

Company Registration No. SC330741 (Scotland)

MCGILL FACILITIES MANAGEMENT LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PAGES FOR FILING WITH REGISTRAR

MCGILL FACILITIES MANAGEMENT LIMITED

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MCGILL FACILITIES MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		423,596		473,766
Tangible assets	5		9,386		29,082
Investments	6		41,083		41,083
			<u>474,065</u>		<u>543,931</u>
Current assets					
Stocks		4,486		4,486	
Debtors	8	2,626,707		1,569,917	
Cash at bank and in hand		156,331		463,486	
		<u>2,787,524</u>		<u>2,037,889</u>	
Creditors: amounts falling due within one year	9	<u>(1,239,205)</u>		<u>(1,175,757)</u>	
Net current assets			<u>1,548,319</u>		<u>862,132</u>
Total assets less current liabilities			<u>2,022,384</u>		<u>1,406,063</u>
Creditors: amounts falling due after more than one year	10		(630,080)		(21,318)
Provisions for liabilities			<u>(4,965)</u>		<u>(4,965)</u>
Net assets			<u><u>1,387,339</u></u>		<u><u>1,379,780</u></u>
Capital and reserves					
Called up share capital	12		22,500		22,500
Share premium account			427,500		427,500
Profit and loss reserves			937,339		929,780
Total equity			<u><u>1,387,339</u></u>		<u><u>1,379,780</u></u>

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

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

MCGILL FACILITIES MANAGEMENT LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The financial statements were approved by the board of directors and authorised for issue on 24 December 2021 and are signed on its behalf by:

Mr E Lawrie
Director

Company Registration No. SC330741

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

McGill Facilities Management Limited is a private company limited by shares incorporated in Scotland. The registered office is Affinity Business Centre, Affinity House, Harrison Road, Dundee, United Kingdom, DD2 3SN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

In satisfaction of this responsibility, they have reviewed the current and future financial position of the company and its ability to meet its liabilities as they fall due. This assessment considered the company's principal risks and uncertainties, including those in respect of Covid-19.

Following their review, the directors have a reasonable expectation that the company has adequate resources, including support available from related party entities, to continue in operational existence for the foreseeable future.

As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when this can be estimated reliably. The stage of completion is based on internal surveys of work performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% on cost
Office equipment	25% on cost
Motor vehicles	33.33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements and estimates

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Contract revenue

Recognised amounts of revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. Estimates of revenues or stage of completion are revised as circumstances change. Any resulting increases or decreases in estimated are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Provisions

The directors assess whether there are any indicators of impairment for all financial and non-financial assets at each reporting date. Assets are tested for impairment where there are indicators that the carrying amounts are not recoverable and an estimate over the recoverable amount of the asset is made. Differences between the book value of the assets and its estimated recoverable amount are booked as provisions. Provisions are recognised on Amounts recoverable from contracts, Trade debtors and retentions.

Goodwill amortisation

Following the prior year acquisition of the company, the directors have reviewed the remaining useful life of Goodwill and have considered that it has a remaining expected life of 10 years. All changes to the amortisation of Goodwill are recognised in the period of revision and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	50	41

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Intangible fixed assets	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	1,003,391
Amortisation and impairment	
At 1 April 2020	529,625
Amortisation charged for the year	50,170
At 31 March 2021	579,795
Carrying amount	
At 31 March 2021	423,596
At 31 March 2020	473,766

5 Tangible fixed assets	Plant and equipment	Office equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	3,384	29,072	185,540	217,996
Additions	-	1,372	-	1,372
At 31 March 2021	3,384	30,444	185,540	219,368
Depreciation and impairment				
At 1 April 2020	3,384	24,707	160,823	188,914
Depreciation charged in the year	-	1,366	19,702	21,068
At 31 March 2021	3,384	26,073	180,525	209,982
Carrying amount				
At 31 March 2021	-	4,371	5,015	9,386
At 31 March 2020	-	4,365	24,717	29,082

