

WINGNUT UTILITIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

Company Registration No. 03368473 (England and Wales)

WINGNUT UTILITIES LIMITED

COMPANY INFORMATION

Directors Mr P Lambert
Mr C Marenghi

Company number 03368473

Registered office 7-9 Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SN

Auditor Champion Accountants LLP
7-9 Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SN

WINGNUT UTILITIES LIMITED

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WINGNUT UTILITIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present the strategic report for the year ended 31 March 2024.

Review of the business

In the year to 31 March 2024 turnover increased from £17,425,236 to £20,382,630. Our gross margin increased from 48.6% to 51.9%. Overall, we have seen our margin increase by £2,108,574.

Administrative expenses increased by £4,838,268 to £6,989,629. The increase in administrative expenses was a result of the increasing in staffing levels and associated costs.

As a result of these factors, the company has reported decreased profits before tax of £3,586,223 (2023: £6,316,781).

At the year end, the company has shareholders' funds of £8,675,671 (2023: £6,004,495). The directors therefore believe the company's position to be strong with current assets exceeding its current liabilities by £8,069,808 (2023: £5,508,801) and consider that the business has created a great platform to achieve its strategic aims in the coming year.

Debtors have increased by £1,858,862 (2023: increased by £682,876).

Creditors falling due within one year have increased by £635,416 (2023: increased by £1,394,749).

Tight control over debtors and creditors has resulted in cash balances increasing by £1,361,111 to £8,342,002.

Principal risks and uncertainties

The directors have assessed the main risk facing the company as increased competition, and the current economic outlook relating to inflation and interest rates. The directors believe that the quality of service and relationship with key customers will help to overcome such risks and see satisfactory trading results in the coming year.

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company. The company finances its operations through retained profits.

The management's objectives are to:

1. retain sufficient liquid funds to enable it to meet its day-to-day obligations as they fall due whilst maximising returns on surplus funds; and
2. minimise the company's exposure to fluctuating interest rates when seeking new borrowings.

Where appropriate, funds are invested in sterling treasury deposit accounts. There is therefore no price risk exposure.

Development and performance

The directors believe the company will continue to trade successfully in the foreseeable future.

On behalf of the board

Mr P Lambert
Director

17 December 2024

WINGNUT UTILITIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

Principal activities

The principal activity of the company continued to be that of the provision of groundwork in respect of underground cabling.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Lambert
Mr C Marenghi

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr P Lambert
Director

Mr C Marenghi
Director

17 December 2024

WINGNUT UTILITIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

The directors are responsible for preparing the annual 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 of 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WINGNUT UTILITIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINGNUT UTILITIES LIMITED

Qualified opinion on financial statements

We have audited the financial statements of Wingnut Utilities Limited (the 'company') for the year ended 31 March 2024 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

This is a first year that the company is required to be audited, meaning the previous years financial statements weren't audited. As a result of the previous years financial statements not being audited we have not been able to gain sufficient audit evidence to support the opening balances or comparatives.

In addition, were any adjustments to the opening balances or comparatives to be required, the strategic report would also need to be amended.

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

WINGNUT UTILITIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WINGNUT UTILITIES LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The responsibility for the prevention and detection of irregularities, including fraud, lies with the directors and with those charged with governance. The objectives of our audit in respect of irregularities and fraud are to assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient, appropriate audit evidence regarding the assessed risks and to respond appropriately to fraud or suspected fraud identified during the audit.

WINGNUT UTILITIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WINGNUT UTILITIES LIMITED (CONTINUED)

We determine significant applicable laws and regulations through discussion with those charged with governance and our own knowledge of the industry and design audit procedures to help identify instances of non-compliance with those laws and regulations that may have a material effect on the financial statements.

We consider the applicable laws and regulations to be the financial reporting framework (FRS 102 and the Companies Act 2006), the relevant tax regulations in the UK, employment law and the Health and Safety at Work Act 1974.

We consider the control environment and the procedures in place to address identified risks, including management override, non-compliance with laws and regulations and to prevent and detect fraud or irregularity. Our procedures are designed to provide reasonable assurance that the financial statements are free from material misstatement or error and include: enquiries of management and of staff in key compliance functions; review of minutes of meetings of those charged with governance; review and testing of manual journals and significant transactions outside the normal course of business; review of financial statement disclosures and testing to supporting documentation; performance of analytical procedures.

