%	22.5%	20.4%	19.7%	22.4%
Employee cost as a % sales	6.0%	10.3%	9.1%	8.1%	6.5%
Net profit %	9.4%	9.4%	9.1%	9.7%	14.4%

This report was approved by the board on 23 February 2022 and signed on its behalf.

Mr W C Troy
Director

TROY CENTRAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS, AS A BODY, OF TROY CENTRAL LIMITED

UNQUALIFIED OPINION

We have audited the financial statements of Troy Central Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 August 2021, which comprise the Group Statement of comprehensive income, the Group and company Balance sheets, the Group Statement of cash flows, the Group and company Statement of changes in equity and the related notes, 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 Group's and of the parent company's affairs as at 31 August 2021 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

TROY CENTRAL LIMITED Financial Accounts 2021-08-31

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.

TROY CENTRAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS, AS A BODY, OF TROY CENTRAL LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

OPINION 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 Group 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 Group 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

TROY CENTRAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS, AS A BODY, OF TROY CENTRAL LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Group 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:

We gained an understanding of the legal and regulatory framework applicable to the group and the area in which it operates, and considered the risk of acts by the group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified the greatest potential for fraud is in the following areas: recognition and completeness of income, management override of controls and posting of unusual journals. We discussed these risks with management and designed audit procedures to test, the recognition and completeness of revenue, unusual transactions, inappropriate journals and transactions made outside of the normal control process. We reviewed journals posted around the year end to look for potential "window dressing". We also considered estimates and judgements made by management for evidence of bias, either individually or collectively.

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 Auditors' report.

TROY CENTRAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS, AS A BODY, OF TROY CENTRAL LIMITED (CONTINUED)

USE OF OUR REPORT

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Harrison MSc BSc FCA (Senior statutory auditor)

for and on behalf of
Waltons Clark Whitehill Limited

Chartered Accountants
Statutory Auditors

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

28 February 2022

TROY CENTRAL LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Turnover	4	32,277,066	21,000,251
Cost of sales		(26,960,645)	(16,265,391)
GROSS PROFIT		5,316,421	4,734,860
Administrative expenses		(2,288,042)	(2,751,020)
OPERATING PROFIT		3,028,379	1,983,840
Interest receivable and similar income	8	4	3,303
Interest payable and similar expenses	9	(6,398)	(8,057)
PROFIT BEFORE TAX		3,021,985	1,979,086
Tax on profit	10	(578,614)	(389,946)
PROFIT FOR THE YEAR		2,443,371	1,589,140
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent company		2,443,371	1,589,140
		2,443,371	1,589,140

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 18 to 31 form part of these financial statements.

TROY CENTRAL LIMITED
REGISTERED NUMBER: 07742209

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	574,834	590,533
		<u>574,834</u>	<u>590,533</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	14	375,102	-
Debtors: amounts falling due within one year	14	5,996,349	4,103,845
Cash at bank and in hand	15	4,792,671	6,772,014
		<u>11,164,122</u>	<u>10,875,859</u>
Creditors: amounts falling due within one year	16	(10,734,912)	(9,624,654)
NET CURRENT ASSETS		<u>429,210</u>	<u>1,251,205</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,004,044</u>	<u>1,841,736</u>
Creditors: amounts falling due after more than one year	17	-	(200,656)
PROVISIONS FOR LIABILITIES			
Deferred tax	20	(22,550)	(23,887)
Other provisions	21	(48,450)	(52,520)
		<u>(71,000)</u>	<u>(76,407)</u>
NET ASSETS		<u>933,044</u>	<u>1,564,673</u>
CAPITAL AND RESERVES			
Called up share capital	22	1,000	1,000
Profit and loss account	23	932,044	1,563,673
		<u>933,044</u>	<u>1,564,673</u>

TROY CENTRAL LIMITED
REGISTERED NUMBER: 07742209

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr W C Troy
Director

Date: 23 February 2022

The notes on pages 18 to 31 form part of these financial statements.

