

COMPANY REGISTRATION NUMBER: 02645178

**Galamast Limited**

**Financial Statements**

**30 September 2021**

# **Galamast Limited**

## **Financial Statements**

**Year ended 30 September 2021**

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# **Galamast Limited**

## **Officers and Professional Advisers**

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### **The board of directors**

Mr M F Gallagher  
Mr K T Masterson

### **Registered office**

Park House  
61A Cowper Road  
Bromley  
Kent  
BR2 9RT

### **Auditor**

Riverside Accountancy Lancaster Limited  
Chartered accountants & statutory auditor  
Second Floor, Riverside Offices  
26 St George's Quay  
Lancaster  
LA1 1RD

### **Bankers**

Allied Irish  
1st Floor Berkeley Square House  
Mayfair  
London  
W1J 6BR

# **Galamast Limited**

## **Strategic Report**

**Year ended 30 September 2021**

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### **History and family value**

We have traded successfully since 1990. With projected turnover in excess of £60 million, we have the resources and financial strength of a larger construction company, but we strive to retain the family culture with all our directors actively involved with our clients and projects. We adopt a modern approach based on traditional values, with a proud record of contracts completed on time, to the highest engineering standards, within budget and with safe working practices. We work hard to maintain our reputation for consistency, quality, expertise, and reliability and to be the contractor of choice. We strive to continue the long-term relationships with our customer base by focusing on our core activities, our long-standing team and in house resources and capabilities, by bringing new innovations to our building methods and by working closely with our customers and suppliers.

## Principal risks and uncertainties

Construction is a higher risk, low margin sector and there are a number of uncertainties which could have an impact on the company's performance and could cause results to differ substantially from historical profits and current projections. However, after over 30 years in business we have a strong balance sheet, an experienced team and well-established systems and procedures in place to help avoid or minimise risks to the company. The principal risks for our company include the following:

**Pricing and delivery of large and complex construction contracts** The pricing and delivery of large and complex construction contracts present many challenges, principal amongst them being availability of materials and tradespeople and meeting tight deadlines. Our policy remains to have an experienced team of construction, pre-construction, commercial, buyers, surveyors, estimators, and resources professionals who carry out an in-depth analysis of every tender before submission and to have an experienced team to deliver those contracts. Quality workmanship Buildings have to be constructed to exacting design, engineering, and quality workmanship standards. Our policy remains to have a longstanding team of skilled and experienced directors, managers, tradespeople, and support staff.

**Credit risk** The company's credit risks are mainly attributable to the trade debtors and amounts recoverable on contracts. Our policy remains to have a good mix of long standing blue chip customers and we operate a modern and efficient financial and management reporting system that monitors our customers and our debtors book on a day to day basis.

**Liquidity risk** The company maintains a strong and liquid balance sheet and finances its operations through a mixture of cash reserves in the bank, trade debtors, including amounts receivable from contracts less trade and other creditors. Cash flow forecasts are constantly monitored and updated. The group does not have any complex financial instruments or hedging products and neither does it have any loans or overdrafts, but it does have agreed bank facilities in case needed. Therefore, the directors are confident that they can meet their obligations as they fall due.

**Health and Safety risk** Construction is a higher risk activity. Health and Safety remains at the top of our business management principles. Further details are set out in our Health and Safety note below. Our in house team The success of the company is dependent on recruiting and retaining skilled management, tradespeople and support staff and our employment policy is designed to attract, train, and provide a rewarding and challenging career that retains the best people throughout their working life.

**COVID-19** Although all our sites are now operational with additional Health and Safety procedures and social distancing guidelines in place, the uncertainties around COVID-19 risks, they are also optimistic that the COVID-19 vaccination programme and the company's strong and liquid balance sheet and its long standing and experienced team should see us through the business disruption caused by the pandemic.

**Brexit and the economy** The state of the economy and related global activity are issues on which every business sector depends, and which can have a significant impact on our longer term performance and success. A trade deal with the EU has been negotiated and the directors believe that COVID 19 uncertainties will be managed, and that confidence will be renewed in the UK construction sector and in the UK economy as a place to do business. Our policy therefore remains to maintain a strong and liquid balance sheet capable of of funding our activities and meeting our obligations as they fall due.

**Going concern**

The board of Directors is required to consider the company's ability to continue as a going concern over a period of at least 12 months from date of approval of the financial statements. The directors are confident that the company can continue to trade successfully and continue to provide an excellent and reliable service to our customers for the foreseeable future because we have a satisfactory order book from well established customers, and we have a strong balance sheet with a strong liquidity and consistent profits. Thus, we continue to adopt the going concern basis in preparing in financial statements.