We are not responsible for preventing non-compliance and due to the inherent limitations of an audit, as described above, the audit cannot be relied upon to detect all instances of non-compliance with laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Peter Buck FCA, DChA
Senior Statutory Auditor
For and on behalf of Champion Accountants LLP

17 December 2024

Chartered Accountants
Statutory Auditor

7-9 Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SN

WINGNUT UTILITIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover	3	20,382,630	17,425,236
Cost of sales		(9,794,504)	(8,945,684)
Gross profit		10,588,126	8,479,552
Administrative expenses		(6,989,629)	(2,151,361)
Operating profit	4	3,598,497	6,328,191
Interest receivable and similar income	7	34,191	12,881
Interest payable and similar expenses	8	(46,465)	(24,291)
Profit before taxation		3,586,223	6,316,781
Tax on profit	9	(898,768)	(1,244,759)
Profit for the financial year		2,687,455	5,072,022

The income statement has been prepared on the basis that all operations are continuing operations.

WINGNUT UTILITIES LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		946,555		960,045
Current assets					
Stocks	12	-		23,550	
Debtors	13	3,737,394		1,822,124	
Cash at bank and in hand		8,342,002		6,980,891	
		<u>12,079,396</u>		<u>8,826,565</u>	
Creditors: amounts falling due within one year	14	<u>(3,993,309)</u>		<u>(3,317,764)</u>	
Net current assets			<u>8,086,087</u>		<u>5,508,801</u>
Total assets less current liabilities			<u>9,032,642</u>		<u>6,468,846</u>
Creditors: amounts falling due after more than one year	15		<u>(134,976)</u>		<u>(257,566)</u>
Provisions for liabilities					
Deferred tax liability	18	205,640		206,709	
		<u>(205,640)</u>		<u>(206,709)</u>	
Net assets			<u>8,692,026</u>		<u>6,004,571</u>
Capital and reserves					
Called up share capital	20		76		76
Profit and loss reserves			<u>8,691,950</u>		<u>6,004,495</u>
Total equity			<u>8,692,026</u>		<u>6,004,571</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 17 December 2024 and are signed on its behalf by:

Mr P Lambert
Director

Mr C Marengi
Director

Company registration number 03368473 (England and Wales)

WINGNUT UTILITIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 April 2022	100	1,407,615	1,407,715
Year ended 31 March 2023:			
Profit and total comprehensive income	-	5,072,022	5,072,022
Dividends	10	(131,000)	(131,000)
Own shares acquired	-	(344,166)	(344,166)
Reduction of shares	20	24	-
Balance at 31 March 2023	76	6,004,495	6,004,571
Year ended 31 March 2024:			
Profit and total comprehensive income	-	2,687,455	2,687,455
Balance at 31 March 2024	76	8,691,950	8,692,026

WINGNUT UTILITIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23	4,235,407		6,382,062	
Interest paid		(46,465)		(24,291)	
Income taxes paid		(1,775,256)		(36,011)	
Net cash inflow from operating activities		2,413,686		6,321,760	
Investing activities					
Purchase of tangible fixed assets		(340,178)		(871,602)	
Proceeds from disposal of tangible fixed assets		45,000		-	
Repayment of loans		(630,118)		(403,317)	
Interest received		34,191		12,881	
Net cash used in investing activities		(891,105)		(1,262,038)	
Financing activities					
Purchase of treasury shares		-		(344,166)	
Repayment of borrowings		(43,946)		74,496	
Payment of finance leases obligations		(117,524)		388,738	
Dividends paid		-		(131,000)	
Net cash used in financing activities		(161,470)		(11,932)	
Net increase in cash and cash equivalents		1,361,111		5,047,790	
Cash and cash equivalents at beginning of year		6,980,891		1,933,101	
Cash and cash equivalents at end of year		8,342,002		6,980,891	

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

Wingnut Utilities Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7-9 Station Road, Hesketh Bank, Preston, Lancashire, PR4 6SN.

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.

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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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 services provided is recognised when the work is completed. Services provided cover set periods and any services that are in progress at the period end are apportioned for based on the working days completed as at the period end. This apportionment is included in the financial statements as accrued income and not work in progress as it is valued at the net realisable value.

