COMPANY REGISTRATION NUMBER: 07795892

Madigan Gill Group Holdings Limited

Financial Statements

30 September 2021

Madigan Gill Group Holdings Limited

Financial Statements

Year ended 30 September 2021

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BUSINESS REVIEW The principal activity of Madigan Gill Group Holdings Limited ('the group') during the year was as a service provider to the construction industry, specialising in resource, logistics and security. Results and performance The results for the year are set out on page 11. The core focus over the year was to continue to build on our established relationships with existing clients whilst making further improvements to the service we provide in each subsidiary. We worked on expanding our client portfolio regionally by utilising our regional offices to ensure we can cater to our clients' requirements. Highlights and Key Performance Indicators (KPI's) - Health and Safety is a significant KPI of the group and its subsidiaries. The group has performed well in this area with good health and safety results. - Turnover for the group decreased by £0.31m (0.55%) to £55.64m (2020 - £55.95m) which was anticipated due to COVID-19. - Gross profit increased to £10.47m with a margin of 18.82% (2020 - £8.23m and 14.7%) due to continued tight controls. - Overheads in the year increased by £0.43m, 7.76% which is in line with prior years. - Operating profit was £4.51m with a margin of 8.11%, against the prior year of £2.85m and 5.09%. - Current ratio has increased to 2.00 (2020 - 1.72). The group continues to generate positive operating cash with a view to reducing debt. Achieving a post-tax profit margin of 7% is the main KPI objective for the coming three years, the directors believe they have implemented the appropriate business model and processes to achieve this. Business environment The construction industry is a highly competitive industry which demands a high level of service at a professional standard. The business environment which the group operates in is reflected in the group's policies and procedures which have been implemented to ensure that clients receive an excellent competitive service that also ensures the health and safety of both the group's workers and clients. The group is constantly looking for new innovative ways of improving its efficiencies while ensuring it it meets the clients' requirements.

STRATEGY AND FUTURE DEVELOPMENTS The group will continue to develop and grow its client portfolio within London and nationally by supporting the regional offices and establishing a stronger presence in these areas. The clients' needs are continually being reviewed which may require the opening of further regional offices to meet such needs. The group will be focusing on improving internal processes in the coming year and further investing in infrastructure to ensure growth can be sustained. There will be some new opportunities within specialised sectors such as security, which the group intends to expand further.

PRINCIPAL RISKS AND UNCERTAINTIES The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a priority for the group. The principal risks arise from inaccurate pricing inadequate management of projects, wage inflation caused by the effect of BREXIT, COVID-19 and support schemes. After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and the accounts. The directors consider the state of affairs to be satisfactory at 30th September 2021.

FINANCIAL RISK MANAGEMENT The group's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds and to finance the company's operations. Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below. In respect of bank balances the liquidity risk is managed by maintaining a positive cash balance and making use of bank deposit facilities where excess funds are available. The group is a lessee in respect of operating leases. The liquidity risk is managed by ensuring there are sufficient funds to meet the payments. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers, on-going project management and the monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

This report was approved by the board of directors on 24 May 2022 and signed on behalf of the board by:

Mr D J Madigan

Director

Registered office:

10 Dominion Street

London

EC2M 2EF

Madigan Gill Group Holdings Limited

Directors' Report

Year ended 30 September 2021

The directors present their report and the financial statements of the group for the year ended 30 September 2021 .

Directors

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

Mr D Gill

Mr D J Madigan

Mr J Madigan

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Greenhouse gas emissions and energy consumption

	Unit	2021
Emissions resulting from activities for which the group is responsible	tCO2e	46
Emissions resulting from the purchase of electricity by the group for its own use	tCO2e	9

Total emissions	tCO2e	55
Total energy consumption	kWh	43,910
Intensity metric ratio tCO2e		0.18

Methodologies for energy and emissions calculations

Raw energy data taken at site level from direct invoices or landlord recharges. Company transport taken across the whole business. All scope 1,2 & 3 emissions converted to GHG emissions using standard UK carbon conversion factors.

Reasons for Change in Emissions

The reporting year 2020-21 represents our first SECR reporting year, no data is available for comparison with previous years.

Quantification and Reporting Methodology

We have followed the Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, issued in January 2019. We have used the 2020 & 2021 UK Government's Conversion Factors for Company Reporting, available via: www.gov.uk/government/collections/government-conversion-factors-for-company-reporting.

Organisational boundary

We have used the financial control approach.

Operational scopes

We have measured our scope 1 and 2 emissions. No scope 3 emissions have been included in this report.

Base Year

We have a fixed base year of 2020-21. We chose this year as it is the first year we are required to report on SECR.

Targets

We do not currently have an emissions reduction target in place across the business.