**Corporate social responsibility**

The directors believe that the long term interests of the company, its employees and its customers are best served by acting in a corporate social manner. Therefore, the company ensures that high standards are maintained in everything that we do. The onset of the COVID-19 pandemic required us to make significant changes to work patterns, health and safety protection measures and social distancing for the protection of our employees, subcontractors, and suppliers, which we achieved to great effect and enabled us to keep our workforce operational engaged throughout. During the year the company and its employees supported many worthy causes and charities and in conjunction with our clients we continue to offer employment to local tradesmen and support staff in our areas of operation and we continue to invest in upskilling and training. Our people and health and safety are at the heart of everything we do, and we write more about them below. As a large construction company, we acknowledge our responsibility to help the environment and advance sustainability. We work with our material suppliers in this respect, and we recycle and re-use our site waste wherever possible, and we work closely with modern waste management recycling companies.

### **Our people, training, and employee involvement**

The on going success of the company is attributable to the experience of our team of highly skilled, dedicated, and competent company directors ably supported by a well-developed organisational structure including contracts managers, project/site managers, site supervisors/foremen and a significantly skilled workforce, underpinned by a strong commercial team and head office support function. The company continues to have an ambitious vision for training and workforce development, and we significantly invest in the training and development of our workforce. Our commitment to training is the bedrock of our business and builds on our strong foundations to deliver a safe, competent, and qualified workforce into the future. We offer a career path that helps retain and enhance the skills, talents and experience required to deliver best service to our valued customers. We favour promotion from within and we offer the challenge, training, motivation, rewards, and career development expected by the best employees throughout their working life. Our hands on approach and short chain of command keeps our directors and managers in constant dialogue with our employees, keeping them abreast of the groups activity, performance, quality control, training, health and safety, environmental issues, planning and future prospects. We remain committed to equality and offer equal opportunities without reference to age, ethnicity, gender, sexual orientation, religion or disability and we are vehemently opposed to all forms of discrimination. We have company policies to support these undertakings. I extend my sincere thanks to all our staff for their continuing dedication and commitment and I hope they continue to work on developing a life long and rewarding career where they feel valued and respected and a part of the on-going success of the Galamast Group of companies. The directors acknowledge that it is our employees who always have and continue to significantly contribute to the continued success of our business as we continue over 30 years of trading.

### **Health and safety at work**

The company directors, supported by our in house team of health and safety professionals continue to promote and embed an ethos where health, safety and wellbeing remains intrinsic to our business though process and work ethic. The company's overriding principal is that all our workers conduct their undertakings in a safe and accident-free working environment and that they go home safe and healthy at the end of every working day. Through pragmatic leadership and high levels of corporate governance we continue to provide resources, on going training programmes and the expenditure necessary to deliver this objective. The COVID-19 pandemic has impacted our industry and will undoubtedly continue to shape and influence the foreseeable future. The directors continue to support its health and safety team during these testing times, which serve as a reminder to our ability to adapt our processes to meet the challenges and demands which arise through change without compromising our standards. Our entire workforce continues to participate in sustaining health and safety programmes already in place and are encouraged to look for and suggest ways to further enhance the measures already implemented which may benefit and or improve our businesses.

## **Environment and quality management**

We have built our business based on doing quality work and winning repeat business from our clients. The success of the business relies on maintaining and improving our operational standards. Quality management is central to our day to day operations and helps us deliver value and to meet our customers requirements. Our desire to maintain high standards remains a constant throughout our operations and last year we carried out a major review across the company on what further improvements on quality and standards could be achieved. We recognise the significant impact the construction industry has on the environment. Our team continually promote sustainable resourcing of materials, reducing emissions and the efficient use of energy. We continue to minimise site waste and re use it wherever possible and we work closely with modern waste management recycling companies. We constantly upgrade our plant and transport to achieve the lowest emissions possible.

## **Company's stakeholders**

The primary responsibility of the board is to promote the long term success of the company for the benefit of the shareholders, but the directors acknowledges that long term success and reputation is dependent on our responsibility to balance the interests of all other stakeholders who we come into contact with, in order to deliver the best possible outcome for all concerned. Section 172 of the Companies Act 2006 requires us to report each year on how we fulfill these obligations.

**Customers** Our customers are at the heart of our business, with whom we are in constant dialogue, and we strive to give them the best possible service and to enhance our relationship for our mutual benefit and that of the wider community.