1.4 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	25% reducing balance
Office equipment	3 years straight line
Motor vehicles	25% reducing balance

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.

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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.

1.6 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.

1.7 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.

1.8 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 statement of financial position 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.

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 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.

1.10 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 income statement 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 income statement, 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.

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.11 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.

1.12 Retirement benefits

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

1.13 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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss on a straight line basis.

1.14 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.

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.

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of fixed assets

Depreciation is provided to write down the assets over the estimated economic useful lives as set out in the Company's accounting policies. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives change, then depreciation charges and carrying value of fixed assets in the financial statements would change accordingly.

Accrued income

Accrued income is valued at net realisable value. Net realisable value includes, where necessary, apportionment of the value across the period of service. Calculation of the apportionment requires judgements to be made, which include number of working days, the nature of the work, and cut-off periods.

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by class of business		
Infrastructure installation	20,382,630	17,425,236
	<u>20,382,630</u>	<u>17,425,236</u>
	2024	2023
	£	£
Other revenue		
Interest income	34,191	12,881
	<u>34,191</u>	<u>12,881</u>

4 Operating profit

	2024	2023
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	10,250	-
Depreciation of owned tangible fixed assets	126,801	95,435
Depreciation of tangible fixed assets held under finance leases	168,046	109,546
Loss on disposal of tangible fixed assets	13,821	37,488
	<u>318,918</u>	<u>242,469</u>

5 Employees

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

	2024	2023
	Number	Number
Employees	42	28
	<u>42</u>	<u>28</u>

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

5 Employees (Continued)

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	5,234,532	1,111,525
Social security costs	663,281	113,465
Pension costs	32,289	28,739
	<u>5,930,102</u>	<u>1,253,729</u>

6 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	<u>3,726,923</u>	<u>9,096</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024	2023
	£	£
Remuneration for qualifying services	<u>1,909,920</u>	<u>-</u>

As total directors' remuneration was less than £200,000 in the previous year, no disclosure is provided for that year.

7 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	603	-
Other interest income	33,588	12,881
Total income	<u>34,191</u>	<u>12,881</u>

	2024	2023
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>603</u>	<u>-</u>

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8	Interest payable and similar expenses	2024	2023
		£	£
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	27,948	19,387
	Other interest	18,517	4,904
		<u>46,465</u>	<u>24,291</u>

9	Taxation	2024	2023
		£	£
	Current tax		
	UK corporation tax on profits for the current period	899,837	1,098,364
		<u>899,837</u>	<u>1,098,364</u>
	Deferred tax		
	Origination and reversal of timing differences	(1,069)	127,349
	Changes in tax rates	-	19,046
		<u>(1,069)</u>	<u>146,395</u>
	Total deferred tax	(1,069)	146,395
		<u>(1,069)</u>	<u>146,395</u>
	Total tax charge	<u>898,768</u>	<u>1,244,759</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Profit before taxation	<u>3,586,223</u>	<u>6,316,781</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	896,556	1,200,188
Tax effect of expenses that are not deductible in determining taxable profit	8,850	3,808
Effect of change in corporation tax rate	-	19,046
Permanent capital allowances in excess of depreciation	(6,638)	21,717
	<u>898,768</u>	<u>1,244,759</u>
Taxation charge for the year	<u>898,768</u>	<u>1,244,759</u>

10	Dividends	2024	2023
		£	£
	Final paid	-	131,000
		<u>-</u>	<u>131,000</u>

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

11 Tangible fixed assets

	Plant and equipment	Office equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2023	147,066	34,261	1,077,414	1,258,741
Additions	46,420	46,558	247,200	340,178
Disposals	-	-	(133,250)	(133,250)
Transfers	93,000	-	(93,000)	-
At 31 March 2024	286,486	80,819	1,098,364	1,465,669
Depreciation and impairment				
At 1 April 2023	39,734	9,605	249,357	298,696
Depreciation charged in the year	56,457	19,776	218,614	294,847
Eliminated in respect of disposals	-	-	(74,429)	(74,429)
Transfers	14,532	-	(14,532)	-
At 31 March 2024	110,723	29,381	379,010	519,114
Carrying amount				
At 31 March 2024	175,763	51,438	719,354	946,555
At 31 March 2023	107,332	24,656	828,057	960,045

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

	2024 £	2023 £
Plant and equipment	35,436	47,248
Motor vehicles	509,253	525,350
	544,689	572,598

12 Stocks

	2024 £	2023 £
Raw materials and consumables	-	23,550

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

13 Debtors	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	4,918	4,446
Other debtors	1,719,479	725,513
Prepayments and accrued income	2,012,997	1,092,165
	<u>3,737,394</u>	<u>1,822,124</u>

Included within prepayments and accrued income is accrued income of £1,943,065 (2023: £1,077,600).