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Motor vehicles	5,015	24,717
	5,015	24,717

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6	Fixed asset investments		
		2021	2020
		£	£
	Shares in group undertakings and participating interests	41,083	41,083
		<u> </u>	<u> </u>

7 Joint ventures

Details of the company's joint ventures at 31 March 2021 are as follows:

Name of undertaking	Registered office	Interest held	% Held Direct
Alliance Property Developments (Scotland) Limited	Auld Craichie Inn, Forfar, Angus DD8 2LU	Ordinary	50.00

8 Debtors

		2021	2020
		£	£
	Amounts falling due within one year:		
	Trade debtors	853,651	1,101,840
	Gross amounts owed by contract customers	514,370	75,745
	Amounts owed by group undertakings	1,244,582	391,185
	Prepayments and accrued income	14,104	1,147
		<u> </u>	<u> </u>
		<u>2,626,707</u>	<u>1,569,917</u>

9 Creditors: amounts falling due within one year

		2021	2020
		£	£
	Bank loans and overdrafts	316,431	154,553
	Obligations under finance leases	19,116	24,748
	Trade creditors	493,758	544,862
	Corporation tax	107,993	103,100
	Other taxation and social security	254,211	261,014
	Other creditors	34,296	37,171
	Accruals and deferred income	13,400	50,309
		<u> </u>	<u> </u>
		<u>1,239,205</u>	<u>1,175,757</u>

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	11	625,000	-
Obligations under finance leases		5,080	21,318
		<u>630,080</u>	<u>21,318</u>

11 Loans and overdrafts

	2021 £	2020 £
Bank loans	750,000	-
Bank overdrafts	191,431	154,553
	<u>941,431</u>	<u>154,553</u>
Payable within one year	316,431	154,553
Payable after one year	625,000	-
	<u>625,000</u>	<u>-</u>

Bank overdrafts are represented by the company's invoice discount facility. This facility is secured by fixed charge over the company's debtors, by bond and floating charge over the assets of the company and indemnities provided by fellow group companies and directors.

Bank loan is a lending facility obtained under the Coronavirus Business Interruption Loan Scheme (CBILS) during the year. The loan is subject to interest of 1.43% over base rate and a final repayment date 6 years after draw down. The loan is 100% guaranteed by the UK Government and the first twelve months of payments are covered by the UK Government, meaning that the company does not need to make any repayments for twelve months.

Bank loans are secured by a bond and floating charge in favour of The Bank of Scotland over all company assets.

12 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	22,500	22,500	22,500	22,500
	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>	<u>22,500</u>

The company has one class of ordinary share. One share equals one vote, each having rights to dividends. There are no rights attached to shares on winding-up or redemption rights.

13 Financial commitments, guarantees and contingent liabilities

The invoice discounting facilities of fellow group companies are secured by indemnities provided by the company. At the year end, the total amount of indemnities provided by the company amounted to £190,486 (2020 - £154,553).

MCGILL FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Events after the reporting date

On 1 April 2021, the trade and employees of McGill Scotland Limited, a fellow subsidiary, were hived across into McGill Facilities Management Limited.

Further to this, subsequent to the year end, the company acquired 100% of the share capital of The McDougall Group Limited. The company also acquired the trade and assets of Kingdom Gas, a sole trader.

15 Related party transactions

Transactions with related parties

At the year end the company was owed £1,244,582 in loans from group companies (2020 - £391,185).

During the year the company paid management fees to its parent company amounting to £191,667 (2020 - £70,000).

16 Directors' transactions

At the balance sheet date Mr EJ Lawrie was due £34,296 (2020 - £34,296) in loans from the company.

17 Parent company

The company's parent is United Capital Investments Limited, a company registered in Scotland under registration number SC494880. United Capital Investments Limited is under the joint control of Mr G Carling and Mrs L Carling by virtue of their shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.