**Our employees** Our employees are key to the success of our business. We have a hands on family culture where our directors and managers are actively involved on our projects on a day to day basis and who constantly engage with our employees and keep them informed of business development, forecasts and prospects. We have longstanding experienced employees we expect and maintain high standards and we offer a rewarding career progression. Health and safety training and wellbeing is a constant that is promoted and maintained as a core value. The year to September 2021 was particularly challenging for employees due to the COVID pandemic but fortunately we in the construction industry were able to stay in operation with COVID safety measures in place. We thank our employees for their dedication and commitment.

**Subcontractors and suppliers** Our subcontractors and suppliers are crucial stakeholders in the success of our business, without whom we could not operate, so we treat them in the same way we treat our employees in terms of communication, payment, terms and conditions and inclusivity and who we expect to adhere to our high standards.

**Other controls** We acknowledge our ethical, moral, and social responsibilities and the aim of the company to maintain high standards of business conduct remains paramount. We are opposed to all forms of discrimination.

## **Payment to suppliers**

We constantly assess and monitor the strong links we have with our suppliers who are a crucial part of our successful business. Our policy remains to pay our suppliers at the end of the month following month of delivery and this applies to the vast majority of our transactions. Where different terms are agreed in certain circumstances we endeavour to adhere to our side of such agreements.

**The future**

The board looks forward with confidence to continue the success of the company into the future.

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

Mr M F Gallagher

Mr K T Masterson

Director

Director

Registered office:

Park House

61A Cowper Road

Bromley

Kent

BR2 9RT

# **Galamast Limited**

## **Directors' Report**

### **Year ended 30 September 2021**

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

#### **Principal activities**

The company's main activities continued to be that of civil engineering and construction in the housing sector in conjunction with new build and refurbishment in the private restaurant sector. We continue to build strong and lasting relationships within both sectors and have secured contracts which extend for many years into the future.

#### **Directors**

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

Mr M F Gallagher

Mr K T Masterson

#### **Dividends**

Particulars of recommended dividends are detailed in note 13 to the financial statements.

#### **Future developments**

Whilst the results of COVID-19 have caused problems throughout the global economy, we have secured orders which will take us forward for the next years. Like all in our sector we suffer with the shortage of materials and labour, but our core values have ensured that our loyal workforce remain with us. We are proud that throughout we have not had a need to make any redundancies or impose any short time working. Moving forward we now have the strong order book, dedicated workforce, and strong balance sheet to face the future with confidence.

#### **Greenhouse gas emissions and energy consumption**

##### *Principal measures taken to increase energy efficiency*

We acknowledge the external impact of our activities on local communities and on the environment. We create local employment opportunities in our areas of operation, and we engage local subcontractors, and we do business with local suppliers, and we support local charities organisations.

We re-use and recycle as much of our site construction waste as possible and we work with modern waste recycling businesses. We acknowledge our carbon emissions obligations, and we are constantly updating our already modern fleet with low emission engines, and we comply with all permits and consent requirements.

##### *Information not included*

The company consumed 40,000kWh of energy or less in the UK during the period.

### **Employment of disabled persons**

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled or handicapped, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and provide training and career development and promotion to disabled and handicapped employees wherever appropriate.

### **Directors' responsibilities statement**

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

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

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

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

Mr M F Gallagher

Mr K T Masterson

Director

Director

Registered office:

Park House

61A Cowper Road

Bromley

Kent

BR2 9RT

# **Galamast Limited**

## **Independent Auditor's Report to the Members of Galamast Limited**

**Year ended 30 September 2021**

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### **Opinion**

We have audited the financial statements of Galamast Limited (the 'company') for the year ended 30 September 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, 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 company's affairs as at 30 September 2021 and of its 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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, 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Review of directors' minutes and review of nominal postings for legal and professional fees ensured we identified any regulatory compliance issues and laws that company must follow in the year and to the date of signing the financial statements
- The assessment of fraud was considered as low due to the segregation of duties seen, the company doesn't not handle any cash and still use cheques which have to be signed by the directors. The company performs its own spot checks each month on supplier payments.
- A review of journal entries and consideration of their appropriateness was carried out throughout the audit
- During the audit we speak to management, test the systems and speak to various members of the finance function to understand the entity its processes and the nature of trade to assist in determining if the financial statements are true and fair
- Challenging assumptions made by management in making their significant accounting estimates, in particular in relation to construction contracts. We have scrutinised in detail the cut off in respect of income recognised around the year end and verified these to quantity surveyor's certifications.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations
- Physical verification of fixed assets was carried out which aided us to assess for any potential impairment required
- Professional valuations are reviewed for Investment Properties and ensuring that these properties are valued regularly in line with accounting standards. Where Directors assess in between the formal valuations we use our own market research to confirm reasonableness