14 Creditors: amounts falling due within one year	2024	2023
Notes	£	£
Obligations under finance leases	17 235,056	260,540
Other borrowings	16 30,550	43,946
Trade creditors	477,118	475,507
Corporation tax	222,945	1,098,364
Other taxation and social security	80,381	581,616
Other creditors	539,676	722,668
Accruals	2,407,583	135,123
	<u>3,993,309</u>	<u>3,317,764</u>

Included within other creditors are retention creditors of £530,634 (2023: £728,668).

15 Creditors: amounts falling due after more than one year	2024	2023
Notes	£	£
Obligations under finance leases	17 134,976	227,016
Other borrowings	16 -	30,550
	<u>134,976</u>	<u>257,566</u>

16 Loans and overdrafts	2024	2023
	£	£
Other loans	30,550	74,496
	<u>30,550</u>	<u>74,496</u>
Payable within one year	30,550	43,946
Payable after one year	-	30,550
	<u>30,550</u>	<u>74,496</u>

The other loans are not secured.

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

16 Loans and overdrafts (Continued)

The other loans have been repaid in full in the period since the year end.

17 Finance lease obligations

	2024	2023
	£	£
Future minimum lease payments due under finance leases:		
Within one year	267,094	294,006
In two to five years	152,772	257,269
	<u>419,866</u>	<u>551,275</u>
Less: future finance charges	(49,834)	(63,719)
	<u>370,032</u>	<u>487,556</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2024	Liabilities 2023
	£	£
Balances:		
Accelerated capital allowances	<u>205,640</u>	<u>206,709</u>
		2024
Movements in the year:		£
Liability at 1 April 2023		206,709
Credit to profit or loss		(1,069)
Liability at 31 March 2024		<u>205,640</u>

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

19 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	32,289	28,739

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2024	2023	2024	2023
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary A of £1 each	38	52	38	52
Ordinary C of £1 each	38	24	38	24
	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>

21 Related party transactions

Balances with related parties

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed to related parties	
	2024	2023	2024	2023
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	37,806	37,806	-	-

22 Directors' transactions

At the year end the directors owed the company £1,178,624 (2023: £548,506), this is included in other debtors. Interest has been charged on this loan at 2.25%.

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
	2.25	257,724	1,194,311	8,372	(767,735)	692,672
	2.25	290,782	976,151	7,735	(788,716)	485,952
		<u>548,506</u>	<u>2,170,462</u>	<u>16,107</u>	<u>(1,556,451)</u>	<u>1,178,624</u>

WINGNUT UTILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

23 Cash generated from operations

	2024	2023
	£	£
Profit for the year after tax	2,687,455	5,072,022
Adjustments for:		
Taxation charged	898,768	1,244,759
Finance costs	46,465	24,291
Investment income	(34,191)	(12,881)
Loss on disposal of tangible fixed assets	13,821	37,488
Depreciation and impairment of tangible fixed assets	294,847	204,981
Movements in working capital:		
Decrease in stocks	23,550	862,580
Increase in debtors	(1,285,152)	(1,142,139)
Increase in creditors	1,589,844	90,961
Cash generated from operations	<u>4,235,407</u>	<u>6,382,062</u>

24 Analysis of changes in net funds

	1 April 2023	Cash flows	31 March 2024
	£	£	£
Cash at bank and in hand	6,980,891	1,361,111	8,342,002
Borrowings excluding overdrafts	(74,496)	43,946	(30,550)
Obligations under finance leases	(487,556)	117,524	(370,032)
	<u>6,418,839</u>	<u>1,522,581</u>	<u>7,941,420</u>

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.