TROY CENTRAL LIMITED
REGISTERED NUMBER: 07742209

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	12	574,834	590,533
Investments	13	75	75
		574,909	590,608
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	14	375,102	-
Debtors: amounts falling due within one year	14	6,009,857	4,103,474
Cash at bank and in hand	15	4,775,458	6,756,967
		11,160,417	10,860,441
Creditors: amounts falling due within one year	16	(10,732,805)	(9,611,160)
NET CURRENT ASSETS		427,612	1,249,281
TOTAL ASSETS LESS CURRENT LIABILITIES		1,002,521	1,839,888
Creditors: amounts falling due after more than one year	17	-	(200,658)

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Deferred taxation	20	(22,550)		(23,887)
Other provisions	21	(48,450)		(52,520)
			(71,000)	(76,407)
NET ASSETS			931,521	1,562,824
CAPITAL AND RESERVES				
Called up share capital	22		1,000	1,000
Profit and loss account brought forward		1,561,824		1,558,533
Profit for the year		2,443,697		1,587,291
Other changes in the profit and loss account		(3,075,000)		(1,584,000)
			930,521	1,561,824
Profit and loss account carried forward			931,521	1,562,824

TROY CENTRAL LIMITED
REGISTERED NUMBER: 07742209

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr W C Troy
Director
Date: 23 February 2022

The notes on pages 18 to 31 form part of these financial statements.

TROY CENTRAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 September 2020	1,000	1,563,673	1,564,673
Profit for the year	-	2,443,371	2,443,371
Dividends: Equity capital	-	(3,075,000)	(3,075,000)
AT 31 AUGUST 2021	<u>1,000</u>	<u>932,044</u>	<u>933,044</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 September 2019	1,000	1,558,533	1,559,533
Profit for the year	-	1,589,140	1,589,140
Dividends: Equity capital	-	(1,584,000)	(1,584,000)

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AT 31 AUGUST 2020

1,000

1,563,673

1,564,673

The notes on pages 18 to 31 form part of these financial statements.

TROY CENTRAL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 September 2020	1,000	1,561,824	1,562,824
Profit for the year	-	2,443,697	2,443,697
Dividends: Equity capital	-	(3,075,000)	(3,075,000)
AT 31 AUGUST 2021	1,000	930,521	931,521

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 September 2019	1,000	1,558,533	1,559,533
Profit for the year	-	1,587,291	1,587,291
Dividends: Equity capital	-	(1,584,000)	(1,584,000)
AT 31 AUGUST 2020	1,000	1,561,824	1,562,824

The notes on pages 18 to 31 form part of these financial statements.

TROY CENTRAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2020
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	2,443,371	1,589,140
ADJUSTMENTS FOR:		
Depreciation of tangible assets	42,904	36,023
Loss on disposal of tangible assets	129	(6,953)
Interest paid	6,398	8,057
Interest received	(4)	(3,303)
Taxation charge	578,614	389,946
(Increase)/decrease in debtors	(2,267,606)	584,475
Increase in creditors	870,340	2,075,980
(Decrease)/increase in provisions	(4,070)	-
Corporation tax (paid)	(527,718)	(263,400)
NET CASH GENERATED FROM OPERATING ACTIVITIES	1,142,358	4,409,965
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(71,514)	(51,076)
Sale of tangible fixed assets	44,180	7,067
Interest received	4	3,303
HP interest paid	-	(466)
NET CASH FROM INVESTING ACTIVITIES	(27,330)	(41,172)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	(12,973)	(13,015)
Repayment of/new finance leases	-	(7,522)
Dividends paid	(3,075,000)	(1,584,000)
Interest paid	(6,398)	(7,591)
NET CASH USED IN FINANCING ACTIVITIES	(3,094,371)	(1,612,128)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1,979,343)	2,756,665

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	<u>2021</u>	<u>2020</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>4,792,671</u>	<u>6,772,014</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	<u>4,792,671</u>	<u>6,772,014</u>
	<u>4,792,671</u>	<u>6,772,014</u>

TROY CENTRAL LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 AUGUST 2021

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	6,772,014	(1,979,343)	4,792,671
Debt due after 1 year	(200,658)	200,658	-
Debt due within 1 year	(13,016)	(187,682)	(200,698)
	<u>6,558,340</u>	<u>(1,966,367)</u>	<u>4,591,973</u>

The notes on pages 18 to 31 form part of these financial statements.

TROY CENTRAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. GENERAL INFORMATION

The company is a private company, limited by shares, incorporated in England and Wales and its registered office is:
St Johns Place
Bury St Edmunds
Suffolk
IP33 1SW

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a

TROY CENTRAL LIMITED Financial Accounts 2021-08-31

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the group has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement at the time of approving the financial statements that there is reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. As a result the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 50 years
Motor vehicles	- 4 years
Fixtures & fittings	- 3 years
Office equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

TROY CENTRAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Long term contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out at the year end by recording turnover and related costs as contract activity advances. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenue derived from variations on contracts is recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and by their nature, will rarely equal the related actual outcome. The key assumption and source of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

Long term contracts

The directors account for long term contracts using the stage of completion method as the contract progresses. This method requires judgement to accurately estimate the extent of progress towards contract completion and may involve estimates of total contract costs to completion, total revenues, contract risks and other judgements.