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report

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

Lyndsay Nicholson ACA

(Senior Statutory Auditor)

For and on behalf of

Riverside Accountancy Lancaster Limited

Chartered accountants & statutory auditor

Second Floor, Riverside Offices

26 St George's Quay

Lancaster

LA1 1RD

27 June 2022

# Galamast Limited

## Statement of Comprehensive Income

Year ended 30 September 2021

		2021	2020
	Note	£	£
<b>Turnover</b>	<b>4</b>	54,728,709	48,360,822
Cost of sales		49,109,509	44,137,978
		-----	-----
<b>Gross profit</b>		5,619,200	4,222,844
Administrative expenses		1,997,860	1,841,129
Other operating income	<b>5</b>	414,555	1,008,416
		-----	-----
<b>Operating profit</b>	<b>6</b>	4,035,895	3,390,131
Other interest receivable and similar income	<b>10</b>	—	12,201
Interest payable and similar expenses	<b>11</b>	2,641	1,239
		-----	-----
<b>Profit before taxation</b>		4,033,254	3,401,093
Tax on profit	<b>12</b>	781,354	665,738
		-----	-----
<b>Profit for the financial year and total comprehensive income</b>		3,251,900	2,735,355
		-----	-----

All the activities of the company are from continuing operations.

# Galamast Limited

## Statement of Financial Position

30 September 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	14	18,803,730	14,334,518
<b>Current assets</b>			
Debtors	15	5,508,208	4,441,285
Cash at bank and in hand		4,784,913	5,976,462
		10,293,121	10,417,747
<b>Creditors: amounts falling due within one year</b>	16	5,428,372	4,207,932
<b>Net current assets</b>		4,864,749	6,209,815
<b>Total assets less current liabilities</b>		23,668,479	20,544,333
<b>Creditors: amounts falling due after more than one year</b>	17	132,246	—
<b>Provisions</b>	19	277,000	277,000
<b>Net assets</b>		23,259,233	20,267,333
<b>Capital and reserves</b>			
Called up share capital	22	100	100
Profit and loss account	23	23,259,133	20,267,233
<b>Shareholders funds</b>		23,259,233	20,267,333

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

Mr M F Gallagher

Director

Mr K T Masterson

Director

Company registration number: 02645178

# Galamast Limited

## Statement of Changes in Equity

Year ended 30 September 2021

		Called up share capital	Profit and loss account	Total
		£	£	£
<b>At 1 October 2019</b>		100	18,094,878	18,094,978
Profit for the year			2,735,355	2,735,355
		---	-----	-----
<b>Total comprehensive income for the year</b>		—	2,735,355	2,735,355
Dividends paid and payable	<b>13</b>	—	( 563,000)	( 563,000)
		---	-----	-----
<b>Total investments by and distributions to owners</b>		—	( 563,000)	( 563,000)
<b>At 30 September 2020</b>		100	20,267,233	20,267,333
Profit for the year			3,251,900	3,251,900
		---	-----	-----
<b>Total comprehensive income for the year</b>		—	3,251,900	3,251,900
Dividends paid and payable	<b>13</b>	—	( 260,000)	( 260,000)
		---	-----	-----
<b>Total investments by and distributions to owners</b>		—	( 260,000)	( 260,000)
		---	-----	-----
<b>At 30 September 2021</b>		100	23,259,133	23,259,233
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# Galamast Limited