Intensity Measurement

We have chosen the intensity metric of Gross Internal Area m2 as an output, as this is a common business metric for the office sector and most relevant to our business energy consumption. Our intensity measurement for 2020-21 has been set at 0.1798 tCO_2e (gross Scope 1 + 2)/GIA m2, and this will be used to compare relative carbon intensity in future reporting years.

External Assurance Statement

We have received an independent external assurance statement from Inteb Managed Services Ltd, who are Energy Management, ESOS and SECR consultants.

Carbon Offsets

We have not purchased carbon credits which reduce our reported GHG emissions.

Energy Efficiency Action Taken

As energy consumption data for our office locations is limited due to the lack of direct recharging at our Birmingham, Bristol and Redhill offices, the opportunity to reduce energy consumption from implementing energy efficiency opportunities is also limited. As energy efficiency improvements are made by our office landlords, and these are communicated to us, we can include the detail in our SECR reports. Our most significant business carbon emissions come from transport. As a result we are looking at ways to reduce the carbon footprint of our business fleet and replacing diesel vehicles with electric vehicles, which can then be charged using electricity generated from renewable sources. Further detail on this initiative will be provided in future SECR reports.

Disclosure of information in the strategic report

Details of the business review, future developments and financial risk management of the group are discussed in the strategic report.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 24 May 2022 and signed on behalf of the board by:

Mr D J Madigan

Director

Registered office:

10 Dominion Street

London

EC2M 2EF

Opinion

We have audited the financial statements of Madigan Gill Group Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows 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 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 group's and of the parent company's affairs as at 30 September 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; - 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 group 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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 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.

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 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.

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: Based on our understanding of the parent company, the group and industry, we identified the principal risks of non compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, FRS102, Health and Safety laws, employment laws, contract laws, General Data Protection Regulations and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to fraudulent transactions that may lead to an overstatement of profits such as manipulation of work in progress and understatement of expenses, in order to increase the value and borrowing capacity of the parent company and the group. Audit procedures performed by the audit team included: To perform audit testing in different sections in order to check the compliance with applicable regulations and discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud. Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, significant one-off amounts or posted by senior management. Challenging and validating the reasonableness and judgement of any key management assumptions with particular focus on work in progress, depreciation and accruals as these are the key accounting estimates. 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 auditor's report. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also: - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control. - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors. - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern. - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

Rosa Maria Garcia Nunez

(Senior Statutory Auditor)

For and on behalf of

Abbots

Chartered Certified Accountants & Statutory Auditor

Printing House

66 Lower Road

Harrow

HA2 0DH

24 May 2022

Madigan Gill Group Holdings Limited

Consolidated Statement of Income and Retained Earnings

Year ended 30 September 2021

	Note	2021 £	2020 £
Turnover	4	55,637,904	55,946,915
Cost of sales		45,169,110	47,720,867
Gross profit		10,468,794	8,226,048
Administrative expenses		5,958,227	5,529,069
Other operating income	5	1,774	150,034
Operating profit	6	4,512,341	2,847,013
Interest payable and similar expenses	10	101,259	142,392
Profit before taxation		4,411,082	2,704,621
Tax on profit	11	867,990	499,064
Profit for the financial year and total comprehensive income		3,543,092	2,205,557
Dividends paid and payable	12	(2,083,000)	(770,000)
Retained earnings at the start of the year		8,363,563	6,928,006
Retained earnings at the end of the year		9,823,655	8,363,563

All the activities of the group are from continuing operations.

Madigan Gill Group Holdings Limited

Company Statement of Income and Retained Earnings

Year ended 30 September 2021

	Note	2021	2020
		£	£
Profit for the financial year and total comprehensive income		2,513,127	770,000
Dividends paid and payable	12	(2,083,000)	(770,000)
Retained earnings at the start of the year		499,150	499,150
Retained earnings at the end of the year		929,277	499,150

Madigan Gill Group Holdings Limited

Consolidated Statement of Financial Position

30 September 2021

	Note		2021		2020
			£		£
Fixed assets					
Tangible assets	13		233,840		282,130
Current assets					
Debtors	15	15,125,942		16,269,829	
Cash at bank and in hand		4,061,150		3,115,298	
		19,187,092		19,385,127	
Creditors: amounts falling due within one year	16	9,560,730		11,258,718	
Net current assets			9,626,362		8,126,409
Total assets less current liabilities			9,860,202		8,408,539
Provisions	17		36,447		44,876
Net assets			9,823,755		8,363,663
Capital and reserves					
Called up share capital	21		100		100
Profit and loss account	22		9,823,655		8,363,563
Shareholders funds			9,823,755		8,363,663

These financial statements were approved by the board of directors and authorised for issue on 24 May 2022 , and are signed on behalf of the board by:

Mr D J Madigan

Director

Company registration number: 07795892

Madigan Gill Group Holdings Limited

Company Statement of Financial Position

30 September 2021

	Note		2021		2020
			£		£
Fixed assets					
Investments	14		301		301
Current assets					
Debtors	15	2,323,535		507,962	
Cash at bank and in hand		8,928		–	
		2,332,463		507,962	
Creditors: amounts falling due within one year	16	1,403,387		9,013	
Net current assets			929,076		498,949
Total assets less current liabilities			929,377		499,250
Net assets			929,377		499,250
Capital and reserves					
Called up share capital	21		100		100
Profit and loss account	22		929,277		499,150
Shareholders funds			929,377		499,250

The profit for the financial year of the parent company was £ 2,513,127 (2020: £ 770,000).

These financial statements were approved by the board of directors and authorised for issue on 24 May 2022 , and are signed on behalf of the board by:

Mr D J Madigan

Director

Company registration number: 07795892

Madigan Gill Group Holdings Limited

Consolidated Statement of Cash Flows

Year ended 30 September 2021

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	3,543,092	2,205,557
Adjustments for:		
Depreciation of tangible assets	69,956	83,849
Government grant income	(1,774)	(150,034)
Interest payable and similar expenses	101,259	142,392
Tax on profit	867,990	499,064
Accrued income	(169,898)	(477,185)
Changes in:		
Trade and other debtors	1,143,887	(1,570,564)
Trade and other creditors	(1,373,057)	1,274,053
Cash generated from operations	4,181,455	2,007,132
Interest paid	(101,259)	(142,392)
Tax paid	(1,012,086)	(27,078)
Net cash from operating activities	3,068,110	1,837,662
Cash flows from investing activities		
Purchase of tangible assets	(21,666)	(90,043)
Proceeds from sale of tangible assets	–	500
Net cash used in investing activities	(21,666)	(89,543)
Cash flows from financing activities		
Proceeds from borrowings	(19,366)	(13,390)
Government grant income	1,774	150,034
Dividends paid	(2,083,000)	(770,000)
Net cash used in financing activities	(2,100,592)	(633,356)
Net increase in cash and cash equivalents	945,852	1,114,763
Cash and cash equivalents at beginning of year	3,115,298	2,000,535
Cash and cash equivalents at end of year	4,061,150	3,115,298

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 10 Dominion Street, London, EC2M 2EF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

(a) Disclosures in respect of each class of share capital have not been presented.

(b) No cash flow statement has been presented for the company.

(c) Disclosures in respect of financial instruments have not been presented.

(d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of the group and all of its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

Judgements and key sources of estimation uncertainty

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

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the date of the statement of financial position. This is normally measured by the proportion contract costs incurred for work performed to date bear to the estimated contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract value, the expected loss is recognised as an expense immediately. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Equipment	-	25 % reducing balance
Leasehold improvements	-	20 % straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Rendering of services	55,637,904	55,946,915

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

5. Other operating income

	2021	2020
	£	£
Government grant income	1,774	150,034

6. Operating profit

Operating profit or loss is stated after charging:

	2021	2020
	£	£
Depreciation of tangible assets	69,956	83,849
Impairment of intangible assets recognised in:		
Administrative expenses	–	65,016
Impairment of trade debtors	189,606	306,453

7. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	9,522	6,236

Fees payable to the company's auditor and its associates for other services:

Audit-related assurance services	46,000	42,159
Other non-audit services	81,893	37,559
	127,893	79,718

8. Staff costs

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

	2021	2020
	No.	No.
Production staff	25	17
Administrative staff	48	40
	73	57

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	4,210,960	3,244,883
Social security costs	509,313	340,287
Other pension costs	66,478	73,075
	4,786,751	3,658,245

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	567,000	50,250
Company contributions to defined contribution pension plans	3,951	869
	570,951	51,119

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

	2021	2020
	No.	No.
Defined contribution plans	3	3

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

	2021	2020
	£	£
Aggregate remuneration	192,000	26,550

10. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable and similar charges	101,259	142,392

11. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	876,419	637,293
Adjustments in respect of prior periods	–	(140,155)
Total current tax	876,419	497,138
Deferred tax:		
Origination and reversal of timing differences	(8,429)	1,926
Tax on profit	867,990	499,064

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19 % (2020: 19 %).