4. TURNOVER

The whole of the turnover is attributable to that of a building contractor.

All turnover arose within the United Kingdom.

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the group's auditors and its associates for the audit of the group's annual financial statements	<u>11,980</u>	<u>11,550</u>
FEES PAYABLE TO THE GROUP'S AUDITORS AND ITS ASSOCIATES IN RESPECT OF:		
Taxation compliance services	1,300	980
All other services	2,914	2,230
	<u>4,214</u>	<u>3,210</u>

6. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	1,671,679	1,905,742	1,662,475	1,763,210
Social security costs	197,053	224,980	195,824	207,679
Cost of defined contribution scheme	51,756	38,835	52,158	37,864
	<u>1,920,488</u>	<u>2,169,557</u>	<u>1,910,457</u>	<u>2,008,753</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Directors	5	5
Administration	13	17
	<u>18</u>	<u>22</u>

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	813,997	860,328
Group contributions to defined contribution pension schemes	14,308	24,364
	<u>828,305</u>	<u>884,692</u>

During the year retirement benefits were accruing to 3 directors (2020 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £428,872 (2020 - £344,599).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,316 (2020 - £1,315).

8. INTEREST RECEIVABLE

	2021 £	2020 £
Other interest receivable	4	3,303
	<u>4</u>	<u>3,303</u>

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Bank interest payable	6,398	7,591
Finance leases and hire purchase contracts	-	466
	<u>6,398</u>	<u>8,057</u>

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

10. TAXATION

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	<u>579,951</u>	<u>384,017</u>
Deferred tax		
Origination and reversal of timing differences	(1,337)	5,929
Total deferred tax	<u>(1,337)</u>	<u>5,929</u>
Taxation on profit on ordinary activities	<u>578,614</u>	<u>389,946</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>3,021,985</u>	<u>1,979,087</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	574,177	376,027
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,797	11,795
Capital allowances for year in excess of depreciation	3,977	(3,805)
Short term timing difference leading to an increase (decrease) in taxation	(1,337)	5,929
Total tax charge for the year	<u>578,614</u>	<u>389,946</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. DIVIDENDS

	2021 £	2020 £
Dividends	3,075,000	1,584,000
	<u>3,075,000</u>	<u>1,584,000</u>

12. TANGIBLE FIXED ASSETS

Group and Company

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Total £
Cost					
At 1 September 2020	610,801	-	30,605	83,815	725,221
Additions	1,325	53,018	5,041	12,130	71,514
Disposals	-	(53,018)	(2,845)	(43,805)	(99,668)
At 31 August 2021	<u>612,126</u>	<u>-</u>	<u>32,801</u>	<u>52,140</u>	<u>697,067</u>
Depreciation					
At 1 September 2020	57,442	-	14,418	62,828	134,688
Charge for the year on owned assets	12,010	-	8,303	13,755	34,068
Charge for the year on financed assets	-	8,836	-	-	8,836
Disposals	-	(8,836)	(2,845)	(43,678)	(55,359)
At 31 August 2021	<u>69,452</u>	<u>-</u>	<u>19,876</u>	<u>32,905</u>	<u>122,233</u>
Net book value					
At 31 August 2021	<u>542,674</u>	<u>-</u>	<u>12,925</u>	<u>19,235</u>	<u>574,834</u>
At 31 August 2020	<u>553,359</u>	<u>-</u>	<u>16,187</u>	<u>20,987</u>	<u>590,533</u>

All of the Group's tangible fixed assets are held in the Parent company

TROY CENTRAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. TANGIBLE FIXED ASSETS (CONTINUED)

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Freehold	542,674	553,359
	542,674	553,359

13. FIXED ASSET INVESTMENTS

Company

	Investment in subsidiary company £
Cost	
At 1 September 2020	75
At 31 August 2021	75

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
Troy Interiors Limited	St. Johns Place, Bury St. Edmunds, Suffolk, England, IP33 1SW	£1 Ordinary	100%

The aggregate of the share capital and reserves as at 31 August 2021 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/ (Loss)
Troy Interiors Limited	1,600	(325)

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. DEBTORS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
DUE AFTER MORE THAN ONE YEAR				
Amounts recoverable on long term contracts	375,102	-	375,102	-
	<u>375,102</u>	<u>-</u>	<u>375,102</u>	<u>-</u>