## Statement of Cash Flows

Year ended 30 September 2021

	2021	2020
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,251,900	2,735,355
<i>Adjustments for:</i>		
Depreciation of tangible assets	144,016	47,898
Government grant income	( 7,967)	( 794,774)
Other interest receivable and similar income	—	( 12,201)
Interest payable and similar expenses	2,641	1,239
Loss on disposal of tangible assets	26,934	—
Tax on profit	781,354	665,738
Accrued (income)/expenses	( 207,536)	85,215
<i>Changes in:</i>		
Trade and other debtors	( 1,066,923)	2,507,751
Trade and other creditors	1,348,310	( 1,312,615)
Cash generated from operations	4,272,729	3,923,606
Interest paid	( 2,641)	( 1,239)
Interest received	—	12,201
Tax paid	( 781,354)	( 1,233,214)
Net cash from operating activities	3,488,734	2,701,354
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	( 4,670,581)	( 3,447,332)
Proceeds from sale of tangible assets	30,419	—
Net cash used in investing activities	( 4,640,162)	( 3,447,332)
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	673	( 12,467)
Government grant income	7,967	794,774
Payments of finance lease liabilities	211,239	( 22,593)
Dividends paid	( 260,000)	( 563,000)
Net cash (used in)/from financing activities	( 40,121)	196,714
<b>Net decrease in cash and cash equivalents</b>	( 1,191,549)	( 549,264)
<b>Cash and cash equivalents at beginning of year</b>	5,976,462	6,525,726
<b>Cash and cash equivalents at end of year</b>	4,784,913	5,976,462

# **Galamast Limited**

## **Notes to the Financial Statements**

**Year ended 30 September 2021**

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### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Park House, 61A Cowper Road, Bromley, Kent, BR2 9RT.

### **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.

The financial statements are rounded to the nearest £1.

#### **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. Significant judgements The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows: Useful economic life of tangible assets: the annual depreciation charge is sensitive to changes in the estimated economic lives and residual value of tangible fixed assets. Management re-assess these annually and amend them where necessary to reflect current estimates. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources 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 are as follows: Impairment of debtors: the main contractors for whom the company carried out work make a retention of between 3%-5% of each incremental valuation. This retention is then held for a period of at least twelve months and sometimes longer pending the completion of the contract in question. When assessing the recoverability of these retention debtors, management consider the success or otherwise of the contract, the likelihood of remedial works necessary and experience of the recoverability on earlier contracts. The value of retentions at the year end is £392,297 (2020 £154,468) Work in progress: at any particular time the company will have carried out work and incurred costs against a contract which have not been agreed, for whatever reason, with the main contractor. Management must therefore estimate the value of such works and the recoverability.

**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. Turnover represents amounts certified by main contractors in respect of work done on long term contracts, and for other works, amounts invoiced excluding Value Added Tax.

**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.

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

**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:

Freehold property	-	0.5% straight line
Fixtures and fittings	-	50% straight line
Motor vehicles	-	25-33% reducing balance

## **Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

## **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

## **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

**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 company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Defined contribution plans**

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

#### **4. Turnover**

Turnover arises from:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Construction contracts	54,728,709	48,360,822

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

#### **5. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Rental income	406,588	213,642
Government grant income	7,967	794,774
	414,555	1,008,416

#### **6. Operating profit**

Operating profit or loss is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible assets	144,016	47,898
Loss on disposal of tangible assets	26,934	—

#### **7. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the financial statements	14,500	14,000

## 8. Staff costs

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

	2021	2020
	No.	No.
Production staff	191	207
Administrative staff	24	23
	----	----
	215	230
	----	----

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

	2021	2020
	£	£
Wages and salaries	9,741,859	9,319,991
Social security costs	1,056,245	991,320
Other pension costs	228,475	224,984
	-----	-----
	11,026,579	10,536,295
	-----	-----

## 9. Directors' remuneration

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

	2021	2020
	£	£
Remuneration	119,253	119,253
Company contributions to defined contribution pension plans	19,301	22,827
	-----	-----
	138,554	142,080
	-----	-----

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

	2021	2020
	No.	No.
Defined contribution plans	2	2
	----	----

## 10. Other interest receivable and similar income

	2021	2020
	£	£
Other interest receivable and similar income	—	12,201
	----	-----

## 11. Interest payable and similar expenses

	2021	2020
	£	£
Interest on obligations under finance leases and hire purchase contracts	2,641	310
Other interest payable and similar charges	—	929
	-----	-----
	2,641	1,239
	-----	-----

## 12. Tax on profit

### Major components of tax expense

	2021	2020
	£	£
<b>Current tax:</b>		
UK current tax expense	781,354	665,909
Adjustments in respect of prior periods	—	( 171)
	-----	-----
Total current tax	781,354	665,738
	-----	-----
<b>Tax on profit</b>	<b>781,354</b>	<b>665,738</b>
	-----	-----

### Reconciliation of tax expense

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

	2021	2020
	£	£
Profit on ordinary activities before taxation	4,033,254	3,401,093
	-----	-----
Profit on ordinary activities by rate of tax	766,318	646,207
Adjustment to tax charge in respect of prior periods	—	( 171)
Effect of expenses not deductible for tax purposes	13,219	15,521
Effect of capital allowances and depreciation	1,817	4,181
	-----	-----
Tax on profit	781,354	665,738
	-----	-----

