

SIM BUILDING GROUP LIMITED

**UNAUDITED FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH REGISTRAR
FOR THE YEAR ENDED 30 APRIL 2022**

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COMPANIES HOUSE

Sim Building Group Limited

Company Information

Directors

Martin H Sim
John C Greig
Michael V Thewlis

Company Secretary

Martin H Sim

Registered Number

SC129108

Registered Office

1 Roman Road
Kirkintilloch
Glasgow
G66 1DY

Bankers

Royal Bank of Scotland
116 Cowgate
Kirkintilloch
Glasgow
G66 1JX

Solicitors

Gillespie Macandrew LLP
Level 3
163 West George Street
Glasgow
G2 2JJ

Sim Building Group Limited

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Sim Building Group Limited

Balance sheet As at 30 April 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	21,412	46,718
		<u>21,412</u>	<u>46,718</u>
Current assets			
Debtors: amounts falling due within one year	6	1,369,914	1,372,676
Cash at bank and in hand	7	297,277	620,312
		<u>1,667,191</u>	<u>1,992,988</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(829,799)	(937,820)
Net current assets		<u>837,392</u>	<u>1,055,168</u>
Total assets less current liabilities		858,804	1,101,886
Non-current liabilities			
Interest bearing loans	9	(179,167)	(229,166)
Deferred tax		(3,868)	(3,868)
Provisions	10	(40,551)	(65,560)
		<u>(223,586)</u>	<u>(298,594)</u>
Net assets		<u>635,218</u>	<u>803,292</u>

Sim Building Group Limited

Balance sheet

As at 30 April 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	11	25,000	25,000
Profit and loss account		610,218	778,292
		<u>635,218</u>	<u>803,292</u>

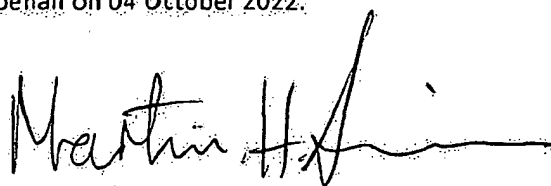
The directors of the Company have elected not to include a copy of the profit and loss account within the financial statements.

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 04 October 2022.



Martin H Sim
Director

The notes on pages 3 to 10 form part of these financial statements

Notes to the financial statements
For the year ended 30 April 2022

1 General information

The Company is a private company limited by shares and is incorporated in Scotland. The address of its registered office is 1 Roman Road, Kirkintilloch, Glasgow, G66 1DY. The Company's principal activity is building contracting.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Revenue

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

2.3 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

2.4 Finance costs

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument

2 Accounting policies (continued)

2.5 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met;

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 Accounting policies (continued)

2.7 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	over 3 years
Motor vehicles	over 3 to 4 years
Fixtures and fittings	over 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

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

2 Accounting policies (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.12 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

Notes to the financial statements
For the year ended 30 April 2022

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments and estimates have had the most significant effect on amounts recognised in the financial statements:

Long-term contracts

The assessment of long-term contracts requires estimates to be made of the margin expected to be achieved. Management base this assessment on detailed costings and progress reports and their experience of similar contracts in the past. Adjustments are made to reflect any after date events which have a significant impact on the final margins expected to be achieved.

Provisions

Provisions are recognised when the Company has an obligation, as a result of a past event, that can be measured reliably and where the outcome is less than probable, but more than remote, no provision is recorded but a contingent liability is disclosed in the financial statements if material. The recording of provisions is an area which requires management to exercise judgement relating to the nature, timing and probability of the liability.

4 Employees

The average monthly number of employees, including directors, during the year was 17 (2021 - 20).

Sim Building Group Limited

Notes to the financial statements For the year ended 30 April 2022

5 Tangible fixed assets

	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
	£	£	£	£
Cost or valuation				
At 1 May 2021	42,334	86,813	7,244	136,391
Additions	-	-	-	-
Disposals	(13,937)	-	(524)	(14,461)
At 30 April 2022	28,397	86,813	6,720	121,930
Depreciation				
At 1 May 2021	19,368	67,770	2,535	89,673
Charge for the year	9,631	13,702	1,964	25,297
Disposals	(13,930)	-	(522)	(14,452)
At 30 April 2022	15,069	81,472	3,977	100,518
Net book value				
At 30 April 2022	13,328	5,341	2,743	21,412
At 30 April 2021	22,966	19,043	4,709	46,718

6 Debtors

	2022	2021
	£	£
Trade debtors	469,053	370,435
Amounts owed by group undertakings	-	111,379
Prepayments and accrued income	61,237	134,494
Amounts recoverable on long-term contracts	839,624	756,368
	<u>1,369,914</u>	<u>1,372,676</u>

Sim Building Group Limited

Notes to the financial statements For the year ended 30 April 2022

7 Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>297,277</u>	<u>620,312</u>

8 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	446,215	712,070
Amounts owed to group undertakings	177,712	4
Corporation tax	-	-
Interest bearing loans	50,000	20,834
Other taxation and social security	53,762	25,209
Accruals and deferred income	102,110	179,703
	<u>829,799</u>	<u>937,820</u>

Details of security provided for the bank loan are given in note 9.

9 Interest bearing loans

The bank term loan of £250,000 is repayable in 60 equal instalments which commenced in December 2021. Interest, which commenced in November 2021, is charged at a rate of 3.35% for the first five years of the loan and thereafter at 3.05% over base rate.

The loan is secured by a bond and floating charge over the assets of the Company and by a guarantee provided by the parent company, Sim (Group Holdings) Limited.

10 Provisions

	Provision for Remedial Works £
At 1 May 2021	65,560
Deducted during year	<u>(25,009)</u>
At 30 April 2022	<u>40,551</u>

Sim Building Group Limited

Notes to the financial statements For the year ended 30 April 2022

11 Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
25,000 (2020 – 25,000) Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

12 Commitments under operating leases

As at 30 April 2022 the Company had future minimum lease payments under non-cancellable leases as follows:

	2022	2021
	£	£
Property related – due within 1 year	18,500	18,500
Property related – due outwith 1 year	3,854	22,354
Motor vehicle – due within 1 year	6,620	6,620
Motor vehicle – due outwith 1 year	<u>2,207</u>	<u>9,930</u>

13 Pension commitments

The Company operates a defined contribution pension plan. The assets of the plan are held separately from those of the Company in a separately administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £22,384 (2021 - £24,974). Contributions totalling £2,334 (2021 - £2,353) were payable to the fund at the balance sheet date.

14 Related party transactions

During the year the Company paid rent of £18,500 (2021 - £18,500) to a Small Self-administered Pension Scheme, held for the benefit of Martin Sim.

15 Controlling party

Sim (Group Holdings) Limited is the Company's ultimate parent undertaking. Its registered office is 1 Roman Road, Kirkintilloch, Glasgow, G66 1DY.

The ultimate controlling party is Martin H Sim