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
DUE WITHIN ONE YEAR				
Trade debtors	4,144,295	2,341,621	4,144,295	2,341,621
Amounts owed by group undertakings	-	-	13,539	-
Other debtors	4,046	1,225	4,014	854
Prepayments and accrued income	77,635	369,123	77,636	369,123
Amounts recoverable on long term contracts	1,770,373	1,391,876	1,770,373	1,391,876
	<u>5,996,349</u>	<u>4,103,845</u>	<u>6,009,857</u>	<u>4,103,474</u>

15. CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	4,792,671	6,772,014	4,775,458	6,756,967
	<u>4,792,671</u>	<u>6,772,014</u>	<u>4,775,458</u>	<u>6,756,967</u>

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	200,698	13,016	200,698	13,016
Trade creditors	4,813,148	6,056,121	4,813,148	6,053,916
Amounts owed to group undertakings	-	-	-	6,479
Corporation tax	325,392	273,159	325,391	270,440
Other taxation and social security	1,922,814	801,444	1,922,814	790,553
Other creditors	2,560	183,066	2,560	182,920
Accruals and deferred income	3,470,300	2,297,848	3,468,194	2,293,836
	<u>10,734,912</u>	<u>9,624,654</u>	<u>10,732,805</u>	<u>9,611,160</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	-	200,658	-	200,658
	<u>-</u>	<u>200,658</u>	<u>-</u>	<u>200,658</u>

The bank loan is secured on the freehold land and buildings.

18. LOANS

Analysis of the maturity of loans is given below:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank loans	200,698	13,016	200,698	13,016
AMOUNTS FALLING DUE 1-2 YEARS				
Bank loans	-	200,658	-	200,658
	<u>200,698</u>	<u>213,674</u>	<u>200,698</u>	<u>213,674</u>

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

19. FINANCIAL INSTRUMENTS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	4,792,671	6,772,014	4,775,458	6,756,967
Financial assets that are debt instruments measured at amortised cost	6,293,816	3,734,722	6,307,323	3,734,351
	<u>11,086,487</u>	<u>10,506,736</u>	<u>11,082,781</u>	<u>10,491,318</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(10,409,520)</u>	<u>(9,552,153)</u>	<u>(10,407,413)</u>	<u>(9,541,378)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, amounts recoverable on contracts and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other taxes and social security, bank loans, obligations under finance and hire purchase contracts, other creditors and accruals.

20. DEFERRED TAXATION

Group

	2021 £	2020 £
At beginning of year	23,887	17,956
Charged to profit or loss	(1,337)	5,929
At the year end	<u>22,550</u>	<u>23,887</u>

TROY CENTRAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. DEFERRED TAXATION (CONTINUED)

The provision for deferred taxation is made up as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	£	£	£
Accelerated capital allowances	22,550	23,887	22,550	23,887
	<u>22,550</u>	<u>23,887</u>	<u>22,550</u>	<u>23,887</u>

21. PROVISIONS

Group

	Remedial provision
	£
At 1 September 2020	52,520
Utilised in year	(4,070)
At 31 August 2021	<u>48,450</u>

The remedial provision represents the estimated costs in respect work that needs to be carried out to rectify work once a contract has been completed. The directors expect that the provision will be utilised during the financial year ended 31 August 2022.

Company

	Remedial provision	Total
	£	£
At 1 September 2020	52,520	52,520
Utilised in year	(4,070)	(4,070)
At 31 August 2021	<u>48,450</u>	<u>48,450</u>

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

22. SHARE CAPITAL

	2021	2020
	£	£
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

23. RESERVES

Profit & loss account

The profit and loss account represents the cumulative profits and losses, net of dividends paid and any other adjustments.

24. PENSION COMMITMENTS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £51,756 (2020: £38,835). Contributions were payable to the fund at the balance sheet date of £2,560 (2020: £901).

25. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2021 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021	Group 2020
	£	£
Not later than 1 year	3,652	1,419
Later than 1 year and not later than 5 years	5,478	385
	<u>9,130</u>	<u>1,804</u>

TROY CENTRAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

Dividends of £3,075,000 have been paid to three directors.

Included in other debtors at 31 August 2021 is £1,080 (1 September 2020: £182,920, within other creditors) which is due from three directors.

During the year the company purchased services totalling £2,796,544 from Hayton & Lamb Limited, a company in which a director has an interest. At 31 August 2021 £359,628 (1 September 2020: £898,256) was owed to this company and is included in trade creditors.

During the year the company purchased services totalling £20,000 from Red Rock London Limited, a company in which a director has an interest.

At 31 August 2021 £2,933 was due from (1 September 2020: £854) was owed from Troy Central (Europe) Limited, a company in which a director has an interest, and is included in other debtors.

During the year the company sold an asset to a director for the net book value held in the financial statements of £44,182.