## 13. Dividends

	2021	2020
	£	£
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year )	260,000	563,000
Dividends proposed after the year end and not recognised as a liability	55,070	72,000
	-----	-----

#### 14. Tangible assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 October 2020	14,236,139	42,837	976,700	15,255,676
Additions	4,220,521	—	450,060	4,670,581
Disposals	—	—	( 608,983)	( 608,983)
	-----	-----	-----	-----
<b>At 30 September 2021</b>	<b>18,456,660</b>	<b>42,837</b>	<b>817,777</b>	<b>19,317,274</b>
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 October 2020	21,125	35,037	864,996	921,158
Charge for the year	—	3,790	140,226	144,016
Disposals	—	—	( 551,630)	( 551,630)
	-----	-----	-----	-----
<b>At 30 September 2021</b>	<b>21,125</b>	<b>38,827</b>	<b>453,592</b>	<b>513,544</b>
	-----	-----	-----	-----
<b>Carrying amount</b>				
<b>At 30 September 2021</b>	<b>18,435,535</b>	<b>4,010</b>	<b>364,185</b>	<b>18,803,730</b>
	-----	-----	-----	-----
At 30 September 2020	14,215,014	7,800	111,704	14,334,518
	-----	-----	-----	-----

Included within the above is investment property as follows:

	£
At 1 October 2020	14,031,139
Additions	4,220,521
	-----
<b>At 30 September 2021</b>	<b>18,251,660</b>
	-----

The investment properties were valued by the directors in 2021 at open market value for existing use basis. The investment properties will be valued by an independent valuer every 3-5 years in line with the accounting policy.

#### 15. Debtors

	2021 £	2020 £
Trade debtors	5,498,208	3,786,788
Other debtors	10,000	654,497
	-----	-----
	<b>5,508,208</b>	<b>4,441,285</b>
	-----	-----

#### 16. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,667,917	2,858,969
Accruals and deferred income	47,758	255,294
Social security and other taxes	1,261,243	921,429
Obligations under finance leases and hire purchase contracts	78,993	—
Director loan accounts	3,133	2,460
Other creditors	369,328	169,780
	-----	-----
	<b>5,428,372</b>	<b>4,207,932</b>
	-----	-----

**17. Creditors: amounts falling due after more than one year**

	2021	2020
	£	£
Obligations under finance leases and hire purchase contracts	132,246	—
	.....	....

**18. Finance leases and hire purchase contracts**

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2021	2020
	£	£
Not later than 1 year	78,993	—
Later than 1 year and not later than 5 years	132,246	—
	.....	....
	211,239	—
	.....	....

**19. Provisions**

	Warranties
	£
At 1 October 2020 and 30 September 2021	277,000
	.....

**20. Employee benefits****Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 228,475 (2020: £ 224,984 ).

**21. Government grants**

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

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	7,967	794,774
	.....	.....

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

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

**23. Reserves**

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

## 24. Analysis of changes in net debt

	At 1 Oct 2020	Cash flows	At 30 Sep 2021
	£	£	£
Cash at bank and in hand	5,976,462	(1,191,549)	4,784,913
Debt due within one year	(2,460)	(79,666)	(82,126)
Debt due after one year	—	(132,246)	(132,246)
	5,974,002	( 1,403,461)	4,570,541

## 25. Capital commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2021	2020
	£	£
Tangible assets	182,910	33,595

## 26. Operating leases

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

	2021	2020
	£	£
Not later than 1 year	66,682	—
Later than 1 year and not later than 5 years	7,145	—
	73,827	—

## 27. Charges on assets

The finance leases and hire purchase contracts are secured on the assets to which they relate.

## 28. Directors' advances, credits and guarantees

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

	2021			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr M F Gallagher	( 2,563)	160,683	( 161,125)	( 3,005)
Mr K T Masterson	103	138,018	( 138,249)	( 128)
	( 2,460)	298,701	( 299,374)	( 3,133)

  

	2020			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr M F Gallagher	( 14,827)	213,389	( 201,125)	( 2,563)
Mr K T Masterson	( 101)	209,954	( 209,750)	103
	( 14,928)	423,343	( 410,875)	( 2,460)

## 29. Controlling party

The company is under the control of Mr M F Gallagher and Mr K T Masterson . Dividends of £260,000 (2020 - £563,000) were paid to directors during the year.

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