	2021	2020
	£	£
Profit on ordinary activities before taxation	4,411,082	2,704,621
Profit on ordinary activities by rate of tax	838,106	514,152
Adjustment to tax charge in respect of prior periods	–	(140,156)
Effect of expenses not deductible for tax purposes	30,169	125,163
Effect of capital allowances and depreciation	8,144	(2,021)
Deferred tax	(8,429)	1,926
Tax on profit	867,990	499,064

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2021	2020
	£	£
Dividends on equity shares	2,083,000	770,000

13. Tangible assets

Group	Fixtures and fittings	Motor vehicles	Equipment	Leasehold improvements	**Total**
	£	£	£	£	**£**
Cost					
At 1 October 2020	64,672	45,965	296,345	135,423	542,405
Additions	4,298	–	17,368	–	21,666
At 30 September 2021	68,970	45,965	313,713	135,423	564,071
Depreciation					
At 1 October 2020	36,615	20,430	146,825	56,405	260,275
Charge for the year	7,104	6,384	40,664	15,804	69,956
At 30 September 2021	43,719	26,814	187,489	72,209	330,231
Carrying amount					
At 30 September 2021	25,251	19,151	126,224	63,214	233,840
At 30 September 2020	28,057	25,535	149,520	79,018	282,130

The company has no tangible assets.

14. Investments

The group has no investments.

Company	**Shares in group undertakings**
	£
Cost	
At 1 October 2020 and 30 September 2021	301
Impairment	
At 1 October 2020 and 30 September 2021	–
Carrying amount	
At 1 October 2020 and 30 September 2021	301
At 30 September 2020	301

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
MadiganGill Resource Limited	10 Dominion Street, London, EC2M 2EF	Ordinary	100
Madigan Gill Logistics Limited	10 Dominion Street, London, EC2M 2EF	Ordinary	100
MadiganGill Facilities Limited	10 Dominion Street, London, EC2M 2EF	Ordinary	100
MadiganGill Security Limited	10 Dominion Street, London, EC2M 2EF	Ordinary	100

15. Debtors

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade debtors	13,023,446	15,050,647	–	–
Amounts owed by group undertakings	–	–	1,805,900	507,862
Prepayments and accrued income	288,810	256,679	425,000	–
Directors loan account	300,825	–	–	–
Other debtors	1,512,861	962,503	92,635	100
	15,125,942	16,269,829	2,323,535	507,962

16. Creditors: amounts falling due within one year

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade creditors	3,387,604	3,202,176	–	–
Amounts owed to group undertakings	–	–	1,293,993	–
Accruals and deferred income	1,078,822	1,248,720	8,500	8,500
Corporation tax	877,953	1,013,620	100,894	–
Social security and other taxes	427,931	1,570,348	–	–
Director loan accounts	–	19,366	–	–
Other creditors	3,788,420	4,204,488	–	513
	9,560,730	11,258,718	1,403,387	9,013

Within other creditors, £3,761,220 (2020 - £4,580,871) is secured by way of a fixed and floating charge over all the assets of the group.

17. Provisions

Group

	Deferred tax (note 18)
	£
At 1 October 2020	44,876
Charge against provision	(1,215)
Unused amounts reversed	(7,214)
At 30 September 2021	36,447

The company does not have any provisions.

18. Deferred tax

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

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Included in provisions (note 17)	36,447	44,876	–	–

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

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Accelerated capital allowances	36,447	44,876	–	–

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 66,478 (2020: £ 73,075).

20. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Recognised in other operating income:				
Government grants recognised directly in income	1,774	150,034	–	–

21. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	**£**	No.	£
Ordinary shares of £ 1 each	100	100	100	100

22. Reserves

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

23. Analysis of changes in net debt

	At 1 Oct 2020	Cash flows	**At 30 Sep 2021**
	£	£	**£**
Cash at bank and in hand	3,115,298	945,852	4,061,150
Debt due within one year	(19,366)	19,366	–
	3,095,932	965,218	4,061,150

24. Operating leases

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

	Group		**Company**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Not later than 1 year	244,589	241,248	–	–
Later than 1 year and not later than 5 years	100,520	341,768	–	–
	345,109	583,016	–	–

The amount recognised in profit or loss as an expense in relation to operating leases was £276,757 (2020: £253,981)

25. Directors' advances, credits and guarantees

At the balance sheet date, the directors owed the group £300,825 (2020: £19,366 credit balance). The loan was repaid after the year end.

26. Related party transactions

Group

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

	Transaction value		Balance owed by/(owed to)	
	2021	2020	**2021**	2020
	£	£	**£**	£
Other related parties	258,749	385,682	803,433	869,115

Company

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

	Transaction value		Balance owed by/(owed to)	
	2021	2020	**2021**	2020
	£	£	**£**	£
Other related parties	–	–	–	(413)

The company was under the control of Mr D J Madigan , Mr D Gill and Mr J Madigan throughout the current and previous year. Madigan Gill Group Holdings Limited has taken advantage of the exemption within paragraph 33.1A of FRS 102 which eliminates the requirement to report related party balances with its 100% owned subsidiaries. Details of the company's subsidiaries are disclosed in note 13.